

cPa DIXON, WALLER & CO., INC.

BYERS SCHOOL DISTRICT

NUMBER 32J

BYERS, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017

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DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
JUNE 30, 2017

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BYERS SCHOOL DISTRICT NUMBEER 32J
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

Tom Thompson III	President
Jerry Sauer	Vice President
Chris Cary	Secretary
Charlie Tucker	Treasurer
Julie Smith	Member
Becca Pope	Member
Mike Pugh	Member

SCHOOL OFFICIAL

Tom Turrell	Superintendent
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FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

**Board of Education
Byers School District Number 32J
Byers, Colorado 80103**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Byers School District Number 32J, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Foundation Learning Colorado, Inc. which represents 33.32 percent, -12.33 percent, and 72.79 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Foundation Learning Colorado, Inc. is based solely on the report of the other auditors. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Byers School District Number 32J, as of June 30, 2017, and the respective changes in financial position thereof 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 pension trend data on pages i through x and 38 through 44 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 Byers School District Number 32J's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules, and state required schedules are the responsibility of management and were derived from and relate 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 combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

Deffen, Walker & Co., Inc.

November 20, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Management of Byers School District 32-J offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. The focus of the information is on the primary government.

Financial Highlights

- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$1,692,850.
- The District's long-term general obligation debt decreased by \$255,000 as a result of current year principal and interest payments on the outstanding debt.
- The District had adequate resources available for all appropriations.

The District was required to implement GASB 68 resulting in a net pension liability of \$17,464,365. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. At implementation, beginning equity is restated and deferred inflows, outflows and net pension liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Online Schools

The District had 5 online schools during the 2016-2017 school year: Colorado Digital Academy Elementary, Colorado Digital Academy Middle School, Colorado Virtual Academy, Elevate Academy, and Valiant Academy. The FTE for the 5 schools was 2,413. The online PPR for 2016-17 was \$6,792.17

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is also provided in this document. The Byers School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 two district-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Byers School District, like other governments, uses fund accounting to ensure and demonstrate compliance.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Most of the District's basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise fund* (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information such as cash flows. *Internal service funds* (the other kind of proprietary funds) are used to report activities that provide supplies and services for its other programs and activities. The District uses an enterprise fund to account for its food service operation. The district does not have any internal service funds.

Fiduciary Funds: The District is the agent, or *fiduciary*, for assets that belong to others. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assts belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District uses fiduciary funds to account for its endowment fund.

Notes to the Financial Statements

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

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Financial Analysis of the District as a Whole

The District's total net position on June 30, 2016 was -\$5,262,169. Of the District's 7,347,723 in assets, \$5,055,868 (69%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

Table 1 provides a summary of the District's net assets for 2017 compared to 2016.

	<u>2017</u>	<u>2016</u>	<u>Total Percentage Change</u> <u>2017-2016</u>
Assets			
Current and other assets	\$ 2,291,855	\$ 1,910,795	16.63%
Capital assets	<u>5,055,868</u>	<u>5,057,875</u>	-0.04%
Total Assets	\$ 7,347,723	\$ 6,968,670	5.16%
Deferred Outflow of Resources	6,772,300	1,236,020	81.75%
Liabilities			
Current Liabilities	\$ 879,848	\$ 798,970	9.19%
Net Pension Obligation	17,464,365	9,162,041	47.54%
Long-Term Liabilities	<u>773,596</u>	<u>1,060,111</u>	-37.04%
Total Liabilities	\$ 19,117,809	\$ 11,021,122	42.35%
Deferred Inflow of Resources	264,383	209,667	20.70%
Net Position			
Net Investment in capital assets	\$ 3,996,683	\$ 3,672,175	8.12%
Restricted for:			
Debt Service	221,306	157,483	28.84%
Food Service	106,166	78,949	25.64%
Multi-Year Obligations	205,192	71,891	64.96%
Tabor Reserve	193,000	188,000	2.59%
Unrestricted	<u>(9,984,516)</u>	<u>(7,194,597)</u>	27.94%
Total Net Position	\$ (5,262,169)	\$ (3,026,099)	149.97%

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Table 2 shows the changes in net assets for fiscal year 2017 compared to 2016.

	<u>2017</u>	Total <u>2016</u>
Revenues		
Program revenues:		
Charges For Services	\$ 1,115,878	\$ 234,874
Operating Grants & Contributions	1,418,391	751,810
Capital Grants and Contributions	0	0
General Revenues:		
Property Taxes	1,748,225	1,777,946
Specific Ownership Taxes	145,162	132,241
State Equalization	19,304,770	18,808,058
Earnings on Investments	1,631	962
Other Revenues	205,422	690,996
Charter Per Pupil Revenue	<u>(16,964,804)</u>	<u>(15,538,926)</u>
Total Revenues	\$ 6,974,675	\$ 6,857,405
Expenses		
Instructional Services	\$ 3,676,367	\$ 3,741,804
Supporting Services:		
Students	271,642	221,874
Instructional Staff	69,750	64,341
District Administration	553,817	504,304
School Administration	293,219	257,879
Business	206,984	191,993
Operations & Maintenance	520,193	491,122
Transportation	380,065	311,777
Central	94,829	73,342
Community Services	9,367	0
Facilities	8,060	7,761
Food Service	230,134	238,494
Capital Outlay	61,585	0
Interest on Long-Term Liabilities	15,196	25,328
Pension Amortization	<u>2,819,537</u>	<u>442,405</u>
Total Expenses	\$9,210,745	\$6,572,424
Increase (decrease) in net assets	\$(2,236,070)	\$ 284,981

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Governmental Activities

The following table shows the District's major functions. It also shows the net costs (total cost less revenues generated by activities).

Table 3
Governmental Activities
(Net of Depreciation)

	Total Cost of Services		Net Cost of Services	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instructional Services	\$ 3,676,367	\$ 3,741,804	\$ - 1,523,661	\$ -3,106,662
Supporting Services:				
Students	271,642	221,874	-271,642	-221,874
Instruction Staff	69,750	64,341	- 69,750	-64,341
District Administration	553,817	504,304	- 553,817	-504,304
School Administration	293,219	257,879	- 293,219	-257,879
Business	206,984	191,903	- 206,984	-191,993
Operation & Maintenance	520,193	491,122	-466,623	-437,774
Transportation	380,064	311,777	-314,815	-244,726
Central	94,829	73,342	-94,829	-73,342
Community Services	9,367	0	- 9,367	0
Facilities	8,060	7,761	-8,060	-7,761
Food Service	230,134	238,494	32,609	-7,907
Capital Outlay	61,585	0	- 61,585	0
Interest on Long-Term Liabilities	15,196	25,328	-15,196	-25,328
Pension Expense	<u>2,819,537</u>	<u>442,405</u>	<u>-2,819,537</u>	<u>-442,405</u>
Total	\$ 9,210,745	\$ 6,572,424	\$ 6,676,476	\$ 5,586,296

- The cost of all district activities this year was \$9,210,745.
- Some of the cost was financed by the users of the District's programs: \$1,115,878.
- The federal and state government subsidized certain programs with grants and contributions totaling \$1,418,391.
- Most of the District's costs, however, were finance by District and State taxpayers. This portion of governmental activities was financed with \$19,304,770 in state equalization from the School Finance Act (of which \$16,964,804 was allocated to the District Online Charter Schools), \$1,893,387 in property tax and \$207,053 in investment earnings and other miscellaneous revenue.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Financial Analysis of the District's Funds

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.

- Actual revenues in the General Fund were \$152,620 higher than anticipated.
- Total expenditures of the General Fund were \$1,117,699 under budget.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2017, District's TABOR reserve amounted to \$193,000.
- The beginning fund balance was increased from \$1,109,272 to \$1,278,270. The fund balance reflects the fund balances of the General fund, Capital Reserve fund, Rental fund, Childcare fund, and Preschool fund. The fund balance for the General fund alone increased from \$942,236 to \$1,046,837.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2017 amounts to \$5,055,868.

Table 4
Byers School District
Capital Assets
(Net of Depreciation)

Table 4	Total		Total Percentage Change
	<u>2017</u>	<u>2016</u>	<u>2017-2016</u>
Land & Sites	\$ 173,215	\$ 173,215	0.00%
Buildings & Improvements	4,439,482	4,611,760	-3.88%
Equipment & Vehicles	318,171	272,900	14.23%
Construction in Progress	<u>0</u>	<u>0</u>	
 Total Capital Assets	 \$ 5,055,868	 \$ 5,057,875	 -0.04%

Long-Term Debt

At year-end, the District had \$215,000 in 2005 Refinanced Bonds, -\$388 in Deferred Refunding, and \$844,185 in QZAB Loans.

Table 5
Byers School District
Long-Term Debt
Governmental Activities

	<u>2017</u>	<u>2016</u>
2005 Refinanced Bonds	\$ 215,000	\$ 470,000
Deferred Refunding	(388)	(1,611)
QZAB Loan	844,185	915,700
 Total	 \$ 1,058,797	 \$ 1,384,089

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Economic Factors Bearing on the District's Future

During the 2015-16 school year the district passed a \$150,000 transportation mill-levy override, sun setting after 5 years. The district has replaced three full-size busses and added a small 14-passenger bus. The district will focus on building a bus barn facility and replacement of the small vehicles in the 2017-18 school year. The beginning fund balance increased as a result of the online school revenue and priority focus of the Board to build the fund balance to withstand an additional recession.

Other areas in need of repair/replacement continue to be the aging of HVAC units not replaced during the Boiler/HVAC upgrade, roof replacement not completed during the upgrades in 2012, a bus barn facility to house bus fleet and upgrades to the football field (restroom facility and crow's nest replacement). Teacher salaries continue to lag far behind the other corridor schools due to the salary freeze from recessions in 2009-2012.

The average salary for a teacher in Byers 32J is \$37,000, while the state average is \$49,000. That statistic in itself can cause alarm in today's educational world. We compete with Front Range and Metro-schools for highly qualified teaching candidates; with that disparity, it creates longevity and professional development issues trying to continue a high level of development for current staff in the district. Staff turnover not only creates a disconnect for student learning, it also creates an un-assumed cost detriment to the district. However, I will stress that retention of staff is based upon more than financial gain. Byers 32J's average years of experience is over 12 years, and many staff members have 20-30 years of experience in Byers. This reflects the rural and respectful nature of our students and families. We have an outstanding student body which makes working in Byers a great environment.

Online Schools: Valiant Academy, Colorado Digital Academy Elementary and Middle Schools, Colorado Virtual Academy High School and Elevate Academy are all district Authorized Charter schools. At a minimum, the district will receive 3.3% of the revenues generated by the schools. At a minimum the district will receive \$150,000 as an authorizer fee. The additional revenue is necessary in our facilities plan for replacement and upgrading outdated systems. Capacity to oversee and run a total of five (5) multi-district online schools may be time consuming by the upper administration; however, the opportunity to fill funding gaps and provide more opportunities to Byers brick and mortar students outweigh those concerns.

Growth in the area continues to occur. 35 acre lots are the majority of the development. This growth has been consistent now for the past two years. The district has been looking for land to purchase to build a new high school in the next 2-3 years.

Overall: A conservative approach to the new revenue streams and understanding the processes involved will be given priority over the next several years. Facility repairs continue to be a focus of the district's one-time revenues from the online schools. As enrollment increases the district will need to focus on expansion and growth in the near future.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Byers School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Superintendent of Schools
Byers School District
444 E. Front Street
Byers, Colorado 80103

BASIC FINANCIAL STATEMENTS

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Total	Component Units Charter Schools
ASSETS			
Cash and Investments	2,139,603	2,139,603	3,530,747
Accounts Receivable	17,652	17,652	141,191
Grants Receivable	58,508	58,508	-
Property Taxes Receivable	68,600	68,600	-
Prepaid Expenses	-	-	499
Inventories	7,492	7,492	-
Capital Assets	12,650,314	12,650,314	-
Accumulated Depreciation	<u>(7,594,446)</u>	<u>(7,594,446)</u>	-
TOTAL ASSETS	<u>7,347,723</u>	<u>7,347,723</u>	<u>3,672,437</u>
DEFERRED OUTFLOW OF RESOURCES			
District Contributions Subsequent to Pension Measurement Date	264,793	264,793	-
Pension Outflows – Plan Level	6,469,126	6,469,126	-
Pension Outflows – Employer Level	37,993	37,993	-
Deferred Refunding	<u>388</u>	<u>388</u>	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	<u>6,772,300</u>	<u>6,772,300</u>	-
LIABILITIES			
Accounts Payable	109,246	109,246	2,861,901
Accrued Salaries	452,159	452,159	-
Accrued Interest	663	663	-
Other Payables	-	-	233,114
Compensated Absences	31,702	31,702	-
Net Pension Liability	17,464,365	17,464,365	-
Debt Payable - Current	285,589	285,589	-
Debt Payable – Long-Term	773,596	773,596	-
Unamortized Premium	<u>489</u>	<u>489</u>	-
TOTAL LIABILITIES	<u>19,117,809</u>	<u>19,117,809</u>	<u>3,095,015</u>
DEFERRED INFLOW OF RESOURCES			
Pension Inflows – Plan Level	78,909	78,909	-
Pension Inflows – Employer Level	<u>185,474</u>	<u>185,474</u>	-
TOTAL DEFERRED INFLOW OF RESOURCES	<u>264,383</u>	<u>264,383</u>	-
NET POSITION			
Net Investment in Capital Assets	3,996,683	3,996,683	-
Restricted for:			
Debt Service	221,306	221,306	-
Multi Year Obligation	205,192	205,192	-
Food Service	106,166	106,166	-
TABOR Reserve	193,000	193,000	521,993
Special Education	-	-	50,000
Unrestricted	<u>(9,984,516)</u>	<u>(9,984,516)</u>	<u>5,429</u>
TOTAL NET POSITION	<u>(5,262,169)</u>	<u>(5,262,169)</u>	<u>577,422</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

FUNCTIONS	Net (Expenses) Revenue and Changes in Net Position					Component Units
	Primary Government					
	Expenses	Charges for Services	Program Revenues Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	
Instructional Services	3,676,367	971,824	1,180,882	-	(1,523,661)	(13,329,196)
Supporting Services:						
Students	271,642	-	-	-	(271,642)	(1,020,058)
Instructional Staff	69,750	-	-	-	(69,750)	(494,431)
District Administration	553,817	-	-	-	(553,817)	(646,265)
School Administration	293,219	-	-	-	(293,219)	(1,366,970)
Business	206,984	-	-	-	(206,984)	(868,255)
Operation & Maintenance of Facilities	520,193	53,570	-	-	(466,623)	(247,216)
Transportation	380,065	-	65,250	-	(314,815)	(618,039)
Central	94,829	-	-	-	(94,829)	-
Community Services	9,367	-	-	-	(9,367)	-
Facilities	8,060	-	-	-	(8,060)	-
Food Service	230,134	90,484	172,259	-	32,609	-
Capital Outlay	61,585	-	-	-	(61,585)	-
Interest on Long-Term Debt	15,196	-	-	-	(15,196)	-
Pension Expense	2,819,537	-	-	-	(2,819,537)	-
Total Governmental Activities	<u>9,210,745</u>	<u>1,115,878</u>	<u>1,418,391</u>	<u>-</u>	<u>(6,676,476)</u>	<u>(18,590,430)</u>
Total School District	<u>9,210,745</u>	<u>1,115,878</u>	<u>1,418,391</u>	<u>-</u>	<u>(6,676,476)</u>	<u>(18,590,430)</u>
General Revenues						
Property Taxes Levied for General Purposes					1,748,225	-
Specific Ownership Taxes					145,162	-
Equalization					19,304,770	-
Earnings on Investments					1,631	-
Other Revenues					205,422	450,961
Intergovernmental					-	18,205,473
Charter Per Pupil Revenue					-	-
Total General Revenues					<u>(16,964,804)</u>	<u>-</u>
Change in Net Position					4,440,406	18,656,434
Net Position, Beginning					(2,236,070)	66,004
Net Position, Ending					<u>(3,026,099)</u>	<u>511,418</u>
Net Position, Ending					<u>(5,262,169)</u>	<u>577,422</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Designated Purpose Grants	Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Investments	1,686,653	27,500	220,306	205,144	2,139,603
Accounts Receivable	17,652	-	-	-	17,652
Accrued Revenue	-	58,508	-	-	58,508
Due From Other Funds	20,377	-	-	-	20,377
Property Taxes Receivable	54,000	-	14,600	-	68,600
Inventories	-	-	-	7,492	7,492
<u>Total Assets</u>	<u>1,778,682</u>	<u>86,008</u>	<u>234,906</u>	<u>212,636</u>	<u>2,312,232</u>
LIABILITIES:					
Accounts Payable	48,805	56,577	-	3,864	109,246
Accrued Salaries	427,607	10,727	-	13,825	452,159
Due To Other Funds	-	18,704	-	1,673	20,377
Other Payables	-	-	-	-	-
<u>Total Liabilities</u>	<u>476,412</u>	<u>86,008</u>	<u>-</u>	<u>19,362</u>	<u>581,782</u>
DEFERRED INFLOW OF RESOURCES					
Deferred Property Tax	24,000	-	13,600	-	37,600
FUND BALANCES:					
Nonspendable:					
Inventories	-	-	-	7,492	7,492
Restricted for:					
Emergencies	193,000	-	-	-	193,000
Multi-Year Obligations	205,192	-	-	-	205,192
Preschool	-	-	-	-	-
Food Service	-	-	-	98,674	98,674
Debt Service	-	-	221,306	-	221,306
Committed for:					
Capital Outlay	159,268	-	-	-	159,268
Rental Properties	17,272	-	-	-	17,272
Day Care	54,893	-	-	-	54,893
Assigned for:					
Pupil Activities	-	-	-	87,108	87,108
Unassigned	648,645	-	-	-	648,645
<u>Total Fund Balances</u>	<u>1,278,270</u>	<u>-</u>	<u>221,306</u>	<u>193,274</u>	<u>1,692,850</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>1,778,682</u>	<u>86,008</u>	<u>234,906</u>	<u>212,636</u>	<u>2,312,232</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2017

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

<u>Total Fund Balance – Governmental Funds</u>	1,692,850
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$12,650,314 and the accumulated depreciation is \$7,594,446.	5,055,868
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	37,600
Compensated absences are not reported as a liability in the funds.	(31,702)
Debt is not recorded as a liability in the funds:	
Bonds Payable	(1,059,185)
Accrued interest payable on long term debt is not reported in the funds.	(663)
For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This is the unamortized deferred refunding amount.	388
Unamortized bond premium is not reported in the funds.	(489)
The District’s portion of the net pension liability for PERA is reported on the statement of net position is not reported as a liability in the funds.	(17,464,365)
Deferred flows for contributions made toward the net pension liability from December 31, 2015 until June 30, 2016 is not reported in the funds.	264,793
Net Deferred Pension Flows – Plan Level	6,390,217
Net Deferred Pension Flows – Employer Level	<u>(147,481)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(5,262,169)</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General Fund	Designated Purpose Grants	Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	1,279,672	-	331,432	-	1,611,104
Specific Ownership Taxes	145,162	-	-	-	145,162
Earnings on Investments	1,554	-	41	36	1,631
Other Local Sources	1,215,155	-	545	254,251	1,469,951
State Aid	20,088,218	25,000	-	4,714	20,117,932
Federal Aid	-	437,684	-	167,545	605,229
Allocated Revenue-Charter Schools	(16,964,804)	-	-	-	(16,964,804)
Total Revenues	<u>5,764,957</u>	<u>462,684</u>	<u>332,018</u>	<u>426,546</u>	<u>6,986,205</u>
EXPENDITURES					
Current:					
Instructional Services	2,835,924	462,684	-	158,793	3,457,401
Supporting Services:					
Students	257,821	-	-	-	257,821
Instructional Staff	69,538	-	-	-	69,538
District Administration	792,470	-	-	-	792,470
School Administration	292,461	-	-	-	292,461
Business	184,846	-	-	-	184,846
Operation & Maintenance of Facilities	497,148	-	-	-	497,148
Transportation	284,866	-	-	-	284,866
Central	154,451	-	-	-	154,451
Facility	151,834	-	-	-	151,834
Food Service	-	-	-	235,562	235,562
Debt Service:					
Principal Retirement	71,515	-	255,000	-	326,515
Interest and Fiscal Charges	3,085	-	13,195	-	16,280
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>5,595,959</u>	<u>462,684</u>	<u>268,195</u>	<u>394,355</u>	<u>6,721,193</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>168,998</u>	<u>-</u>	<u>63,823</u>	<u>32,191</u>	<u>265,012</u>
OTHER FINANCING SOURCES (USES)					
Transfers	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
NET CHANGE IN FUND BALANCES					
	168,998	-	63,823	32,191	265,012
FUND BALANCES – Beginning	<u>1,109,272</u>	<u>-</u>	<u>157,483</u>	<u>161,083</u>	<u>1,427,838</u>
FUND BALANCES – Ending	<u>1,278,270</u>	<u>-</u>	<u>221,306</u>	<u>193,274</u>	<u>1,692,850</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

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

Net Change in Fund Balances – Total Governmental Funds 265,012

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	Capital Outlays more than \$5,000	392,116	
	Depreciation Expense	(394,123)	(2,007)

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. (11,530)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences decreased by this amount. 4,393

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums and deferred refunding amounts are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

	Principal Payment	326,515	
	Accrued Interest	765	
	Deferred Refunding Amount	(1,223)	
	Bond Premium	1,542	

The statement of activities reports net pension obligation which is not reported in the fund financial statements.

	Change in Net Pension Liability	(8,302,324)	
	Deferred Flows - Pensions	<u>5,482,787</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (2,236,070)

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF FIDUCIARY NET POSITION
ENDOWMENT FIDUCIARY FUND
June 30, 2017

	<u>Endowment Fund</u>
<u>ASSETS</u>	
Cash and Investments	2,100
<u>Total Assets</u>	<u>2,100</u>
<u>LIABILITIES</u>	
Other	-
<u>Total Liabilities</u>	<u>-</u>
<u>NET POSITION</u>	
Restricted	<u>2,100</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2017

	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Earnings on Investments	-
Donations	-
<u>Total Additions</u>	<u>-</u>
<u>DEDUCTIONS</u>	
Other Expense	<u>20</u>
<u>NET INCREASE (DECREASE)</u>	(20)
<u>NET POSITION – Beginning of Year</u>	<u>2,120</u>
<u>NET POSITION – End of Year</u>	<u>2,100</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Byers School District Number 32J (the District) conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District operates under an elected Board of Education with seven members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Byers School District Number 32J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards board (GASB) Statement No.14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

Discretely Presented Component Unit – Charter School

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-10" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter Schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Byers School District's Board of Education must approve all Charter School applications and budgets. The District currently has five charter schools in operation, Elevate Academy, Inc., New Elementary School, Inc., New Middle School, Inc., New High School, Inc., and Valiant Academy which are reported as a network of schools within Foundation Learning Colorado, Inc.. The Charter Schools are a discretely presented component unit because of the significance of their financial relationship with the District. The Charter Schools have an affiliated finance corporation that was formed to support and assist the Charter Schools in the leasing of its facilities separately from the District.

The Charter Schools have issued separate financial statements for the fiscal year ended June 30, 2017. Complete financial statements may be obtained at the school's administrative offices: 1526 Cole Boulevard, Suite 200 Lakewood, CO 80401.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Designated Purpose Grants and Bond Redemption Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

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

The proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Designated Purpose Grant Fund – this fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.
 3. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Additionally, the District reports on the following fund type:

The Endowment Fund – this fund is used to account for donations to the District that are to be used for specific purposes. These funds are held in a fiduciary capacity by the District.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

Property taxes levied in 2016 but uncollected in 2017 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2017 are recorded as deferred inflow of resources. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G. Inventories

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

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations (Continued)

Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J. Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November 4, 1997 the registered voters approved a ballot resolution authorizing Byers School District Number 32J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2017 the District reserved \$193,000 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2016 property tax calendar for Arapahoe and Adams County was as follows:

Levy Date	December 15, 2016
Lien Date	January 1, 2017
Tax Bills Mailed	January 1, 2017
First Installment Due	February 28, 2017
Second Installment Due	June 15, 2017
If Paid in Full, Due	April 30, 2017
Tax Sale – 2015 Delinquent Property Taxes	October 25, 2016

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave and vacation leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2017, the District has recorded an estimated liability of \$31,702 related to accrued sick and vacation leave payable for governmental activities.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Accumulated Leave	<u>36,095</u>	<u>—</u>	<u>4,393</u>	<u>31,702</u>

M. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

N. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). 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 list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. 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.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	-	7,492	7,492
<u>Restricted:</u>					
Emergencies	193,000	-	-	-	193,000
Multi Year Obligations	205,192	-	-	-	205,192
Debt Service Reserve	-	221,306	-	-	221,306
Food Service	-	-	-	98,674	98,674
<u>Committed:</u>					
Capital Outlay	159,268	-	-	-	159,268
Rental Properties	17,272	-	-	-	17,272
Day Care	54,893	-	-	-	54,893
<u>Assigned:</u>					
Pupil Activities	-	-	87,108	-	87,108
<u>Unassigned</u>					
	<u>648,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,645</u>
<u>Total Fund Balances</u>	<u>1,278,270</u>	<u>221,306</u>	<u>87,108</u>	<u>106,166</u>	<u>1,692,850</u>

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet 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.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position and the balance sheet 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.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	<u>Items Eliminated</u>	
	<u>Due From Other Fund</u>	<u>Due To Other Funds</u>
General Fund	20,377	-
Bond	-	-
Pupil Activity	-	1,673
Designated Purpose Grants	<u>-</u>	<u>18,704</u>
	<u>20,377</u>	<u>20,377</u>

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds and Debt Service Funds.
6. Budgets for the General, Special Revenue, Debt Service and Fiduciary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 4 CASH AND INVESTMENTS (Continued)

At June 30, 2017, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	470,022	470,022
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,623,781	1,717,731
Cash with County Treasurer	<u>8,552</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>2,102,355</u>	<u>2,187,753</u>

As presented above, deposits with a bank balance of \$1,717,731 and a carrying balance of \$1,623,781 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2017, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	State Pool	Under 60 Day Average	39,348

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST is rated AAA by Standard and Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2017:

- COLOTRUST Investment Pool of \$39,348 is valued using quoted market prices (Level 1 inputs)

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	173,215	-	-	173,215
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	10,009,323	113,666	-	10,122,989
Equipment & Vehicles	2,227,945	153,450	152,285	2,229,110
Construction in Progress	-	125,000	-	125,000
<u>Total Capital Assets Being Depreciated</u>	<u>12,237,268</u>	<u>392,116</u>	<u>152,285</u>	<u>12,477,099</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	5,397,563	285,944	-	5,683,507
Equipment & Vehicles	1,955,045	108,179	152,285	1,910,939
<u>Total Accumulated Depreciation</u>	<u>7,352,608</u>	<u>394,123</u>	<u>152,285</u>	<u>7,594,446</u>
 <u>Total Capital Assets Being Depreciated, Net</u>	 <u>4,884,660</u>	 <u>(2,007)</u>	 <u>-</u>	 <u>4,882,653</u>
 <u>Governmental Activities Capital Assets, Net</u>	 <u>5,057,875</u>	 <u>(2,007)</u>	 <u>-</u>	 <u>5,055,868</u>

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

Governmental Activities:

Regular Programs	223,369
Student Support	13,821
Instructional Support	212
General Administration Support	13
School Administration Support	758
Business Services Support	22,128
Operations & Maintenance	23,045
Student Transportation Services	95,199
Central Support	129
Community Services	8,060
Food Services	7,389
<u>Total Depreciation Expense – Governmental Activities</u>	<u>394,123</u>

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Byers School District Number 32J 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 Byers School District Number 32J 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/investment/pera-financial-reports.

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

Survivor benefits are determined by several factors, which include the amount of earned service credit, highest average salary of the deceased, the benefit structure(s) under which service credit was obtained, and the qualified survivor(s) who will receive the benefits.

Contributions. Eligible employees and Byers School District Number 32J are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

	For the Year Ended December 31, 2016	For the Year Ended December 31, 2017
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	4.50%	5.00%
Total Employer Contribution Rate to the SCHDTF	18.13%	18.63%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Byers School District Number 32J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Byers School District Number 32J were \$515,602 for the year ended June 30, 2017.

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

At June 30, 2017, the Byers School District Number 32J reported a liability of \$17,464,365 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The Byers School District Number 32J proportion of the net pension liability was based on Byers School District Number 32J contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the Byers School District Number 32J proportion was 0.0586 percent, which was a decrease of 0.0012 percent to its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Byers School District Number 32J recognized pension expense of \$2,819,537. At June 30, 2017, the Byers School District Number 32J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	218,331	(154)
Changes of assumptions or other inputs	5,666,822	(78,755)
Net difference between projected and actual earnings on pension plan investments	583,973	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	37,993	(185,474)
Contributions subsequent to the measurement date	264,793	N/A
Total	6,771,912	(264,383)

\$264,793 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017	
2018	2,557,506
2019	2,511,538
2020	1,193,725
2021	(20,033)
2022	-
Thereafter	-

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other 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
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount Rate	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

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
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 used in the December 31, 2015 valuation 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. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent of the base rate for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and set back 2 years for females) was assumed.

The actuarial assumptions used in the December 31, 2015 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.

As a result of the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic actuarial assumptions including withdrawal rates, retirement rates for early reduced and unreduced retirement, disability rates, administrative expense load, and pre- and post-retirement and disability mortality rates were adopted by PERA's Board on November 18, 2016 to more closely reflect PERA's actual experience. As the revised economic and demographic assumptions are effective as of the measurement date, December 31, 2016, these revised assumptions were reflected in the total pension liability roll-forward procedures.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The long-term expected rate of return on pension plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016. As a result of the October 28, 2016 actuarial assumptions workshop and the November 18, 2016 PERA Board meeting, the economic assumptions changed, effective December 31, 2016, as follows:

- Investment rate of return assumption decreased from 7.50 percent per year, compounded annually, net of investment expenses to 7.25 percent per year, compounded annually, net of investment expenses.
- Price inflation assumption decreased from 2.80 percent per year to 2.40 percent per year.
- Real rate of investment return assumption increased from 4.70 percent per year, net of investment expenses, to 4.85 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.90 percent per year to 3.50 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and 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 by the investment consultant 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.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 **PENSION PLAN (Continued)**

As of the November 18, 2016 adoption of the current 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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

*In setting the long-term expected rate of return, projections employed to model future returns provide a range of expected long-term returns that, including expected inflation, ultimately support a long-term expected rate of return assumption of 7.25%.

Discount rate. The discount rate used to measure the total pension liability was 5.26 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:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- Total covered payroll for the initial projection 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 3.50%.
- 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.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated 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 reserve 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 assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated, 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 plan investments of 7.50% was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate. The discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the Byers School District Number 32J 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 5.26 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 (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	21,960,878	17,464,365	13,802,118

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.

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Byers School District Number 32J 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 for 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. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2017, program members contributed \$24,918.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Byers School District Number 32J 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 annual 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.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

Funding Policy – The Byers School District Number 32J 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 Byers School District Number 32J 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 years ending June 30, 2017, 2016 and 2015, the Byers School District Number 32J contributions to the HCTF were \$28,608, \$27,146 and \$26,448, respectively equal to their required contributions for each year.

NOTE 7 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 8 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB.

The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2017.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at December 31, 2016 (latest information available) follows:

Total Assets	<u>48,036,383</u>
Total Liabilities	<u>21,232,630</u>
Total Equity	<u>26,803,753</u>
Revenue	14,232,299
Underwriting Expenses	<u>12,497,566</u>
Underwriting Gain (Loss)	1,734,733
Net Investment Income	690,250
Other Income	-
Net Income (Loss) Before Dividend	2,424,983
Dividend	-
Net Income	<u>2,424,983</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>53,761</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>26,803,753</u>

NOTE 9 LITIGATION

None.

NOTE 10 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2017, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 11 JOINT VENTURES

East Central Board of Cooperative Educational Services

Not reflected in the accompanying financial statements is the District's participation in the East Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable from current information, but is estimated to be less than 2% at June 30, 2017. The joint venture summary audited financial information as of June 30, 2016, the latest date available is as follows:

East Central Board of Cooperative Educational Services

Assets	2,617,821
Deferred Outflow of Resources	<u>1,070,149</u>
Total Assets and Deferred Outflow of Resources	<u>3,687,970</u>
Liabilities	9,079,354
Deferred Inflow of Resources	709,709
Net Position (Deficit)	<u>(6,101,093)</u>
Total Liabilities, Deferred Outflow of Resources and Net Position	<u>3,687,970</u>
Revenues	8,398,687
Expenditures	<u>8,359,060</u>
Change in Net Position	<u>39,627</u>
Net Position (Deficit) at the Beginning of the Year	<u>(6,140,720)</u>
Net Position (Deficit) at the End of the Year	<u>(6,101,093)</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES.

The BOCES is audited annually and files an audit report with the Office of the Colorado State Auditor.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 11 JOINT VENTURES (Continued)

Prairie Creek Charter School

Not reflected in the accompanying financial statements is the District's participation in the Prairie Creek Charter School. The mission of the Prairie Creek Charter School "is to provide a second chance alternative high school program to grades 9-12 expelled students, high at-risk students or students counseled because they could not get along in their regular school program".

The District does not have a member on the Board and does not assume any liability incurred by the Charter School beyond the funds allocated to it by the District under the current contract. The District's share of the joint venture is not determinable at June 30, 2017. Audited financial information of the joint venture as of June 30, 2016 the latest date available is as follows:

Assets	<u>75,515</u>
Liabilities	-
Net Position	<u>75,515</u>
	<u>75,515</u>
Revenues	231,342
Expenditures	<u>193,208</u>
Excess (Deficiency)	<u>38,134</u>

Prairie Creek Charter School is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the Charter School and the District is not accountable for fiscal matters of the Charter School.

The District paid \$57,366 to the Prairie Creek Charter School for the fiscal year ended June 30, 2017.

NOTE 12 INVENTORIES

Food service fund inventories as of June 30, 2017, consisted of purchased food, non-food and donated commodities amounting to \$2,787, \$1,164, and \$3,541, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 13 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2017, are estimated to be \$452,159. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General, Special Revenue and Enterprise Funds.

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 14 LONG TERM DEBT

Changes in Long-term debt:

Following is a summary of long-term debt transactions during the fiscal year 2017.

	<u>Balance</u> <u>7-1-2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6-30-2017</u>	<u>Current</u> <u>Portion</u>
QZAB Loan	915,700	-	71,515	844,185	70,589
2005 Refunding Bonds	470,000	-	255,000	215,000	215,000
Deferred Refunding	<u>(1,611)</u>	<u>-</u>	<u>(1,223)</u>	<u>(388)</u>	<u>(388)</u>
<u>Total</u>	<u>1,384,089</u>	<u>-</u>	<u>325,292</u>	<u>1,058,797</u>	<u>285,201</u>

General Obligation Refunding Series 2005

On May 24, 2005, the District issued \$2,155,000 in General Obligation Refunding Bonds, with an average interest rate of 4.28% to advance refund \$2,135,000 of outstanding 1999 General Obligation Bonds bearing interest rates ranging from 3.95% to 4.85%. Refunding proceeds of \$2,208,330 were deposited with an escrow agent to provide debt service payments of \$2,135,000 in principal and \$539,953 in interest on the 1995 Series Bonds. As a result, that portion of 1999 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements.

Defeased debt of \$2,135,000 was called and paid on December 1, 2008. There is no remaining defeased debt.

As a result of the difference between the reacquisition price and the carrying amount of the old debt (including unamortized issue costs), a deferred refunding was recorded in the amount of \$73,330. It will be amortized against interest costs of the refunding issue

Below is a schedule of debt service requirements to maturity:

<u>2005 Refunding Issue</u>		
<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	<u>215,000</u>	<u>3,977</u>

BYERS SCHOOL DISTRICT NUMBER 32J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 14 LONG TERM DEBT (Continued)

QZAB BONDS

During the year ended June 30, 2012, the District issued \$1,200,000 in Qualified Zone Academy Bonds (QZABs). These bonds were created by Section 226 (a) of the Taxpayer Relief Act of 1997. The act allowed the issuance of debt by public schools within empowerment enterprise zones to be interest free. There must be an education program designed in cooperation with businesses and receive a private business contribution that is not less than 10% of the net present value of the bond proceeds. Payments are made annually to advance fund the required payment in June 2029 of \$1,200,000. The original agreement allowed for debt payments to be interest free, however, in 2014, the federal subsidy payments were reduced by 7.2%. The District is now responsible to pay an additional \$4,275 annually into the sinking fund to be applied toward the interest portion of the debt. The District's portion of the interest will be at a rate of 0.42%. Below is a payment schedule by fiscal year.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	70,589	4,275	74,864
2019	70,589	4,275	74,864
2020	70,589	4,275	74,864
2021	70,589	4,275	74,864
2022	70,589	4,275	74,864
2023	70,589	4,275	74,864
2024	70,589	4,275	74,864
2025	70,589	4,275	74,864
2026	70,589	4,275	74,864
2027	70,589	4,275	74,864
2028	70,589	4,275	74,864
2029	<u>67,706</u>	<u>4,275</u>	<u>71,981</u>
	<u>844,185</u>	<u>51,300</u>	<u>895,485</u>

NOTE 15 INTERFUND BALANCES AND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due From</u>	<u>Due To</u>
General Fund	-	-	20,377	-
Bond	-	-	-	-
Pupil Activity	-	-	-	1,673
Designated Purpose Grants	-	-	-	18,704
Food Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>20,377</u>	<u>20,377</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations. Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be repaid within the year.

NOTE 16 COMPLIANCE WITH BUDGET LAWS

The following condition was noted and may be a violation of Colorado law:

Expenditures in the Designated Grant Fund exceeded budgeted amounts by \$600.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

Designated Purpose Grant Fund

This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

Pension Trend Data

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	1,333,582	1,267,418	1,279,672	12,254
Specific Ownership Taxes	95,636	95,636	145,162	49,526
Earnings on Investments	1,070	1,070	1,554	484
Delinquent Taxes & Interest	150,000	150,000	150,982	982
Other	824,346	1,007,839	1,064,173	56,334
<u>State Sources</u>				
Equalization	19,722,598	19,379,377	19,304,770	(74,607)
Transportation	65,000	65,000	65,250	250
Vocational Education	30,000	30,000	42,077	12,077
Special Education	69,480	69,480	139,943	70,463
Other	49,215	508,992	536,178	27,186
<u>Federal Sources</u>				
Other	-	-	-	-
Allocation to Charter Schools	(15,232,331)	(16,962,475)	(16,964,804)	(2,329)
<u>TOTAL REVENUES</u>	<u>7,108,596</u>	<u>5,612,337</u>	<u>5,764,957</u>	<u>152,620</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,828,351	1,832,541	1,838,031	(5,490)
Employee Benefits	603,306	614,486	601,983	12,503
Purchased Services - Professional	588,850	23,850	21,593	2,257
Purchased Services - Property	1,450	1,450	2,849	(1,399)
Purchased Services - Other	190,381	190,381	229,637	(39,256)
Supplies and Materials	109,423	132,648	126,613	6,035
Property	13,075	13,075	6,964	6,111
Other Objects	6,770	65,866	8,254	57,612
<u>Total Instruction</u>	<u>3,341,606</u>	<u>2,874,297</u>	<u>2,835,924</u>	<u>38,373</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Student Supporting Services</u>				
Salaries	132,929	136,976	137,316	(340)
Employee Benefits	34,686	35,276	34,203	1,073
Purchased Services – Professional	145,514	126,235	1,221	125,014
Purchased Services – Property	-	-	-	-
Purchased Services – Other	200	200	80,579	(80,379)
Supplies and Materials	1,900	2,100	2,133	(33)
Property	900	900	2,369	(1,469)
Other Objects	400	400	-	400
<u>Total Student Services</u>	<u>316,529</u>	<u>302,087</u>	<u>257,821</u>	<u>44,266</u>
<u>Instructional Staff</u>				
Salaries	24,839	24,839	25,438	(599)
Employee Benefits	12,133	12,133	10,510	1,623
Purchased Services – Professional	15,420	21,420	15,959	5,461
Purchased Services – Property	250	250	-	250
Purchased Services – Other	5,500	-	-	-
Supplies and Materials	13,300	5,300	4,331	969
Property	50	13,300	13,300	-
Other Objects	-	50	-	50
<u>Total Instructional Staff</u>	<u>71,492</u>	<u>77,292</u>	<u>69,538</u>	<u>7,754</u>
<u>General Administration</u>				
Salaries	97,892	122,892	134,379	(11,487)
Employee Benefits	43,401	43,401	46,633	(3,232)
Purchased Services – Professional	50,000	51,800	42,522	9,278
Purchased Services – Property	-	-	-	-
Purchased Services – Other	139,700	139,700	132,673	7,027
Supplies and Materials	17,200	24,200	24,681	(481)
Property	15,500	195,500	402,590	(207,090)
Other Objects	7,300	7,300	8,992	(1,692)
<u>Total General Administration</u>	<u>370,993</u>	<u>584,793</u>	<u>792,470</u>	<u>(207,677)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	197,007	197,007	204,490	(7,483)
Employee Benefits	74,203	74,203	69,065	5,138
Purchased Services – Professional	3,400	3,400	1,136	2,264
Purchased Services – Property	300	300	-	300
Purchased Services – Other	900	900	96	804
Supplies and Materials	8,300	8,400	13,379	(4,979)
Property	1,350	1,350	2,800	(1,450)
Other Objects	3,500	3,500	1,495	2,005
<u>Total School Administration</u>	<u>288,960</u>	<u>289,060</u>	<u>292,461</u>	<u>(3,401)</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable <u>(Unfavorable)</u>
<u>Business Services</u>				
Salaries	96,963	96,963	104,819	(7,856)
Employee Benefits	34,718	34,718	30,394	4,324
Purchased Services – Professional	9,500	9,500	5,534	3,966
Purchased Services – Property	-	-	-	-
Purchased Services – Other	9,300	9,300	25,649	(16,349)
Supplies and Materials	2,500	2,500	2,674	(174)
Property	15,300	15,300	15,225	75
Other Objects	<u>250</u>	<u>250</u>	<u>551</u>	<u>(301)</u>
<u>Total Business Services</u>	<u>168,531</u>	<u>168,531</u>	<u>184,846</u>	<u>(16,315)</u>
<u>Operations and Maintenance</u>				
Salaries	181,079	181,079	184,757	(3,678)
Employee Benefits	63,467	63,467	56,354	7,113
Purchased Services – Professional	2,000	2,000	2,827	(827)
Purchased Services – Property	84,000	94,000	119,275	(25,275)
Purchased Services – Other	11,000	11,000	5,764	5,236
Supplies and Materials	144,000	134,000	127,977	6,023
Property	4,000	4,000	94	3,906
Other Objects	<u>300</u>	<u>10,996</u>	<u>100</u>	<u>10,896</u>
<u>Total Operations and Maintenance</u>	<u>489,846</u>	<u>500,542</u>	<u>497,148</u>	<u>3,394</u>
<u>Student Transportation</u>				
Salaries	133,284	133,284	126,368	6,916
Benefits	39,754	39,754	37,608	2,146
Purchased Services – Professional	42,000	2,000	1,810	190
Purchased Services – Property	-	40,000	90,295	(50,295)
Purchased Services – Other	1,050	1,050	638	412
Supplies and Materials	47,500	47,500	26,194	21,306
Property	-	-	-	-
Other Objects	<u>1,200</u>	<u>1,200</u>	<u>1,953</u>	<u>(753)</u>
<u>Total Student Transportation</u>	<u>264,788</u>	<u>264,788</u>	<u>284,866</u>	<u>(20,078)</u>
<u>Central Support</u>				
Salaries	33,984	33,984	36,612	(2,628)
Employee Benefits	7,510	7,510	7,418	92
Purchased Services – Professional	10,000	10,000	8,257	1,743
Purchased Services – Property	-	7,500	7,000	500
Purchased Services – Other	1,000	1,000	-	1,000
Supplies and Materials	500	500	3,011	(2,511)
Property	98,500	85,000	92,153	(7,153)
Other Objects	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<u>Total Central Support</u>	<u>151,994</u>	<u>145,994</u>	<u>154,451</u>	<u>(8,457)</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Facilities</u>				
Property	150,000	160,000	151,834	8,166
Other Objects	-	-	-	-
<u>Total Facilities</u>	<u>150,000</u>	<u>160,000</u>	<u>151,834</u>	<u>8,166</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,273,133</u>	<u>2,493,087</u>	<u>2,685,435</u>	<u>(192,348)</u>
<u>Debt Service</u>				
Principal Retirement	75,684	75,684	71,515	4,169
Interest and Fiscal Charges	-	-	3,085	(3,085)
<u>Total Debt Service</u>	<u>75,684</u>	<u>75,684</u>	<u>74,600</u>	<u>1,084</u>
<u>Appropriated Reserves</u>	<u>2,074,214</u>	<u>1,270,540</u>	<u>-</u>	<u>1,270,540</u>
<u>TOTAL EXPENDITURES</u>	<u>7,764,637</u>	<u>6,713,608</u>	<u>5,595,959</u>	<u>1,117,649</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(656,041)</u>	<u>(1,101,271)</u>	<u>168,998</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(8,000)	(8,000)	-	8,000
Proceeds From Lease	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>	<u>8,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(664,041)</u>	<u>(1,109,271)</u>	<u>168,998</u>	
<u>FUND BALANCE, July 1</u>	<u>664,041</u>	<u>1,109,271</u>	<u>1,109,272</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,278,270</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
DESIGNATED PURPOSE GRANTS – NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Revenues</u>				
Local Sources	-	-	-	-
State Sources	25,000	25,000	25,000	-
Federal Sources	<u>57,546</u>	<u>437,084</u>	<u>437,684</u>	<u>600</u>
<u>Total Revenues</u>	<u>82,546</u>	<u>462,084</u>	<u>462,684</u>	<u>600</u>
<u>Expenditures</u>				
Salaries	67,670	67,670	80,864	(13,194)
Employee Benefits	9,876	9,876	19,487	(9,611)
Purchased Services - Professional	-	-	6,394	(6,394)
Purchased Services - Property	-	-	-	-
Purchased Services – Other	-	358,709	346,873	11,836
Supplies and Materials	5,000	25,829	3,287	22,542
Property	-	-	-	-
Other Objects	-	-	<u>5,779</u>	<u>(5,779)</u>
<u>Total Expenditures</u>	<u>82,546</u>	<u>462,084</u>	<u>462,684</u>	<u>(600)</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	-	
<u>FUND BALANCE, July 1</u>	-	-	-	
<u>FUND BALANCE, June 30</u>	-	-	-	

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

BYERS SCHOOL DISTRICT NUMBER 32J
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset)	0.0586%	0.0599%	0.0607%	0.0591%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$17,464,365	\$9,162,041	\$8,229,174	\$7,543,600	-	-	-	-	-	-
District's covered-employee payroll	\$2,804,717	\$2,661,386	\$2,592,928	\$2,434,209	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	623%	344%	317%	310%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.1%	59.2%	62.80%	64.06%	-	-	-	-	-	-

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

BYERS SCHOOL DISTRICT NUMBER 32J
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 For The Last 10 Fiscal Years (As Available)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Contractually required contributions	\$ 515,602	\$ 471,903	\$ 437,581	\$ 388,784	\$ 354,852	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (515,602)</u>	<u>\$ (471,903)</u>	<u>\$ (437,581)</u>	<u>\$ (388,784)</u>	<u>\$ (354,852)</u>	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-
District's covered-employee payroll	\$2,804,717	\$2,661,386	\$2,592,928	\$2,434,209	\$2,352,094	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.73%	16.88%	15.97%	15.09%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Pupil Activity Fund – This fund accounts for financial transactions of all schools in the District through individual school activity accounts.

Food Service Fund – This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Debt Service Fund

Major Bond Redemption Debt Service Fund – Use to account for accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

FIDUCIARY FUND TYPES

Endowment Fund

This fund accounts for revenues and expenditures associated with various special projects not reported in other funds. Revenues are provided through alumni donations and fund raisers.

BYERS SCHOOL DISTRICT NUMBER 32J
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2017

	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and Investments	88,781	116,363	205,144
Accounts Receivable	-	-	-
Accrued Revenue	-	-	-
Due From Other Funds	-	-	-
Property Taxes Receivable	-	-	-
Inventories	-	<u>7,492</u>	<u>7,492</u>
<u>Total Assets</u>	<u>88,781</u>	<u>123,855</u>	<u>212,636</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	3,864	3,864
Accrued Salaries	-	13,825	13,825
Due To Other Funds	1,673	-	1,673
Unearned Revenue:			
Local Sources	-	-	-
<u>Total Liabilities</u>	<u>1,673</u>	<u>17,689</u>	<u>19,362</u>
 <u>Fund Balances:</u>			
Nonspendable:			
Inventory	-	7,492	7,492
Restricted:			
Food Service	-	98,674	98,674
Assigned:	<u>87,108</u>	-	<u>87,108</u>
<u>Total Fund Balances</u>	<u>87,108</u>	<u>106,166</u>	<u>193,274</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>88,781</u>	 <u>123,855</u>	 <u>212,636</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2017

	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>			
Property Taxes	-	-	-
Specific Ownership Taxes	-	-	-
Earnings on Investments	-	36	36
Other Local Sources	163,767	90,484	254,251
State Aid	-	4,714	4,714
Federal Aid	-	167,545	167,545
<u>Total Revenues</u>	<u>163,767</u>	<u>262,779</u>	<u>426,546</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	158,793	-	158,793
Supporting Services:			
Students	-	-	-
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation and Maintenance of Facilities	-	-	-
Transportation	-	-	-
Central	-	-	-
Food Service	-	235,562	235,562
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>158,793</u>	<u>235,562</u>	<u>394,355</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	<u>4,974</u>	<u>27,217</u>	<u>32,191</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
<u>NET CHANGE IN FUND BALANCES</u>			
	4,974	27,217	32,191
<u>FUND BALANCES – Beginning</u>			
	<u>82,134</u>	<u>78,949</u>	<u>161,083</u>
<u>FUND BALANCES – Ending</u>			
	<u>87,108</u>	<u>106,166</u>	<u>193,274</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
PUPIL ACTIVITY FUND – NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Local Sources	218,500	163,767	(54,733)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Revenues</u>	<u>218,500</u>	<u>163,767</u>	<u>(54,733)</u>
 <u>Expenditures</u>			
Student Activities	<u>300,633</u>	<u>158,793</u>	<u>141,840</u>
<u>Total Expenditures</u>	<u>300,633</u>	<u>158,793</u>	<u>141,840</u>
 <u>Revenues Over (Under) Expenditures</u>	<u>(82,133)</u>	<u>4,974</u>	
 <u>Other Financing Sources (Uses):</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	<u>(82,133)</u>	<u>4,974</u>	
 <u>FUND BALANCE, July 1</u>	<u>82,133</u>	<u>82,134</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>87,108</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
FOOD SERVICES – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	68,300	90,002	21,702
Earnings on Investments	50	36	(14)
Other	500	482	(18)
<u>State Sources</u>			
School Lunches	2,000	1,933	(67)
<u>Federal Sources</u>			
School Lunches	137,300	152,124	14,824
Commodities	<u>11,000</u>	<u>18,202</u>	<u>7,202</u>
<u>Total Revenues</u>	<u>219,150</u>	<u>262,779</u>	<u>43,629</u>
 <u>EXPENDITURES</u>			
Salaries	79,094	79,430	(336)
Employee Benefits	28,214	24,061	4,153
Purchased Services – Professional	1,500	1,590	(90)
Purchased Services – Property	3,000	325	2,675
Purchased Services - Other	-	-	-
Supplies and Materials	131,100	97,104	33,996
Capital Outlay	14,000	13,283	717
Other	49,190	272	48,918
Commodities	<u>-</u>	<u>19,497</u>	<u>(19,497)</u>
<u>Total Expenditures</u>	<u>306,098</u>	<u>235,562</u>	<u>70,536</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (86,948)	 27,217	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (78,948)	 27,217	
 <u>FUND BALANCE, Beginning</u>	 <u>78,948</u>	 <u>78,949</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>106,166</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
MAJOR BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Revenues</u>				
Property Taxes	330,000	330,000	331,432	1,432
Earnings on Investments	20	20	41	21
Other	-	-	545	545
<u>Total Revenues</u>	<u>330,020</u>	<u>330,020</u>	<u>332,018</u>	<u>1,998</u>
 <u>Expenditures</u>				
Debt Service:				
Principal Retirement	255,000	255,000	255,000	-
Interest and Fiscal Charges	12,545	12,545	12,545	-
Other	650	650	650	-
Contingency	219,308	219,308	-	219,308
<u>Total Expenditures</u>	<u>487,503</u>	<u>487,503</u>	<u>268,195</u>	<u>219,308</u>
 <u>Revenues Over (Under) Expenditures</u>	<u>(157,483)</u>	<u>(157,483)</u>	<u>63,823</u>	
 <u>Other Financing Sources (Uses)</u>				
Proceeds from Debt	-	-	-	-
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	<u>(157,483)</u>	<u>(157,483)</u>	<u>63,823</u>	
 <u>FUND BALANCE, July 1</u>	<u>157,483</u>	<u>157,483</u>	<u>157,483</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>221,306</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
 ENDOWMENT – FIDUCIARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION – BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>ADDITIONS</u>			
Earnings on Investments	1,000	-	(1,000)
Other Local Sources	-	-	-
<u>Total Additions</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<u>DEDUCTIONS</u>			
Other Expenditures	3,120	20	3,100
Contingency	-	-	-
<u>Total Deductions</u>	<u>3,120</u>	<u>20</u>	<u>3,100</u>
Net Increase (Decrease) In Deposits Held for Others	(2,120)	(20)	
NET POSITION – Beginning of Year	<u>2,120</u>	<u>2,120</u>	
NET POSITION – End of Year	<u>-</u>	<u>2,100</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 0190 - BYERS 32J
 Fiscal Year 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg. Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental:				
10 General Fund	1,109,273	5,721,933	5,552,940	1,278,271
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	43,018	43,018	0
Sub-Total	1,109,273	5,764,951	5,595,958	1,278,271
11 Charter School Fund	511,418	18,656,434	18,590,430	577,422
20.25-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec. Revenue Fund	78,948	262,779	235,562	106,166
22 Govt Designated-Purpose Grants Fund	0	462,684	462,684	0
23 Pupil Activity Special Revenue Fund	82,134	163,767	156,793	87,108
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	157,483	332,018	268,195	221,906
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,939,256	25,440,639	25,311,622	2,278,273
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
6065-69 Other Internal Service Funds	0	0	0	0
Totals	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	2,120	0	20	2,100
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	2,120	0	20	2,100

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0190 - BYERS 32J
 Fiscal Year 2016-17
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary						Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 05	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	1,635,268	3,530,747	43,118	116,281	0	116,363	0	0	0	0	0	2,100	0	5,443,877	
Cash with Fiscal Agent (8105)	8,268	0	0	0	0	0	220,306	0	0	0	0	0	0	228,574	
Taxes Receivable (8121,8122)	54,000	0	0	0	0	0	14,600	0	0	0	0	0	0	68,600	
Interfund Loans Receivable (8131,8132)	63,494	0	0	0	0	0	0	0	0	0	0	0	0	63,494	
Grants Accounts Receivable (8142)	0	141,191	0	58,508	0	0	0	0	0	0	0	0	0	199,699	
Other Receivables (8151-8154,8161)	17,653	0	0	0	0	0	0	0	0	0	0	0	0	17,653	
Inventories (8171,8172,8173)	0	0	0	0	0	7,492	0	0	0	0	0	0	0	7,492	
Prepaid Expenses 8181, 8182)	0	499	0	0	0	0	0	0	0	0	0	0	0	499	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	1,776,683	3,672,437	43,118	174,789	0	123,855	234,906	0	0	0	0	2,100	0	6,029,888	

Fiduciary

Proprietary

Governmental

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	43,118	20,376	0	0	0	0	0	0	0	0	0	0	63,494
Other Payables (7421-7423)	48,805	2,861,901	0	56,577	0	0	0	0	0	0	0	0	0	0	2,967,283
Accrued Expenses (7461)	427,607	0	0	10,728	0	13,825	0	0	0	0	0	0	0	0	452,160
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	233,114	0	0	0	3,864	0	0	0	0	0	0	0	0	236,978
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	24,000	0	0	0	0	0	13,600	0	0	0	0	0	0	0	37,600
Total Liabilities	500,412	3,095,015	43,118	87,681	0	17,690	13,600	0	0	0	0	0	0	0	3,757,515

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental										Proprietary					Fiduciary			Totals		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85							
Non-spendable Fund Balance 6710	0	0	0	0	0	7,492	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,492
Restricted Fund Balance 6720	0	50,000	0	0	0	98,674	221,306	0	0	0	0	0	0	0	0	0	0	0	0	0	369,980
TABOR 3% Emergency Reserve 6721	193,000	521,993	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	714,993
TABOR Multi-Year 6722	205,192	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	205,192
Distinct Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	231,433	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	231,433
Assigned Fund Balance 6760	0	0	0	87,108	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	87,108
Unassigned Fund Balance 6770	648,645	5,430	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	656,175
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,278,271	577,422	0	87,108	0	106,166	221,306	0	0	0	0	0	2,100	0	2,100	0	0	0	0	0	2,272,373

FUND EQUITY	Governmental										Proprietary					Fiduciary			Totals		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85							
Total Liabilities & Fund Equity	1,778,683	3,672,437	43,118	174,789	0	123,855	234,906	0	0	0	0	0	2,100	0	2,100	0	0	0	0	0	6,029,887

FUND EQUITY	Governmental										Proprietary					Fiduciary			Totals		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85							
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes