CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
(EL PASO COUNTY)

BASIC FINANCIAL STATEMENTS

JUNE 30, 2011

CHEYENNE MOUNTAIN SCHOOL DISTRICT #12
(EL PASO COUNTY)
COLORADO SPRINGS, COLORADO

PRINCIPAL OFFICIALS

JUNE 30, 2011

BOARD OF EDUCATION

Jack Wiepking – President
Philip DeVries – Vice President
Sherryl Dillon – Secretary
Renee Steinwand – Treasurer
Steve Parker - Director

ADMINISTRATION

Walt Cooper – Superintendent
Bev Tarpley – Assistant Superintendent for Curriculum & Instruction
Natalie Morin – Director of Business Services

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
(Required Supplementary Information)

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2011

As management of Cheyenne Mountain School District 12 (the District) in Colorado Springs, Colorado, we offer readers of the District's report of independent certified public accountants this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011.

Financial Highlights

The District's primary government net assets are reported at $34.8 million, a 6.5% increase from fiscal year 2010. This includes assets totaling $64.2 million; the most significant of which are $20.2 million of cash and equity in pooled cash and investments, and $41.3 million of capital assets. The District's major liabilities include $3.7 million of accrued liabilities, which are predominantly accrued salaries, and $24 million of long-term debt including $2.9 million that will be paid in the next fiscal year.

Outstanding long-term debt decreased to $24 million from $26.6 million due to principal and interest payments during the fiscal year.

The overall ending fund balance for the District's governmental funds is $17.3 million, resulting in a 2.9% increase from the previous fiscal year.

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

Government-wide Statements

The government-wide financial statements are designed to provide readers with information about the District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net assets includes all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (i.e., uncollected taxes and retiree's sick leave payable).

In the government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities:** Most of the District's basic services are included here such as instruction, transportation, maintenance and operation, and administration. Taxes and intergovernmental revenues principally support these activities.

- **Business-type activities:** The food service program is intended to recover all or a significant portion of their costs through fees, charges, and governmental reimbursements.

The government-wide financial statements include not only the District itself (known as the "primary government") but also the legally separate charter school as a component unit of the District. Financial information for this component is reported separately from the financial information presented for the primary government itself with the exception of mandated fiscal allocations from the primary government to the component unit.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on its most significant funds, not the District as a whole. The District has four kinds of funds: governmental funds, enterprise funds, internal service funds, and agency funds.

- **Governmental funds:** Most of the District's basic services are included in governmental funds, which generally focus on (1) cash and other financial assets that can readily be converted into cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's programs.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Thus, readers may better understand the long-term impact of the government's near-term financing

decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide reconciliation to the government-wide financial statements in order to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the two major governmental funds, the general fund and the debt service fund. Data for the other five governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds (pupil activity fund, land fund, capital reserve fund, building fund and capital reserve project fund) is provided in the form of combining statements elsewhere in the report.

- **Enterprise funds:** The District maintains a single enterprise fund, the food service fund. This fund is used to account for operations that are financed and operated similar to private business enterprises, where the intent is that the cost of providing goods or services to the general public on a continuing basis can be financed or recovered primarily through user charges.

- **Internal service funds:** The District maintains a single internal service fund, the insurance reserve fund. This fund is used to account for the District's self insured dental plan. The activity in this fund is comprised of revenue from dental premiums and expenses due to claim settlements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District's annual appropriated budgets with comparison statements that demonstrate compliance with budget for the general fund.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of the District as a Whole

As noted earlier, net assets may serve over time as a useful indicator of the District's financial position. Sixty five percent of the District's assets are its investment in capital

assets (i.e., land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the District's net assets as of June 30, 2010 (in millions):

	Governmental Activities			Business-type Activities			Total		
	FY 09	FY 10	FY 11	FY 09	FY 10	FY 11	FY 09	FY10	FY11
Total assets	$62.7	$63	$64.2	$.2	$.2	$.2	$62.9	$63.3	$64.4
Total liabilities	33.2	30.7	29.6				33.2	30.7	29.6
Total net assets	29.5	32.3	34.6	.2	.2	.2	29.7	32.5	34.8

Governmental Activities

The primary source of operating revenue for school districts in Colorado comes from the School Finance Act of 1994, as amended (the Act). Under the Act the District received $6,462 per funded pupil in fiscal year 2011, a 3.8% decrease from fiscal year 2010. In fiscal year 2011 the funded pupil count was 4,440, a .8% decrease from the previous year. Funding for the Act comes from property taxes, specific ownership tax, and state equalization. The District received approximately 49% of this funding from state equalization, which is a decrease of 13% from fiscal year 2010. The remaining amount came from property taxes and specific ownership tax. The District's 2010 assessed valuation of $391.5 million represented a .13% increase from 2009, and it generated $16.9 million in fiscal year 2011, an increase in local revenue of 38.5%, to include a share of funding determined by the Act plus budget overrides and bond redemption payments authorized by local voters.

Business-type Activities

Business-type activities are made up of the food service fund. This program had total revenues of $560,010, a decrease of 25% from 2010, and expenses of $526,204, a decrease of 30% from 2010. Business-type activities receive no support from tax revenue.

Financial Analysis of the District's Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

At the end of fiscal year 2011, the District's governmental funds reported combined ending fund balances of $17.3 million, an increase of $494,186 in comparison with the prior fiscal year. The general fund had an increase in fund balance of $576,024; the debt service fund had a decrease in fund balance of $219,685 due to planned expenditures of reserved funds; and other funds had a combined increase of $137,847.

The general fund is the primary operating fund of the District. At year-end, the general fund maintained a balance of $11.6 million, equal to 40% of the District's fiscal year expenditures and allocations to other funds. In 2010 the general fund maintained a balance of $11 million, or 37% of fiscal year expenditures and allocations.

General Fund Budget Variance

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the general fund.

The general fund expenditure variance between original budget and final budget is a result of budgeted (appropriated) but not expended contingency and emergency reserve funds, which include state-mandated reserves.

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to $41.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and capital leases all with an original cost of greater than $5,000.

Additional information on the District's capital assets can be found in the notes to the basic financial statements.

Long-term Debt

At year-end, the District's long-term debt of $24 million consisted of the following:

Capital Lease Obligations	$ 236,743
Compensated Absences	317,066
General Obligation Bonds	23,474,740
Total	$24,028,549

Outstanding long-term debt decreased to $24 million from $26.6 million due to payment of principal and interest during the fiscal year.

Section 22-42-104 of the Colorado Revised Statutes limits the amount of bonded indebtedness to 20% of the latest valuation for assessment of the taxable property in the District, or 6% of the most recent determination of the actual value of the taxable property in the District as certified by the County Assessor to the Board of County Commissioners. The District's legal bonded debt limit as of June 30, 2011 was $78.3 million.

Economic Factors: School Finance Act Funding

The largest source of revenue for the District's operating funds is derived from the Public School Finance Act funding formula. In April, 1994, the Colorado Legislature enacted the Public School Finance Act of 1994 (the Act) which continued the goals of (1) establishing a financial base of support for public education, (2) moving toward a uniform mill tax levy for all school districts, and (3) limiting the future growth of and reliance on the property tax to support public education. It establishes a statewide base per pupil funding and adjusts that amount for individual school districts by recognizing differences in (1) personnel costs, (2) cost of living, and (3) school district size. Additional funding is also provided to school districts based upon the presence of at-risk pupils. The sources of funding the Act formula amount include (1) a portion of the specific ownership taxes traditionally flowing to school districts in addition to (2) local property taxes, and (3) state equalization payments. The District's funding, based on this formula, increased by 3.9%, 2.7% and decreased by 3.8% for fiscal years 2009, 2010 and 2011 respectively. The District's funded pupil count decreased by 1.2% in 2008-2009, decreased by .7% in 2009-2010 and decreased by .8% in 2010-2011.

In November, 2000, Colorado voters approved Amendment 23, "Funding for Public Schools", which requires that the statewide base per pupil funding and the total State funding for categorical programs increase by at least the rate of inflation plus one percent for the ten-year period beginning in fiscal year 2002, and by at least the rate of inflation thereafter. In addition, State revenues collected from a tax of one-third of one percent on federal taxable income shall be deposited into the State Education Fund. The State cannot use the State Education Fund monies to supplant the level of the Act funding and categorical funding appropriated in the State general fund existing for fiscal year 2000; and, for the ten-year period through fiscal year 2011, the State must annually increase its State federal fund support for the Act by a minimum of five percent. This State minimum general fund growth is not required in any fiscal year that Colorado personal income grows by less than four and one-half percent between the two previous calendar years. The State Education Fund monies can be used to fund what additional amounts are needed as required by Amendment 23 and any remaining funds can be used to support certain educational programs, as appropriated by the State General Assembly.

As stated above, the local share of the aggregate Act funding is to be paid from (1) school district property taxes levied at a rate defined by the Act in accordance with Article X, Section 20 of the State constitution (and certified no later than December 15) and (2) specific ownership taxes. Specific ownership tax revenue is defined as the amount of such revenue received by the District in the prior fiscal year excluding any such revenue

attributable to a bond redemption levy or override levy. Because of the impact of Article X, Section 20 of the State constitution ("TABOR") passed by the voters of Colorado in November 1992, the State's goal of achieving a uniform mill levy across all school districts has not been achievable. If a school district's assessed valuation grows at a rate greater than the combined change in the prior year Boulder-Denver consumer price index and the school district's enrollment, then the school district is required to reduce its mill levy. The District's assessed valuation increased .13% for the 2010 tax year (property tax collections due in calendar year 2011).

The State funds its share of each school district's Act funding by paying the difference between school district's formula amount and the amount of local property taxes to be collected by the school district (assuming no delinquencies) plus the amount of local specific ownership taxes collected the previous year. The effect of this formula is to make school districts increasingly dependent upon the State for funding of public education.

Economic Factors: Override Election Property Taxes

No school district may levy general fund taxes at a rate greater than that allowed by the Act unless authorized to do so at a general election or at a special election in November of odd-numbered years. The maximum amount of the revenue increase may not exceed 25% of the formula amount. Specific ownership tax revenue attributable to an override levy and to a bond redemption levy that is not used to satisfy bonded indebtedness must be applied toward the 25% override limit. In November of 1994, 1999, and 2003, the voters of the District approved overrides of $750,000; $950,000; and $1.4 million respectively, for an indefinite amount of time. According to calculations by the Colorado Department of Education, the District presently collects 30% of it's maximum override amount of $10,291,524.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cheyenne Mountain School District 12 Business Office, 1775 LaClede Street, Colorado Springs, CO 80905.

Johnson, Holscher & Company, P.C.
Certified Public Accountants

Board of Education
Cheyenne Mountain School District 12 (El Paso County)
Colorado Springs, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Cheyenne Mountain School District 12, as of and for the year ended June 30, 2011, which collectively comprise the Cheyenne Mountain School District 12's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Cheyenne Mountain School District 12's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cheyenne Mountain School District 12's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Cheyenne Mountain School District 12, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011 , on our consideration of the Cheyenne Mountain School District 12's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison schedules shown in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cheyenne Mountain School District 12's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Cheyenne Mountain School District 12. The combining and individual fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Johnson, Holscher & Company, P.C.

Centennial, Colorado
November 21, 2011

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BASIC FINANCIAL STATEMENTS

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Net Assets
June 30, 2011

	2011			
	Governmental Activities	**Business-Type Activities**	**Total Primary Government**	**Component Unit**
ASSETS				
Cash and Investments	$ 19,997,584	$ 208,362	$ 20,205,946	$ 2,296,923
Cash with Fiscal Agent	196,092	-	196,092	13,708
Taxes Receivable	589,974	-	589,974	-
Grants Receivable	422,571	-	422,571	-
Other Accounts Receivable	-	-	-	677,655
Inventory	74,895	2,586	77,481	-
Prepaid Expenses	75,804	-	75,804	-
Deposits	200	-	200	-
Bond Issuance Costs	1,569,674	-	1,569,674	-
Capital Assets, not being depreciated	1,884,558	-	1,884,558	-
Capital Assets, being depreciated	39,430,310	26,666	39,456,976	-
TOTAL ASSETS	64,241,662	237,614	64,479,276	2,988,286
LIABILITIES				
Accounts Payable	502,691	708	503,399	55,939
Accrued Interest	274,094	-	274,094	-
Accrued Salaries & Benefits	2,727,722	-	2,727,722	296,081
Payroll Taxes & Deductions Payable	578,681	-	578,681	-
Deferred Revenue	-	16,377	16,377	19,775
Non-Current Liabilities				
Due Within One Year	2,923,119	-	2,923,119	-
Due In More Then One Year	22,675,104	-	22,675,104	-
TOTAL LIABILITES	29,681,411	17,085	29,698,496	371,795
NET ASSETS				
Invested in Capital Assets, net of Debt	18,257,640	26,666	18,284,306	-
Restricted Net Assets	5,150,270	-	5,150,270	153,000
Unrestricted Net Assets	11,152,341	193,863	11,346,204	2,463,491
TOTAL NET ASSETS	$ 34,560,251	$ 220,529	$ 34,780,780	$ 2,616,491

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Activities
For the Year Ended June 30, 2011

		Progam Revenues			Net (Expense) Revenue and Change in Net Assets			
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Governmental Activities**	**Business-Type Activities**	**Total Primary Government**	**Component Unit**
Primary Government								
Governmental Activities								
Instruction	$ 21,277,049	$ 2,120,930	$ 1,880,456	$ -	$ (17,275,663)	$ -	$ (17,275,663)	
Supporting Services	11,383,359	257,632	1,443,749	192,262	(9,489,716)	-	(9,489,716)	
Interest on Long Term Debt	818,463	-	-	-	(818,463)	-	(818,463)	
Total Governmental Activities	33,478,871	2,378,562	3,324,205	192,262	(27,583,842)	-	(27,583,842)	
Business Type Activities								
Food Service	526,204	384,336	175,311	-	-	33,443	33,443	
Total Primary Government	$ 34,005,075	$ 2,762,898	$ 3,499,516	$ 192,262	(27,583,842)	33,443	(27,550,399)	
Total Component Unit - Charter School	$ 4,874,265	$ 127,213	$ 255,470	$ 62,868				$ (4,428,714)
	General Revenues							
	Property Taxes				16,997,249	-	16,997,249	4,707,263
	Specific Ownership Taxes				1,543,507	-	1,543,507	-
	State Equalization				11,143,029	-	11,143,029	-
	Investment Earnings				21,107	363	21,470	12,065
	Gain (Loss) on Capital Asset Disposals				133,633	-	133,633	-
	Insurance Proceeds				26,624	-	26,624	-
	Other Revenues				245,545	-	245,545	79,927
	Debt Proceeds				(245,855)	-	(245,855)	-
	Total General Revenues and Transfers				29,864,839	363	29,865,202	4,799,255
	Change in Net Assets				2,280,997	33,806	2,314,803	370,541
	Beginning Net Assets				32,279,254	186,723	32,465,977	2,245,950
	Ending Net Assets				$ 34,560,251	$ 220,529	$ 34,780,780	$ 2,616,491

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Balance Sheet
Governmental Funds
June 30, 2011
(With Comparative Totals for June 30, 2010)

		Special Revenue		Debt Service	Capital Projects	Totals	
	General Fund	Pupil Activity Fund	Land Fund	Bond Redemption Fund	Capital Reserve Project Fund	2011	2010
ASSETS							
Cash and Investments	$ 14,102,856	$ 470,068	$ 69,689	$ 4,113,921	$ 1,032,346	$ 19,788,880	$ 19,095,768
Cash with Fiscal Agent	183,276	-	-	12,816	-	196,092	215,551
Taxes Receivable	471,441	-	-	118,533	-	589,974	718,472
Grants Receivable	422,571	-	-	-	-	422,571	338,220
Other Accounts Receivable	-	-	-	-	-	-	839
Inventory	74,895	-	-	-	-	74,895	71,045
Prepaid Expenses	75,804	-	-	-	-	75,804	83,719
Deposits	200	-	-	-	-	200	1,505
TOTAL ASSETS	$ 15,331,043	$ 470,068	$ 69,689	$ 4,245,270	$ 1,032,346	$ 21,148,416	$ 20,525,119
LIABILITIES AND FUND BALANCE							
Liabilities							
Accounts Payable	$ 415,266	$ -	$ -	$ -	$ 61,485	$ 476,751	$ 298,737
Accrued Salaries & Benefits	2,727,722	-	-	-	-	2,727,722	2,788,855
Payroll Taxes & Deductions Payable	578,681	-	-	-	-	578,681	566,451
Total Liabilities	3,721,669	-	-	-	61,485	3,783,154	3,654,043
Fund Balance							
Nonspendable Fund Balance	150,899	-	-	-	-	150,899	72,550
Restricted Fund Balance							
Restricted for Debt Service	-	-	-	4,245,270	-	4,245,270	4,464,955
Restricted for TABOR Emergencies	905,000	-	-	-	-	905,000	1,087,000
Restricted Other	-	-	-	-	-	-	186,749
Committed Fund Balance							
Committed for Insurance Expenditures	263,588	-	-	-	-	263,588	304,786
Assigned Fund Balance							
Other Assigned Fund Balance	-	470,068	69,689	-	970,861	1,510,618	1,184,717
Unassigned Fund Balance	10,289,887	-	-	-	-	10,289,887	9,570,319
Total Fund Balance	11,609,374	470,068	69,689	4,245,270	970,861	17,365,262	16,871,076
TOTAL LIABILITIES AND FUND BALANCE	$ 15,331,043	$ 470,068	$ 69,689	$ 4,245,270	$ 1,032,346	$ 21,148,416	$ 20,525,119

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Assets
June 30, 2011

Fund Balance - Governmental Funds	$ 17,365,262
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	
Capital assets, not being depreciated	1,884,558
Capital assets, being depreciated	63,352,073
Accumulated depreciation	(23,921,763)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds	
Cost of issuance	383,983
Accumulated amortization	1,185,691
Bond premiums	(2,223,929)
Internal Service operations primarily benefit Governmental Activities	
Internal Service Fund Net Assets	182,764
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.	
Bonds payable	(22,820,485)
Capital leases payable	(236,743)
Accrued interest payable	(274,094)
Accrued compensated absences	(317,066)
Total Net Assets - Governmental Activities	$ 34,560,251

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

		Special Revenue			Debt Service	Capital Projects		Totals	
	General Fund	Capital Reserve Fund	Pupil Activity Fund	Land Fund	Bond Redemption Fund	Building Fund	Capital Reserve Project Fund	2011	2010
REVENUES									
Local Sources	$ 16,244,989	$ -	$ 1,663,664	$ 107	$ 3,418,385	$ 92	$ 170,259	$ 21,497,496	$ 16,288,076
Intermediate Sources	58,769	-	-	10,724	-	-	-	69,493	52,105
State Sources	11,767,596	-	-	-	-	-	-	11,767,596	19,188,608
Federal Sources	2,539,871	-	-	-	-	-	-	2,539,871	1,906,243
TOTAL REVENUES	30,611,225	-	1,663,664	10,831	3,418,385	92	170,259	35,874,456	37,435,032
EXPENDITURES									
Instruction	18,579,703	-	1,701,659	-	-	-	10,993	20,292,355	20,534,393
Pupil Support	2,099,581	-	-	-	-	-	-	2,099,581	2,121,566
Staff Support	1,666,240	-	-	-	-	-	-	1,666,240	1,720,576
General Administration	435,849	-	-	-	-	-	-	435,849	441,224
School Administration	1,587,822	-	-	-	-	-	-	1,587,822	1,665,326
Business Services	359,243	-	-	-	-	-	-	359,243	386,879
Operations and Maintenance	3,344,872	-	-	-	-	-	839,747	4,184,619	4,723,477
Transportation	299,640	-	-	-	-	-	-	299,640	292,441
Other Central Support	330,367	-	-	-	-	-	-	330,367	324,561
Risk Management	204,282	-	-	-	-	-	-	204,282	213,978
Community Support	42,775	-	-	-	-	-	-	42,775	31,981
Facilities	-	-	-	-	-	186,841	-	186,841	221,184
Other Uses	24,220	-	-	-	-	-	-	24,220	15,118
Debt Service	-	-	-	-	3,638,070	-	190,806	3,828,876	3,918,190
TOTAL EXPENDITURES	28,974,594	-	1,701,659	-	3,638,070	186,841	1,041,546	35,542,710	36,610,894
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	1,636,631	-	(37,995)	10,831	(219,685)	(186,749)	(871,287)	331,746	824,138
OTHER FINANCING SOURCES (USES)									
Debt Proceeds	-	-	-	-	-	-	162,440	162,440	368,113
Transfer In (Out) - net	(1,060,607)	(679,708)	60,607	-	-	-	1,679,708	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,060,607)	(679,708)	60,607	-	-	-	1,842,148	162,440	368,113
CHANGE IN FUND BALANCE	576,024	(679,708)	22,612	10,831	(219,685)	(186,749)	970,861	494,186	1,192,251
BEGINNING FUND BALANCE	11,033,350	679,708	447,456	58,858	4,464,955	186,749	-	16,871,076	15,678,825
ENDING FUND BALANCE	$ 11,609,374	$ -	$ 470,068	$ 69,689	$ 4,245,270	$ -	$ 970,861	$ 17,365,262	$ 16,871,076

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Assets
For the Year Ended June 30, 2011

Change in Fund Balance - Governmental Funds	$ 494,186
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level	
Capitalized Asset Purchases	594,553
Depreciation Expense	(1,539,027)
Gain (Loss) on Asset Disposals	131,267
Internal Service operations primarily benefit Governmental Activities	
Change in net assets - Internal Service Funds	(2,165)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level	
Proceeds from debt issuances	(408,295)
Principal payments on bonds payable	2,640,000
Principal payments on capital leases	173,890
Change in accrued interest payable	31,540
Amortization of costs, premiums and discounts	164,983
Change in accrued compensated absences	65
Change in Net Assets - Governmental Activities	$ 2,280,997

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Net Assets
Proprietary Funds
June 30, 2011
(With Comparative Totals for June 30, 2010)

	Enterprise	Internal Service	Totals	
	Food Service Fund	Insurance Reserve Fund	2011	2010
ASSETS				
Cash and Investments	$ 208,362	$ 208,704	$ 417,066	$ 325,728
Other Accounts Receivable	-	-	-	26,056
Inventory	2,586	-	2,586	16,167
Machinery & Equipment	110,662	-	110,662	110,662
Accumulated Depreciation	(83,996)	-	(83,996)	(80,306)
TOTAL ASSETS	237,614	208,704	446,318	398,307
LIABILITIES				
Accounts Payable	708	25,940	26,648	10,488
Deferred Revenue	16,377	-	16,377	16,167
TOTAL LIABILITIES	17,085	25,940	43,025	26,655
NET ASSETS				
Invested in Capital Assets, net of Debt	26,666	-	26,666	30,356
Unrestricted Net Assets	193,863	182,764	376,627	341,296
TOTAL NET ASSETS	$ 220,529	$ 182,764	$ 403,293	$ 371,652

Reconciliation of Fund Net Assets to Business-Type Activity Net Assets

Proprietary Fund Net Assets	$ 403,293
Internal Service Fund operations primarily benefit Governmental Activities	
Net Assets of the Internal Service Fund	(182,764)
Business-Type Activities Net Assets	$ 220,529

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	Enterprise	Internal Service	Totals	
	Food Service Fund	Insurance Reserve Fund	2011	2010
OPERATING REVENUES				
Food Service Revenue	$ 384,336	$ -	$ 384,336	$ 561,086
Other Local	-	246	246	2,366
TOTAL OPERATING REVENUES	384,336	246	384,582	563,452
OPERATING EXPENSES				
PS - Other	-	2,742	2,742	(14,984)
Food Service				
PS - Property	12,883	-	12,883	14,761
PS - Other	495,132	-	495,132	413,810
Supplies	3,948	-	3,948	34,745
Food	10,551	-	10,551	254,664
Commodities	-	-	-	28,561
Property	-	-	-	3,966
Depreciation	3,690	-	3,690	3,816
Total Food Service	526,204	-	526,204	754,323
TOTAL OPERATING EXPENSES	526,204	2,742	528,946	739,339
OPERATING INCOME	(141,868)	(2,496)	(144,364)	(175,887)
OTHER REVENUES (EXPENSES)				
Investment Earnings	363	331	694	620
State Match - Child Nutrition	6,085	-	6,085	5,761
Smart Start Nutrition	661	-	661	710
State K-2 Reduced Lunch	1,109	-	1,109	1,487
Commodities	22,034	-	22,034	28,561
School Breakfast Program	15,440	-	15,440	12,278
National School Lunch Program	129,982	-	129,982	140,988
NET OTHER REVENUES (EXPENSES)	175,674	331	176,005	190,405
CHANGE IN NET ASSETS	33,806	(2,165)	31,641	14,518
BEGINNING NET ASSETS	186,723	184,929	371,652	357,134
ENDING NET ASSETS	$ 220,529	$ 182,764	$ 403,293	$ 371,652

Reconciliation of Fund Change in Net Assets to Business-Type Activities Change in Net Assets

Proprietary Fund Change in Net Assets	$ 31,641
Internal Service Fund operations primarily benefit Governmental Activities	
Change in Net Assets of the Internal Service Fund	2,165
Business-Type Activities Change in Net Assets	$ 33,806

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	Enterprise	Internal Service	Totals	
	Food Service Fund	Insurance Reserve Fund	2011	2010
Cash Flows from Operating Activities:				
Cash Received from Local Sources	$ 410,602	$ 246	$ 410,848	$ 563,850
Cash Paid to Suppliers	(491,313)	17,832	(473,481)	(709,961)
Net Cash Provided (Used) for Operating Activities	(80,711)	18,078	(62,633)	(146,111)
Cash Flows from Noncapital Financing Activities:				
Cash Received from USDA/Colorado Nutrition Services	153,277	-	153,277	161,224
Cash Flows from Investing Activities:				
Interest Received	363	331	694	620
Net Increase(Decrease) in Cash	72,929	18,409	91,338	15,733
Cash, Beginning	135,433	190,295	325,728	309,995
Cash, Ending	$ 208,362	$ 208,704	$ 417,066	$ 325,728
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:				
Operating Income (Loss)	$ (141,868)	$ (2,496)	$ (144,364)	$ (175,887)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Donated Commodities	22,034	-	22,034	28,561
Depreciation	3,690	-	3,690	3,816
Changes in Assets and Liabilities Related to Operations:				
Increase (Decrease) in:				
Other Accounts Receivable	26,056	-	26,056	8,944
Inventory	13,581	-	13,581	8,546
Accounts Payable	(4,414)	20,574	16,160	(11,545)
Deferred Revenue	210	-	210	(8,546)
Total Adjustments	61,157	20,574	81,731	29,776
Net Cash Provided (Used) for Operating Activities	$ (80,711)	$ 18,078	$ (62,633)	$ (146,111)

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Fiduciary Net Assets
Discretely Presented Component Unit
June 30, 2011
(With Comparative Totals for June 30, 2010)

			Totals (Component Unit)	
	Foundation Fund	Pupil Activity Agency Fund	2011	2010
ASSETS				
Cash and Investments	$ 1,714,562	$ (964)	$ 1,713,598	$ 1,714,562
Sites	3,475,000	-	3,475,000	3,475,000
Building and Building Improvement	16,773,048	-	16,773,048	16,773,048
A/D Buildings	(2,402,267)	-	(2,402,267)	(1,848,646)
TOTAL ASSETS	19,560,343	(964)	19,559,379	20,113,964
LIABILITIES				
Bonds Payable	20,890,000	-	20,890,000	21,300,000
NET ASSETS				
Restricted Net Assets	$ (1,329,657)	$ (964)	$ (1,330,621)	$ (1,186,036)

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Revenues, Expenses and Changes in Fiduciary Net Assets
Discretely Presented Component Unit
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

			Totals (Component Unit)	
	Foundation Fund	Pupil Activity Agency Fund	2011	2010
ADDITIONS				
Local Sources	$ 1,419,124	$ 3,551	$ 1,422,675	$ 1,425,704
DEDUCTIONS				
Other	-	4,515	4,515	5,383
Depreciation	553,621	-	553,621	560,593
Debt Service	1,009,124	-	1,009,124	1,024,924
TOTAL DEDUCTIONS	1,562,745	4,515	1,567,260	1,590,900
CHANGE IN NET ASSETS	(143,621)	(964)	(144,585)	(165,196)
BEGINNING NET ASSETS	(1,186,036)	-	(1,186,036)	(1,020,840)
ENDING NET ASSETS	$ (1,329,657)	$ (964)	$ (1,330,621)	$ (1,186,036)

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Balance Sheet - General Fund
Discretely Presented Component Unit
June 30, 2011
(With Comparative Totals for June 30, 2010)

	Totals	
	2011	**2010**
ASSETS		
Cash and Investments	$ 2,296,923	$ 2,276,031
Cash with Fiscal Agent	13,708	-
Other Accounts Receivable	677,655	429,627
TOTAL ASSETS	$ 2,988,286	$ 2,705,658
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts Payable	55,939	126,993
Accrued Salaries & Benefits	296,081	322,115
Deferred Revenue	19,775	10,600
Total Liabilities	371,795	459,708
Fund Balance		
Restricted Fund Balance		
Restricted for Debt Service	-	(17,703)
Restricted for TABOR Emergencies	153,000	151,497
Unrestricted Fund Balance	2,463,491	2,112,156
Total Fund Balance	2,616,491	2,245,950
TOTAL LIABILITIES AND FUND BALANCE	$ 2,988,286	$ 2,705,658

The accompanying footnotes are an integral part of these financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Statement of Revenues, Expenditures and Changes in Fund Balance
General Fund - Discretely Presented Component Unit
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	Totals	
	2011	**2010**
REVENUES		
Local Sources	$ 4,928,324	$ 5,310,188
State Sources	141,256	158,510
Federal Sources	175,226	198,038
TOTAL REVENUES	5,244,806	5,666,736
EXPENDITURES		
Instruction	2,569,071	2,493,611
Pupil Support	35,539	33,783
Staff Support	22,620	19,783
General Administration	109,063	137,919
School Administration	352,213	369,430
Business Services	98,289	104,745
Operations and Maintenance	430,144	681,395
Transportation	-	6,000
Other Central Support	136,762	137,921
Food Service	21,141	-
Debt Service	1,099,423	1,502,291
TOTAL EXPENDITURES	4,874,265	5,486,878
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	370,541	179,858
BEGINNING FUND BALANCE	2,245,950	2,066,092
ENDING FUND BALANCE	$ 2,616,491	$ 2,245,950

The accompanying footnotes are an integral part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Cheyenne Mountain School District 12 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

For financial reporting purposes, the District includes all activities and funds for which the District exercises financial accountability. The school board members are elected by the public, have decision making authority, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. Certain units of local government, over which the District exercises no financial accountability, such as the county, city, other independently elected special districts within the District, are excluded from the financial statements. These units are considered separate reporting entities and issue financial statements separate from that of the District. The District is not a component unit of any other entity.

Discretely Presented Component Unit

The District has an approved charter with the Cheyenne Mountain Charter Academy (the "School") as authorized under Section 22.30.5-102(2) of the Colorado Revised Statutes to provide education to students in grades K-10 who reside within the jurisdictional boundaries of the District and qualified students from outside the District's jurisdictional boundaries. The members of the School's governing board are elected by the School's board. The School is fiscally dependent upon the District because the School does not have the authority to determine its budget without the District's approval. The School does not provide services entirely or almost entirely to the District. The School is presented as a governmental fund type. Financial statements for the component unit are separately issued, and may be obtained by writing to Cheyenne Mountain Charter Academy, Diane Borre, Business Manager, 1605 South Corona Street, Colorado Springs, Colorado 80906.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Basis of Presentation (Continued)

Government-wide Financial Statements (Continued)

Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and others sources not described above.

Fund Financial Statements
The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds would be aggregated and reported as non-major funds. The fiduciary funds are presented separately.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects). The District has three special revenue funds, the Capital Reserve, Pupil Activity and Land Funds. As the District is no longer required by statute to allocate funding for capital needs, the Capital Reserve activity will now be accounted for in a Capital Projects fund.

Debt Service (Bond Redemption) Fund – This fund was established to account for the repayment of the District's general obligation debt.

Capital Projects (Building and Capital Reserve Projects) Funds – These funds were established to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

Proprietary Funds consist of two separate sub-types of funds. Enterprise funds are used to account for those operations financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The District operates one enterprise fund, the Food Service Fund.

Internal Service Funds are the other form of Proprietary Funds. Internal Service Funds account for operations that provide services to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis. The District's Internal Service Fund is the Insurance Reserve Fund.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. These funds are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements
The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements
Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Governmental Fund Financial Statements (Continued)

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the programs. It is the District's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

Private sector standard of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

Assets, Liabilities and Fund Equity

Deposits and Investments – Cash balances from most funds are combined and invested to the extent available in trusts authorized by state statute for the purpose of investing, pooling for investment and protecting public funds. The amount contributed to the cash pool is recorded in each fund. Interest earnings from the pool are allocated monthly to each fund based on average daily balances of equity in the pool. For reporting purposes, the investment pool is stated at fair value.

For the purposes of the statement of cash flows, the District considers cash and cash equivalents to be all cash on hand, cash on demand deposit and highly liquid investments with a maturity of three months or less when purchased.

Colorado state statutes govern the entity's deposits of cash. The Public Deposit Protection Acts for banks and savings and loans require the state regulators to certify eligible depositories for public deposits require the eligible depositories with public deposits in excess of the federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligation of the State of Colorado or local Colorado governments and obligations secured by first lien mortgages on real property located in the State. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the assets in the pool must be at lease equal to 102% of the uninsured deposits.

The District is authorized by Colorado statutes to invest in the following:

- Obligations of the United States government and certain government agencies' securities
- Certain international agency securities
- General obligation and revenue bonds of governmental entities

NOTE 1: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Assets, Liabilities and Fund Equity (Continued)

Deposits and Investments (Continued)

- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds and time certificates of deposits
- Guaranteed investment contracts
- Checking with interest savings accounts

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories and Prepaid Items – Inventories consist of expendable supplies and commodities held for consumption. Inventories for supplies are stated at cost on a first-in, first-out basis. Inventories for commodities are stated at the USDA's assigned values which approximate fair market value at the date of receipt on a first-in, first-out basis.

Expenditures for supplies are recorded upon the consumption of these items by the various schools and departments. Expenditures for food items are also recorded when used. The federal government donates surplus commodities to supplement the National School Lunch Programs. Commodity contributions received by the District are recorded as revenues when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid items in both the government-wide and fund financial statements.

Due To and From Other Funds – Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. In the fund financial statements, these receivables and payables are classified as "Due From Other Funds", or "Due to Other Funds. In the government-wide financial statements, all internal balances have been substantially eliminated.

Capital Assets – Capital assets, which include sites, site improvements, buildings and improvements, transportation, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more then $5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add value to the asset or materially extent the asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Capital Assets (Continued)

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

Asset Type	Years
Land Improvements	5-48
Buildings and Improvements	7-50
Equipment	5-20

If proprietary fund assets are constructed, interest is capitalized on the assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Compensated Absences – It is the District's policy to permit employees to accumulate a limited amount of earned but used sick pay benefits, which will be paid to employees upon separation from District service. All compensated absence liabilities are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have been matured, for example, as a result of employee resignations and retirements.

Deferred Revenues – Deferred revenues include grants for which the District has received funding, yet allowable expenditures have not been incurred.

Long-Term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds are reported net of applicable premium or discount.

In the fund financial statements, governmental fund types recognize debt premiums and discounts during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issues are reported as other financing uses.

Net Assets/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net assets are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net assets are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Fund balance should be reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, should be reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Revenues and expenses of proprietary funds are recognized in essentially the same manner as in commercial accounting. Proprietary funds distinguish operating revenues and expenses from non-operating activities. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with the principal ongoing operation. The District does not consider grant receipts as operating revenue.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor by December 10. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November. District property taxes are accounted for in the General and Debt Service Funds.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on the cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between functions within any fund and the reallocation of budget line items within any department in the General Fund rests with the Assistant Superintendent of Business Operations and is reviewed by the accounting department. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed operating and capital budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted by the Board of Education to obtain taxpayer comments.

- Prior to June 30, the budget is adopted by formal resolution.

- The District has until January 31st of each year to adjust its final budget.

- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.

Encumbrance accounting is employed in governmental funds. Encumbrances such as purchase orders and contracts outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. The amount of encumbrances as of June 30, 2011 was not material to the financial statements.

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgets and Budgetary Accounting (Continued)

If, during the fiscal year, the District receives unanticipated revenues or revenues not assured at the time of adoption of the budget from any source other then its property tax mill levy, the Board of Education may authorize the expenditure of these unanticipated or un-assured funds by enacting a supplementary budget and appropriation. State statute prohibits any officer, employee or other spending agency from expending or contracting to expend any money, or incur any liability, or enter into any contract which, by its terms, involves the expenditure of money in excess of the amounts appropriated. Appropriation resolutions are done at the fund level.

NOTE 3: CASH AND INVESTMENTS

The District's cash and investment balances are as follows:

Cash in Bank	$ 576,237
Petty Cash	2,980
Investments	15,512,808
Restricted Cash and Investments	4,113,921
Total Cash and Investments	**$ 20,205,946**

Government Activities - Unrestricted	$ 15,883,663
Government Activities - Restricted	4,113,921
Business-type Activities	208,362
Total Cash and Investments	**$ 20,205,946**

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2011, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At June 30, 2011, the District's deposits had a bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	$ 501,504	$ 500,885
PDPA Collateralized	91,319	75,352
Total Deposits	**$ 592,822**	**$ 576,237**

Investments

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2011, the District did not have any investments requiring disclosure.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other then those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2011, the District did not have any investments requiring safekeeping.

The District had the following investments as of June 30, 2011:

	Fair Value	Average Maturity in Years
Repurchase Agreement - Sweep Account	$ 14,698,807	N/A
Local Government Pools	4,927,922	-
Total Investments	**$ 19,626,729**	

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

During the year ended June 30, 2011, the District invested funds in Colotrust and the Colorado Surplus Asset Fund (CSAFE). As an investment pools, they operate under the Colorado Revised Statutes (24-75-701) and are overseen by the Colorado Securities Commissioner. They invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. These funds are rated AAAm by the Standard and Poor's Corporation.

NOTE 4: INTERNAL ACTIVITY

The following is a summary of the routine inter-fund transfers for the year ended June 30, 2011:

	Amount
General Fund:	
Transfer to Pupil Activity Fund	$ (60,607)
Transfer to Capital Reserve Project Fund	(1,000,000)
Pupil Activity Fund:	
Transfer from General Fund	60,607
Capital Reserve Project Fund:	
Transfer from General Fund	1,000,000
Net Transfers	$ -

In addition, due to the adoption of GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions, the Capital Reserve Special Revenue Fund transferred its remaining unrestricted carryover to the Capital Reserve Capital Project Fund in the amount of $679,708.

NOTE 5: CAPITAL ASSETS

The following tables present summaries of the District's capital asset activity for the year ended June 30, 2011. The first table presents information related to the District's capital assets. Depreciation related to these assets has been allocated to the District's instruction and supporting services programs. The second table presents the allocation of the District's depreciation charge to its operating programs.

Governmental Activities:	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Capital Assets Not Being Depreciated				
Land	$ 1,647,558	$ -	$ -	$ 1,647,558
Art Collection	237,000	-	-	237,000
Total Capital Assets Not Being Depreciated	1,884,558	-	-	1,884,558
Capital Assets Being Depreciated				
Land Improvements	6,028,830	287,927	-	6,316,757
Buildings and Improvements	54,406,278	289,272	-	54,695,550
Equipment	2,322,412	17,354	-	2,339,766
Total Capital Assets Being Depreciated	62,757,520	594,553	-	63,352,073
Less: Accumulated Depreciation:				
Land Improvements	(3,804,756)	(233,803)	-	(4,038,559)
Buildings and Improvements	(16,768,829)	(1,202,757)	-	(17,971,586)
Equipment	(1,940,419)	(102,466)	(131,267)	(1,911,618)
Total Accumulated Depreciation	(22,514,004)	(1,539,026)	(131,267)	(23,921,763)
Total Capital Assets Being Depreciated, Net	40,243,516	(944,473)	(131,267)	39,430,310
Governmental Activities Capital Assets, Net	$ 42,128,074	$ (944,473)	$ (131,267)	$ 41,314,868

Business-type Activities:	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011
Capital Assets Being Depreciated				
Equipment	$ 110,662	$ -	$ -	$ 110,662
Accumulated Depreciation				
Equipment	(80,306)	(3,690)	-	(83,996)
Business-type Activities Capital Assets, Net	$ 30,356	$ (3,690)	$ -	$ 26,666

NOTE 5: CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities	
Instruction	$ 984,759
Supporting Services	554,268
Total Governmental Activities	$ 1,539,026
Business-type Activities	
Food Service	$ 3,690

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The accrued compensation amount as of June 30, 2011 is $2,727,722, which is reflected as a liability in the accompanying financial statements.

NOTE 7: LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2011:

	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Governmental Activities					
Bonds:					
Gen. Oblig. Refunding, Series 2002, Interest 2.5% - 4.375%	10,135,000	-	1,270,000	8,865,000	1,335,000
Gen. Oblig. Refunding, Series 2004, interest 2% - 5%	10,305,000	-	585,000	9,720,000	600,000
2002 Capital Appreciation Bonds, Maturing 9/12	569,630	245,855	-	815,485	-
Gen. Oblig. Refunding, Series 2009, interest 3% - 4%	4,205,000	-	785,000	3,420,000	810,000
Premiums (Discounts)	1,069,120	-	196,089	873,031	-
Issuance Costs	(249,882)	-	(31,106)	(218,776)	-
Obligations under Capital Lease	248,193	162,440	173,890	236,743	178,119
Compensated Absences	317,131	-	65	317,066	-
	$ 26,599,192	$ 408,295	$ 2,978,938	$ 24,028,549	$ 2,923,119

NOTE 7: LONG-TERM OBLIGATIONS(Continued)

General Obligation Bonds

General obligation bonds are a direct obligation and pledge the full faith and credit of the District. General obligation bonds were issued to finance construction and improvements to school buildings and to refund prior debt at an interest cost savings.

Debt service requirements for all general obligation bonds as of June 30, 2011:

	Principal	Interest	Total
2012	$ 2,745,000	$ 1,027,721	$ 3,772,721
2013	2,865,000	909,811	3,774,811
2014	2,920,000	785,631	3,705,631
2015	3,035,000	625,646	3,660,646
2016	2,240,000	489,621	2,729,621
2017-2021	6,895,000	1,404,109	8,299,109
2022-2024	2,705,000	207,125	2,912,125
Future Apprec.	(584,515)	-	(584,515)
Total	$ 22,820,485	$ 5,449,664	$ 28,270,149

Capital Leases

In 2010, the District entered into three capital leases to purchase computer hardware and software having a cost of $144,764, $53,631, and $26,525, respectively. The corresponding annual payments are $51,334, $19,191, and $9,549, all three leases run through the 2012 fiscal year. In addition, the District entered into a capital lease for the purchase of modular buildings in the amount of $143,193. This lease requires monthly payments of $4,538 through July, 2012.

In 2011, the District entered into a capital lease to purchase computer hardware and software at a cost of $162,440. An annual payment of $56,278 is due in August of each year through 2013.

For the year ended	Amount
2012	$ 190,806
2013	60,816
Total payments under capital lease	251,622
Less: Interest portion of payments	(14,879)
Net obligation under capital lease	$ 236,743

NOTE 7: LONG-TERM OBLIGATIONS (Continued)

Refunded Bonds

During 2009, the District issued $5,020,000 of Series 2009 General Obligation Bonds to advance refund $5,050,000 of outstanding callable Series 1988 General Obligation Bonds. The District realized $357,518 of present value savings on the refunding.

In the current and prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. On June 30, 2011, the balance of defeased bonds outstanding was as follows:

General Obligation Bonds, Series 1999	$ 6,125,000
General Obligation Bonds, Series 1995	5,150,000
General Obligation Bonds, Series 1994	3,495,000
Total Defeased Debt Outstanding	$ 14,770,000

Legal Debt Margin

The district's bonded indebtedness is limited by law to the larger of twenty percent of its assessed valuation or six percent of its market value. As of June 30, 2011, the limit was $78,318,898 providing a debt margin of $55,498,413 after deducting $22,820,485 of general obligation bonds.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; job related illnesses and injuries of employees for which the District carries commercial insurance. The District is self-insured for its dental insurance. There have been no significant reductions in insurance coverage from those carried in the prior year and the amount of settlements has not exceeded insurance coverage for any of the past three fiscal years.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Plan Description – The District contributes to the Combined State and School Division Trust Fund (CSSDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The CSSDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the CSSDTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the CSSDTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Basis of Accounting for the CSSDTF – The financial statements of the CSSDTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The CSSDTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy – Plan members and the District are required to contribute to the CSSDTF at a rate set by statute. The contribution requirements of plan members and the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The current contribution rate for members is 8.0% and for the District is 13.85% of covered salary for the period July 1, 2010 through December 31, 2010 and 14.75% for the period January 1, 2011 through June 30, 2011. A portion of the District's contribution (1.02% of covered salary after July 1, 2004) is allocated for the Health Care Trust Fund. The District's contributions for the years ending June 30, 2011, 2010, and 2009, were $2,731,360, $2,652,136, and $2,535,256, respectively, equal to their required contributions for each year.

NOTE 10: POSTEMPLOYMENT BENEFITS

Plan Description – The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan administered by the PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by Calling PERA.

Basis of Accounting for the HCTF – The financial statements of the HCTF are prepared using the accrual basis of accounting. Member and employer contributions are recognized as revenues in the period in which the employer pays compensation to the member. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

The HCTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

Funding Policy – The District is required to contribute at a rate of 1.02% of covered salary after July 1, 2004 for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution of the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The District's contributions to the HCTF for the years ending June 30, 2011, 2010, and 2009, were $189,644, $196,540, and $197,914, respectively, equal to their required contributions for each year.

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments – The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2011, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate vote to retain the revenue.

In November 2006, the District passed the following election question with regards to TABOR:

WITHOUT IMPOSING ANY NEW TAXES OR ANY TAX RATE INCREASE, SHALL EL PASO COUNTY DISTRICT NO. 12 BE AUTHORIZED, FOR THE PURPOSE OF MAINTAINING THE QUALITY OF EDUCATION IN THE SCHOOL DISTRICT, TO COLLECT, RETAIN, AND SPEND ALL REVENUES RECEIVED IN FISCAL YEAR 2004-05 AND THEREAFTER AS A VOTER APPROVED REVENUE CHANGE AND AN EXCEPTION TO THE LIMITATIONS OTHERWISE IMPOSED PURSUANT TO ARTICLE X, SECTION 20 OF THE COLORADO OR ANY OTHER LAW?

The TABOR Amendment requires the District to establish a reserve for emergencies. At June 30, 2011, the District’s reserve of $905,000 was recorded as a reservation of Government Activities net assets.

Litigation – The District is involved in various litigations. The outcome of the litigations cannot be predicted at this time.

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REQUIRED SUPPLEMENTARY INFORMATION
(BUDGETARY COMPARISON SCHEDULES)

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2010 Actual
REVENUES					
Local Sources					
Property Taxes	$ 13,676,904	$ 13,673,050	$ 13,560,612	$ (112,438)	$ 8,805,670
Specific Ownership Taxes	1,559,350	1,486,030	1,543,507	57,477	1,629,238
Delinquent Taxes	20,000	20,000	22,980	2,980	22,954
Tuition From Individuals	407,000	432,000	457,266	25,266	376,687
Transportation Fees	21,000	21,000	16,553	(4,447)	25,224
Investment Earnings	39,000	39,000	14,015	(24,985)	13,589
Community Service Revenue	124,000	124,000	162,241	38,241	162,071
Rent Revenue	25,000	30,000	78,838	48,838	58,746
Donations	40,000	50,000	114,439	64,439	29,660
Sale of Fixed Assets	-	-	2,366	2,366	993
Insurance Proceeds	-	-	26,624	26,624	3,261
Other Local	170,900	170,900	245,548	74,648	197,917
Total Local Sources	16,083,154	16,045,980	16,244,989	199,009	11,326,010
Intermediate Sources					
Mineral Leases	-	-	230	230	-
Impact Fee Revenue	40,000	40,000	58,539	18,539	50,301
Total Intermediate Sources	40,000	40,000	58,769	18,769	50,301
State Sources					
State Equalization	12,507,048	12,602,533	11,143,029	(1,459,504)	18,430,641
Transportation	20,000	20,000	25,093	5,093	26,264
State Grants from CDE					
Capital Construction - Charter Schools	-	-	62,868	62,868	68,131
State ECEA	367,665	379,315	379,480	165	511,689
State ELPA	5,400	5,400	8,608	3,208	7,134
State Gifted and Talented	43,776	43,776	41,743	(2,033)	43,776
Best Capital Construction Program	-	-	60,131	60,131	73,590
Other CDE State Grants	-	38,546	38,546	-	-
State Vocational Education	13,690	13,690	8,098	(5,592)	27,380
Total State Sources	12,957,579	13,103,260	11,767,596	(1,335,664)	19,188,605
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	257,180	257,180	259,569	2,389	249,170
IDEA Part B - Special Education	646,699	682,743	810,366	127,623	652,052
IDEA Part B - Special Education Preschool	9,118	9,104	10,689	1,585	9,652
NCLB Title IV, Part A - Safe and Drug Free Schools	-	-	-	-	8,095
NCLB Title II, Part D - Enhancing Education through Technology	883	883	854	(29)	2,328
NCLB Title III, Part A - English Language Acquistion	18,410	18,410	18,427	17	20,587
NCLB Title II, Part A - Teacher & Principal Training	90,393	90,393	90,712	319	90,338
ARRA - Title II-D - Ed Tech	-	-	-	-	5,266
ARRA - Title I, Part A	-	-	-	-	153,869
ARRA - IDEA Part B	67,803	67,803	138,007	70,204	683,304
ARRA - IDEA Preschool	29,197	29,197	29,197	-	-
ARRA - Education Stabilization Fund	-	-	321,195	321,195	-
School to Work Alliance Program	21,140	21,140	-	(21,140)	22,677
Ed Jobs	-	-	836,510	836,510	-
NCLB Title III, Part A - English Language Set Aside	6,595	6,595	6,595	-	-
Medicaid Reimbursement	20,000	20,000	17,750	(2,250)	8,905
Total Federal Sources	1,167,418	1,203,448	2,539,871	1,336,423	1,906,243
TOTAL REVENUES	30,248,151	30,392,688	30,611,225	218,537	32,471,159

(Continued)

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2010 Actual
	(Continued)				
EXPENDITURES					
Instruction					
Salaries	13,816,859	13,807,928	13,742,069	65,859	14,195,463
Benefits	3,098,679	3,090,466	3,067,703	22,763	2,902,234
PS - Professional	291,538	213,676	223,410	(9,734)	133,382
PS - Property	18,340	18,340	11,553	6,787	11,019
PS - Other	244,542	253,095	570,482	(317,387)	596,306
Supplies	1,156,297	1,162,066	825,156	336,910	945,811
Property	203,654	207,542	138,564	68,978	186,986
Other Expenses	23,100	23,100	766	22,334	242
Total Instruction	18,853,009	18,776,213	18,579,703	196,510	18,971,443
Supporting Services					
Pupil Support					
Salaries	1,656,632	1,608,932	1,612,152	(3,220)	1,658,102
Benefits	374,754	373,264	374,272	(1,008)	363,745
PS - Professional	48,000	48,000	39,385	8,615	25,308
PS - Property	500	500	2,434	(1,934)	-
PS - Other	5,920	5,920	5,351	569	3,192
Supplies	90,826	90,826	65,191	25,635	69,004
Other Expenses	850	850	796	54	2,215
Total Pupil Support	2,177,482	2,128,292	2,099,581	28,711	2,121,566
Staff Support					
Salaries	1,245,869	1,269,890	1,265,684	4,206	1,306,367
Benefits	252,374	273,296	262,794	10,502	248,825
PS - Professional	6,046	41,203	32,873	8,330	59,170
PS - Other	13,982	34,173	24,967	9,206	36,498
Supplies	62,266	91,770	79,045	12,725	69,431
Property	400	400	77	323	285
Other Expenses	800	800	800	-	-
Total Staff Support	1,581,737	1,711,532	1,666,240	45,292	1,720,576
General Administration					
Salaries	228,712	246,033	241,255	4,778	221,538
Benefits	48,915	45,701	43,690	2,011	44,675
PS - Professional	95,500	95,500	69,667	25,833	93,131
PS - Other	73,500	73,500	38,689	34,811	54,758
Supplies	6,650	6,650	16,570	(9,920)	2,797
Property	-	-	1,330	(1,330)	-
Other Expenses	25,339	25,339	24,648	691	24,326
Total General Administration	478,616	492,723	435,849	56,874	441,225
School Administration					
Salaries	1,262,621	1,275,242	1,275,666	(424)	1,341,113
Benefits	263,202	261,850	260,746	1,104	265,130
PS - Professional	9,160	7,810	9,996	(2,186)	10,426
PS - Property	10,000	10,000	14,065	(4,065)	11,467
PS - Other	18,300	13,540	11,754	1,786	21,353
Supplies	13,309	13,709	11,893	1,816	15,078
Property	200	-	-	-	-
Other Expenses	4,250	4,250	3,702	548	759
Total School Administration	1,581,042	1,586,401	1,587,822	(1,421)	1,665,326

(Continued)

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2010 Actual
	(Continued)				
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	278,290	268,628	259,484	9,144	262,494
Benefits	57,906	58,087	55,434	2,653	52,152
PS - Professional	69,000	185,493	19,314	166,179	55,173
PS - Other	2,500	2,500	249	2,251	2,462
Supplies	21,109	21,109	13,014	8,095	13,475
Property	2,000	2,000	10,873	(8,873)	1,038
Other Expenses	1,000	1,000	875	125	85
Total Business Services	431,805	538,817	359,243	179,574	386,879
Operations and Maintenance					
Salaries	1,403,108	1,399,151	1,392,319	6,832	1,452,035
Benefits	323,100	328,983	318,581	10,402	307,626
PS - Professional	58,798	58,798	41,214	17,584	29,125
PS - Property	428,974	432,974	442,812	(9,838)	405,618
PS - Other	248,700	248,700	239,164	9,536	254,813
Supplies	1,058,752	1,058,752	910,782	147,970	988,637
Total Operations and Maintenance	3,521,432	3,527,358	3,344,872	182,486	3,437,854
Transportation					
Salaries	194,224	194,224	188,116	6,108	198,364
Benefits	36,642	36,945	36,406	539	35,814
PS - Professional	400	400	-	400	166
PS - Property	26,000	26,000	31,667	(5,667)	24,609
PS - Other	700	700	890	(190)	421
Supplies	33,000	33,000	42,561	(9,561)	33,067
Total Transportation	290,966	291,269	299,640	(8,371)	292,441
Other Central Support					
Salaries	36,876	36,876	36,878	(2)	36,878
Benefits	23,606	23,804	22,021	1,783	8,161
PS - Professional	53,000	53,000	30,622	22,378	35,250
PS - Other	227,667	227,667	236,399	(8,732)	238,239
Supplies	4,550	4,550	4,447	103	4,962
Property	4,000	4,000	-	4,000	1,069
Total Other Central Support	349,699	349,897	330,367	19,530	324,559
Risk Management					
PS - Professional	-	-	7,223	(7,223)	306
PS - Property	6,000	6,000	2,163	3,837	1,909
PS - Other	243,100	243,100	194,896	48,204	211,763
Total Risk Management	249,100	249,100	204,282	44,818	213,978
Community Support					
Salaries	51,450	51,450	36,995	14,455	27,882
Benefits	7,706	7,706	5,780	1,926	4,099
Total Community Support	59,156	59,156	42,775	16,381	31,981
Other Uses					
Up-Front Grant Match	-	-	24,220	(24,220)	15,118
Contingency	8,135,281	8,135,281	-	8,135,281	-
TOTAL EXPENDITURES	37,709,325	37,846,039	28,974,594	8,871,445	29,622,946
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(7,461,174)	(7,453,351)	1,636,631	9,089,982	2,848,213
OTHER FINANCING SOURCES (USES)					
Transfers	(1,160,911)	(1,368,050)	(1,060,607)	307,443	(931,327)
CHANGE IN FUND BALANCE	(8,622,085)	(8,821,401)	576,024	9,397,425	1,916,886
BEGINNING FUND BALANCE	9,466,399	10,728,564	11,033,350	304,786	9,116,464
ENDING FUND BALANCE	$ 844,314	$ 1,907,163	$ 11,609,374	$ 9,702,211	$ 11,033,350

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

The District has the following Special Revenue Funds:

Capital Reserve Fund

This fund is authorized by Colorado School Law and is funded by a per pupil direct allocation from the General Fund. It is used to fund ongoing capital needs such as site acquisition, building improvements and equipment purchases.

Pupil Activity Fund

This fund accounts for financial transactions of the District's activity account. In addition, this fund accounts for the activities of the interscholastic athletic programs in the District. The District has three pupil distinct pupil activity operations; the Athletic operation, Student Republic operation and the Junior High Activity operation.

Land Fund

This fund receives its primary source of income from fees in lieu of land paid by developers. The purpose of this fund is to accumulate resources for new land development and acquisition costs.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2010 Actual
REVENUES					
Local Sources					
Investment Earnings	$ -	$ -	$ -	$ -	$ 1,999
EXPENDITURES					
Instruction					
Property	-	-	-	-	10,550
Operations and Maintenance					
Property	-	-	-	-	1,285,622
Debt Service					
Principal	-	-	-	-	203,951
Interest	-	-	-	-	15,413
Total Debt Service	-	-	-	-	219,364
TOTAL EXPENDITURES	-	-	-	-	1,515,536
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	-	-	-	(1,513,537)
OTHER FINANCING SOURCES (USES)					
Transfers	(750,000)	(679,708)	(679,708)	-	840,000
Capital Lease Proceeds	-	-	-	-	368,113
TOTAL OTHER FINANCING SOURCES (USES)	(750,000)	(679,708)	(679,708)	-	1,208,113
CHANGE IN FUND BALANCE	(750,000)	(679,708)	(679,708)	-	(305,424)
BEGINNING FUND BALANCE	750,000	679,708	679,708	-	985,132
ENDING FUND BALANCE	$ -	$ -	$ -	$ -	$ 679,708

See accompanying Independent Auditors' Report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			
	Final Budget	Actual	Variance with Final Budget	2010 Actual
REVENUES				
Local Sources				
Pupil Activity Revenues	$ 1,630,205	$ 1,663,664	$ 33,459	$ 1,507,729
EXPENDITURES				
Instruction				
PS - Other	2,047,437	1,312,895	734,542	1,168,176
Supplies	-	388,764	(388,764)	384,223
TOTAL EXPENDITURES	2,047,437	1,701,659	345,778	1,552,399
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(417,232)	(37,995)	379,237	(44,670)
OTHER FINANCING SOURCES (USES)				
Transfers	-	60,607	60,607	91,327
CHANGE IN FUND BALANCE	(417,232)	22,612	439,844	46,657
BEGINNING FUND BALANCE	447,456	447,456	-	400,799
ENDING FUND BALANCE	$ 30,224	$ 470,068	$ 439,844	$ 447,456

See accompanying Independent Auditors' Report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Land Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2010 Actual
REVENUES					
Local Sources					
Investment Earnings	$ 200	$ 200	$ 107	$ (93)	$ 105
Intermediate Sources					
Other Intermediate Source Revenue	3,000	3,000	10,724	7,724	1,804
TOTAL REVENUES	3,200	3,200	10,831	7,631	1,909
EXPENDITURES					
Facilities/Capital Outlay					
Land and Improvements	37,750	37,750	-	37,750	-
Contingency	21,471	21,471	-	21,471	-
TOTAL EXPENDITURES	59,221	59,221	-	59,221	-
CHANGE IN FUND BALANCE	(56,021)	(56,021)	10,831	66,852	1,909
BEGINNING FUND BALANCE	59,948	58,858	58,858	-	56,949
ENDING FUND BALANCE	$ 3,927	$ 2,837	$ 69,689	$ 66,852	$ 58,858

See accompanying Independent Auditors' Report.

DEBT SERVICE FUND

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

The District has one debt service fund as follows:

Bond Redemption Fund

This fund is authorized by Colorado School Law. It provides revenues based upon a property tax mill levy set by the School Board to satisfy the District's bonded indebtedness on an annualized basis.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			
	Final Budget	Actual	Variance with Final Budget	2010 Actual
REVENUES				
Local Sources				
Property Taxes	$ 3,547,352	$ 3,407,901	$ (139,451)	$ 3,438,567
Specific Ownership Taxes	-	-	-	(255)
Delinquent Taxes	-	5,755	5,755	6,007
Investment Earnings	30,000	4,729	(25,271)	7,416
Total Local Sources	3,577,352	3,418,385	(158,967)	3,451,735
EXPENDITURES				
Debt Service				
Principal	2,640,000	2,640,000	-	2,412,060
Interest	993,820	993,820	-	1,282,516
Total Debt Service	3,633,820	3,633,820	-	3,694,576
Contingency	250,000	-	250,000	-
TOTAL EXPENDITURES	3,883,820	3,633,820	250,000	3,694,576
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(306,468)	(215,435)	91,033	(242,841)
OTHER FINANCING SOURCES (USES)				
Escrow Payment	(9,500)	(4,250)	5,250	(4,250)
CHANGE IN FUND BALANCE	(315,968)	(219,685)	96,283	(247,091)
BEGINNING FUND BALANCE	4,464,955	4,464,955	-	4,712,046
ENDING FUND BALANCE	$ 4,148,987	$ 4,245,270	$ 96,283	$ 4,464,955

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUNDS

The acquisition or construction of major capital facilities, sites and equipment, other than those acquired directly by the General Fund, Capital Reserve Fund, or the Enterprise Fund are accounted for in the Capital Projects Funds. The District has the following Capital Project Funds:

Building Fund

This fund accounts for all resources available for the construction of new schools and the renovation of existing facilities.

Capital Reserve Projects Fund

This fund accounts for the majority of capital outlay activity of the District.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Building Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			
	Final Budget	Actual	Variance with Final Budget	2010 Actual
REVENUES				
Local Sources				
Investment Earnings	$ 100	$ 92	$ (8)	$ 498
EXPENDITURES				
Facilities/Capital Outlay				
Land and Improvements	-	-	-	136,784
Buildings	186,849	186,841	8	84,400
TOTAL EXPENDITURES	186,849	186,841	8	221,184
CHANGE IN FUND BALANCE	(186,749)	(186,749)	-	(220,686)
BEGINNING FUND BALANCE	186,749	186,749	-	407,435
ENDING FUND BALANCE	$ -	$ -	$ -	$ 186,749

See accompanying Independent Auditors' Report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2011

	2011		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local Sources			
Investment Earnings	$ 4,000	$ 2,163	$ (1,837)
Donations	168,000	168,096	96
TOTAL REVENUES	172,000	170,259	(1,741)
EXPENDITURES			
Instruction			
Property	11,210	10,993	217
Supporting Services			
Operations and Maintenance			
Property	1,234,010	839,747	394,263
Debt Service			
Principal	-	173,890	(173,890)
Interest	-	16,916	(16,916)
Total Debt Service	-	190,806	(190,806)
Contingency	435,650	-	435,650
TOTAL EXPENDITURES	1,680,870	1,041,546	639,324
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,508,870)	(871,287)	637,583
OTHER FINANCING SOURCES (USES)			
Transfers	1,679,708	1,679,708	-
Capital Lease Proceeds	-	162,440	162,440
TOTAL OTHER FINANCING SOURCES (USES)	1,679,708	1,842,148	162,440
CHANGE IN FUND BALANCE	170,838	970,861	800,023
BEGINNING FUND BALANCE	-	-	-
ENDING FUND BALANCE	$ 170,838	$ 970,861	$ 800,023

See accompanying Independent Auditors' Report.

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ENTERPRISE FUNDS

Enterprise Funds account for operations that are financed and operated in a manner similar to private enterprises, where the cost of providing goods or services to the general public is financed or recovered primarily by user charges.

The District has the following Enterprise Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District school lunch program.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			
	Final Budget	Actual	Variance with Final Budget	2010 Actual
OPERATING REVENUES				
Food Service Revenue	$ 711,880	$ 384,336	$ (327,544)	$ 561,086
OPERATING EXPENSES				
Food Service				
PS - Property	23,000	12,883	10,117	14,761
PS - Other	784,200	495,132	289,068	413,810
Supplies	49,380	3,948	45,432	34,745
Food	-	10,551	(10,551)	254,664
Commodities	-	-	-	28,561
Property	5,000	-	5,000	3,966
Depreciation	-	3,690	(3,690)	3,816
Contingency	100,000	-	100,000	-
TOTAL OPERATING EXPENSES	961,580	526,204	435,376	754,323
OPERATING INCOME	(249,700)	(141,868)	107,832	(193,237)
OTHER REVENUES (EXPENSES)				
Investment Earnings	1,700	363	(1,337)	303
State Grants from CDE				
State Match - Child Nutrition	6,000	6,085	85	5,761
Smart Start Nutrition	-	661	661	710
State K-2 Reduced Lunch	-	1,109	1,109	1,487
Federal Grants from CDE				
Commodities	-	22,034	22,034	28,561
School Breakfast Program	17,000	15,440	(1,560)	12,278
National School Lunch Program	125,000	129,982	4,982	140,988
NET OTHER REVENUES (EXPENSES)	149,700	175,674	25,974	190,088
CHANGE IN NET ASSETS	(100,000)	33,806	133,806	(3,149)
BEGINNING NET ASSETS	100,000	186,723	86,723	189,872
ENDING NET ASSETS	$ -	$ 220,529	$ 220,529	$ 186,723

See accompanying Independent Auditors' Report.

INTERNAL SERVICE FUND

Internal Service Funds account for operations that provide services to other departments or agencies of the District, or to other governments, on a cost-reimbursement basis.

The District has the following Internal Service Fund:

Insurance Reserve Fund

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual
Insurance Reserve Fund
For the Year Ended June 30, 2011
(With Comparative Totals for the Year Ended June 30, 2010)

	2011			
	Final Budget	Actual	Variance with Final Budget	2010 Actual
OPERATING REVENUES				
Other Local	$ 276,000	$ 246	$ (275,754)	$ 2,366
OPERATING EXPENSES				
Risk Management				
PS - Other	270,000	2,742	267,258	(14,984)
Contingency	21,500	-	21,500	-
TOTAL OPERATING EXPENSES	291,500	2,742	288,758	(14,984)
OPERATING INCOME	(15,500)	(2,496)	13,004	17,350
OTHER REVENUES (EXPENSES)				
Investment Earnings	100	331	231	317
CHANGE IN NET ASSETS	(15,400)	(2,165)	13,235	17,667
BEGINNING NET ASSETS	304,786	184,929	(119,857)	167,262
ENDING NET ASSETS	$ 289,386	$ 182,764	$ (106,622)	$ 184,929

See accompanying Independent Auditors' Report.

COMPLIANCE SECTION

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FEDERAL FINANCIAL ASSISTANCE REPORTS

Johnson, Holscher & Company, P.C.
Certified Public Accountants

Board of Education
Cheyenne Mountain School District 12 (El Paso County)
Colorado Springs, Colorado

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, major funds, and aggregate remaining fund information of the Cheyenne Mountain School District 12(the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 21, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting
In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of management, the Board of Education, others within the entity, the U.S. Department of Education and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Holscher & Company, P.C.

Centennial, Colorado
December 7, 2011

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Board of Education
Cheyenne Mountain School District 12 (El Paso County)
Colorado Springs, Colorado

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance
We have audited the Cheyenne Mountain School District 12's, (the "District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

As described in item 2011-1 in the accompanying schedule of findings and questioned costs, the District did not comply with the requirements related to reporting that are applicable to its IDEA Part B and IDEA Preschool programs. Compliance with such requirements is necessary, in our opinion, for the District to comply with the requirements applicable to those programs.

In our opinion, except for the noncompliance described in the preceding paragraph, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance
Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control compliance with OMB Circular A-13, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as 2011-1.

A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet is important enough to merit attention by those charged with governance.

The District's response to the finding identified in our audit are described in the accompanying corrective action plan. We did not audit the District's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Board of Education, others within the entity, the U.S. Department of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Johnson, Holden & Company, P.C.

Centennial, Colorado
December 7, 2011

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2011

Grantor/Grant Title	State Grant Number	CFDA Number	Expenditures
U.S. Department of Education			
Passthrough Colorado Department of Education			
NCLB Title I, Part A - Improving Basic Programs	4010	84.010	$ 259,569
IDEA Part B - Special Education	4027	84.027	810,366
IDEA Part B - Special Education Preschool	4173	84.173	10,689
NCLB Title II, Part D - Enhancing Education through Technology	4318	84.318	854
NCLB Title III, Part A - English Language Acquistion	4365	84.365	18,427
NCLB Title II, Part A - Teacher & Principal Training	4367	84.367	90,712
ARRA - IDEA Part B	4391	84.391	138,007
ARRA - IDEA Preschool	4392	84.392	29,197
ARRA - Education Stabilization Fund	4394	84.394	321,195
Education Jobs Fund	4410	84.410	836,510
NCLB Title III, Part A - English Language Set Aside	7365	84.365	6,595
Total U.S. Department of Education			2,522,121
U.S. Department of Agriculture			
Passthrough Colorado Department of Education			
School Breakfast Program	4553	10.553	15,440
National School Lunch Program	4555	10.555	129,982
Passthrough Colorado Department of Human Services			
Commodity Distribution	4555	10.555	22,034
Total U.S. Department of Agriculture			167,456
Total Federal Expenditures			$ 2,689,577

See accompanying Independent Auditors' Report.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2011

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in the financial statements.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
(EL PASO COUNTY)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2011

Summary of Auditors' Results

Financial Statements
Type of auditors' report issued: unqualified

Internal control over financial reporting:

- Material weakness identified? _____ yes____x____ no
- Significant deficiencies identified that are not considered to be material weaknesses? _____ yes____x____ no

Noncompliance material to financial statements noted? _____ yes____x____ no

Federal Awards
Internal control over major programs:

- Material weakness identified? _____ yes____x____ no
- Significant deficiencies identified that are not considered to be material weaknesses? ____x____ yes_____ no

Type of auditors' report issued on compliance for major programs: qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ____x____ yes_____ no

Identification of major programs:

84.027	IDEA Part B – Special Education – Grants to States
84.173	IDEA Preschool – Special Education – Preschool Program
84.391	ARRA - IDEA Part B – Special Education – Grants to States
84.392	ARRA - IDEA Preschool – Special Education – Preschool
84.394	ARRA – State Fiscal Stabilization Fund
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: $300,000

Auditee qualified as low-risk auditee? ____x____ yes_____ no

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
(EL PASO COUNTY)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2011

II - Findings relating to the financial statement audit as required to be reported in accordance with generally accepted government auditing standards

A. Material Weaknesses in Internal Control

The audit of the financial statements of the Cheyenne Mountain School District 12, as of and for the year ended June 30, 2011, did not disclose any material weaknesses or significant deficiencies in internal controls.

B. Compliance Findings

The audit of the financial statements of the Cheyenne Mountain School District 12, as of and for the year ended June 30, 2011, did not disclose any instances of noncompliance with requirements with certain provisions of laws, regulations, and grants that were material to those financial statements.

III - Findings and Questioned Costs for Federal Awards

2011-1 – Reporting

U.S. Department of Education
Passed through the Colorado Department of Education
CFDA 84.027 IDEA Special Education Grants to States
CFDA 84.173 IDEA Special Education Preschool Grants

Criteria: Recipients should use the standard financial reporting forms or such other forms as may be authorized by OMB (approval is indicated by an OMB paperwork control number on the form). Each recipient must report program outlays and program income on a cash or accrual basis, as prescribed by the Federal awarding agency. If the Federal awarding agency requires reporting of accrual information and the recipient's accounting records are not normally maintained on the accrual basis, the recipient is not required to convert its accounting system to an accrual basis but may develop such accrual information through analysis of available documentation. The Federal awarding agency may accept identical information from the recipient in machine-readable format, computer printouts, or electronic outputs in lieu of the prescribed formats.

The financial reporting requirements for subrecipients are as specified by the pass-through entity. In many cases, these will be the same as or similar to the following requirements for recipients.

Condition: The details provided on the District's End of Year reports to the State of Colorado Department of Education were not supported by the District's internal accounting records.

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-1 – Reporting (Continued)

Questioned Costs: None.

Context: We selected various employees to determine if the reported detail on the End of Year report agreed to the District's internal accounting records. Specifically, we recomputed the amounts reported for salaries based on the gross pay amounts times the reported FTE. When the reported amounts were not reproducible, additional assistance was requested from the District's finance staff to determine how the reported salaries were determined.

Upon additional review by the finance staff, it was determined that there was a formula error in the spreadsheet utilized by the District's special education unit that computed the FTE percentage that was reported on the End of Year report. The spreadsheet correctly listed the gross pay by individual and the amount to be charged to the federal grant programs, however the computed FTE was incorrect. The incorrect FTE percentages were then included on the End of Year report along with the correct salary expense charged to the program by individual. The total amount of grant expenditures reported was correct.

Upon the identification of this error, the District's special education unit remitted corrected End of Year reports for both the IDEA Part B and IDEA Preschool programs prior to the due date of the original report. Based on our discussions with client personnel, we do not believe this reporting error would have been discovered absent the audit procedures performed.

Effect: The District incorrectly reported FTE percentages on the End of Year report, while correctly reporting the amount charged to the grant. Should the grantor agency review the District's support for the amounts reported, the District would not have been able to support the grant expense as computed from the FTE percentage reported.

Cause: The District did not have adequate internal controls in place to properly review and approve the calculations on the End of Year report prior to submission.

Recommendation: The District should implement procedures whereby all grant reports are reviewed for support and accuracy prior to submission. We would recommend that both the District's finance staff as well as the special education unit be included in this process. Ideally, the gross salary amounts would be generated by the finance staff. Finance would obtain FTE percentages from the special education department based on time records and compute amounts to be reported for salary expense by individual on the End of Year report. This information would then be provided to the special education department, reviewed and subsequently included on the End of Year report. The final report could then be provided to the finance director for a final review that the inputted amounts were in agreement with the original calculation. Care should be taken to insure that the FTE reported on the End of Year report agrees to internal records and is not soley based on a computed amount per a spreadsheet.

III - Findings and Questioned Costs for Federal Awards (Continued)

2011-1 – Reporting (Continued)

View of Responsible Officials and Corrective Actions: See Corrective Action Plan.

CHEYENNE MOUNTAIN SCHOOL DISTRICT 12
(EL PASO COUNTY)

CORRECTIVE ACTION PLAN
Year Ended June 30, 2011

In light of the issues identified as part of the June 30, 2011 audit, the District intends to implement the following reporting preparation structure related to the submission of our End of Year Federal IDEA reports. The special education unit will determine which employees should be included on the grant report based on the time each employee is dedicating to the program. The finance department will determine the correct salary and benefit grant expenses to be included on the report in total and by individual based on the individual's salary and benefit cost and the time spent on the federal program as provided by the special education department. This information will then be provided to the special education unit to include on their reports. The finance department will verify that the grant reports that are submitted by the special education unit are correct and have the proper supporting documentation prior to submission.

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STATE COMPLIANCE

Johnson, Holscher & Company, P.C.
Certified Public Accountants

Board of Education
Cheyenne Mountain School District 12
Colorado Springs, Colorado

INDEPENDENT AUDITORS' REPORT ON AUDITORS ELECTRONIC FINANCIAL DATA INTEGRITY CHECK FIGURES AND BOLDED BALANCE SHEET REPORTS

We have audited the basic financial statements of Cheyenne Mountain School District 12, as of and for the year ended June 30, 2011, and have issued our report thereon dated November 21, 2011. These basic financial statements are the responsibility of Cheyenne Mountain School District 12's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Cheyenne Mountain School District 12 taken as a whole. The accompanying auditor's electronic financial data integrity check figures and bolded balance sheet reports are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in these schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Colorado Department of Education and is not intended to be and should not be used by anyone other than this specified party.

Johnson, Holscher & Company, P.C.

Centennial, Colorado
December 8, 2011

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Colorado School District/BOCES
Auditor's Integrity Report

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001 - 0999 Total Expenditures & Other Uses =	6700 - 6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental					
10	General Fund	10,728,564	29,293,423	28,676,201	11,345,786
18	Risk Mgmt Sub-Fund of General Fund	304,786	257,196	298,394	263,588
19	Colorado Preschool Program Fund	0	0	0	0
	Subtotal	11,033,350	29,550,619	28,974,594	11,609,374
11	Charter School Fund	2,245,950	5,244,805	4,874,265	2,616,490
20,26-29	Special Revenue Fund	58,858	10,831	0	69,689
21	Capital Reserve Spec Revenue Fund	679,708	-679,708	0	0
22	Govt Designated-Purpose Grants Fund	0	0	0	0
23	Pupil Activity Special Revenue Fund	447,456	1,724,271	1,701,659	470,068
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
30	Debt Service Fund	0	0	0	0
31	Bond Redemption Fund	4,464,955	3,418,385	3,638,070	4,245,270
39	Non-Voter Approved Debt Service Fund	0	0	0	0
41	Building Fund	186,749	92	186,841	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	0	2,012,407	1,041,546	970,861
	TOTALS	19,117,025	41,281,704	40,416,976	19,981,752
Proprietary					
51	Food Service Fund	186,723	560,010	526,203	220,529
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	184,929	577	2,742	182,764
60,65-69	Other Internal Service Funds	0	0	0	0
	TOTALS	371,652	560,586	528,945	403,293
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	-0	3,551	4,515	-964
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	-1,186,036	1,419,124	1,562,745	-1,329,657
	TOTALS	-1,186,036	1,422,675	1,567,260	-1,330,622

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.

From submitted data file: fd1020.17c Program: fdrdh.sqr File: fd1020.dhc FINAL

Colorado Department of Education
Colorado School Districts
2010-2011
Bolded Balance Sheet Report
Must mirror the combined balance sheet pages from your audit.

Desc/ Bolded Bal Sheet Codes	Governmental General Funds 10,12-18	Governmental Charter School Fund 11	Governmental Preschool Fund 19	Governmental Special Revenue Funds 21-29	Governmental Debt Service Funds 31-39	Governmental Capital Projects Funds 41-49	Proprietary Enterprise Fund 51 (food)	Proprietary Other Enterprise Funds 52-59	Proprietary Risk-Related Activity Funds 63-64	Proprietary Other Internal Service Funds65-69(60)	Fiduciary Trust & Agency Funds Funds 72-79	Fiduciary Foundations Fund 85	Totals
ASSETS													
Cash and Investments (8100-8104,8111)	14,102,856	2,296,923	0	539,757	4,113,921	1,032,346	208,362	0	208,704	0	-964	1,714,561	24,216,465
Cash with Fiscal Agent (8105)	183,276	13,708	0	0	12,816	0	0	0	0	0	0	0	209,800
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	471,441	0	0	0	118,534	0	0	0	0	0	0	0	589,974
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	422,571	0	0	0	0	0	0	0	0	0	0	0	422,571
Other Receivables (8151-8154,8161)	0	677,655	0	0	0	0	0	0	0	0	0	0	677,655
Inventories (8171,8172,8173)	74,895	0	0	0	0	0	2,586	0	0	0	0	0	77,481
Prepaid Expenses (8181,8182)	75,804	0	0	0	0	0	0	0	0	0	0	0	75,804
Other Current Assets (8191-8194,8199)	200	0	0	0	0	0	0	0	0	0	0	0	200
Sites (8211)	0	0	0	0	0	0	0	0	0	0	0	3,475,000	3,475,000
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Depreciation on Site Improvements (8222)	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings (8231-8234)	0	0	0	0	0	0	0	0	0	0	0	14,370,782	14,370,782
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	26,666	0	0	0	0	0	26,666
Total Assets	15,331,042	2,988,286	0	539,757	4,245,270	1,032,346	237,615	0	208,704	0	-964	19,560,343	44,142,397
LIABILITIES & FUND EQUITY													
LIABILITIES													
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	415,265	57,276	0	0	0	61,484	708	0	25,940	0	0	0	560,674
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	0	0	0	20,890,000	20,890,000
Accrued Expenses (7461)	2,727,722	296,081	0	0	0	0	0	0	0	0	0	0	3,023,803
Payroll Ded. and Withholdings (7471-7473)	578,681	-1,336	0	0	0	0	0	0	0	0	0	0	577,345
Deferred Revenue (7481)	0	19,775	0	0	0	0	16,377	0	0	0	0	0	36,152
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0
Long-Term Liabilities (7521,7531,7561,7590)	0	0	0	0	0	0	0	0	0	0	0	0	0
Compensated Absences (7541,)	0	0	0	0	0	0	0	0	0	0	0	0	0
Note: Fund 90 District Debt Accounts 7511 through 7519 are not shown on this report													
Total Liabilities	3,721,668	371,796	0	0	0	61,484	17,086	0	25,940	0	0	20,890,000	25,087,975

Colorado Department of Education
Colorado School Districts
2010-2011
Bolded Balance Sheet Report
Must mirror the combined balance sheet pages from your audit.

Desc/ Bolded Bal Sheet Codes	Governmental General Funds 10,12-18	Governmental Charter School Fund 11	Governmental Preschool Fund 19	Governmental Special Revenue Funds 21-29	Governmental Debt Service Funds 31-39	Governmental Capital Projects Funds 41-49	Proprietary Enterprise Fund 51 (food)	Proprietary Other Enterprise Funds 52-59	Proprietary Risk-Related Activity Funds 63-64	Proprietary Other Internal Service Funds65-69(60)	Fiduciary Trust & Agency Funds Funds 72-79	Fiduciary Foundations Fund 85	Totals
FUND EQUITY													
Res. for:Inv, Prepaid Exp, Enc (6751,6752,6753)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Reserved Fund Balances (6759)	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserved Fund Balances (6760)	0	0	0	0	0	0	0	0	0	0	0	0	0
Reserved for TABOR 3% Reserved (6761)	905,000	153,000	0	0	0	0	0	0	0	0	0	0	1,058,000
Reserved for TABOR Multi-Year (6762)	0	0	0	0	0	0	0	0	0	0	0	0	0
Designated Fund Balance (6763)	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Renewal Reserve (6764)	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (Restricted Under GASB 54) (6765)	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk Related Activity Reserve (Restricted Under GASB 54) (6766)	0	0	0	0	0	0	0	0	0	0	0	0	0
Full Day Kindergarten Reserve (6767)	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (6768)	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Restricted Reserves (6769)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unreserved Fund Balance (6770)	10,704,374	2,463,490	0	539,757	4,245,270	970,861	0	0	0	0	-964	-1,329,657	17,593,130
Invest. in Cap. Assets(fund51) (6790)	0	0	0	0	0	0	26,666	0	0	0	0	0	26,666
Restricted Net Assets(fund 51) (6791)	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets (6792)	0	0	0	0	0	0	193,862	0	182,764	0	0	0	376,626
Prior-Period Adjustment (6880)	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	11,609,374	2,616,490	0	539,757	4,245,270	970,861	220,529	0	182,764	0	-964	-1,329,657	19,054,423
Total Liabilities & Fund Equity	15,331,042	2,988,286	0	539,757	4,245,270	1,032,346	237,615	0	208,704	0	-964	19,560,343	44,142,397
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	Yes:OK	