

**EDISON SCHOOL DISTRICT 54JT  
YODER, COLORADO  
BASIC FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED JUNE 30, 2016**



**RECEIVED**

*By Justin L. Smith at 12:43 pm, Dec 15, 2016*

**EDISON SCHOOL DISTRICT 54JT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**JUNE 30, 2016**

**TABLE OF CONTENTS**

<b>FINANCIAL SECTION</b>	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Management's Discussion and Analysis</b>	3
<b><u>Basic Financial Statements:</u></b>	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	14
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16
<b><u>Required Supplementary Information:</u></b>	
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budget Basis) - General Fund	34
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual:	
Food Service Fund	35
Pupil Activity Fund	36
Schedule of the District's Proportionate Share of the Net Pension Liability	37
Schedule of Contributions and Related Ratios	38
<b><u>Other Supplementary Information:</u></b>	
Statement of Revenues, Expenditures and Changes in Fund Balances Budget and Actual:	
Debt Service Fund	39
Capital Projects - Building Fund	40
 <b>COLORADO DEPARTMENT OF EDUCATION AUDITOR'S INTEGRITY REPORT</b>	
Colorado Department of Education Auditor's Integrity Report	41

## **INDEPENDENT AUDITOR'S REPORT**

The Board of Education  
Edison School District 54JT  
Yoder, Colorado

I have audited the accompanying financial statements of the governmental activities, each major fund, of the Edison School District 54JT, Yoder, Colorado (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the District as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

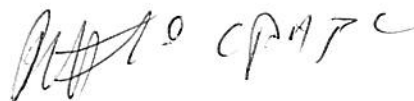
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of contributions and related ratios, and budgetary comparison information shown as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The statements included in the other supplementary information section and Colorado Department of Education Auditor's Integrity Report are presented for additional analysis and are not a required part of the basic financial statements.

The other supplementary information and Colorado Department of Education Auditor's Integrity Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado  
November 2, 2016

Handwritten signature and initials, possibly reading "M. J. O. CP 11/2/16".

**Edison School District 54JT**  
**Management Discussion and Analysis**  
**For the fiscal year ended June 30, 2016**

The discussion and analysis of Edison School District 54JT's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. 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.

**Financial Highlights – Financial Statements as of June 30, 2016**

- The assets of the District exceed its liabilities at the close of June 30, 2016 by \$1,466,604 (net assets) as reported in the government-wide financial statements.
- The District's government-wide total net assets increased by \$1,028,044 over the prior fiscal year.
- Program revenues for \$1,183,416 offset expenses from governmental activities of \$2,506,681. General revenues from property taxes and state equalization amounted to \$2,324,893.
- At the close of June 30, 2016, the District reported \$1,339,326 combined fund balances (budget basis) for the Governmental Funds, an increase of \$483,219. Revenues exceeded Expenditures by \$198,219 before transfers. An additional \$37,600 was transferred to the Food Service Fund for operations.

**Edison School District 54JT**  
**Management Discussion and Analysis**  
**For the fiscal year ended June 30, 2016**

**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 comprise of 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.

*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 about all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, changes 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 current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Both of the government-wide financial statements distinguish functions of the District that are supported by taxes from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the District include instruction and support services and facility construction.

The government-wide financial statements can be found on pages 1-2 of this report.

*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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds.* Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the District's near-term financing requirements. The annual budget is provided on the basis of the governmental fund financial statements.

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 activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues,

**Edison School District 54JT**  
**Management Discussion and Analysis**  
**For the fiscal year ended June 30, 2016**

Expenditures, and Changes in Fund Balances for the General Fund. Data from the one other governmental fund is combined into a single, aggregated presentation. Individual data for this fund is provided in the form of an individual statement in supplementary schedules with this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

*Notes to the basic 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.* The combining and individual fund statements referred to earlier in connection with non-major governmental funds and enterprise funds are presented after the notes to the financial statements. A budget comparison is provided for each major fund and enterprise fund. The additional schedule required as part of the Colorado Public School Finance Act can also be found after the notes to the financial statements.

**Government-wide Financial Analysis**

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and other assets are current assets. These assets are available to provide resources for the near-term operations of the District. A good portion of the current assets is the result of the property tax collection process; the District receives about 86% of the annual property tax assessment between February and June.

Capital Assets are used in the operations of the District. These assets are land, improvements, buildings, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and unearned revenues. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2016.

**Edison School District 54JT**  
**Management Discussion and Analysis**  
**For the fiscal year ended June 30, 2016**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$1,466,604 at the close of the most recent fiscal year.

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 1,756,479	\$ 1,027,582
Capital assets	3,769,464	2,992,342
<b>Total Assets</b>	<u>5,525,943</u>	<u>4,019,924</u>
Deferred outflow of resources	523,016	158,605
Current and other liabilities	463,421	208,325
Long-term liabilities outstanding	3,973,033	3,531,407
<b>Total Liabilities</b>	<u>4,436,454</u>	<u>3,739,732</u>
Deferred inflow of resources	145,901	237
<b>Net Position</b>		
Invested in capital assets, net of related debt	3,127,884	2,620,762
Restricted for:		
TABOR	69,000	65,000
Preschool		
Insurance		
Student Activities		
Debt Service	70,026	53,047
Capital Projects	268,377	
Unrestricted	(2,068,683)	(2,300,249)
As restated		
<b>Total Net Position</b>	<u>\$ 1,466,604</u>	<u>\$ 438,560</u>

The District's reported assets consist of current assets of \$1,756,479 and capital assets of \$3,769,464. The ratio of Current Assets to Current Liabilities of 3.79 to 1 indicates the District's ability to meet current obligations.

**Edison School District 54JT  
Management Discussion and Analysis  
For the fiscal year ended June 30, 2016**

	<b>Governmental Activities</b>	
	<b>2016</b>	<b>2015</b>
Charges for services	\$ 58,649	\$ 50,932
Operating and capital grants and contributions	1,124,767	158,891
General revenues:		
Property taxes	160,798	127,719
Specific ownership taxes	9,635	8,569
State Equalization	2,154,460	2,220,783
Loss – Asset Disposal	(51,508)	
Other Sources	72,225	75,795
Interest	5,699	2,522
<b>Total Revenues</b>	<b>3,534,725</b>	<b>2,645,211</b>
Expenses:		
Instruction	1,529,869	1,541,464
Support services	843,241	8894,968
Capital outlay		
Professional services		
Debt service – interest	23,508	18,600
Facilities construction	22,819	
Depreciation		
Food services	87,244	102,243
<b>Total Expenses</b>	<b>2,506,681</b>	<b>2,557,275</b>
<b>Transfers</b>		
<b>Change in Net Position</b>	1,028,044	87,936
<b>Net Position – Beginning, as restated</b>	438,560	350,624
<b>Net Position – Ending</b>	<b>\$ 1,466,604</b>	<b>\$ 438,560</b>

**Governmental activities.** Governmental activities increased the District’s net position in 2016 by \$87,936 and increased the net position in 2016 by \$1,028,044.

**Financial Analysis of the Government’s Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Edison School District 54JT  
Management Discussion and Analysis  
For the fiscal year ended June 30, 2016**

*Governmental 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, 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 current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,339,326, an increase of \$483,219 on a budget basis.

- Revenue exceeded expenditures and transfers out in the General Fund by \$182,580 increasing fund balance to \$969,522.

**General Fund Budgetary Highlights**

The District is required to adopt a budget by June 30 for the following fiscal year. The Board of Education may make final changes to the previously adopted budget by January 30. The annual budget for Edison School District 54JT had significant differences between the original/final budgets in the General Fund. The original budget did not reflect an increase in salary expense for additional preschool staff hired that resulted in additional salary and benefit costs.

**Capital Asset and Debt Administration**

*Capital assets.* The District's investment in capital assets for governmental activities as of June 30, 2016 amounts to \$3,769,464 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, food service equipment, office and instructional equipment.

	<u>Governmental Activities</u>	
	<u>2016</u>	<u>2015</u>
Governmental Fund	\$	\$
Capital Assets		
Land and Building	8,512	8,512
Improvement	3,602,001	3,693,911
Equipment	267,691	267,691
Vehicles	230,966	214,316
Construction		
in Progress	968,167	7,901
Less: Accumulated	<u>5,077,337</u>	<u>4,192,331</u>
Depreciation	<u>1,307,873</u>	<u>1,199,989</u>
<b>Total Governmental</b>		
<b>Funds Capital Assets</b>	<u>\$ 3,769,464</u>	<u>\$ 2,992,342</u>

**Edison School District 54JT  
Management Discussion and Analysis  
For the fiscal year ended June 30, 2016**

**Economic Factors and Next Year's Budget**

- The overriding concern in this budget was the concern of the ever growing negative factor from the state. It looks as though the district will receive a slight increase in per pupil funding for the 2016-2017 school year. This is still not enough to fill in the funding gaps but will help.
- Property and personal taxes continue to decrease, resulting in more of the funding coming from the state.
- The cost of fuel, electricity, and maintenance items continue to increase, and the increase in utilities for the new building is unknown. We will need a year or two to determine exactly what the cost will be.
- The 2013-2014 count was 141 plus 82 on-line students. The 2014-2015 count was 117 plus 62 on-line students. This year's count is 131 plus 112 on-line students. This slight increase in student numbers will increase the funding for the district.
- The district has continued to operate with just one administrator. This saves the district approximately \$30,000.00 a year.
- The district replaced one of the smaller buses and a larger bus for the college route.
- The Edison community voted to pass a bond to meet our match for the new building.
- Edison District is still the lowest paying district in El Paso County, but the highest academic performing district in the state. We will need to raise the base on our salary in the future in order for us to stay competitive in the labor market.
- Edison's benefit package is lower than most districts in the state. Our benefits package will make staff recruitment difficult in coming years. The district raised the employee health benefit to \$400.00 to help alleviate the increase in health care premiums.
- BOCES costs continue to increase, but hopefully the new administrator will get a handle on this issue.
- Overall, the health of the district is good. Hopefully the state will start to pay back the negative factor which will help every district in the state.

**Requests for Information**

The financial report is designed to provide a general overview of Edison School District 54JT's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 14550 Edison Road, Yoder, Colorado 80864.

**BASIC FINANCIAL  
STATEMENTS**

**Edison School District 54JT**  
**Statement of Net Position**  
**June 30, 2016**

	<b>Primary Governmental Governmental Activities</b>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 1,497,723
Cash with county treasurer	2,105
Accounts receivable	2,330
Property taxes receivable	5,719
Grants receivable	247,185
Inventories	1,417
Total current assets	1,756,479
Capital assets:	
Land & construction in progress	976,679
Depreciable assets	4,100,658
Accumulated depreciation	(1,307,873)
Capital assets, net of depreciation	3,769,464
<b>Total assets</b>	5,525,943
<b>Deferred outflows of resources: See note 6</b>	523,016
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	103,644
Accrued salaries and benefits	171,806
Other current liabilities	141,703
Accrued compensated absences	21,268
General obligation bonds payable-current	25,000
Total current liabilities	463,421
Noncurrent liabilities:	
Accrued interest payable	2,173
General obligation bonds	615,000
Net pension liability	3,355,860
Total noncurrent liabilities	3,973,033
<b>Total liabilities</b>	4,436,454
<b>Deferred inflows of resources: See note 6</b>	145,901
<b>Net position</b>	
Invested in capital assets, net of related debt	3,127,884
Restricted for:	
Debt service	70,026
Capital projects	268,377
TABOR	69,000
Unrestricted (deficit)	(2,068,683)
<b>Total net position</b>	\$ 1,466,604

See accompanying notes to basic financial statements

**Edison School District 54JT**  
**Statement of Activities**  
**Fiscal year ended June 30, 2016**

	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
<b>Functions/Programs</b>					
Governmental activities:					
Regular & special education instruction	\$ 1,375,593	\$ 9,689	\$ 107,355	\$ -	\$ (1,258,549)
Cocurricular activities	86,913	37,261	-	-	(49,652)
Student services	29,748	-	-	-	(29,748)
Instructional staff	27,160	-	-	-	(27,160)
General administration	90,336	-	-	-	(90,336)
School administration	127,116	-	-	-	(127,116)
Support services - business	150,527	-	-	-	(150,527)
Operations and maintenance	255,675	-	23,842	-	(255,675)
Student transportation	126,275	-	-	-	(102,433)
Support services - central	38,214	-	-	-	(38,214)
Food production costs	87,244	11,699	49,927	-	(25,618)
Pike Peak BOCES	65,553	-	-	-	(65,553)
District-wide facilities acquisition	22,819	-	-	943,643	920,824
Interest expense, unallocated	23,508	-	-	-	(23,508)
Total primary government	\$ 2,506,681	\$ 58,649	\$ 181,124	\$ 943,643	\$ (1,323,265)

General revenues	
Taxes:	
Local property taxes	\$ 160,798
Specific ownership taxes	9,635
State equalization	2,154,460
Loss on disposal of asset	(51,508)
Other state and local sources	72,225
Interest on investments	5,699
Total general revenues and transfers	2,351,309
Change in net position	1,028,044
Net position July 1, 2015	438,560
Net position June 30, 2016	\$ 1,466,604

See accompanying notes to basic financial statements

**Edison School District 54JT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>Assets</b>						
Cash and cash equivalents	\$ 1,295,213	\$ 15,252	\$ 19,157	\$ 67,439	\$ 100,662	\$ 1,497,723
Cash with county treasurer	1,409	-	-	696	-	2,105
Property taxes receivable	3,828	-	-	1,891	-	5,719
Accounts receivable	-	2,330	-	-	-	2,330
Grants receivable	-	-	-	-	247,185	247,185
Inventories	-	1,417	-	-	-	1,417
<b>Total Assets</b>	<u>\$ 1,300,450</u>	<u>\$ 18,999</u>	<u>\$ 19,157</u>	<u>\$ 70,026</u>	<u>\$ 347,847</u>	<u>\$ 1,756,479</u>
<b>Liabilities</b>						
Liabilities:						
Accounts payable	\$ 24,174	\$ -	\$ -	\$ -	\$ 79,470	\$ 103,644
Accrued salaries and benefits	165,051	6,755	-	-	-	171,806
Other liabilities	141,703	-	-	-	-	141,703
<b>Total liabilities</b>	<u>330,928</u>	<u>6,755</u>	<u>-</u>	<u>-</u>	<u>79,470</u>	<u>417,153</u>
Fund Balances - nonspendable, inventories	-	1,417	-	-	-	1,417
Fund Balances -spendable, reported in:						
Restricted fund balance, reported in:						
TABOR	69,000	-	-	-	-	69,000
Debt service	-	-	-	70,026	-	70,026
Capital projects	-	-	-	-	268,377	268,377
Assigned fund balance, reported in:						
Special revenue funds	-	10,827	19,157	-	-	29,984
Unassigned fund balance, reported in:						
General fund	900,522	-	-	-	-	900,522
Total fund balances	<u>969,522</u>	<u>12,244</u>	<u>19,157</u>	<u>70,026</u>	<u>268,377</u>	<u>1,339,326</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 1,300,450</u>	<u>\$ 18,999</u>	<u>\$ 19,157</u>	<u>\$ 70,026</u>	<u>\$ 347,847</u>	<u>\$ 1,756,479</u>

See accompanying notes to basic financial statements

**Edison School District 54JT**  
**Reconciliation of Governmental Funds Balance Sheet To**  
**Statement of Net Position**  
**June 30, 2016**

Governmental funds total fund balances	\$	1,339,326
Add:		
Capital assets used in government activities are not considered current financial resources and, therefore, not reported in the governmental funds. reported in the governmental funds.		5,077,337
Deferred outflows of resources		523,016
Deduct:		
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.		(1,307,873)
Long-term liabilities for general obligation debt are not due and payable in the current period and, therefore, not reported reported in the funds:		
2015 General obligation bonds	(355,000)	
2008 General obligation bonds	(285,000)	(640,000)
Net pension liability		(3,355,860)
Deferred inflows of resources		(145,901)
Compensated absences payable		(21,268)
Accrued interest payable		(2,173)
Government activities net position	<u>\$</u>	<u>1,466,604</u>

See accompanying notes to basic financial statements

**Edison School District 54JT**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds**  
**Fiscal year ended June 30, 2016**

	General Fund	Food Service Fund	Pupil Activity Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>Revenues</b>						
Local sources	\$ 169,330	\$ 11,699	\$ 37,261	\$ 55,744	\$ -	\$ 274,034
State sources	2,284,031	2,452	-	-	943,643	3,230,126
Federal sources	51,598	47,475	-	-	-	99,073
<b>Total revenues</b>	<u>2,504,959</u>	<u>61,626</u>	<u>37,261</u>	<u>55,744</u>	<u>943,643</u>	<u>3,603,233</u>
<b>Expenditures</b>						
Current:						
Regular instruction	1,265,594	-	-	-	-	1,265,594
Cocurricular activities	55,396	-	32,733	-	-	88,129
Student services	29,748	-	-	-	-	29,748
Instructional staff	27,867	-	-	-	-	27,867
General administration	92,094	-	-	-	-	92,094
School administration	130,804	-	-	-	-	130,804
Support services - business	153,630	-	-	850	-	154,480
Operations and maintenance	258,166	-	-	-	-	258,166
Student transportation	144,894	-	-	-	-	144,894
Support services - central	38,214	-	-	-	-	38,214
Food production costs	-	88,471	-	-	-	88,471
Pikes Peak BOCES	65,553	-	-	-	-	65,553
District-wide facility acquisitions	22,819	-	-	-	960,266	983,085
Debt service:						
Principal retirements	-	-	-	15,000	-	15,000
Interest and fiscal charges	-	-	-	22,915	-	22,915
<b>Total expenditures</b>	<u>2,284,779</u>	<u>88,471</u>	<u>32,733</u>	<u>38,765</u>	<u>960,266</u>	<u>3,405,014</u>
Excess(deficiency) of revenues over(under)	220,180	(26,845)	4,528	16,979	(16,623)	198,219
<b>Expenditures</b>						
Other financing sources (uses)						
Proceeds from issuance of bonds	-	-	-	-	285,000	285,000
Transfer in	-	37,600	-	-	-	37,600
Transfer out	(37,600)	-	-	-	-	(37,600)
<b>Total other financing sources (uses)</b>	<u>(37,600)</u>	<u>37,600</u>	<u>-</u>	<u>-</u>	<u>285,000</u>	<u>285,000</u>
<b>Net change in fund balances</b>	182,580	10,755	4,528	16,979	268,377	483,219
<b>Fund balances at beginning of year</b>	786,942	1,489	14,629	53,047	-	856,107
<b>Fund balances at end of year</b>	<u>\$ 969,522</u>	<u>\$ 12,244</u>	<u>\$ 19,157</u>	<u>\$ 70,026</u>	<u>\$ 268,377</u>	<u>\$ 1,339,326</u>

**Edison School District 54JT**  
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2016**

Governmental funds changes in fund balances	\$	483,219
Add:		
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.		908,408
Principal retirement of District's long-term debt results in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against the long-term liabilities.		15,000
Deduct:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(131,286)
Interest expense is recorded on the cash basis in the funds:		
Change in accrued interest		(593)
Long-term payroll liabilities are expensed when paid in the funds		
Compensated absences (accrued) paid		582
Pension expense adjustment		37,714
Proceeds from issuance of general obligation bonds		(285,000)
Governmental activities change in net position	<u>\$</u>	<u>1,028,044</u>

See accompanying notes to basic financial statements

**EDISON SCHOOL DISTRICT 54JT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

Note 1 - **Summary of Significant Accounting Policies**

The Edison School District 54JT (the District) was formed in 1916 and encompasses the counties of El Paso, Lincoln and Pueblo, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 150 students in-house and 70 on-line and college students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education within its boundaries of El Paso, Lincoln and Pueblo Counties. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

**Reporting Entity**

Governmental Accounting Standards Board (GASB) Statement No. 14, "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position 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. 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. Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and others sources not described above.

Separate financial statements are provided for the governmental funds. Major individual governmental funds (General Fund, Pupil Activity Fund, Food Service Fund and Debt Service Fund) are reported as separated columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities and component units. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows current liabilities, and deferred inflows or resources generally are included on the balance sheet. This means that only current liabilities are generally included on their balance sheets.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

All Governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected with 60 days after year-end.

Property and automotive ownership taxes are reported as receivables when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts. Unearned grant revenues are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of expenditures are recorded as unearned grant revenue.

Expenditures are recorded when the related fund liability is incurred with the exceptions of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

### **Fund Accounting**

The accounts of the District are organized on the basis of fund, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- **Major Governmental Funds**

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond Redemption Debt Service Fund - used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Food Service Fund (a Special Revenue Fund) – this fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.
4. Pupil Activity Fund (a Special Revenue Fund) – used to account for and report the proceeds of specific revenue sources, such as athletic and non-athletic fundraisers, that are restricted or committed to expenditure for specified purposes to be used in various student athletic and co-curricular organizations.
5. Capital Projects Fund – Building Fund – used to account for the construction costs of new buildings associated with the State’s BEST grant.

### **Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity**

#### **Cash and Cash Equivalents**

Cash of some funds are pooled into common pooled accounts in order to maximize investment opportunities. An individual fund’s pooled Cash and Cash Investments

are available upon demand and are considered to be “cash equivalents”. Negative balances incurred in pooled cash at year-end are treated as a liability of that fund.

### **Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2015. Property taxes levied in the current year but not received at year-end are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes.

### **Inventories**

Inventories recorded in the Food Service Fund consist of purchased and donated commodities. Purchased inventories are stated at average cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

### **Capital Assets**

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the government fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets.

The monetary threshold for capitalization of assets is \$3,000. The District’s capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used by the proprietary fund is charged as an expense against their operations. Estimate useful lives are:

Vehicles	7-10 years
Furniture, fixtures and equipment	10 to 20 years
Buildings and improvements	20 to 40 years

### **Liabilities**

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 government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District’s general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

### **Deferred Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period and so will not be recognized as an outflow of the resources (expenditure) until that time. In addition to liabilities, the statement of financial position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenues) until that time.

### **Compensated Absences/Sick Leave**

It is the District's policy to permit employees to accumulate a limited amount of earned but unused sick pay benefits, which will be paid to employees upon separation from District service. All compensated absences liabilities are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Employees earn 6 sick leave days for each year worked. After 3 years of employment with the District, the entire sum of sick leave accrued (limited to 30 days) is paid at termination at the rate of \$47.50 per day.

### **Budgets and Budgeting Accounting**

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Budgets are required by state law for all funds. Prior to June 1, the District submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution of the Board.
4. Expenditures may not legally exceed appropriations at the fund level. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Fund, Debt Service Fund and Enterprise (Food Service) Fund.
6. Budgets for the General Fund, Special Revenue Funds, Capital Project Fund, Debt Service Fund and Enterprise (Food Service) Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

## **Fund Equity**

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net positions 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 position 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.

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.

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Debt Service – These reserves are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded reserves at June 30, 2016 are \$70,026.

Restricted for Capital Projects – These reserves are established for amounts set aside for payments of building costs associated with the BEST grant. Recorded reserves at June 30, 2016 are \$268,377.

Restricted for the Preschool Program – These reserves are established for amounts required to be set aside for preschool. Recorded reserves at June 30, 2016 are \$ 0.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements in those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

### Note 2 - **Deposits and Investments**

#### **Deposits**

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all 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 is authorized by Colorado State 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
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Checking with interest savings accounts

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end the District's bank balance was \$1,502,925. Of the bank balance, \$250,000 was covered by FDIC insurance. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA. The District's carrying balance as of June 30, 2016 was

\$1,497,723 with the entire amount at Farmers State Bank. The difference between the District's carrying balance and bank balance is outstanding checks and deposits in transit.

Note 3 - **Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in December and are payable in full by April 30 or in two equal installments due February 28 and June 15 of the following year. The El Paso County Treasurer collects property taxes for all taxing entities within the Districts boundaries. District property tax revenues are accounted for in the General and Debt Service Funds. Property taxes at the fund level are recorded as receivable and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Note 4 - **Capital Assets**

A summary of changes in capital assets follows:

Governmental Activities

	<u>Balance</u> <u>July 1,2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2016</u>
Non-depreciable assets:				
Land	\$ 8,512	\$ -	\$ -	\$ 8,512
Const.-in-progress	<u>7,901</u>	<u>960,266</u>	<u>-</u>	<u>968,167</u>
Total Non-depreciable	<u>\$ 16,413</u>	<u>\$ 960,266</u>	<u>\$ -</u>	<u>\$ 976,679</u>
	<u>Balance</u> <u>July 1,2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2016</u>
Depreciable Assets:				
Buildings & Sites	\$ 3,693,911	\$ -	\$ 91,910	\$ 3,602,001
Equipment Furniture And Fixtures	<u>267,691</u>	<u>-</u>	<u>-</u>	<u>267,691</u>
Vehicles	<u>214,316</u>	<u>16,650</u>	<u>-</u>	<u>230,966</u>
Total Depreciable Assets	<u>\$ 4,175,918</u>	<u>\$ 16,650</u>	<u>\$ 91,910</u>	<u>\$ 4,100,658</u>
Less accumulated depreciation for:				
Buildings & Sites	\$ 884,102	\$ 88,194	\$ 23,402	\$ 948,894
Equipment Furniture And Fixtures	<u>175,389</u>	<u>23,741</u>	<u>-</u>	<u>199,130</u>
Vehicles	<u>140,498</u>	<u>19,351</u>	<u>-</u>	<u>159,849</u>
Total Accumulated Depreciation	<u>\$ 1,199,989</u>	<u>\$ 131,286</u>	<u>\$ 23,402</u>	<u>\$ 1,307,873</u>
Total Capital Assets, Net	<u>\$ 2,992,342</u>	<u>\$ 845,630</u>	<u>\$ 68,508</u>	<u>\$ 3,769,464</u>

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

<u>Governmental activities:</u>	
Regular instruction	\$ <u>131,286</u>

Note 5 - **Long-Term Debt**

The following is a summary of long-term debt:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2016</u>
G.O. Bonds-2008	\$ 370,000	\$ -	\$ 15,000	\$ 355,000
G.O. Bonds-2015	<u>-</u>	<u>285,000</u>	<u>-</u>	<u>285,000</u>
Totals G.O Bonds	<u>370,000</u>	<u>285,000</u>	<u>15,000</u>	<u>640,000</u>
Sick Leave	21,850	-	582	21,268
Total Long-Term Debt	<u>\$ 391,850</u>	<u>\$ 285,000</u>	<u>\$ 15,582</u>	<u>\$ 661,268</u>

Amount of General Obligation Bonds due within one year \$ 25,000

In October of 2015, the District issued \$ 285,000 in general obligation bonds for the purpose of acquisition, construction, equipping and furnishing a new school. These bonds bear interest of 3.00% which is payable semi-annually on June 1 and December 1. The bonds mature on December 1 annually from 2016 through 2034.

The annual debt service requirements of the 2015 General Obligation Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 10,000	\$ 8,400	\$ 18,400
2018	10,000	8,100	18,100
2019	10,000	7,800	17,800
2020	10,000	7,500	17,500
2021	10,000	7,200	17,200
2022	10,000	6,900	16,900
2023	10,000	6,600	16,600
2024	10,000	6,300	16,300
2025	10,000	6,000	16,000
2026-2031	60,000	25,200	85,200
2032-2034	<u>135,000</u>	<u>12,825</u>	<u>147,825</u>
Total	<u>\$ 285,000</u>	<u>\$ 102,825</u>	<u>\$ 387,825</u>

In March of 2008, the District issued \$ 450,000 in general obligation bonds for the purpose of acquisition, construction, equipping and furnishing a new school. These bonds bear interest from 4.80% to 5.00% which is payable semi-annually on June 1 and December 1. The bonds mature on December 1 annually from 2008 through 2032.

The annual debt service requirements of the 2008 General Obligation Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 15,000	\$ 17,160	\$ 32,160
2018	15,000	16,440	31,440
2019	15,000	15,720	30,720
2020	15,000	15,000	30,000
2021	15,000	14,280	29,280
2022	20,000	13,440	33,440
2023	20,000	12,480	32,480
2024	20,000	11,500	31,500
2025-2030	85,000	35,875	120,875
2031-2033	<u>135,000</u>	<u>17,645</u>	<u>152,645</u>
Total	<u>\$ 355,000</u>	<u>\$ 169,540</u>	<u>\$ 524,540</u>

Note 6 - **Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.
- The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:
  - Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
  - \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50 percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under

which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

*Contributions.* Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2015
Employer Contribution Rate <sup>1</sup>	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) <sup>1</sup>	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.20%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.00%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	18.13%	17.33%

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$172,001 for the year ended June 30, 2016

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2016 the District reported a liability of \$3,355,860 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2015 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2015, the District proportion was 0.02194419078%, which was a decrease of 0.0014827432 from its proportion measured as of December 31, 2014.

For the year ended June 30, 2016, the District recognized pension expense of (\$37,714). At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 47,564	\$ 149
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	\$ 384,416	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 1,436	\$ 145,752
Contributions subsequent to the measurement date	\$ 89,600	N/A
Total	\$ 523,016	\$ 145,901

\$89,600 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30, 2016:</b>	
June 30, 2017	\$ 64,231
June 30, 2018	\$ 64,006
June 30, 2019	\$ 76,863
June 30, 2020	\$ 82,415
June 30, 2021	\$ -
Thereafter	\$ -

*Actuarial assumptions.* The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension	

plan investment expenses, including price inflation	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 15, 2013, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	26.76%	5.00%
U.S. Equity – Small Cap	4.40%	5.19%
Non U.S. Equity – Developed	22.06%	5.29%
Non U.S. Equity – Emerging	6.24%	6.76%
Core Fixed Income	24.05%	0.98%
High Yield	1.53%	2.64%
Long Duration Gov't/Credit	0.53%	1.57%
Emerging Market Bonds	0.43%	3.04%
Real Estate	7.00%	5.09%
Private Equity	7.00%	7.15%
Total	100.00%	

\* In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.50%.

*Discount rate.* The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Based on those assumptions, the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the Municipal Bond Index Rate. There was no change in the discount rate from the prior measurement date.

*Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability	\$4,362,618	\$3,355,860	\$2,516,895

*Pension plan fiduciary net position.* Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Note 7 - **Post-employment Healthcare Benefits**

*Plan Description.* The Edison School District 54JT contributes to the Health Care Fund (HCF), a cost sharing multiple employer post-employment healthcare plan administered by the PERA. The HCF 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 HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for HCF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372) or Denver metro area 303-832-9550.

*Funding Policy.* The Edison School District 54JT 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 Edison School District 54JT are established under Title 24, Article 51, Part 4 of the CRS, as

amended. The apportionment of the contribution to the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Edison School District 54JT's contributions to HCF for the years ending June 30, 2016, 2015, and 2014 were \$ 9,900, \$ 9,879 and \$9,788, respectively, equal to their required contributions for each year.

Note 8 - **Defined Contribution Pension Plan**

*Plan Description.* The (CSSDTF) members of the Edison School District 54JT may voluntarily contribute to the Voluntary Investment Program 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

*Funding Policy.* The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,000 in 2015 and \$18,000 in 2016). Beginning January 1, 2001, an employer match was legislated, which would match 100% of a member's eligible tax deferred retirement program contributions limited by 3.0% in 2002, 2.0% in 2003 and 1.0% in 2004 per payroll of the PERA-includable salary. Effective July 1, 2004, the State Legislature rescinded the matchmaking provision of this plan. The 401(k) Plan member contributions from the District for the year ended June 30, 2016 were \$4,792. The District has a policy whereas employees who are not receiving the District's portion of employer paid health insurance (\$150 per month) may have this amount contributed to their 401(k) plan by the District. Employer contributions to the 401(k) Plan from the District for the year ended June 30, 2016 were \$3,600.

Note 9 - **Joint Ventures**

The District participates in with the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2016 contribution amounted to \$65,553. The District's share of annual contributions to the joint venture was approximately 8% for the year ended June 30, 2016. Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

Note 10- **Auditor's Integrity Report**

The Colorado Department of Education requires the inclusion of the Auditor's Integrity Report as a supplemental schedule to the audited financial statements. The report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

Note 11- **Risk Management**

The District participates in Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the

District Board approved a resolution that authorized the District to participate in the pool. The District has participated each year since then.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability or loss to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable cost. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members.

The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

Complete financial statements for the Pool can be obtained at their offices.

The District is exposed to various risks of loss related to torts, thefts of damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements in excess of coverage for the last three years.

Note 12 - **Interfund Transactions**

The following identifies cash transfers from the General Fund to the Food Service Fund at June 30, 2016:

<u>Fund</u>	<u>Transfer from</u>	<u>Transfer to</u>
General Fund	\$ 37,600	
Food Service Fund		\$ 37,600

Note 13 - **Accrued Teachers' Salaries and Employee Benefits**

Teachers' contracts are for a nine or ten-month period; but are paid in twelve equal payments. At the end of the fiscal year an accrual exists for the difference between the amounts due on the contract and the amounts paid.

Note 14 - **Operating Leases**

The District has entered into operating leases for several copiers and printers. Monthly rentals are \$1,006. Lease expense as of June 30, 2016 was \$6,444. The minimum annual rental commitments under these leases are as follows:

Year ended June 30:	
2017	\$ 12,072
2018	12,072
2019	12,072
2020	12,072
2021	<u>12,072</u>
Total	<u>\$ 60,360</u>

Note 15- **Commitments and Contingencies**

State of Colorado – The District has undergone an audit by the State of Colorado for pupil counts and educational expenditures in regards to the District’s on-line education program. Any disallowed per pupil funding as a result of this audit, including amounts already collected, may constitute a reduction in state equalization to the District. The amount of expenditures and pupil counts, which were disallowed by the state, will be reduced from future state equalization allocations.

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and State of Colorado. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Tabor - In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer’s Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments, including school districts.

The District’s financial activity provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenues in excess of the District’s “spending limit” must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

On November 4, 1997, the voters of the district approved a referendum for Edison School District 54JT. The voters authorized the district to collect, retain and expend all revenues and other funds collected during 1998 and each subsequent year from any source notwithstanding the limitations of Article X, section 20 of the Colorado constitution, effective January 1, 1998, provided however, that no property tax mill levy shall be increased at any time nor shall any new tax be imposed without the prior approval of the voters of Edison School District 54JT. TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

As of June 30, 2016 for budgetary purposes the District reserved \$69,000 in the General Fund.

Note 16 **Evaluation of Subsequent Events**

The District’s management has evaluated subsequent events through November 2, 2017 (the date of the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**Edison School District 54JT**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues				
Local sources				
Property taxes	\$ 103,030	\$ 103,030	\$ 105,054	\$ 2,024
Specific ownership taxes	6,032	6,032	9,635	3,603
Delinquent taxes and interest	300	300	239	(61)
Tuition	5,000	5,000	9,689	4,689
Other local sources	160,018	160,018	39,253	(120,765)
Interest on investments	2,200	2,200	5,460	3,260
Total local sources	276,580	276,580	169,330	(107,250)
State sources				
State equalization	2,213,824	2,213,824	2,154,460	(59,364)
Transportation	35,271	35,271	23,842	(11,429)
Other state sources	76,347	76,347	105,729	29,382
Total state sources	2,325,442	2,325,442	2,284,031	(41,411)
Federal sources				
Reap grant	25,950	25,950	25,950	-
Other federal sources	22,982	22,982	25,648	2,666
Total federal sources	48,932	48,932	51,598	2,666
Total revenues	2,650,954	2,650,954	2,504,959	(145,995)
Expenditures				
Instruction and supporting services				
Regular & special education instruction	1,349,927	1,349,927	1,265,594	84,333
Cocurricular activities	64,733	64,733	55,396	9,337
Student services	30,748	30,748	29,748	1,000
Instructional staff	26,820	26,820	27,867	(1,047)
General administration	94,500	94,500	92,094	2,406
School administration	132,697	132,697	130,804	1,893
Support services - business	151,383	151,383	153,630	(2,247)
Operations and maintenance	259,337	259,337	258,166	1,171
Student transportation	163,353	163,353	144,894	18,459
Support services - central	39,686	39,686	38,214	1,472
Pikes Peak BOCES	45,124	45,124	65,553	(20,429)
Facilities acquisitions	150,003	150,003	22,819	127,184
Contingency	881,458	881,458	-	881,458
Total expenditures	3,389,769	3,389,769	2,284,779	1,104,990
Excess(deficiency) of revenues over expenditures	(738,815)	(738,815)	220,180	958,995
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	(48,127)	(48,127)	(37,600)	10,527
Total other financing sources (uses)	(48,127)	(48,127)	(37,600)	10,527
Excess (deficiency) of revenues over expenditures and other sources (uses)	(786,942)	(786,942)	182,580	969,522
Fund balances at beginning of year	786,942	786,942	786,942	-
Fund balances at end of year	\$ -	\$ -	\$ 969,522	\$ 969,522

See accompanying independent auditors' report.

**Edison School District 54JT**  
**Food Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Student and adult lunch sales	\$ 8,000	\$ 8,000	\$ 11,665	\$ 3,665
Other	179	179	34	(145)
Total local sources	<u>8,179</u>	<u>8,179</u>	<u>11,699</u>	<u>3,520</u>
State sources				
Start smart nutrition program	750	750	1,070	320
Other programs	1,050	1,050	1,382	332
Total state sources	<u>1,800</u>	<u>1,800</u>	<u>2,452</u>	<u>652</u>
Federal sources				
National breakfast and lunch program	37,450	37,450	39,580	2,130
Other federal programs	9,068	9,068	7,895	(1,173)
Total federal sources	<u>46,518</u>	<u>46,518</u>	<u>47,475</u>	<u>957</u>
Total revenues	<u>56,497</u>	<u>56,497</u>	<u>61,626</u>	<u>5,129</u>
Expenditures				
Current:				
Salaries and benefits	46,408	46,408	45,939	469
Purchase services	5,000	5,000	-	5,000
Supplies	6,500	6,500	2,807	3,693
Food costs	36,705	36,705	39,712	(3,007)
Other	11,500	11,500	13	11,487
Contingency	-	-	-	-
Total expenditures	<u>106,113</u>	<u>106,113</u>	<u>88,471</u>	<u>17,642</u>
Excess(deficiency) of revenues over expenditures	<u>(49,616)</u>	<u>(49,616)</u>	<u>(26,845)</u>	<u>21,162</u>
Other financing sources (uses)				
Transfer in(out)	-	-	-	-
Transfer in(out)	48,127	48,127	37,600	(10,527)
Total other financing sources (uses)	<u>48,127</u>	<u>48,127</u>	<u>37,600</u>	<u>(10,527)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,489)</u>	<u>(1,489)</u>	<u>10,755</u>	<u>10,635</u>
Fund balance at beginning of year	1,489	1,489	1,489	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,244</u>	<u>\$ 10,635</u>

See accompanying independent auditors' report.

**Edison School District 54JT**  
**Pupil Activity Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Local sources				
Student activities	\$ 28,544	\$ 28,544	\$ 37,261	\$ 8,717
Interest on investments	-	-	-	-
Total local sources	<u>28,544</u>	<u>28,544</u>	<u>37,261</u>	<u>8,717</u>
Expenditures				
Current:				
Cocurricular activities	43,173	43,173	32,733	10,440
Contingency	-	-	-	-
Total expenditures	<u>43,173</u>	<u>43,173</u>	<u>32,733</u>	<u>10,440</u>
Excess(deficiency) of revenues over expenditures	<u>(14,629)</u>	<u>(14,629)</u>	<u>4,528</u>	<u>19,157</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(14,629)</u>	<u>(14,629)</u>	<u>4,528</u>	<u>19,157</u>
Fund balance at beginning of year	<u>14,629</u>	<u>14,629</u>	<u>14,629</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,157</u>	<u>\$ 19,157</u>

See accompanying independent auditors' report.

**Edison School District 54JT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years**

	<u>2015</u>	<u>2014</u>
District' proportion (percentage) of the collective net pension liability	0.0219419078%	0.0234246541%
District's proportionate share of the collective pension liability	3,355,860	3,174,827
Employer's covered-employee payroll	956,223	943,335
District's proportionate share of the net pension liability as a percentage of it's employer's covered-employee payroll	28.49%	29.71%
Plan fiduciary net pension as a percentage of the total pension liability	59.20%	62.80%

The amounts presented for each fiscal year were determined as of December 31.

See the accompanying Independent Auditors' Report

**Edison School District 54JT**  
**Schedule of Contributions and Related Ratios**  
**Last 10 Fiscal Years**

	<u>2016</u>	<u>2015</u>
As of June 30,		
Statutorily required contributions	\$ 172,001	\$ 163,658
Contributions in relation to the statutorily required contributions	<u>172,001</u>	<u>163,658</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	969,741	970,138
Contribution as a percentage of employer's covered-employee payroll	17.74%	16.87%

See the accompanying Independent Auditors' Report

**OTHER SUPPLEMENTARY  
INFORMATION**

**Edison School District 54JT**  
**Debt Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Property taxes	\$ 26,000	\$ 26,000	\$ 55,744	\$ 29,744
Delinquent taxes and interest	-	-	-	-
Interest on investments	-	-	-	-
Total local sources	<u>26,000</u>	<u>26,000</u>	<u>55,744</u>	<u>29,744</u>
Expenditures				
Debt Service:				
Interest expense	26,830	26,830	22,915	3,915
Principal	15,000	15,000	15,000	-
Other	5,850	5,850	850	5,000
Contingency	31,368	31,368	-	31,368
Total debt service	<u>79,048</u>	<u>79,048</u>	<u>38,765</u>	<u>40,283</u>
Excess(deficiency) of revenues over expenditures	<u>(53,048)</u>	<u>(53,048)</u>	<u>16,979</u>	<u>70,027</u>
Other financing sources (uses)				
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(53,048)</u>	<u>(53,048)</u>	<u>16,979</u>	<u>70,027</u>
Fund balance at beginning of year	<u>53,048</u>	<u>53,048</u>	<u>53,047</u>	<u>(1)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,026</u>	<u>\$ 70,026</u>

See accompanying independent auditors' report.

**Edison School District 54JT**  
**Capital Projects - Building Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State - Best Grant	\$ 15,667,332	\$ 15,667,332	\$ 943,643	\$ (14,723,689)
Interest on investments	-	-	-	-
Total revenues	<u>15,667,332</u>	<u>15,667,332</u>	<u>943,643</u>	<u>(14,723,689)</u>
Expenditures				
Current:				
Supporting services - central	-	-	-	-
District-wide facility acquisitions	15,667,332	15,667,332	960,266	14,707,066
Contingency	-	-	-	-
Total expenditures	<u>15,667,332</u>	<u>15,667,332</u>	<u>960,266</u>	<u>14,707,066</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(16,623)</u>	<u>(16,623)</u>
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	285,000	285,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>285,000</u>	<u>285,000</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>-</u>	<u>-</u>	<u>268,377</u>	<u>268,377</u>
Fund balance at beginning of year	-	-	-	-
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268,377</u>	<u>\$ 268,377</u>

**COLORADO DEPARTMENT OF EDUCATION**

**AUDITOR'S ELECTRONIC FINANCIAL**

**DATA INTEGRITY CHECK FIGURES**

**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 1120 - EDISON 54 JT  
 Fiscal Year 2015-16  
 Colorado School District/BOCES

Fund Type & Number	Revenues, Expenditures, & Fund Balance by Fund		1000 - 5999 Total Revenues & 0001-0999 Total Expenditures & Other Sources		6700-6799 & Prior Per Adj (6880*) Ending Fund Balance	
	Beg Fund Balance & Prior Per Adj (6880*)	+	Other Sources	Other Uses	=	
<b>Governmental</b>						
10 General Fund	786,942		2,425,614	2,443,033		969,522
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		41,745	41,745		0
Sub-Total:	786,942		2,467,359	2,484,779		969,522
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	0		0	0		0
21 Food Service Spec Revenue Fund	1,489		99,216	85,472		12,244
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity-Special Revenue Fund	14,679		37,261	32,734		19,157
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	53,048		55,744	38,765		70,026
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		1,228,643	960,266		268,377
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
<b>Totals</b>	<b>856,109</b>		<b>3,888,232</b>	<b>3,495,015</b>		<b>1,339,326</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60,65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
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		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
				<b>FINAL</b>		

\*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.