

**PLATTE CANYON SCHOOL DISTRICT NO. 1
BAILEY, COLORADO**

FINANCIAL STATEMENTS

June 30, 2010

TABLE OF CONTENTS

FINANCIAL SECTION	PAGE
Independent Auditors' Report	
Management's Discussion and Analysis	i - v
Basic Financial Statements	
Statement of Net Assets	1
Statement of Activities	2
Balance Sheet – Governmental Funds	3
Statement of Revenues, Expenditures and Changes in Fund Balances– Governmental Funds	4
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances Of Governmental Funds to the Statement of Activities	5
Statement of Net Assets – Proprietary Fund Types	6
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Fund Types	7
Statement of Cash Flows – Proprietary Fund Types	8
Statement of Fiduciary Net Assets	9
Notes to Financial Statements	10 - 22
Required Supplementary Information	
Budgetary Comparison Schedule – General Fund	23 – 26
Budgetary Comparison Schedule – Capital Reserve Fund	27
Budgetary Comparison Schedule – Grants Fund	28
Combining and Individual Fund Financial Statements and Schedules	
Budgetary Comparison Schedule – Debt Service Fund	29

TABLE OF CONTENTS (Continued)

Combining and Individual Fund Financial Statements and Schedules (Continued)	PAGE
Budgetary Comparison Schedule – Food Service Fund	30
Budgetary Comparison Schedule – Swimming Pool Fund	31
Statement of Changes in Assets and Liabilities – Agency Fund	32
 STATE COMPLIANCE	
Independent Auditors’ Report on Electronic Financial Data Integrity Check Figures	33
Electronic Financial Data Integrity Check Figures	34

FINANCIAL SECTION



**JOHN CUTLER
& ASSOCIATES**

Board of Education
Platte Canyon School District No. 1
Bailey, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Platte Canyon School District No. 1, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the District, as listed in the table of contents. These financial statements are the responsibility of the Platte Canyon School District No. 1'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. 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 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 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, each major fund, and the aggregate remaining fund information of Platte Canyon School District No. 1, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the required supplementary information are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the 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 Platte Canyon School District No. 1's basic financial statements. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

March 1, 2011

Management's Discussion and Analysis

The discussion and analysis of Platte Canyon School District RE 1's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2010. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement RE 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999.

Financial Highlights

- The assets of Platte Canyon School District RE 1 totaled \$21,311,675 and exceeded its liabilities at the close of June 30, 2010 by \$10,242,885 (net assets) as reported in the government-wide financial statements.
- The District's governmental funds received total revenues of \$11,791,984. Expenditures totaled \$11,400,789. The beginning governmental funds balance was \$2,923,539. The ending balance was \$3,314,734 for a net change of \$391,195. The unrestricted fund balance is \$1,372,691 (see financial statements).
- Revenues for the District's largest fund, the General Fund, totaled \$10,411,735. General Fund expenditures totaled \$9,703,197. The beginning General Fund balance was \$1,447,777. The ending balance was \$1,830,315 for a net change of \$382,538
- The Food Services Proprietary fund has beginning net assets of \$85,655 and ending assets of \$66,342. Food Services operating revenue of \$157,333 and expenses of \$307,237 resulted in an operating loss of \$149,904. Non-operating income of \$130,591 reduced this loss to \$19,313.
- The Swimming Pool Proprietary fund had beginning net assets of \$252,710 and ending assets of \$238,008 for a net loss of \$14,702. The pool had an operating loss of \$135,293 which was reduced by \$120,591 in collected property taxes and grants and donations.

Overview of the Financial Statements

The Platte Canyon School District RE 1 basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Management's Discussion and Analysis

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two being reported as net assets. Over time, the 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 income statement presents information showing how the District's net assets changed during the year. All changes in the Fund Balance are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year end).

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 District keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Fund tracking is reported in the auditor's report.

Notes to Financial Statements

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

Government-wide Financial Analysis

Platte Canyon School District RE 1, assets exceeded liabilities by \$10,242,885 on June 30, 2010. \$325,000 of these funds is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment.

<i>Net Assets</i>	<u>2010</u>	<u>2009</u>
Current	\$ 4,632,889	\$ 4,320,442
Capital and Other Assets	<u>16,678,786</u>	<u>17,080,816</u>
Total Assets	21,311,675	<u>21,401,258</u>
Current Liabilities	1,171,782	1,123,373
Noncurrent Liabilities Due in 1 Year	548,278	530,182
Noncurrent Liabilities Due in More Than 1 yr	<u>9,348,730</u>	<u>9,881,119</u>
Total Liabilities	<u>11,068,790</u>	<u>11,534,674</u>
Invested in Capital Assets, Net of Related Debt	6,886,570	6,776,891
Restricted for Debt Service	928,655	1,012,615
Restricted for Emergencies (Tabor)	325,000	330,000
Unrestricted	<u>2,102,660</u>	<u>1,747,078</u>
Total Net Assets	<u>\$10,242,885</u>	\$ <u>9,866,584</u>

Management's Discussion and Analysis

Change in Net Assets

Change in Net Assets	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues		
Charges for Services	\$ 373,961	\$ 418,340
Operating Grants and Transfers	1,084,307	1,549,852
Capital Grants and Transfers	-	458,739
General Revenues		
State Equalization	6,108,035	6,045,022
Specific Ownership Taxes	412,163	447,611
Local Property Taxes	3,699,550	3,612,222
Other Revenues	440,687	265,921
Interest Income	<u>7,236</u>	<u>35,293</u>
Total Revenues	<u>12,125,939</u>	<u>12,833,000</u>
Expenses		
Instruction	5,810,336	6,032,167
Support Services	5,046,417	5,019,423
Debt Service Interest and Fiscal Charges	409,807	425,107
Food Service	307,237	282,301
Swimming Pool	<u>175,841</u>	<u>149,616</u>
Total Expenses	<u>11,749,638</u>	<u>11,908,614</u>
Increase (Decrease) in Net Assets	376,301	924,386
Net Assets, beginning	9,866,584	8,942,755
Prior Period Adjustment	-	(557)
Net Assets, ending	<u>\$ 10,242,885</u>	<u>\$ 9,866,584</u>

Financial Analysis of the Government's Funds

Platte Canyon School District RE 1 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Platte Canyon School District RE 1's governmental funds is to provide information on near-term outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As of the end of the 2009 fiscal year Platte Canyon School District RE 1's governmental funds reported a combined ending fund balance of \$3,314,734; an increase of \$391,195 on a budget basis. The General Fund is the major operating fund of the District. The unreserved fund balance at the end of the 2010 fiscal year was \$1,372,691. The Capital Reserve Fund accounts for District appropriated resources for acquisition and/or construction of capital facilities and other capital expenditures. The Capital Reserve Fund reflected a fund balance of \$562,333 for future anticipated projects. The Governmental Designated Grants Special Revenue fund reported grant awards received and expenditures made primarily for instruction to students and handicapped services.

Management's Discussion and Analysis

Ad valorem taxes collected under a specific levy to meet debt-service requirements of the long-term general obligation bonds are reported in the Debt Service Fund. At the end of the 2009 fiscal year, the fund balance was \$971,757.

Proprietary-type funds. Proprietary-type funds are used to account for activities that have the characteristics of business activities. The District has established two proprietary-type funds – Food Services and the Swimming Pool Fund. The Food Services fund had a balance of \$66,342 at the end of the 2010 fiscal year. The fiscal year end balance for the Swimming Pool fund was \$238,008.

General Fund Budgetary Highlights

The 2009-2010 budget included the following priorities: (1) maintaining most existing programs and services, (2) moving teachers one experience factor step on the salary schedule and adding a 1% cost of living increase, (3) providing a 2% experience step and a 1% cost of living increase for classified employees, (4) providing a 2% salary increase for administrators, (5) maintaining a slightly modified health insurance benefit for that slightly decreases costs, (6) allowing for the .9% PERA District contribution increase, (7) providing for implementation of the revised Science, Health and P.E. curricula and purchase of newly adopted textbooks and, (8) allocations to address technology as outlined in the Technology Plan.

Expenditures exceeded revenues by \$382,538 leaving a general fund balance of \$1,830,315.

Capital Asset and Debt Administration

Capital assets. The Platte Canyon School District RE 1's investment in capital assets for governmental and business type activities as of June 30, 2010 amounts to \$16,396,570 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, office and instructional equipment. See Note 5 for more information on Capital Assets.

Long-term debt. The District issued general obligation bonds in 1998 and again in 1999 to finance the construction of a new high school facility. In the fiscal year ending 2005, portions of the bonds from each of the 1998 and 1999 series were refinanced to obtain a better interest rate and saving the taxpayers interest costs over the life of the scheduled payments. The 2010 fiscal year balance is \$140,000 on the 1999 series and \$9,510,000 on the 2005 refunding bond series. Payments for the general obligation bonds are made from the Debt Service Fund. See Note 7 for more information on Long-term debt.

Economic Factors and Next Year's Budget

The General Fund Revised Budget of \$10,800,000 is based upon a projected 2009-2010 ending balance of \$1,337,000 and revenue of \$9,463,000 after transfers to special purpose funds. Revenue projections are based upon an estimated student enrollment of 1,213. A five-year average student full-time-equivalent of 1,164.1 has been used to determine funding under Colorado's school funding formula. The budget includes Tabor reserves of \$325,000 and a contingency reserve of \$675,000. The amount available for expenditure is \$9,800,000. The projected ending fund balance for the General Fund Budget is \$1,000,000.

Management's Discussion and Analysis

The following funding priorities were included in the FY 2011 budget: (1) maintaining most existing programs and services; (2) moving teachers one experience factor step on the salary schedule, (3) providing a 1% experience factor for classified employees and administrators, (4) maintaining the District's FY 2010 contribution for employee insurance benefits, (5) allowing for the .9% PERA District contribution increase, and (6) providing for implementation of the revised math and arts curricula and purchase of newly adopted textbooks.

The Capital Reserve Fund includes Colorado grant funds provided through the Forest Reserve as granted by Park County.

The Bond Redemption fund is sufficient to cover obligations for repayment of the bonds and interest consistent with payment schedules. The Insurance Reserve Fund is sufficient to cover premium obligations and liabilities. Two enterprise funds are included – Food Services and Swimming Pool. Both are expected to generate sufficient revenue to be self-supporting with no transfer of monies from the General Fund. The Pool Fund continues to be supported by a separate mill levy.

Federal Fund 22 includes budgets for Title 1 Remedial Services, Special Education Services including ARRA, Perkins and Medicaid funds, and Title II Teacher Quality funds.

Requests for Information

This financial report is designed to provide a general overview of Platte Canyon School District RE 1's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Accounting Director, Platte Canyon School District, 57393 US Hwy 285, Bailey, Colorado 80421.

BASIC FINANCIAL STATEMENTS

PLATTE CANYON SCHOOL DISTRICT NO.1

STATEMENT OF NET ASSETS

June 30, 2010

	PRIMARY GOVERNMENT			2009 TOTAL
	Governmental Activities	Business-Type Activities	TOTAL	
ASSETS				
Cash and Investments	\$ 3,900,365	\$ 91,423	\$ 3,991,788	\$ 3,687,086
Taxes Receivable	266,474	-	266,474	274,552
Grants Receivable	343,329	-	343,329	252,637
Accounts Receivable	9,860	8,389	18,249	93,118
Inventories	-	13,049	13,049	13,049
Bond Issue Costs and Deferred Charges	282,216	-	282,216	303,925
Capital Assets, Not Depreciated	1,432,367	-	1,432,367	1,487,199
Capital Assets, Depreciated Net of Accumulated Depreciation	14,742,558	221,645	14,964,203	15,289,692
TOTAL ASSETS	20,977,169	334,506	21,311,675	21,401,258
LIABILITIES				
Accounts Payable	84,278	877	85,155	54,897
Accrued Expenses	-	-	-	20,984
Accrued Salaries and Benefits	1,024,184	29,279	1,053,463	1,014,445
Accrued Interest	33,164	-	33,164	33,047
Noncurrent Liabilities				
Due Within One Year	548,278	-	548,278	530,182
Due in More Than One Year	9,348,730	-	9,348,730	9,881,119
TOTAL LIABILITIES	11,038,634	30,156	11,068,790	11,534,674
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,664,925	221,645	6,886,570	6,776,891
Restricted for Debt Service	928,655	-	928,655	1,012,615
Restricted for Emergencies	325,000	-	325,000	330,000
Unrestricted	2,019,955	82,705	2,102,660	1,747,078
TOTAL NET ASSETS	\$ 9,938,535	\$ 304,350	\$ 10,242,885	\$ 9,866,584

The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT NO.1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 5,810,336	\$ -	\$ 687,528	\$ -
Supporting Services	5,046,417	176,287	246,188	-
Interest and Fiscal Charges	409,807	-	-	-
Total Governmental Activities	11,266,560	176,287	933,716	-
Business-Type Activities				
Food Service	307,237	157,126	130,591	-
Swimming Pool	175,841	40,548	20,000	-
Total Business-Type Activities	483,078	197,674	150,591	-
TOTAL PRIMARY GOVERNMENT	\$ 11,749,638	\$ 373,961	\$ 1,084,307	\$ -

GENERAL REVENUES

Local Property Taxes
 Specific Ownership Taxes
 State Equalization
 Other Revenues
 Earnings on Investments

TOTAL GENERAL REVENUES

CHANGE IN NET ASSETS

NET ASSETS, Beginning

Prior Period Adjustment

NET ASSETS, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS
PRIMARY GOVERNMENT

Governmental Activities	Business-Type Activities	TOTAL	2009 TOTAL
\$ (5,122,808)	\$ -	\$ (5,122,808)	\$ (5,111,846)
(4,623,942)	-	(4,623,942)	(3,834,380)
(409,807)	-	(409,807)	(425,107)
<u>(10,156,557)</u>	<u>-</u>	<u>(10,156,557)</u>	<u>(9,371,333)</u>
-	(19,520)	(19,520)	(7,405)
<u>-</u>	<u>(115,293)</u>	<u>(115,293)</u>	<u>(102,945)</u>
<u>-</u>	<u>(134,813)</u>	<u>(134,813)</u>	<u>(110,350)</u>
<u>(10,156,557)</u>	<u>(134,813)</u>	<u>(10,291,370)</u>	<u>(9,481,683)</u>
3,598,959	100,591	3,699,550	3,612,222
412,163	-	412,163	447,611
6,108,035	-	6,108,035	6,045,022
440,687	-	440,687	265,921
7,029	207	7,236	35,293
<u>10,566,873</u>	<u>100,798</u>	<u>10,667,671</u>	<u>10,406,069</u>
410,316	(34,015)	376,301	924,386
9,528,219	338,365	9,866,584	8,942,755
<u>-</u>	<u>-</u>	<u>-</u>	<u>(557)</u>
<u>\$ 9,938,535</u>	<u>\$ 304,350</u>	<u>\$ 10,242,885</u>	<u>\$ 9,866,584</u>

PLATTE CANYON SCHOOL DISTRICT NO. 1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	GENERAL	CAPITAL RESERVE	GRANT	BOND REDEMPTION
ASSETS				
Cash and Investments	\$ 2,431,547	\$ 562,333	\$ -	\$ 906,485
Taxes Receivable	201,202	-	-	65,272
Grants Receivable	-	-	343,329	-
Accounts Receivable	9,860	-	-	-
Due from Other Funds	290,381	-	-	-
TOTAL ASSETS	\$ 2,932,990	\$ 562,333	\$ 343,329	\$ 971,757
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 66,541	\$ 6,569	\$ 11,168	\$ -
Accrued Expenses	-	-	-	-
Accrued Salaries and Benefits	982,404	-	41,780	-
Due to Other Funds	-	-	290,381	-
Deferred Revenues	53,730	-	-	43,102
TOTAL LIABILITIES	1,102,675	6,569	343,329	43,102
FUND BALANCES				
Reserved for Emergencies	325,000	-	-	-
Reserved for Insurance	132,624	-	-	-
Unreserved, reported in				
General Fund	1,372,691	-	-	-
Special Revenue Funds	-	555,764	-	-
Debt Service Funds	-	-	-	928,655
TOTAL FUND BALANCES	1,830,315	555,764	-	928,655
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,932,990	\$ 562,333	\$ 343,329	\$ 971,757

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.

Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.

Long-term liabilities, including bonds payable (\$9,510,000), bond premium (\$185,546), accrued interest (\$33,164), compensated absences (\$201,462), bond issuance costs and deferred charges \$282,216, are not due and payable in the current period and are not report in the funds.

Net assets of governmental activities

The accompanying notes are an integral part of the financial statements.

TOTALS

<u>2010</u>	<u>2009</u>
\$ 3,900,365	\$ 3,587,293
266,474	268,142
343,329	252,637
9,860	83,782
<u>290,381</u>	<u>181,578</u>
<u>\$ 4,810,409</u>	<u>\$ 4,373,432</u>
\$ 84,278	\$ 52,878
-	833
1,024,184	1,002,664
290,381	181,578
<u>96,832</u>	<u>211,940</u>
<u>1,495,675</u>	<u>1,449,893</u>
325,000	330,000
132,624	150,513
1,372,691	967,264
555,764	463,147
<u>928,655</u>	<u>1,012,615</u>
<u>3,314,734</u>	<u>2,923,539</u>
16,174,925	16,533,163
96,832	211,940
<u>(9,647,956)</u>	<u>(10,140,423)</u>
<u>\$ 9,938,535</u>	<u>\$ 9,528,219</u>

PLATTE CANYON SCHOOL DISTRICT 1

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	GENERAL	CAPITAL RESERVE	GRANT	BOND REDEMPTION
REVENUES				
Local Sources	\$ 3,506,769	\$ 1,557	\$ 628	\$ 815,730
County Sources	378,139	-	-	-
State Sources	6,526,827	-	5,000	-
Federal Sources	-	-	557,334	-
	<u>10,411,735</u>	<u>1,557</u>	<u>562,962</u>	<u>815,730</u>
TOTAL REVENUES				
EXPENDITURES				
Current				
Instruction	5,305,541	-	400,985	-
Supporting Services	4,397,656	131,130	161,977	-
Capital Outlay	-	103,810	-	-
Debt Service				
Principal	-	-	-	490,000
Interest and Fiscal Charges	-	-	-	409,690
	<u>9,703,197</u>	<u>234,940</u>	<u>562,962</u>	<u>899,690</u>
TOTAL EXPENDITURES				
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>708,538</u>	<u>(233,383)</u>	<u>-</u>	<u>(83,960)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	326,000	-	-
Transfers Out	<u>(326,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(326,000)</u>	<u>326,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	382,538	92,617	-	(83,960)
FUND BALANCES, Beginning	1,447,777	463,147	-	1,012,615
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, Ending	<u>\$ 1,830,315</u>	<u>\$ 555,764</u>	<u>\$ -</u>	<u>\$ 928,655</u>

The accompanying notes are an integral part of the financial statements.

TOTALS

2010	2009
\$ 4,324,684	\$ 5,109,502
378,139	365,823
6,531,827	6,528,968
557,334	381,347
11,791,984	12,385,640
5,706,526	5,978,810
4,690,763	4,426,929
103,810	1,188,629
490,000	475,000
409,690	427,624
11,400,789	12,496,992
391,195	(111,352)
326,000	650,000
(326,000)	(650,000)
-	-
391,195	(111,352)
2,923,539	3,035,448
-	(557)
\$ 3,314,734	\$ 2,923,539

PLATTE CANYON SCHOOL DISTRICT NO. 1

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 391,195
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense (\$612,120) exceeded capital outlay \$253,882 in the current period.	(358,238)
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements.	(115,108)
Bond issuance costs are expensed when the bonds are issued in the governmental funds and decrease fund balance. In the government-wide statements, however, these costs are capitalized and amortized over the life of the bonds. This is the amount of amortization expense for the current period.	(21,709)
Repayments of bond principal \$490,000, decrease in accrued interest (\$117), amortization of bond premium \$14,272, and decrease in compensated absences \$10,021, are expenditures in the governmental funds but reduce long-term liabilities in the statement of net assets.	<u>514,176</u>
Change in net assets of governmental activities	<u><u>\$ 410,316</u></u>

The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT NO. 1

STATEMENT OF NET ASSETS
 PROPRIETARY FUND TYPES

June 30, 2010

	FOOD	SWIMMING	TOTALS	
	SERVICE FUND	POOL FUND	2010	2009
ASSETS				
Current Assets				
Cash and Investments	\$ 53,515	\$ 37,908	\$ 91,423	\$ 99,793
Taxes Receivable	-	-	-	6,410
Accounts Receivable	8,389	-	8,389	9,336
Inventories	13,049	-	13,049	13,049
Total Current Assets	74,953	37,908	112,861	128,588
Non-Current Assets				
Capital Assets, Net of Accumulated Depreciation	16,556	205,089	221,645	243,728
TOTAL ASSETS	91,509	242,997	334,506	372,316
LIABILITIES				
Accounts Payable	112	765	877	2,019
Accrued Expenses	-	-	-	20,151
Accrued Salaries and Benefits	25,055	4,224	29,279	11,781
TOTAL LIABILITIES	25,167	4,989	30,156	33,951
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	16,556	205,089	221,645	243,728
Unrestricted	49,786	32,919	82,705	94,637
TOTAL NET ASSETS	\$ 66,342	\$ 238,008	\$ 304,350	\$ 338,365

The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT NO. 1

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPES
Year Ended June 30, 2010

	FOOD SERVICE FUND	SWIMMING POOL FUND	TOTALS	
			2010	2009
OPERATING REVENUES				
Charges for Services				
Food Sales	\$ 149,345	\$ -	\$ 149,345	\$ 156,379
Other	7,781	-	7,781	8,518
Pool Fees	-	40,548	40,548	46,671
Earnings on Investments	207	-	207	848
	<u>157,333</u>	<u>40,548</u>	<u>197,881</u>	<u>212,416</u>
OPERATING EXPENSES				
Salaries	109,214	90,649	199,863	211,926
Benefits	27,424	18,985	46,409	46,450
Purchased Services	979	10,684	11,663	3,215
Commodities	13,692	-	13,692	-
Food	132,734	-	132,734	130,978
Supplies and Materials	8,381	25,348	33,729	19,837
Property and Other	425	22,480	22,905	4,305
Depreciation	14,388	7,695	22,083	15,206
	<u>307,237</u>	<u>175,841</u>	<u>483,078</u>	<u>431,917</u>
	<u>(149,904)</u>	<u>(135,293)</u>	<u>(285,197)</u>	<u>(219,501)</u>
NON-OPERATING INCOME				
Federal Aid				
School Breakfast and Lunches	114,011	-	114,011	97,752
Commodities	13,692	-	13,692	9,523
State Match	2,888	-	2,888	2,724
Grants and Donations	-	20,000	20,000	-
Property Taxes	-	100,591	100,591	93,451
	<u>130,591</u>	<u>120,591</u>	<u>251,182</u>	<u>203,450</u>
	<u>(19,313)</u>	<u>(14,702)</u>	<u>(34,015)</u>	<u>(16,051)</u>
NET ASSETS, Beginning	<u>85,655</u>	<u>252,710</u>	<u>338,365</u>	<u>354,416</u>
NET ASSETS, Ending	<u>\$ 66,342</u>	<u>\$ 238,008</u>	<u>\$ 304,350</u>	<u>\$ 338,365</u>

The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT NO. 1

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES

Year Ended June 30, 2010

Increase (Decrease) in Cash

	FOOD SERVICE FUND	SWIMMING POOL FUND	TOTALS	
			2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Operations	\$ 157,332	\$ 41,496	\$ 198,828	\$ 212,172
Cash Paid to Suppliers and Employees	<u>(292,421)</u>	<u>(172,369)</u>	<u>(464,790)</u>	<u>(408,395)</u>
Net Cash Used by Operating Activities	<u>(135,089)</u>	<u>(130,873)</u>	<u>(265,962)</u>	<u>(196,223)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from School Breasfast and Lunch Program	114,011	-	114,011	97,752
Cash Received from Commodities	13,692	-	13,692	9,523
Cash Received from State Matching Funds	2,888	-	2,888	2,724
Cash Received from Grants and Donations	-	20,000	20,000	-
Cash Received from Property Taxes	-	107,001	107,001	93,695
Net Cash Provided by Noncapital Financing Activities	<u>130,591</u>	<u>127,001</u>	<u>257,592</u>	<u>203,694</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Purchase of Capital Assets	-	-	-	(15,755)
NET DECREASE IN CASH	(4,498)	(3,872)	(8,370)	(8,284)
CASH, Beginning	<u>58,013</u>	<u>41,780</u>	<u>99,793</u>	<u>108,077</u>
CASH, Ending	<u>\$ 53,515</u>	<u>\$ 37,908</u>	<u>\$ 91,423</u>	<u>\$ 99,793</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Loss	\$ (149,904)	\$ (135,293)	\$ (285,197)	\$ (219,501)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities				
Depreciation Expense	14,388	7,695	22,083	15,206
Changes in Assets and Liabilities				
Accounts Receivable	(1)	948	947	(244)
Accounts Payable	112	(1,254)	(1,142)	1,258
Accrued Salaries and Benefits	20,467	(2,969)	17,498	6,425
Accrued Expenses	<u>(20,151)</u>	<u>-</u>	<u>(20,151)</u>	<u>633</u>
Total Adjustments	<u>14,815</u>	<u>4,420</u>	<u>19,235</u>	<u>23,278</u>
Net Cash Used for Operating Activities	<u>\$ (135,089)</u>	<u>\$ (130,873)</u>	<u>\$ (265,962)</u>	<u>\$ (196,223)</u>

The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT NO. 1

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
June 30, 2010

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Investments	<u>\$ 132,841</u>	<u>\$ 94,696</u>
LIABILITIES		
Due to Student Groups	<u><u>\$ 132,841</u></u>	<u><u>\$ 94,696</u></u>

The accompanying notes are an integral part of the financial statements.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Platte Canyon School District No. 1 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the above criteria, no organizations are included in the District’s reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the District's government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Fiduciary funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary (enterprise) 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Capital Reserve Fund* accounts for resources used for the acquisition and construction of capital facilities and other expenditures.

The *Grants Fund* accounts for Federal, State and local grants received by the District.

The *Bond Redemption Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations of the District.

Additionally, the District reports the following fund types:

The *Food Service and Swimming Pool Enterprise Funds* account for the financial activities associated with the District's school lunch program and swimming pool operations, respectively.

The *Agency Fund* is used to account for resources used to support each school's student and fundraising activities. The District holds all resources in a purely custodial capacity.

Assets, Liabilities and Fund Equity

Investments – Investments are stated at fair value.

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 – Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Capital Assets – Capital assets, which include property 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 than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Land Improvements	20 to 50 years
Buildings	10 to 50 years
Equipment	10 to 20 years

Deferred Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. These compensated absences are recognized as current salary costs when accrued in the proprietary fund types and when paid in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-term Debt – 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 funds. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Net Assets/Fund Balances – In the government-wide financial statements, net assets are restricted when constraints placed on the net assets are externally imposed. In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Property Tax Revenues

Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. 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.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Funds which budget on a Non-GAAP 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:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- 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.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund equity at fiscal year end because they have lapsed and are pending reinstatement.

Legal Compliance

Actual expenditures in the Bond Redemption Fund exceeded budgeted amounts by \$1,960. This may be a violation of state statute.

NOTE 3: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

Petty Cash	\$ 200
Deposits	697,951
Investments	<u>3,426,478</u>
Total Cash and Investments	<u>\$ 4,124,629</u>

Cash and investments are reported in the financial statements as follows:

Governmental Activities	\$ 3,900,365
Business - Type Activities	91,423
Fiduciary Funds	<u>132,841</u>
Total	<u>\$ 4,124,629</u>

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

At June 30, 2010, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution 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 District has no policy regarding custodial credit risk for deposits.

At June 30, 2010, the District had deposits with financial institutions with a carrying amount of \$697,951. The bank balances with the financial institutions were \$722,319. Of these balances, \$250,000 was covered by federal depository insurance and \$472,319 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 3: CASH AND INVESTMENTS (Continued)

The above investments are authorized for all funds and fund types used by Colorado school districts.

The District had invested \$3,426,478 in the Colorado Government Liquid Asset Trust (COLOTRUST); an investment vehicle established for local government entities in Colorado to pool surplus funds and is registered with the State Securities Commissioner. The fund operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities. ColoTrust is rated AAAM by Standard and Poor's.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

The District made the following transfers during the year.

<u>Transfer to</u>	<u>Transfer From</u>	<u>Amount</u>
Capital Reserve Fund	General Fund	<u>\$ 326,000</u>

The General Fund transferred funds to the Capital Reserve fund to provide funding for capital and insurance costs.

Interfund activity as of and for the year ended June 30, 2010 consisted of the following:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Grants Fund	<u>\$ 290,381</u>

The General Fund paid expenditures on behalf of the Grant Fund.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 5: CAPITAL ASSETS

	Balances <u>6/30/09</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/10</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Construction in Process	<u>126,669</u>	<u>58,307</u>	<u>113,139</u>	<u>71,837</u>
Total Capital Assets, not depreciated	<u>\$ 1,487,199</u>	<u>58,307</u>	<u>113,139</u>	<u>1,432,367</u>
Capital Assets, depreciated				
Buildings	21,405,071	87,552	-	21,492,623
Site Improvements	1,626,890	43,955	-	1,670,845
Equipment	<u>1,428,919</u>	<u>177,207</u>	<u>-</u>	<u>1,606,126</u>
Total Capital Assets, depreciated	<u>24,460,880</u>	<u>308,714</u>	<u>-</u>	<u>24,769,594</u>
Less Accumulated Depreciation				
Buildings	7,761,652	439,206	-	8,200,858
Site Improvements	732,548	51,448	-	783,996
Equipment	<u>920,716</u>	<u>121,466</u>	<u>-</u>	<u>1,042,182</u>
Total Accumulated Depreciation	<u>9,414,916</u>	<u>612,120</u>	<u>-</u>	<u>10,027,036</u>
Total Capital Assets, depreciated, Net	<u>15,045,964</u>	<u>(303,406)</u>	<u>-</u>	<u>14,742,558</u>
Governmental Activities, Capital Assets, Net	<u>\$ 16,533,163</u>	<u>\$ (245,099)</u>	<u>\$ 113,139</u>	<u>\$ 16,174,925</u>
Business-Type Activities				
Capital Assets, depreciated				
Building and Improvements	\$ 313,207	\$ -	\$ -	\$ 313,207
Equipment	<u>147,894</u>	<u>-</u>	<u>-</u>	<u>147,894</u>
Total Capital Assets, depreciated	<u>461,101</u>	<u>-</u>	<u>-</u>	<u>461,101</u>
Less: Accumulated Depreciation	<u>217,373</u>	<u>22,083</u>	<u>-</u>	<u>239,456</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 243,728</u>	<u>\$ (22,083)</u>	<u>\$ -</u>	<u>\$ 221,645</u>

Depreciation expense was charged to the Supporting Services functions/programs of the District for the Governmental Activities and \$14,388 and \$7,695, to the Food Service and Swimming Pool programs for the Business-type Activities.

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 salaries and benefits earned, but unpaid, as of June 30, 2010, were \$982,404, \$41,780, \$25,055 and \$4,224 in the General, Grants, Food Service, and Swimming Pool Funds, respectively.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 7: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2010:

	Balance <u>6/30/09</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>6/30/10</u>	Due In <u>One Year</u>
General Obligation					
Bonds	\$ 10,000,000	\$ -	\$ 490,000	\$ 9,510,000	\$ 510,000
Bond Premium	199,818	-	14,272	185,546	-
Compensated Absences	<u>211,483</u>	<u>-</u>	<u>10,021</u>	<u>201,462</u>	<u>38,278</u>
Total	<u>\$ 10,411,301</u>	<u>\$ -</u>	<u>\$ 514,293</u>	<u>\$ 9,897,008</u>	<u>\$ 548,278</u>

Compensated absences and early retirement are expected to be liquidated with revenues of the General Fund.

General Obligation Bonds

On May 15, 2005, the District issued General Obligation Refunding Bonds Series 2005, in the amount of \$9,535,000. These bonds are due in annual installments through December 1, 2024. These bonds bear interest ranging from 3% to 5% payable annually on June and December 1. As of June 30, 2010, \$9,370,000 was outstanding on these bonds.

On March 1, 1999, the District issued General Obligation Bonds Series 1999, in the amount of \$3,880,000. These bonds are due in annual installments through December 1, 2011. These bonds bear interest at 4.3% to 4.4% payable annually on June and December 1. These bonds were partially refunded with the 2005 refunding bonds. As of June 30, 2010, \$140,000 was outstanding on these bonds.

On December 15, 1998, the District issued General Obligation Bonds, Series 1998 in the amount of \$9,500,000. These bonds bear interest ranging from 4.15% to 4.25%. Interest only payments are due annually on December 1 and payments of principal and interest are due annually on June 1 through 2010. These bonds were partially refunded with the 2005 Refunding Bonds. The bonds were paid in full during fiscal year 2010.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2010

NOTE 7: LONG-TERM DEBT (Continued)

Debt Service requirements to maturity for the bonds are as follows:

Year Ended <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 510,000	\$ 387,283	\$ 897,283
2012	535,000	366,765	901,765
2013	555,000	345,628	900,628
2014	575,000	325,134	900,134
2015	595,000	299,477	894,477
2016-2020	3,445,000	1,054,537	4,499,537
2021-2024	<u>3,295,000</u>	<u>276,992</u>	<u>3,571,992</u>
Total	<u>\$ 9,510,000</u>	<u>\$ 3,055,816</u>	<u>\$ 12,565,816</u>

NOTE 8: JOINTLY GOVERNED ORGANIZATIONS

BOCES

The District, in conjunction with other surrounding districts, created the Mt. Evans Board of Cooperative Educational Services (the “BOCES”). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The BOCES financial statements can be obtained at their office located at 320 Highway 103, Idaho Springs, CO 80452.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to the School Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (PERA). The SDTF provides retirement and disability, post-retirement annual increases, and death benefits for members or their beneficiaries. All employees of the District are members of the SDTF. 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 SDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

Funding Policy. The District is required to contribute member and employer contributions to PERA 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 contribution rate for members is 8.0 % and for the District it is 10.15 % of covered salary. A portion of the District's contribution (1.02 % of covered salary) is allocated to the Health Care Trust Fund (See Note 10). If the District rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay employer contributions on the amounts paid for the retiree, however no member contributions are required. The District is also required to pay an amortization equalization disbursement equal to 3.7 % of the total payroll for the calendar year 2010, (2.8% and 1.0 % of total payroll for the calendar years 2009 and 2008). For the years ending June 30, 2008, 2009, and 2010, the District's employer contributions for the SDTF were \$734,178, \$841,331 and \$892,908 respectively, equal to their required contributions for each year.

NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post employment healthcare plan administered by 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 online at www.copera.org or by writing to Colorado PERA, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

Funding Policy. The District is required to contribute at a rate of 1.02% of covered salary 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 to the HCTF is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. For the years ending June 30, 2008, 2009, and 2010, the District's employer contributions to the HCTF were \$64,526, \$68,604, and \$67,661, respectively, equal to their required contributions for each year.

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

PLATTE CANYON SCHOOL DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2010

NOTE 11: RISK MANAGEMENT (Continued)

The District continues to carry commercial insurance for all other risks of loss, including boiler and machinery coverage. Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state 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, 2010, 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 the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1997, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1997-98 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A reservation of equity in the General Fund in the amount of \$325,000 has been recorded as an emergency reserve in accordance with the Amendment.

REQUIRED SUPPLEMENTARY INFORMATION

PLATTE CANYON SCHOOL DISTRICT NO. 1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE Positive (Negative)	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Property Taxes	\$ 2,883,000	\$ 2,795,000	\$ 2,899,560	\$ 104,560	\$ 2,694,422
Specific Ownership Taxes	390,000	449,000	412,163	(36,837)	447,611
Tuition	144,000	150,000	176,287	26,287	206,772
Earnings on Investments	25,000	15,000	4,249	(10,751)	19,622
All Other Local Revenue Codes	8,000	11,666	14,510	2,844	253,521
Total Local Sources	<u>3,450,000</u>	<u>3,420,666</u>	<u>3,506,769</u>	<u>86,103</u>	<u>3,621,948</u>
County Sources	<u>329,000</u>	<u>349,000</u>	<u>378,139</u>	<u>29,139</u>	<u>365,823</u>
State Sources					
State Equalization	6,255,000	6,115,000	6,108,035	(6,965)	6,045,022
Vocational Educations	20,000	21,000	42,764	21,764	57,468
Exceptional Children's Education Act	130,000	120,500	151,671	31,171	229,560
Transportation	184,000	183,500	176,319	(7,181)	153,709
All Other State Revenue	31,000	31,000	48,038	17,038	34,064
Total State Sources	<u>6,620,000</u>	<u>6,471,000</u>	<u>6,526,827</u>	<u>55,827</u>	<u>6,519,823</u>
TOTAL REVENUES	<u>10,399,000</u>	<u>10,240,666</u>	<u>10,411,735</u>	<u>171,069</u>	<u>10,507,594</u>
EXPENDITURES					
Instruction					
Salaries	3,840,320	3,969,000	3,962,652	6,348	4,044,179
Employee Benefits	1,111,280	1,152,700	1,026,409	126,291	1,107,739
Purchased Services	101,460	94,600	77,221	17,379	161,544
Supplies and Materials	188,850	148,300	157,748	(9,448)	162,691
Property	87,000	69,000	72,563	(3,563)	31,256
Other Objects and Uses	17,300	17,300	8,948	8,352	14,010
Total Instruction	<u>5,346,210</u>	<u>5,450,900</u>	<u>5,305,541</u>	<u>145,359</u>	<u>5,521,419</u>
Supporting Services					
Students					
Salaries	397,300	402,160	396,785	5,375	457,449
Employee Benefits	107,140	115,440	101,479	13,961	118,733
Purchased Services	67,410	65,400	60,275	5,125	59,806
Supplies and Materials	4,590	4,700	2,944	1,756	5,247
Property	1,000	1,000	124	876	1,208
Other Objects and Uses	500	1,300	-	1,300	1,375
Total Students	<u>577,940</u>	<u>590,000</u>	<u>561,607</u>	<u>28,393</u>	<u>643,818</u>

(Continued)

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE Positive (Negative)	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Instructional Staff					
Salaries	250,660	252,480	245,170	7,310	241,568
Employee Benefits	79,510	77,820	65,671	12,149	66,316
Purchased Services	143,900	128,000	118,301	9,699	123,007
Supplies and Materials	44,850	53,500	46,544	6,956	44,796
Property	28,200	34,200	29,634	4,566	13,595
Other Objects and Uses	2,300	2,300	2,165	135	1,786
Total Instructional Staff	<u>549,420</u>	<u>548,300</u>	<u>507,485</u>	<u>40,815</u>	<u>491,068</u>
General Administration					
Salaries	114,820	120,800	118,900	1,900	119,218
Employee Benefits	35,530	39,800	33,886	5,914	37,843
Purchased Services	51,500	55,000	37,824	17,176	45,468
Supplies and Materials	4,500	4,500	2,489	2,011	4,000
Property	2,000	2,000	-	2,000	-
Other Objects and Uses	12,000	13,000	1,775	11,225	11,724
Total General Administration	<u>220,350</u>	<u>235,100</u>	<u>194,874</u>	<u>40,226</u>	<u>218,253</u>
School Administration					
Salaries	463,520	464,200	459,031	5,169	393,534
Employee Benefits	149,960	146,500	132,362	14,138	120,063
Purchased Services	3,750	3,700	1,007	2,693	2,088
Supplies and Materials	5,500	4,500	4,085	415	3,095
Property	2,500	2,500	1,604	896	597
Other Objects and Uses	2,900	3,500	3,002	498	3,369
Total School Administration	<u>628,130</u>	<u>624,900</u>	<u>601,091</u>	<u>23,809</u>	<u>522,746</u>
Business Services					
Salaries	130,700	132,200	124,044	8,156	126,254
Employee Benefits	43,010	46,500	38,541	7,959	39,212
Purchased Services	13,390	15,700	14,406	1,294	14,915
Supplies and Materials	3,000	3,000	1,042	1,958	1,966
Property	1,000	1,000	144	856	-
Other Objects and Uses	300	300	-	300	225
Total Business Services	<u>191,400</u>	<u>198,700</u>	<u>178,177</u>	<u>20,523</u>	<u>182,572</u>

(Continued)

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE Positive (Negative)	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Operations and Maintenance					
Salaries	502,530	516,200	475,740	40,460	493,555
Employee Benefits	155,940	160,500	151,343	9,157	157,302
Purchased Services	101,000	113,300	118,337	(5,037)	105,755
Supplies and Materials	445,000	512,800	473,142	39,658	385,010
Property	10,000	10,000	5,716	4,284	6,498
Other Objects and Uses	-	-	12,532	(12,532)	-
Total Operations and Maintenance	<u>1,214,470</u>	<u>1,312,800</u>	<u>1,236,810</u>	<u>75,990</u>	<u>1,148,120</u>
Student Transportation					
Salaries	467,840	462,600	467,733	(5,133)	460,908
Employee Benefits	175,970	166,300	153,152	13,148	163,495
Purchased Services	6,730	7,300	4,732	2,568	6,728
Supplies and Materials	106,460	106,300	89,017	17,283	92,613
Property	48,000	47,500	36,398	11,102	41,664
Total Student Transportation	<u>805,000</u>	<u>790,000</u>	<u>751,032</u>	<u>38,968</u>	<u>765,408</u>
Central Support					
Salaries	35,310	37,300	35,981	1,319	33,202
Employee Benefits	11,190	11,900	9,619	2,281	9,328
Purchased Services	87,570	325,800	296,538	29,262	248,822
Supplies and Materials	7,900	8,700	8,095	605	7,505
Property	9,200	13,300	6,690	6,610	3,249
Other Objects and Uses	4,800	3,800	1,961	1,839	2,690
Total Central Support	<u>155,970</u>	<u>400,800</u>	<u>358,884</u>	<u>41,916</u>	<u>304,796</u>
Food Service					
Supplies and Materials	11,110	11,500	7,696	3,804	8,310
Total Food Service	<u>11,110</u>	<u>11,500</u>	<u>7,696</u>	<u>3,804</u>	<u>8,310</u>
Total Supporting Services	<u>4,353,790</u>	<u>4,712,100</u>	<u>4,397,656</u>	<u>314,444</u>	<u>4,285,091</u>
RESERVES	<u>900,000</u>	<u>1,200,000</u>	<u>-</u>	<u>1,200,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>10,600,000</u>	<u>11,363,000</u>	<u>9,703,197</u>	<u>1,659,803</u>	<u>9,806,510</u>

(Continued)

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE Positive (Negative)	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(201,000)</u>	<u>(1,122,334)</u>	<u>708,538</u>	<u>1,830,872</u>	<u>701,084</u>
OTHER FINANCING SOURCES (USES)					
Transfers Out	<u>(646,000)</u>	<u>(326,000)</u>	<u>(326,000)</u>	<u>-</u>	<u>(650,000)</u>
CHANGE IN FUND BALANCE	<u>(847,000)</u>	<u>(1,448,334)</u>	<u>382,538</u>	<u>1,830,872</u>	<u>51,084</u>
FUND BALANCES, Beginning	847,000	1,448,334	1,447,777	(557)	1,397,250
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(557)</u>
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,830,315</u>	<u>\$ 1,830,315</u>	<u>\$ 1,447,777</u>

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

CAPITAL RESERVE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE Positive (Negative)	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Earnings on Investments	\$ -	\$ -	\$ 1,557	\$ 1,557	\$ 4,089
Grants and Donations	-	-	-	-	458,739
Other	1,000	853	-	(853)	12,400
TOTAL REVENUES	1,000	853	1,557	704	475,228
EXPENDITURES					
Purchased Services					
Supplies and Materials	-	-	116,392	(116,392)	-
Capital Outlay	-	-	14,738	(14,738)	-
Buildings	200,000	210,000	-	210,000	848,064
Improvements	294,000	260,000	16,023	243,977	153,290
Transportation Equipment	101,000	170,000	87,787	82,213	187,275
TOTAL EXPENDITURES	595,000	640,000	234,940	405,060	1,188,629
EXCESS OF REVENUES UNDER EXPENDITURES	(594,000)	(639,147)	(233,383)	405,764	(713,401)
OTHER FINANCING SOURCES					
Transfers In	426,000	326,000	326,000	-	650,000
NET CHANGE IN FUND BALANCE	(168,000)	(313,147)	92,617	405,764	(63,401)
FUND BALANCE, Beginning	268,000	463,147	463,147	-	526,548
FUND BALANCE, Ending	\$ 100,000	\$ 150,000	\$ 555,764	\$ 405,764	\$ 463,147

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

GRANTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
State Sources	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 9,145
Federal Sources	816,202	697,580	557,334	(140,246)	381,347
Local Sources	40,000	40,000	628	(39,372)	208,737
TOTAL REVENUES	856,202	737,580	562,962	(174,618)	599,229
EXPENDITURES					
Salaries	-	-	257,510	(257,510)	342,927
Benefits	-	-	78,363	(78,363)	76,158
Purchased Services	-	-	189,506	(189,506)	149,724
Supplies and Materials	-	-	28,205	(28,205)	19,878
Property	-	-	1,451	(1,451)	7,218
Other	515,202	744,000	7,927	736,073	3,324
TOTAL EXPENDITURES	515,202	744,000	562,962	181,038	599,229
NET CHANGE IN FUND BALANCE	341,000	(6,420)	-	-	-
FUND BALANCE, Beginning	-	6,420	-	-	-
FUND BALANCE, Ending	\$ 341,000	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

PLATTE CANYON SCHOOL DISTRICT NO. 1

BOND REDEMPTION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Property Taxes	\$ 864,000	\$ 815,193	\$ 811,060	\$ (4,133)	\$ 789,073
Delinquent Taxes	3,000	3,000	3,447	447	3,782
Earnings on Investments	30,430	10,192	1,223	(8,969)	10,734
TOTAL REVENUES	<u>897,430</u>	<u>828,385</u>	<u>815,730</u>	<u>(12,655)</u>	<u>803,589</u>
EXPENDITURES					
Debt Service					
Principal	490,000	490,000	490,000	-	475,000
Interest and Fiscal Charges	407,430	407,730	409,690	(1,960)	427,624
TOTAL EXPENDITURES	<u>897,430</u>	<u>897,730</u>	<u>899,690</u>	<u>(1,960)</u>	<u>902,624</u>
NET CHANGE IN FUND BALANCE	-	(69,345)	(83,960)	(14,615)	(99,035)
FUND BALANCE, Beginning	<u>1,032,000</u>	<u>1,012,615</u>	<u>1,012,615</u>	-	<u>1,111,650</u>
FUND BALANCE, Ending	<u>\$ 1,032,000</u>	<u>\$ 943,270</u>	<u>\$ 928,655</u>	<u>\$ (14,615)</u>	<u>\$ 1,012,615</u>

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

FOOD SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE Positive (Negative)	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
OPERATING REVENUES					
Charges for Services					
Lunches	\$ 162,000	\$ 167,000	\$ 149,345	\$ (17,655)	\$ 156,379
Other	5,000	6,400	7,781	1,381	8,518
Earnings on Investments	800	800	207	(593)	848
Federal Aid					
School Breakfast and Lunch	87,000	106,000	114,011	8,011	97,752
Commodities	-	-	13,692	13,692	9,523
State Match	3,000	3,045	2,888	(157)	2,724
	<u>257,800</u>	<u>283,245</u>	<u>287,924</u>	<u>4,679</u>	<u>275,744</u>
TOTAL OPERATING REVENUES					
OPERATING EXPENSES					
Salaries	107,800	108,800	109,214	(414)	108,193
Benefits	32,000	28,445	27,424	1,021	26,124
Purchased Services	2,000	1,000	979	21	681
Commodities	4,000	3,000	13,692	(10,692)	-
Food	132,000	132,000	132,734	(734)	130,978
Other Supplies	10,000	8,000	8,381	(381)	6,537
Other	2,000	2,000	425	1,575	2,271
	<u>289,800</u>	<u>283,245</u>	<u>292,849</u>	<u>(9,604)</u>	<u>274,784</u>
TOTAL OPERATING EXPENSES					
OPERATING INCOME (LOSS), BUDGETARY BASIS					
	<u>\$ (32,000)</u>	<u>\$ -</u>	<u>(4,925)</u>	<u>\$ (4,925)</u>	<u>960</u>
ADJUSTMENTS TO GAAP BASIS					
Depreciation			<u>(14,388)</u>		<u>(7,517)</u>
NET LOSS, GAAP BASIS					
			<u>(19,313)</u>		<u>(6,557)</u>
NET ASSETS, Beginning					
			<u>85,655</u>		<u>92,212</u>
NET ASSETS, Ending					
			<u>\$ 66,342</u>		<u>\$ 85,655</u>

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

SWIMMING POOL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2010

	2010			VARIANCE	2009 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
OPERATING REVENUES					
Property Taxes	\$ 98,000	\$ 98,000	\$ 100,591	\$ 2,591	\$ 93,451
Charges for Services	43,300	43,112	40,548	(2,564)	46,671
Grants and Donations	-	20,000	20,000	-	-
TOTAL REVENUES	141,300	161,112	161,139	27	140,122
OPERATING EXPENSES					
Salaries	93,600	93,600	90,649	2,951	103,733
Benefits	25,600	22,000	18,985	3,015	20,326
Purchased Services	7,100	13,395	10,684	2,711	2,534
Supplies and Materials	28,000	28,000	25,348	2,652	13,300
Property	4,000	22,005	15,085	6,920	2,034
Other	5,000	5,000	7,395	(2,395)	-
TOTAL OPERATING EXPENSES	163,300	184,000	168,146	15,854	141,927
OPERATING INCOME (LOSS), BUDGETARY BASIS	\$ (22,000)	\$ (22,888)	(7,007)	\$ 15,881	(1,805)
ADJUSTMENTS TO GAAP BASIS					
Depreciation			(7,695)		(7,689)
NET LOSS, GAAP BASIS			(14,702)		(9,494)
NET ASSETS, Beginning			252,710		262,204
NET ASSETS, Ending			\$ 238,008		\$ 252,710

See the accompanying independent auditors' report.

PLATTE CANYON SCHOOL DISTRICT NO. 1

AGENCY FUND - PUPIL ACTIVITY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 94,696	\$ 258,500	\$ 220,355	\$ 132,841
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Accounts Payable - Due to Student Groups	\$ 94,696	\$ 258,500	\$ 220,355	\$ 132,841
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See the accompanying independent auditors' report.

STATE COMPLIANCE



**JOHN CUTLER
& ASSOCIATES**

Board of Education
Platte Canyon School District No. 1
Bailey, Colorado

**INDEPENDENT AUDITORS' REPORT ON ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Platte Canyon School District No. 1, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the District and have issued our report thereon dated March 1, 2011. These financial statements are the responsibility of Platte Canyon School District No. 1's management. Our responsibility is to express an opinion 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. 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 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 financial statements that collectively comprise the Platte Canyon School District No. 1's financial statements. The accompanying electronic financial data integrity check figures is presented for purposes of additional analysis as required by the State of Colorado and is not a required part of the financial statements. The information in this schedule has 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.

John Cutler & Associates, LLC

March 1, 2011

03/01/2011
 CANYON 1
 02:12 PM
 2600

Colorado Department of Education
 Fiscal Year 2009-2010
 Colorado School District/BOCES
 Auditor's Integrity Report

PARK PLATTE
 District Code:

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	1,297,264	10,085,735	9,685,310	1,697,689
18	Risk Mgmt Sub-Fund of General Fund	150,513	0	17,889	132,624
19	Colorado Preschool Program Fund	0	0	0	0
	Subtotal	1,447,777	10,085,735	9,703,199	1,830,313
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	0	0	0	0
21	Capital Reserve Spec Revenue Fund	463,147	327,557	234,940	555,764
22	Govt Designated-Purpose Grants Fund	-0	562,961	562,961	0
23	Pupil Activity Special Revenue Fund	0	0	0	0
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	1,012,616	815,730	899,692	928,655
41	Building Fund	0	0	0	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	0	0	0	0
	TOTALS	2,923,540	11,791,984	11,400,792	3,314,732
Proprietary					
51	Food Service Fund	85,654	287,924	307,237	66,341
50	Other Enterprise Funds	252,710	161,139	175,840	238,008
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
	TOTALS	338,364	449,062	483,077	304,349
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	94,696	258,500	220,355	132,841
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
	TOTALS	94,696	258,500	220,355	132,841

*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.