

Platte Valley School District RE-7
Kersey, Colorado

Financial Statements

For the Year Ended June 30, 2016



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By Justin L. Smith at 8:20 am, Oct 19, 2016

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Independent Auditors' Report

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Valley School District RE-7 (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.

Auditors' Responsibility

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 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 auditors' 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and historical pension information listed 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. We 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 of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 5, 2016

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

This section of the Weld County School District RE-7's annual financial report offers readers of the District's financial statements its discussion and analysis of the District's financial performance during the fiscal year which ended June 30, 2016.

We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the District in 2016 are as follows:

- Governmental activities assets totaled \$47,562,749 in cash, investments and other assets. Liabilities for governmental activities totaled \$51,762,214.
- The District incurred \$18,494,240 in expenses related to governmental activities. Instructional expenditures (net of revenues) totaled \$8,307,107 (47%).
- Among the major funds, the General Fund had \$13,762,391 in revenues, and \$12,553,505 in expenditures and other financing. Transfers of \$600,000 were made to the Capital Projects Fund and \$60,000 to the Food Service Fund. Capital lease proceeds totaled \$17,126. Total revenues exceeded expenses by \$566,012 increasing the fund balance from \$3,779,674 to \$4,345,686. This increase is due to the planning and use of the Mill Levy Override increase, approved by voters in 2014, and additional abatements.
- General Fund revenues accounted for \$13,762,391 in revenue or 71.2% of all governmental funds revenues. Debt reduction revenues totaled \$4,499,691 or 23.2%, and other revenues in the form of charges for services, interest, grants and contributions accounted for \$1,101,663 or 5.6% of the total governmental funds revenues of \$19,363,744.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The district-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and liabilities) are one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school facilities.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

In the district-wide financial statements, the District's activities include:

- **Governmental activities-** Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. These activities are financed mainly through property taxes and state equalization funds. However, due to the increase assessed value over the last years, the district is now classified as categorical buyout, and is 100% financed by local property tax.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District uses three types of funds:

- **Governmental funds-** Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- **Fiduciary funds-** The District is the agent, or fiduciary, for assets that belong to others, such as the Student Activity Fund. The District is responsible for ensuring that the assets reported in this fund are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Condensed Statement of Net Position

Table 1 provides a summary of the Total School District's net position for 2016 compared to 2015:

Table 1

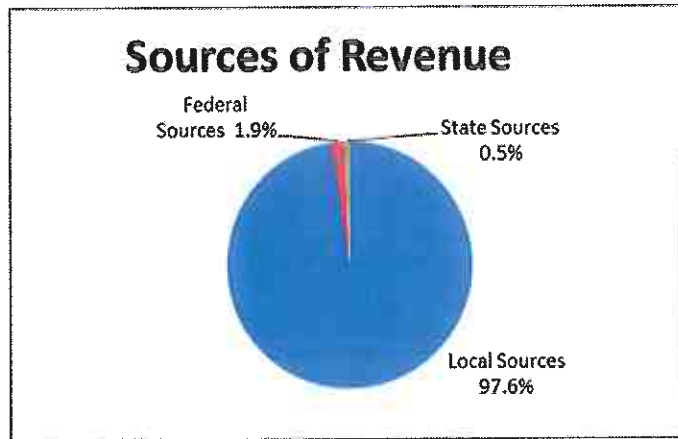
	Governmental Activities 2016	Governmental Activities 2015
Assets		
Current assets	18,414,781	27,847,668
Capital assets	29,147,968	21,552,144
Total assets	<u>47,562,749</u>	<u>49,399,812</u>
Deferred outflows of resources	<u>4,167,562</u>	<u>2,548,617</u>
Total assets and charges	<u>51,730,311</u>	<u>51,948,429</u>
Liabilities		
Current liabilities	4,840,813	5,292,584
* Long term liabilities	46,921,401	47,999,454
Total Liabilities	<u>51,762,214</u>	<u>53,292,038</u>
Deferred inflows of resources	359,543	1,433
Net Position		
Invested in capital	8,698,034	8,413,277
Reserve for:		
Tabor Emergency	344,000	292,000
Capital Projects	5,389,930	15,270,751
Multi Year Obg.	370,581	392,817
CPP	-	69,789
Food Service Program	335	1,664
Land Dedication	135,058	194,200
Debt Service	5,491,736	4,338,227
*Unrestricted	(20,821,120)	(30,367,767)
Total net position	<u>(391,446)</u>	<u>(1,395,042)</u>
Total liabilities, deferred inflows and net position	<u>51,730,311</u>	<u>51,896,996</u>

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

District Sources of Revenue for Fiscal Year 2016 (Total Government Funds)

Local sources, including property taxes for operating purposes and debt reduction accounted for most of the District's total revenue at \$18,905,306 or 97.6 percent (see table 2). State and intermediate sources accounted for .5% (\$93,044) with federal sources totaling \$365,394 or 1.9%.

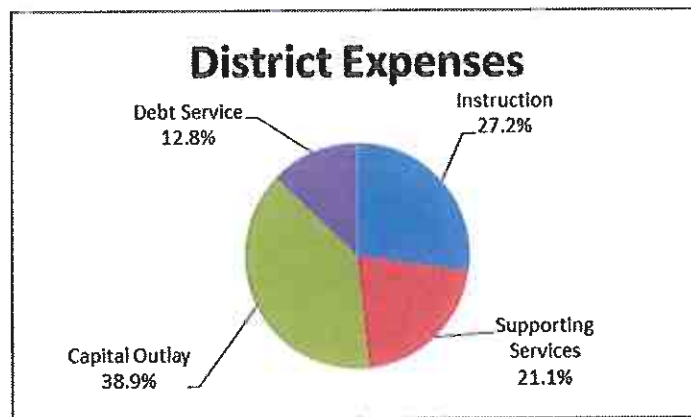
Table 2



District Expenses for Fiscal Year 2016 (Total Government Funds)

The District's expenses are predominately related to instruction (\$7,349,693) and supporting services (\$5,685,177) at a combined total of 48.3% (See Table 3). The district incurred 12.8% for debt reduction (\$2,655,892 principal and \$818,727 in interest and fiscal charges) and 38.9% for capital expenditures (\$10,497,155).

Table 3



Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2016

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$8,041.83 per funded student. In fiscal year 2015-2016 the funded pupil count was 1,130 (actual October FTE was 1,123, but was increased to 1,130 based on average funded pupil count). Funding for the SFA comes from property taxes, specific ownership taxes and state equalization. The District receives all of its funding from property and specific ownership taxes, due to the increase in the assessed value of the district.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 4 shows, for governmental activities, the total cost of services (before offsetting grants and other contributions).

Government Activities
Table 4

	Total Cost of Services 2016
Instruction	\$8,037,107
Pupil and instructional services	820,974
Administration and business	1,951,153
Maintenance and operations	1,628,594
Transportation	849,169
Food service operation	120,790
Central support services	866,481
Unallocated depreciation and miscellaneous	688,335
Facility acquisition	1,917,869
Interest and fiscal charges	703,362
Total governmental activities	\$17,583,834

- The net program expenses of all governmental activities during the year was \$17,853,834.
- The portion of governmental activities was financed with \$0 in state equalization from the School Finance Act of 1994 (SFA) and \$17,945,507 (\$4,499,316 levied for debt reduction) in property, specific ownership taxes, delinquent taxes, interest and abatement.

Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$19,363,744 and expenditures of \$27,006,644 (expenses exceeded revenues due to construction expenses paid from the Building Fund). Detailed information about the District's major funds starts on page 55.

General Fund Budgetary Highlights

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

CAPITAL ASSET AND DEBT ADMINISTRATION

Major capital items purchased in the 2015-2016 school year included technology upgrades, grounds equipment and district vehicles. A successful bond issue in November of 2014 has allowed the district to continue the needed maintenance on the aging facilities. Additionally, all of the athletic facilities have been upgraded with restrooms, concession stands and seating, the middle school kitchen has been remodeled, roof replacement on all main educational facilities, new HVAC controls, and the new Preschool opened in January 2016.

The District's capital debt includes the general obligation bond (see Note G – Long term debt). The district incurred additional bond debt of \$16,525,000 due to a successful election in November of 2014. Bond payments for the fiscal year included principal payments of \$2,615,000 on the bond indebtedness, resulting in a balance due \$22,805,000 at June 30, 2016. Table 6 shows capital assets for 2016.

Capital Assets at June 30, 2016

Table 6

	Capital Assets being depreciated
	2016
Buildings	\$38,739,500
Transportation Equipment	2,020,636
Equipment	1,896,794
Total	\$42,656,930

Additional information on the District's capital assets can be found in Note E on page 33 of this report.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

FACTORS BEARING ON THE DISTRICT'S FUTURE

For the 2016 fiscal year, the general fund balance increased \$566,012 resulting in a fund balance of \$4,345,686. The increase of fund balance is due to the planning of the Mill Levy override revenues and an increase in assessed value. The district continues to make added improvements to the school facilities and in technology, study security issues, and maintain their fleet rotation to the transportation department.

The District's assessed value increased by \$224,425,060 (from \$1,429,740,670 to \$1,654,165,730). The District lowered its general fund mill levy of 6.463 mills in 2015 to 5.624 mills in 2016. The mill levy for the voter approved override increased by .125 mills from 1.381 mills in 2015 to 1.506 in 2016. The increase is due to the increased Mill Levy override passed by the voters in the November 2014 election.

Student enrollment at Weld County RE-7 decreased by 7 students to a total pupil count (FTE) of 1123 compared to 1130 in the 2014-2015 school year. The Funded Pupil Count (FPC) for 2015-2016 was calculated at 1129, a decrease of 6 from the previous year. The Per Pupil Funding for the current year equals \$8,042, a decrease of \$345 per pupil.

Specific Ownership Revenues generated from bond indebtedness have been included in the General Fund. The property tax revenue in the Bond Redemption Fund is more than sufficient to make the scheduled debt service payments.

Salaries were allocated according to the salary agreement with PVEA.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administration Office, Weld County School District RE-7, PO Box 485, 501 Clark Street, Kersey, Colorado 80644.

Jan Brummond
Business Services Director

Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

Required supplementary information other than MD&A. Budgetary comparison schedules should be presented for the general fund and for each major special revenue fund that has a legally adopted budget.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Net Position
June 30, 2016

	<u>Governmental Activities</u>
Assets	
Cash	\$ 1,434,793
Cash with fiscal agent	5,642,378
Investments	11,131,571
Receivables	155,222
Due from fiduciary fund	500
Prepaid expenses	16,668
Inventory	33,649
Capital assets, net of depreciation	<u>29,147,968</u>
Total assets	47,562,749
Deferred outflows of resources	
Contributions subsequent to measurement date	700,977
Difference between projected and actual earnings on pension plan	2,156,941
Changes in proportionate share	862,457
Differences between expected and actual experience	334,980
Deferred charges on refundings of bonds	<u>112,207</u>
Total deferred outflows of resources	<u>4,167,562</u>
Total assets and deferred outflows of resources	<u><u>\$ 51,730,311</u></u>

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

	Governmental Activities
Liabilities	
Accounts payable	\$ 886,672
Accrued salaries and benefits	1,260,665
Unearned revenue	1,222
Unearned grant revenue	12,579
Accrued interest	64,675
Noncurrent liabilities	
Due within one year	2,615,000
Due in more than one year	46,921,401
Total liabilities	51,762,214
Deferred inflows of resources	
Differences between expected and actual experience	1,057
Changes in assumptions or other inputs	358,486
Total deferred inflows of resources	359,543
Net position (deficit)	
Net investment in capital assets	8,698,034
Restricted for:	
Emergencies	344,000
Multi-year obligations	370,581
Land dedication	135,058
Capital projects	5,389,930
Debt service	5,491,736
Food service program	335
Unrestricted	(20,821,120)
Total net position (deficit)	(391,446)
Total liabilities, deferred inflows of resources and net position	\$ 51,730,311

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Activities
For the Year Ended June 30, 2016

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 8,525,997	\$ 64,679	\$ 154,211	
Supporting services				
Students	432,173		4,001	
Instructional staff	411,774		18,972	
General administration	470,697			
School administration	1,136,979			
Business services	343,477			
Operations and maintenance	1,628,594			
Student transportation	858,741		9,572	
Central support services	866,481			
Food service operations	509,761	124,156	264,815	
Facilities acquisition	1,917,869			
Unallocated depreciation *	688,335			
Interest and fiscal charges	703,362			
Total governmental activities	<u>\$ 18,494,240</u>	<u>\$ 188,835</u>	<u>\$ 451,571</u>	<u>\$ -</u>

General revenues

Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Specific ownership taxes

Delinquent taxes, interest and abatements

Earnings on investments

Other

Total general revenues

Change in net position

* This amount excludes depreciation that is included in the direct expenses of the various programs.

Net position (deficit) at beginning of year, as restated

Net position (deficit) at end of year

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

Net (Expenses)
Revenues and
Changes in
Net Position

Total
Governmental
Activities

\$ (8,307,107)

(428,172)
(392,802)
(470,697)
(1,136,979)
(343,477)
(1,628,594)
(849,169)
(866,481)
(120,790)
(1,917,869)
(688,335)
(703,362)

(17,853,834)

12,524,217
4,421,708
1,005,249
78,425
35,020
742,811

18,807,430

953,596

(1,345,042)

\$ (391,446)

PLATTE VALLEY SCHOOL DISTRICT RE-7
Balance Sheet
Governmental Funds
June 30, 2016

	General Fund	Building Fund	Bond Redemption Fund	Other Governmental Funds
Assets				
Cash	\$ 1,197,538	\$ 237,175		\$ 80
Cash with fiscal agent	155,642		\$ 5,486,736	
Investments	4,800,906	5,989,877		340,788
Property taxes receivable	108,863		7,864	
Due from other funds	18,493	49,550		602,290
Grants receivable				31,795
Other receivables	6,700			
Prepaid expenses	16,668			
Inventory	18,218			15,431
Total assets	\$ 6,323,028	\$ 6,276,602	\$ 5,494,600	\$ 990,384
Liabilities				
Accounts payable		\$ 886,672		
Due to other funds	\$ 621,339			\$ 48,494
Accrued salaries and benefits	1,260,665			
Unearned revenue				1,222
Unearned grant revenue				12,579
Total liabilities	1,882,004	886,672	\$ -	62,295
Deferred inflows of resources				
Deferred property tax revenues	95,338		2,864	
Fund balance				
Nonspendable prepaid expenses	16,668			
Nonspendable inventory	18,218			15,431
Committed to capital projects				910,788
Assigned for youth help				1,535
Assigned for employee benefits	37,534			
Assigned for sale of building	37,138			
Restricted for emergencies	344,000			
Restricted for multi-year obligation	370,581			
Restricted for land dedication	135,058			
Restricted for capital projects		5,389,930		
Restricted for debt service			5,491,736	
Restricted for food service program				335
Unassigned	3,386,489			
Total fund balance	4,345,686	5,389,930	5,491,736	928,089
Total liabilities, deferred inflows of resources and fund balance	\$ 6,323,028	\$ 6,276,602	\$ 5,494,600	\$ 990,384

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

Total Governmental Funds		
	Amounts reported for governmental activities in the statement of net position are different because:	
\$ 1,434,793	Total fund balance - governmental funds	\$ 16,155,441
5,642,378	Capital assets, net used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	29,147,968
11,131,571	Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	98,202
116,727	Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(64,675)
670,333	Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	4,167,562
31,795	Long-term liabilities, including bonds payable, net pension liabilities, compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(49,536,401)
6,700	Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	(359,543)
16,668	Net position of the governmental activities	<u>\$ (391,446)</u>
33,649		
<u>\$ 19,084,614</u>		
886,672		
669,833		
1,260,665		
1,222		
12,579		
<u>2,830,971</u>		
98,202		
16,668		
33,649		
910,788		
1,535		
37,534		
37,138		
344,000		
370,581		
135,058		
5,389,930		
5,491,736		
335		
3,386,489		
<u>16,155,441</u>		
<u>\$ 19,084,614</u>		

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Building Fund	Bond Redemption Fund	Other Governmental Funds
Revenues				
Local sources	\$ 13,667,249	\$ 418,060	\$ 4,499,690	\$ 320,307
Intermediate sources	6,868			
State sources	79,013			7,163
Federal sources	9,261			356,133
Total revenues	13,762,391	418,060	4,499,690	683,603
Expenditures				
Instruction	7,269,119			80,574
Supporting services	5,205,948			479,229
Capital outlay		10,298,881		198,274
Debt service				
Principal retirement	70,892		2,585,000	
Interest and fiscal charges	7,546		811,181	
Total expenditures	12,553,505	10,298,881	3,396,181	758,077
Excess of revenues over (under) expenditures	1,208,886	(9,880,821)	1,103,509	(74,474)
Other financing sources (uses)				
Transfers out	(660,000)			
Transfers in				660,000
Capital lease proceeds	17,126			
Total other financing sources (uses)	(642,874)	-	-	660,000
Excess of revenues and other sources over (under) expenditures other (uses)	566,012	(9,880,821)	1,103,509	585,526
Fund balance at beginning of year	3,779,674	15,270,751	4,388,227	342,563
Fund balance at end of year	<u>\$ 4,345,686</u>	<u>\$ 5,389,930</u>	<u>\$ 5,491,736</u>	<u>\$ 928,089</u>

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

Total Governmental Funds	Amounts reported for governmental activities in the statement of activities are different because:	
\$ 18,905,306	Net change in fund balances - governmental funds	\$ (7,625,774)
6,868	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 position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	7,595,824
86,176	Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	84,092
365,394	Governmental funds report pension contributions as expenditures. However, in the statement of activities, pension service costs, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from the pensions is reported as pension expense.	(1,863,287)
19,363,744	In the statement of activities, certain expenses - compensated absences, interest, bond premium amortization, refunding deferred charges amortization are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	123,975
7,349,693	The issuance of long-term debt provide current financial resources in the governmental funds, however, issuing debt increases long-term liabilities in the government-wide statement of net position.	(17,126)
5,685,177	Repayment of principal on general obligation bonds and capital lease obligations are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position.	2,655,892
10,497,155		
2,655,892		
818,727		
27,006,644		
(7,642,900)		
(660,000)		
660,000		
17,126		
17,126		
(7,625,774)		
23,781,215		
<u>\$ 16,155,441</u>		
	Change in net position of governmental activities	<u>\$ 953,596</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	<u>Agency Funds</u>
Assets	
Cash	\$ 295,757
Total assets	<u>\$ 295,757</u>
Liabilities	
Due to other funds	\$ 500
Due to student groups	<u>295,257</u>
Total liabilities	<u>\$ 295,757</u>

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Platte Valley School District RE-7's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

A.1 – Reporting entity

The Platte Valley School District RE-7 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for certain programs funded by grants from federal and state governments, certain capital outlay expenditures, debt service, food service operations and pupil activities.

Building Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Revenues and other financing sources are primarily derived from the issuance of debt or transfers from other funds.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial activities associated with the District's food service operations.

Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

Fiduciary Funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the District's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District has one agency fund, the Pupil Activity Fund.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The District's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose trust and agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the District, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources – In addition to assets, the statement of net 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Expenditures – The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year’s budget.

A.6 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.7 – Inventories

General Fund – Inventories consist of general classroom and janitorial supply items and are stated at cost as determined by the first-in, first-out method.

Food Service Fund – Commodity inventories are stated at the United States Department of Agriculture’s assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as nonoperating revenues at the date of their consumption.

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

Interest is capitalized on assets reported in the governmental activities that are acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized in the current period.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	0-20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years
Licensed vehicles	5-10 years

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.9 – Compensated absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated sick leave benefits are paid to employees upon termination of employment. The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums and discounts, and amounts deferred upon refunding are 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 debt service expenditures.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.11 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.12 – Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

A.13 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Act (PDPA) for banks and savings and loans requires state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B – Cash and investments (Continued)

Custodial credit risk – deposits – 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. As of year-end, the District had total deposits of \$1,850,674, of which \$250,941 was insured and \$1,599,733 was collateralized with securities held by the pledging institution’s trust department or agent in the District’s name.

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District’s own investment policies and procedures. Investments of the District may include:

- Obligations of the United States Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2016, the District had invested in COLOTRUST PLUS+.

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colotrust	<u>\$ 11,131,571</u>	<u>\$11,131,571</u>	<u>\$ -</u>	<u>\$ -</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B – Cash and investments (Continued)

The investments in Colostrust are maintained in the General, Building, and Capital Reserve Capital Project funds.

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District’s investment in Colostrust was rated AAA by Standard and Poor’s.

The following table provides a reconciliation of cash, cash with fiscal agent, and investments on the statement of net position:

Cash	\$ 1,730,550
Cash with fiscal agent	5,642,378
Investments	<u>11,131,571</u>
Total	<u>\$ 18,504,499</u>

Statement of net position

Cash	\$ 1,434,793
Cash with fiscal agent	5,642,378
Investments	<u>11,131,571</u>
Subtotal	18,208,742

Statement of fiduciary net position

Cash	<u>295,757</u>
Subtotal	<u>295,757</u>
Total	<u>\$ 18,504,499</u>

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental</u>
	<u>Activities</u>
Property taxes receivable	\$ 116,727
Grants receivable	31,795
Other receivables	<u>6,700</u>
Total	<u>\$ 155,222</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note C - Receivables (Continued)

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Weld County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the County are remitted to the District in the subsequent month.

Note D - Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General Fund	\$ 18,493	\$ 621,339
Building Fund	49,550	-
Other Governmental Funds	<u>602,290</u>	<u>48,494</u>
Subtotal	670,333	669,833
<u>Fiduciary funds</u>		
Pupil Activity Fund	<u>-</u>	<u>500</u>
Total	<u>\$ 670,333</u>	<u>\$ 670,333</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General Fund	\$ -	\$ 660,000
Other Governmental Funds	<u>660,000</u>	<u>-</u>
Total	<u>\$ 660,000</u>	<u>\$ 660,000</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of \$660,000 from the General Fund to the Other Governmental Funds to subsidize the costs of maintaining the District's food service operations and capital project expenditures.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions/ Adjustments	Deletions/ Transfers	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 48,100	\$ -	\$ -	\$ 48,100
Construction in progress	1,044,956	-	(1,044,956)	-
Water rights	<u>106,189</u>	<u>-</u>	<u>-</u>	<u>106,189</u>
Total capital assets, not being depreciated	1,199,245	-	(1,044,956)	154,289
Capital assets, being depreciated:				
Buildings and improvements	29,571,161	8,123,383	1,044,956	38,739,500
Furniture and equipment	1,489,153	407,641	-	1,896,794
Licensed vehicles	<u>2,011,569</u>	<u>9,067</u>	<u>-</u>	<u>2,020,636</u>
Total capital assets, being depreciated	<u>33,071,883</u>	<u>8,540,091</u>	<u>1,044,956</u>	<u>42,656,930</u>
Total capital assets	34,271,128	8,540,091	-	42,811,219
Less accumulated depreciation for:				
Buildings and improvements	(10,501,653)	(688,335)	-	(11,189,988)
Furniture and equipment	(752,009)	(152,397)	-	(904,406)
Licensed vehicles	<u>(1,465,322)</u>	<u>(103,535)</u>	<u>-</u>	<u>(1,568,857)</u>
Total accumulated depreciation	<u>(12,718,984)</u>	<u>(944,267)</u>	<u>-</u>	<u>(13,663,251)</u>
Governmental activities capital assets, net	<u>\$ 21,552,144</u>	<u>\$ 7,595,824</u>	<u>\$ -</u>	<u>\$ 29,147,968</u>

Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Unallocated	\$ 688,335
Instruction	21,540
School administration	3,425
Operations and maintenance	33,317
Business services	1,542
Student transportation	109,625
Central support	72,561
Food services	<u>13,922</u>
Total depreciation expense	<u>\$ 944,267</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note F – Accrued salaries and benefits

Salaries and 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 not paid at year-end are estimated to be \$1,260,665. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions/ Adjustments</u>	<u>Reductions/ Adjustments</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Compensated absences	\$ 42,772	\$ -	\$ (1,911)	\$ 40,861	\$ -
Net pension liability	22,220,071	3,147,337	-	25,367,408	-
Bonds payable	25,390,000	-	(2,585,000)	22,805,000	2,615,000
Capital lease obligation	53,767	17,126	(70,893)	-	-
Bond premium	<u>1,461,912</u>	<u>-</u>	<u>(138,780)</u>	<u>1,323,132</u>	<u>-</u>
Total	<u>\$ 49,168,522</u>	<u>\$ 3,164,463</u>	<u>\$ (2,796,584)</u>	<u>\$ 49,536,401</u>	<u>\$ 2,615,000</u>

Payments on the bonds payable are made in the Bond Redemption Fund, while the net pension liability attributable to the governmental activities will be liquidated primarily by the General Fund. Compensated absences will be liquidated by the General Fund and Food Service Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Bonds payable

General obligation bonds payable consist of the following individual issues:

\$7,700,000 general obligation bonds, dated January 20, 2010, due in annual installments beginning in fiscal year 2011 ranging from \$550,000 to \$770,000; varying annual interest rates ranging from 2.00% to 5.00%, payable semi-annually on June 1st and December 1st. The bonds are not subject to redemption prior to their stated maturity dates.

5,490,000

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note G – Long-term debt (Continued)

\$2,390,000 general obligation refunding bonds, dated May 8, 2013, due in annual installments beginning in fiscal year 2014 ranging from \$70,000 to \$470,000; fixed annual interest rate at 2.00%, payable semi-annually on June 1st and December 1st. The bonds are not subject to redemption prior to their stated maturity dates. 2,250,000

\$16,525,000 general obligation bonds, dated January 28, 2015, due in annual installments beginning in fiscal year 2016 ranging from \$1,460,000 to \$1,910,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1st and December 1st. The bonds are not subject to redemption prior to their stated maturity dates. 15,065,000

Total general obligation bonds \$ 22,805,000

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 2,615,000	\$ 746,500	\$ 3,361,500
2018	2,635,000	677,888	3,312,888
2019	2,645,000	598,250	3,243,250
2020	2,685,000	513,500	3,198,500
2021	2,735,000	432,862	3,167,862
2022-2025	<u>9,490,000</u>	<u>811,625</u>	<u>10,301,625</u>
Totals	<u>\$ 22,805,000</u>	<u>\$ 3,780,625</u>	<u>\$ 26,585,625</u>

Prior-year defeasance of debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year-end, \$3,780,000 of bonds outstanding are considered defeased.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note H – Short-term debt

In an effort to alleviate short-term cash flow issues, the District participated in the State of Colorado’s interest-free loan program, with activity for the current fiscal year as follows:

	<u>Beginning Balance</u>	<u>Borrowings</u>	<u>Repayments</u>	<u>Ending Balance</u>
Short-term debt	\$ _____ -	\$ 3,667,959	\$ 3,667,959	\$ _____ -

Note I – 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.

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. Section 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I - Defined benefit pension plan (Continued)

- 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, 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% of PERA's Annual Increase Reserve (AIR) 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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. Section 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, 2015	For the Year Ended December 31, 2016
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the health care trust fund as specified in C.R.S. Section 24-51-208(1)(f)	<u>(1.02)%</u>	<u>(1.02)%</u>
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. Section 24-51-411	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. Section 24-51-411	<u>4.00%</u>	<u>4.50%</u>
Total employer contribution rate to the SCHDTF	<u>17.33%</u>	<u>18.13%</u>

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 \$1,350,488 for the year ended.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At year-end, the District reported a liability of \$25,367,408 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, 2014. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The District's proportion of the net pension liability was based on the District's 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's proportion was 0.1659 percent, which was an increase of 0.0020 percent from its proportion measured as of December 31, 2014.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

For the year ended, the District recognized pension expense of \$3,213,775. At year-end, 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	\$ 334,980	\$ 1,057
Changes of assumptions or other inputs	-	358,486
Net difference between projected and actual earnings on pension plan investments	2,156,941	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	862,457	-
Contributions subsequent to the measurement date	<u>700,977</u>	<u>-</u>
Total	<u>\$ 4,055,355</u>	<u>\$ 359,543</u>

\$700,977 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30, _____</u>	<u>Amount</u>
2017	\$ 1,030,795
2018	911,266
2019	610,471
2020	<u>442,303</u>
Totals	<u>\$ 2,994,835</u>

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions and inputs:

Actuarial cost method	Entry age
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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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, 2014 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.

Changes to assumptions or other inputs since the December 31, 2013 actuarial valuation are as follows:

- The following programming changes were made:
 - Valuation of the full survivor benefit without any reduction for possible remarriage.
 - Reflection of the employer match on separation benefits for all eligible years.
 - Reflection of one year of service eligibility for survivor annuity benefit.
 - Refinement of the 18 month annual increase timing.
 - Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
 - Recognition of merit salary increases in the first projection year.
 - Elimination of the assumption that 35% of future disabled members elect to receive a refund.
 - Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
 - Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>10 Year Expected Geometric Real Rate of Return</u>
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 government credit	0.53%	1.57%
Emerging market bonds	0.43%	3.04%
Real estate	7.00%	5.09%
Private equity	<u>7.00%</u>	7.15%
Total	<u>100.00%</u>	

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 applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projects year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.90%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law, including current and estimate future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above actuarial cost method and 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

Sensitivity of the District’s 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 <u>(6.50%)</u>	Current Discount <u>(7.50%)</u>	1% Increase <u>(8.50%)</u>
Proportionate share of the net pension liability	<u>\$ 32,883,575</u>	<u>\$ 25,367,408</u>	<u>\$ 19,115,359</u>

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.

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

Note J – Defined contribution pension plan

Voluntary Investment Program

Plan description. Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report of the Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does offer matching contributions to its employees. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ending June 30, 2016, program members contributed \$92,105 and the District recognized pension expense of \$180,951 for the Voluntary Investment Program.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Other postemployment benefits

Health Care Trust Fund

Plan description. The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and sets forth a framework that grants authority to the PERA Board to contract, self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive financial report that includes financial statements and required supplementary information for the HCTF. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding policy. The District is required to contribute at a rate of 1.02 percent of PERA-includable 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 C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the fiscal years ended June 30, 2016, 2015 and 2014, the District's contributions to the HCTF were \$73,404, \$71,311 and \$68,019, respectively, equal to their required contributions for each year.

Note L – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was \$90,244. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note M – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$344,000 for the emergency reserve.

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Note N – Joint venture

The District participates in the Centennial Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES is:

- financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the District, has a separate management which is responsible for day to day operations and is accountable to the separate governing board,
- the governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided, and

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note N – Joint venture (Continued)

- has absolute authority over all funds and fiscal responsibility, including budgetary responsibility, and reporting to state agencies and controls fiscal management.

This is a jointly governed organization with twelve other school districts with the District being represented by one member on the governing board of the cooperative. This board has final authority for all budgeting and financing of the joint venture. Separate financial statements of the BOCES are available by contacting their administrative office in Longmont, Colorado.

For the year, the District's financial contribution to the BOCES was \$138,687.

Note O – Termination Benefits

The District has entered into early retirement agreements under the District's Voluntary Early Retirement of Employees policy. These agreements call for payments in the total amount of \$47,463 to be paid out in fiscal year 2017.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability
- Schedule of District Contributions

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 12,629,618	\$ 13,679,220	\$ 13,667,249	\$ (11,971)
Intermediate sources		6,868	6,868	-
State sources	(168,131)	(38,762)	79,013	117,775
Federal sources	12,000	12,806	9,261	(3,545)
Total revenues	12,473,487	13,660,132	13,762,391	102,259
Expenditures				
Instruction	7,269,284	7,287,129	7,269,119	18,010
Supporting services	5,098,988	5,209,397	5,205,948	3,449
Debt service				
Principal retirement			70,892	(70,892)
Interest and fiscal charges			7,546	(7,546)
Reserve for contingency	3,742,240	3,780,124		3,780,124
Total expenditures	16,110,512	16,276,650	12,553,505	3,723,145
Excess of revenues over (under) expenditures	(3,637,025)	(2,616,518)	1,208,886	3,825,404
Other financing sources (uses)				
Transfers out	(70,000)	(753,181)	(660,000)	93,181
Capital lease proceeds			17,126	17,126
Total other financing sources (uses)	(70,000)	(753,181)	(642,874)	110,307
Net change in fund balance	\$ (3,707,025)	\$ (3,369,699)	566,012	\$ 3,935,711
Fund balance at beginning of year			3,779,674	
Fund balance at end of year			\$ 4,345,686	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net Pension Liability ¹
June 30, 2016

	June 30, 2016	June 30, 2015
District's proportion of the net pension liability	0.1658619081%	0.1639451238%
District's proportionate share of the net pension liability	\$ 25,367,408	\$ 22,220,071
District's covered-employee payroll	\$ 7,196,480	\$ 6,991,277
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	352.50%	317.83%
Plan fiduciary net position as a percentage of the total pension liability	59.2%	62.8%

¹ Information for the prior eight years was not available to report. In future reports, additional years will be added until 10 years of historical data are presented.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions ¹
June 30, 2016

	June 30, 2016	June 30, 2015
Contractually required contribution	\$ 1,350,488	\$ 1,253,150
Contributions in relation to the contractually required contribution	<u>(1,350,488)</u>	<u>(1,253,150)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 7,196,480	\$ 6,991,277
Contributions as a percentage of covered-employee payroll	18.77%	17.92%

¹ Information for the prior eight years was not available to report. In future reports, additional years will be added until 10 years of historical data are presented.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to the Required Supplementary Information

Note A – Budgetary data

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to 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.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted. Supplemental appropriations were made during the year.
7. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension schedules

Information about factors that significantly affect trends in the amounts reported in the Schedule of the District's Proportionate Share of the Net Pension Liability and the Schedule of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

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Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Schedule of Revenues
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 11,851,080	\$ 12,447,762	\$ 12,439,906	\$ (7,856)
Specific ownership taxes	626,969	912,309	1,005,249	92,940
Delinquent taxes and interest			1,036	1,036
Earnings on investments	5,000	5,000	5,596	596
Pupil Activities	57,569	57,569	62,398	4,829
Other local revenue	89,000	256,580	153,064	(103,516)
Total local sources	12,629,618	13,679,220	13,667,249	(11,971)
Intermediate sources		6,868	6,868	-
State sources				
English language	(5,526)	18,106	18,106	-
Vocational education	(2,724)	(2,724)	(10,624)	(7,900)
READ Act		50,729	50,729	-
Library grant		4,000	4,000	-
Special education	(126,250)	(126,250)	(126,250)	-
Gifted and talented		(18,355)	(18,355)	-
Health initiative		10,000	10,000	-
At risk funding		7,250	7,246	(4)
Transportation	(48,631)	3,035	9,572	6,537
Services within the BOCES	15,000	15,447	134,589	119,142
Total state sources	(168,131)	(38,762)	79,013	117,775
Federal sources				
Early literacy		806	805	(1)
Services within the BOCES	12,000	12,000	8,456	(3,544)
Total federal sources	12,000	12,806	9,261	(3,545)
Total revenues	\$ 12,473,487	\$ 13,660,132	\$ 13,762,391	\$ 102,259

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PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Instruction				
Salaries	\$ 4,637,973	\$ 4,677,058	\$ 4,615,227	\$ 61,831
Employee benefits	1,759,765	1,654,275	1,671,880	(17,605)
Purchased services	604,429	582,854	523,629	59,225
Supplies and materials	250,467	354,617	356,033	(1,416)
Property	16,650	18,325	91,822	(73,497)
Other			10,528	(10,528)
Total instruction	7,269,284	7,287,129	7,269,119	18,010
Supporting services				
Students				
Salaries	249,128	260,989	256,281	4,708
Employee benefits	96,267	92,164	95,195	(3,031)
Purchased services	2,675	9,975	10,560	(585)
Supplies and materials	7,402	7,402	6,164	1,238
Property	500	500	268	232
Total students	355,972	371,030	368,468	2,562
Instructional staff				
Salaries	193,682	209,882	196,468	13,414
Employee benefits	62,789	65,115	75,826	(10,711)
Purchased services	71,359	71,359	50,129	21,230
Supplies and materials	20,950	24,949	16,958	7,991
Property	4,500	4,500	1,133	3,367
Total instructional staff	353,280	375,805	340,514	35,291
General administration				
Salaries	232,136	217,248	227,100	(9,852)
Employee benefits	82,387	89,613	80,702	8,911
Purchased services	51,550	84,150	83,766	384
Supplies and materials	2,500	4,000	2,863	1,137
Property	1,500	1,500		1,500
Other	10,000	10,000	19,814	(9,814)
Total general administration	380,073	406,511	414,245	(7,734)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
School administration				
Salaries	801,464	715,705	702,608	13,097
Employee benefits	240,784	238,901	232,975	5,926
Purchased services	4,100	4,733	13,530	(8,797)
Property	2,500	2,500	26,916	(24,416)
Total school administration	1,048,848	961,839	976,029	(14,190)
Business services				
Salaries	178,458	162,600	163,644	(1,044)
Employee benefits	67,699	55,775	54,163	1,612
Purchased services	19,800	77,800	70,865	6,935
Supplies and materials	2,500	2,500	8,658	(6,158)
Property	2,000	2,000	4,045	(2,045)
Other			(118)	118
Total business services	270,457	300,675	301,257	(582)
Operations and maintenance				
Salaries	616,086	555,587	548,476	7,111
Employee benefits	256,247	217,880	208,305	9,575
Purchased services	177,405	294,875	270,784	24,091
Supplies and materials	400,000	534,650	610,392	(75,742)
Property	2,000	7,500		7,500
Total operations and maintenance	1,451,738	1,610,492	1,637,957	(27,465)
Student transportation				
Salaries	429,162	399,635	368,499	31,136
Employee benefits	154,764	135,517	141,050	(5,533)
Purchased services	28,768	51,702	38,328	13,374
Supplies and materials	134,621	93,621	94,621	(1,000)
Property	1,000	6,000	5,806	194
Other			638	(638)
Total student transportation	748,315	686,475	648,942	37,533

(continued)

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Schedule of Expenditures
Budget and Actual
For the Year Ended June 30, 2016

(continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support services				
Salaries	188,178	188,178	186,864	1,314
Employee benefits	58,636	56,992	56,186	806
Purchased services	218,491	225,000	168,886	56,114
Supplies and materials	25,000	26,400	36,292	(9,892)
Other			2,916	(2,916)
Total central support services	490,305	496,570	451,144	45,426
Facilities acquisition				
Property			67,392	(67,392)
Total supporting services	5,098,988	5,209,397	5,205,948	3,449
Debt service				
Principal retirement			70,892	(70,892)
Interest and fiscal charges			7,546	(7,546)
Total debt service	-	-	78,438	(78,438)
Reserve for contingency	3,742,240	3,780,124		3,780,124
Total expenditures	<u>\$ 16,110,512</u>	<u>\$ 16,276,650</u>	<u>\$ 12,553,505</u>	<u>\$ 3,723,145</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

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

- Food Service Fund – This fund is used to record financial transactions related to the District’s food service operations.
- Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Capital Reserve Capital Projects Fund – This fund was established to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2016

	Food Service	Governmental Designated Purpose Grants	Capital Reserve Capital Projects	Total
Assets				
Cash	\$ 80			\$ 80
Investments			\$ 340,788	340,788
Due from other funds	1,790	\$ 500	600,000	602,290
Grants receivable		31,795		31,795
Inventory	15,431			15,431
Total assets	\$ 17,301	\$ 32,295	\$ 940,788	\$ 990,384
Liabilities and fund balance				
Liabilities				
Due to other funds		\$ 18,494	\$ 30,000	\$ 48,494
Unearned grant revenue		13,801		13,801
Total liabilities	-	32,295	30,000	62,295
Fund balance				
Nonspendable for inventory	15,431			15,431
Committed to capital projects			910,788	910,788
Assigned for youth help	1,535			1,535
Restricted to food service	335			335
Total fund balance	17,301	-	910,788	928,089
Total liabilities and fund balance	\$ 17,301	\$ 32,295	\$ 940,788	\$ 990,384

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2016

	Food Service	Governmental Designated Purpose Grants	Capital Reserve Capital Projects	Total
Revenues				
Local sources	\$ 137,233		\$ 183,074	\$ 320,307
State sources	7,163			7,163
Federal sources	257,652	\$ 98,481		356,133
Total revenues	402,048	98,481	183,074	683,603
Expenditures				
Instruction		80,574		80,574
Supporting services	461,322	17,907		479,229
Capital outlay			198,274	198,274
Total expenditures	461,322	98,481	198,274	758,077
Excess of revenues over (under) expenditures	(59,274)	-	(15,200)	(74,474)
Other financing sources				
Transfers in	60,000		600,000	660,000
Net change in fund balance	726	-	584,800	585,526
Fund balance at beginning of year	16,575		325,988	342,563
Fund balance at end of year	<u>\$ 17,301</u>	<u>\$ -</u>	<u>\$ 910,788</u>	<u>\$ 928,089</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues	\$ 165,700	\$ 138,420	\$ 137,233	\$ (1,187)
State sources	8,800	7,600	7,163	(437)
Federal sources	287,500	255,500	257,652	2,152
Total revenues	462,000	401,520	402,048	528
Expenditures				
Supporting services				
Salaries and benefits	271,197	223,372	233,551	(10,179)
Purchased services	13,467	8,300	8,567	(267)
Supplies and materials	236,000	228,845	218,311	10,534
Property	1,000	1,000	893	107
Appropriated reserves	114,461	16,575		16,575
Total expenditures	636,125	478,092	461,322	16,770
Excess of revenues over (under) expenditures	(174,125)	(76,572)	(59,274)	(16,242)
Other financing sources				
Transfers in	70,000	66,000	60,000	(6,000)
Net change in fund balance	\$ (104,125)	\$ (10,572)	726	\$ 11,298
Fund balance at beginning of year			16,575	
Fund balance at end of year			\$ 17,301	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Governmental Designated Purpose Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Federal sources	\$ 137,582	\$ 129,559	\$ 98,481	\$ (31,078)
Total revenues	137,582	129,559	98,481	(31,078)
Expenditures				
Instruction				
Salaries and benefits	92,800	81,782	75,560	6,222
Purchased services	3,512	1,294	188	1,106
Supplies and materials	3,665	11,791	2,457	9,334
Property		161	2,369	(2,208)
Total instruction	99,977	95,028	80,574	14,454
Supporting services				
Salaries and benefits	23,224	23,650	17,907	5,743
Purchased services	200	200		200
Supplies and materials	14,181	10,681		10,681
Total supporting services	37,605	34,531	17,907	16,624
Total expenditures	137,582	129,559	98,481	31,078
Excess of revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Earnings on investments	\$ 200	\$ 200	\$ 317	\$ 117
Other local revenue		125,300	182,757	57,457
Total revenues	200	125,500	183,074	57,574
Expenditures				
Capital outlay				
Supplies and materials			4,824	(4,824)
Property		210,000	193,450	16,550
Appropriated reserves	75,933	325,988		325,988
Total expenditures	75,933	535,988	198,274	337,714
Excess of revenues over (under) expenditures	(75,733)	(410,488)	(15,200)	395,288
Other financing sources				
Transfers in				
		550,000	600,000	50,000
Net change in fund balance	<u>\$ (75,733)</u>	<u>\$ 139,512</u>	584,800	<u>\$ 445,288</u>
Fund balance at beginning			<u>325,988</u>	
Fund balance at end of year			<u>\$ 910,788</u>	

Budgetary Comparison Schedule – Capital Projects Fund

The District reports the following major capital projects fund:

- Building Fund – This fund is used to account for the proceeds of bond sales, revenues from other sources and expenditures for capital outlay for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional and replacement of equipment as authorized by the local board of education, as specified in the related bond issue.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues				
Earnings on investments	\$ 24,000	\$ 21,500	\$ 28,733	\$ 7,233
Other local revenue		137,181	389,327	252,146
Total revenues	24,000	158,681	418,060	259,379
Expenditures				
Capital outlay				
Purchased services		285,000	1,270,613	(985,613)
Supplies and materials		200	200	-
Property	15,206,868	8,850,693	9,028,068	(177,375)
Appropriated reserves	1,184,261	6,134,857		6,134,857
Total expenditures	16,391,129	15,270,750	10,298,881	4,971,869
Excess of revenues over (under) expenditures	<u>\$ (16,367,129)</u>	<u>\$ (15,112,069)</u>	(9,880,821)	<u>\$ 5,231,248</u>
Fund balance at beginning of year			15,270,751	
Fund balance at end of year			<u>\$ 5,389,930</u>	

Budgetary Comparison Schedule – Debt Service Funds

The District reports the following major debt service fund:

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 3,478,614	\$ 4,504,097	\$ 4,421,927	\$ (82,170)
Delinquent taxes and interest			77,389	77,389
Interest on investments			374	374
Total revenues	3,478,614	4,504,097	4,499,690	(4,407)
Expenditures				
Debt service				
Principal retirement	2,585,000	2,585,000	2,585,000	-
Interest and fiscal charges	811,144	811,143	811,181	(38)
Appropriated reserves	4,345,688	4,388,227		4,388,227
Total expenditures	7,741,832	7,784,370	3,396,181	4,388,189
Excess of revenue over (under) expenditures	<u>\$ (4,263,218)</u>	<u>\$ (3,280,273)</u>	1,103,509	<u>\$ 4,383,782</u>
Fund balance at beginning of year			<u>4,388,227</u>	
Fund balance at end of year			<u>\$ 5,491,736</u>	

Budgetary Comparison Schedule – Fiduciary Fund

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

Agency funds – These funds are used to report resources held by the District in a purely custodial capacity (assets equal liabilities). These funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities. These activities are self-supporting and do not receive any direct or indirect support within the fund.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Pupil Activity Agency Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Additions				
Fundraising and other events	<u>\$ 615,000</u>	<u>\$ 700,000</u>	<u>\$ 598,139</u>	<u>\$ (101,861)</u>
Total additions	615,000	700,000	598,139	(101,861)
Deductions				
Pupil activity expenditures	535,000	700,000	584,605	115,395
Appropriated reserves	<u>254,500</u>	<u>281,723</u>		<u>281,723</u>
Total deductions	<u>789,500</u>	<u>981,723</u>	<u>584,605</u>	<u>397,118</u>
Excess of additions over (under) deductions	<u>\$ (174,500)</u>	<u>\$ (281,723)</u>	13,534	<u>\$ 295,257</u>
Due to student groups at beginning of year			<u>281,723</u>	
Due to student groups at end of year			<u>\$ 295,257</u>	

**Colorado Department of Education
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

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Independent Auditors' Report on Auditors' Integrity Report

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

We have audited financial statements of the Platte Valley School District RE-7 (the District) as of and for the year ended June 30, 2016, and our report thereon dated October 5, 2016, which expressed an unmodified opinion on those financial statements, appears on pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 5, 2016

Colorado Department of Education
Auditors Integrity Report
District 3130 - PLATTE VALLEY RE-7
Fiscal Year 2015-16
Colorado School District/BOCES

Fund Type & Number	Revenues, Expenditures, & Fund Balance by Fund	Beg. Fund Balance & Prior Per Adj. (6880*)	1000 - 5899 Total Revenues & Other Sources		0001-6899 Total Expenditures & Other Uses		6700-6799 A. Prior Per Adj. (6880*) Ending Fund Balance
			13,119,518	12,553,805	12,553,805	4,345,686	
10 General Fund		3,775,674					
18 Risk Mgmt Sub-Fund of General Fund		0					
19 Colorado Preschool Program Fund		0					
Sub-Total		3,775,674	13,119,518	12,553,805		4,345,686	
11 Charter School Fund		0					
20.26-29 Special Revenue Fund		0					
21 Food Service Spec. Revenue Fund		16,575	462,048	461,323			
22 Govt Designated-Purpose Grants Fund		0	98,481	98,481			
23 Pupil Activity Special Revenue Fund		0	0	0			
24 Full Day Kindergarten Mill Levy Override		0	0	0			
25 Transportation Fund		0	0	0			
31 Bond Redemption Fund		4,368,227	4,499,650	3,396,181		5,491,736	
39 Certificate of Participation (COP) Debt Service Fund		0	0	0			
41 Building Fund		15,270,759	418,060	10,298,881		5,389,930	
42 Special Building Fund		0	0	0			
43 Capital Reserve Capital Projects Fund		325,988	783,074	188,274		910,788	
Total		31,341,114	18,300,871	17,506,543		14,135,446	
Proprietary							
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	
Total		0	0	0		0	
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		381,723	598,139	584,605		295,257	
79 GASB 34 Permanent Fund		0	0	0		0	
85 Foundations		0	0	0		0	
Total		381,723	598,139	584,605		295,257	
FINAL							

*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.