

cPa DIXON, WALLER & CO., INC.

CROWLEY COUNTY SCHOOL DISTRICT

NUMBER RE-1-J

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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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

William Gray	President
Tyler Karney	Vice-President
Daryl Geringer	Secretary
Leif Berg	Treasurer
Bert Buhr	Member
Chris Tuma	Member
Jerry Davis	Member

SCHOOL OFFICIALS

Scott Cuckow	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education
Crowley County School District Number RE-1-J
Ordway, Colorado 81063

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crowley County School District Number RE-1-J, 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 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, each major fund and the aggregate remaining fund information of the Crowley County School District Number RE-1-J 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 ix and 36 through 41 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 Crowley County School District Number RE-1-J's basic financial statements. The 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 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 other schedules and state required schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.



November 1, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Management of Crowley County School District RE 1-J offers readers the basic financial statements. This narrative is an overview and analysis of the financial activities of the District for the year ended June 30, 2017. The focus of the information is on the primary government (general) fund. Most of the expenditures and revenue for the district reside in the general fund.

The District has adopted the financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, the District is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of the government wide information is presented.

Financial Highlights

- In governmental activities, The District's liabilities and flows exceeded its assets and flows at the close of the fiscal year by \$2,511,798. This is due to Governmental Accounting Standard Board (GASB) Statement No. 67 and 68 which affects the financial statements of all Colorado Public Employee Retirement Association (PERA)-affiliated employers. In these statements PERA-affiliated employers are required to state their employee's retirement liability which was \$13,818,173 for the District as of June 30, 2017. Without the PERA liability our assets would have exceeded its liabilities by \$6,456,257.
- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$2.0 million which was an increase of \$362,583 from the previous year.
- The long term debt obligation of the District has increased in the last fiscal years. Several obligations were paid off but the District has added a new lease of \$85,485 to purchase a new bus with a maturity date of 2020. The lease for the HVAC upgrade matures in 2018 and the note for the matching portion of the Building Excellent Schools Today (BEST) grant will mature in 2023. The total annual principal and interest payment for all three current debt obligations is approximately \$128,000.

**Crowley County School District RE-1J
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 normally provided in this document. This is the twelfth presentation of management's discussion and analysis comparison data. Crowley County 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 the private sector. The statement of net assets includes all of the Districts 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 expended.

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

The District-wide statements are divided into two categories: Governmental activities and Business type activities.

Governmental activities:

Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance Act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities. This information is comprised of all of the following designated purpose grant funds and capital reserve.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

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 Crowley County School District 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 between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

In addition to the financial statements and accompanying notes, this report also contains other supplementary 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.

Financial Analysis of the District as a Whole

The District had total net assets on June 30, 2017 of (\$2,511,798). The negative net asset is again due the new GASB 68 rules. Of the District's \$7,267,529 in assets over 67 percent (or \$4,839,411) were reflected as investments in capital assets (including land, sites, buildings, vehicles, infrastructure, and machinery/equipment).

Below, is the first table which reflects the changes in the net position for the district.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities 2015-2016	Governmental Activities 2016-2017
Current and Other Assets	\$ 2,119,261	\$ 4,839,411
Capital Assets	<u>5,134,258</u>	<u>2,428,118</u>
Total Assets	<u>7,253,519</u>	<u>7,267,529</u>
Deferred Outflow of Resources	<u>923,040</u>	<u>5,308,298</u>
Current Liabilities	8,071,019	14,380,646
Long-Term Liabilities	<u>365,081</u>	<u>248,799</u>
Total Liabilities	<u>8,436,100</u>	<u>14,629,445</u>
Deferred Inflow of Resources	<u>328,207</u>	<u>458,180</u>
Net Investment in Capital Assets	4,656,878	0
<i>Restricted for:</i>		
Tabor Reserve	172,800	125,000
Multi Year Obligations	143,177	126,709
Capital Outlay	231,101	188,354
Unrestricted	<u>(5,791,704)</u>	<u>(2,951,861)</u>
Total Net Position	<u><u>\$ (587,748)</u></u>	<u><u>\$ (2,511,798)</u></u>

The changes in the net operations of the District are illustrated in this table above. The District made significant strides in trying to manage costs in the areas of instruction for students. The District has undergone major student enrollment declines over the past budget years. The following charts illustrate the impact on revenue and expenses during the two recent fiscal years.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

**Table 2
Condensed Statement of Activities**

	Governmental Activities 2015-2016	Governmental Activities 2016-2017
Program Revenues:		
Charges for Services	\$ 20,601	\$ 29,190
Operating Grants and Contributions	610,656	655,720
Capital Grants and Contributions	540,948	-
Total Program Revenues	<u>1,172,205</u>	<u>684,910</u>
General Revenues:		
Taxes	751,482	776,667
State Equalization	2,983,539	2,971,469
Earnings on Investments	4,488	3,675
Insurance Proceeds	304,419	203,033
Legal Settlement	940,974	-
Other Revenues	67,660	34,545
Total General Revenues	<u>5,052,562</u>	<u>3,989,389</u>
Total Revenues	<u>6,224,767</u>	<u>4,674,299</u>
Expenses:		
Instructional Staff	2,837,589	2,555,694
<i>Supporting Services:</i>		
Students	174,207	185,731
Instructional Staff	101,726	60,068
District Administration	312,026	230,713
School Administration	273,580	274,049
Business	58,837	59,430
Operations & Maintenance	656,430	515,945
Transportation	229,513	235,733
Central	141,936	140,788
Food Services	235,569	231,718
Interest on Long-Term Liabilities	16,019	12,076
Pension Amortization	301,955	2,096,404
Total Expenses	<u>5,339,387</u>	<u>6,598,349</u>
Change in Net Position	<u>885,380</u>	<u>(1,924,050)</u>
Beginning Net Position	<u>(1,473,128)</u>	<u>(587,748)</u>
Net Position - Ending	<u>\$ (587,748)</u>	<u>\$ (2,511,798)</u>

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Governmental Activities by Major Function

	2016		2017	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	2837589	(174,207)	2555694	(2,140,467)
Students	174207	(101,726)	185731	(185,731)
Instructional staff	101726	(312,026)	60068	(60,068)
District administration	312026	(273,580)	230713	(230,713)
School administration	273580	(58,837)	274049	(274,049)
Business	58837	(115,482)	59430	(59,430)
Operation and maintenance of facilities	656430	(178,922)	515945	(511,945)
Transportation	229513	(141,936)	235733	(200,909)
Central	141936	-	140788	(140,788)
Capital outlay	0	(8,973)	0	-
Food Service	235569		231718	(859)
Interest on Long Term Liabilities	16019	(16,019)	12076	(12,076)
Pension Expense	301955	(301,955)	2096404	(2,096,404)
Total	5,339,387	(1,683,663)	6,598,349	(5,913,439)

Some of the more significant changes are illustrated as:

- The cost of all government activities this year was \$6,598,349 which is an increase over the prior fiscal year. Pension liability has increased over the last two fiscal years.
- Some of the costs of the District are financed by users of district facilities and programs and that amounted to \$29,190 which increased over the immediate prior fiscal year.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$655,720. All of the Title programs are funded from the federal level administered by the State.
- Most of the Districts costs however, are financed by the District and State taxpayers. This portion of governmental activities was financed with \$2,971,469 in State Equalization revenue from the School Finance Act (1994). The local share of funding was \$776,667.

Financial Analysis of the District's Funds

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

- Significant cuts have continued to be made for this and the current school year in an attempt to make strides towards a balanced budget and reflecting the changing demographics of the school district. The cuts were

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

made in areas of school personnel and trying to utilize our staff in a more efficient matter and allow for little duplication of services to our students yet providing a quality, academically enriched atmosphere for them.

- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2017 the districts tabor reserve was set at \$125,000 a decrease of \$47,800 from the previous year.
- Starting in the 2008-2009 school year and beyond the district has embarked on a series of positive facility upgrades and improvements. Chief among these are: 1) New windows for the high school and elementary windows that were at least twenty-five to fifty years old; 2) ongoing efforts to renovate the interior lighting for all classrooms in the district; 3) an ambitious asbestos removal project to insure that our facilities are safe for staff and students; 4) district-wide security enhancements; 5) addition of lighting and concession/restroom facilities to the Crowley County Baseball fields in cooperation with Crowley County; 6) a re-roof project over the Elementary and High School.

Capital Assets and Debt Administration

The Districts investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$4,839,411

Table 3

Governmental Activities	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016
Assets Not Being Depreciated:				
Land and Sites	\$ 222,797	\$ -	\$ -	\$ 222,797
Total Assets Not Being Depreciated	<u>222,797</u>	<u>-</u>	<u>-</u>	<u>222,797</u>
Assets Being Depreciated:				-
Buildings and Site Improvements	9,003,487	-	-	9,003,487
Equipment and Vehicles	1,230,682	20,487	-	1,251,169
Food Service Equipment	87,021	-	-	87,021
Construction In Progress	-	-	-	-
Total Assets Being Depreciated	<u>10,321,190</u>	<u>20,487</u>	<u>-</u>	<u>10,341,677</u>
Accumulated Depreciation:				-
Buildings and Site Improvements	4,314,424	267,699	-	4,582,123
Equipment and Vehicles	1,009,176	46,743	-	1,055,919
Food Service Equipment	86,129	892	-	87,021
Total Accumulated Depreciation	<u>5,409,729</u>	<u>315,334</u>	<u>-</u>	<u>5,725,063</u>
Net Capital Assets	<u>5,134,258</u>	<u>(294,847)</u>	<u>-</u>	<u>4,839,411</u>

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

Long Term Debt

At the end of the fiscal year (June 30, 2017) the District had the following schedule in long term obligations:

	<u>Matures</u>	<u>Balance June 30, 2017</u>
Unused Sick Leave		\$ 86,378
2007 HVAC Lease (2012 Re-Finance)	2018	168,742
2013 Capital Projects Note	2023	126,709
2015 Bus Lease	2020	69,579
Total Long Term Debt Obligations		<u>\$ 451,408</u>

Economic Factors Bearing on the District's Future

The factors that will affect next year's budget are the same items that have impacted Crowley County School District for the past fiscal years: special education costs, declining student enrollment, aging buildings, increased transportation costs and increased state and federal mandates.

The largest impact to the school district remains declining student enrollment. This is a problem that impacts all surrounding school districts and is not indigenous to Crowley County alone. In 1996 Crowley County School District had a fall student count of 642 students, in 2007 the fall count was 500.5 and in 2016 the fall count was 470. The years have seen a steady decline in the number of students. This can be attributed to several factors; however, chief among them would be the stagnant economy and the issue to non completers. Many of our fixed costs remain the same or escalate and with the declining student enrollment and resulting decline in state equalization dollars it makes budgeting and allocations even more challenging.

One item that affects the district is the rising number of special education students. We have had an increase in therapeutic foster homes in the county. Many of these placements require specialized assistance from the district with no resulting funds that follow those requirements. Several of these placements need services for emotionally disturbed youth and require intense one on one service. We have been able to handle the special transportation and rearrange our busing schedules to accommodate this.

The cost of transporting our students is economically straining the district. At this time, over fifty percent of our students are eligible for transportation services. The increased costs of fuel, salaries and equipment make this a problem for the district. The state transportation revenue has not kept pace with costs the district faces in meeting this expense.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2017**

The District has not been able to pass any bond issues or mill levy overrides to help supplement the drain on general fund revenues in repairing and renovating the aging buildings. All of the major renovations have been paid by outside foundations or grants obtained by the district. The need for a debt service bond issue is severe and the board has expressed serious consideration to approach the voters to help alleviate the continued drain on program area development to finance the needed improvements to facilities. The assessed valuation of Crowley County School District could never meet the bonding capacity to construct a modernized school. The choices at this point are to continue to improve our existing facilities. If the district makes the needed payments for the energy upgrade and the existing refinanced debt that would "free" up needed revenue to help maintain and expand program development for our student body.

Contacting the District's Financial Management

This financial report was prepared by the District Superintendent and is designed to provide a general overview of the Crowley County 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:

Scott Cuckow
Superintendent of Schools
Crowley County School District RE-1J
1001 Main Street
Ordway, CO 81063

BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Investments	2,214,029	2,214,029
Accounts Receivable	11,435	11,435
Allowance for Doubtful Accounts	-	-
Accrued Revenue	132,589	132,589
Property Taxes Receivable	62,600	62,600
Other Receivables	-	-
Inventories	7,465	7,465
Capital Assets	10,564,474	10,564,474
Accumulated Depreciation	<u>(5,725,063)</u>	<u>(5,725,063)</u>
<u>Total Assets</u>	<u>7,267,529</u>	<u>7,267,529</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
District Contributions Subsequent to Pension Measurement Date	189,790	189,790
Pension Outflows – Plan Level	5,118,508	5,118,508
Pension Outflows – Employer Level	-	-
<u>Total Deferred Outflow of Resources</u>	<u>5,308,298</u>	<u>5,308,298</u>
<u>LIABILITIES</u>		
Accounts Payable	19,329	19,329
Accrued Salaries	330,525	330,525
Accrued Interest	10,010	10,010
Compensated Absences	86,378	86,378
Net Pension Liability	13,818,173	13,818,173
Debt Payable – Current	116,231	116,231
Debt Payable – Long Term	<u>248,799</u>	<u>248,799</u>
<u>Total Liabilities</u>	<u>14,629,445</u>	<u>14,629,445</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Inflows – Plan Level	62,435	62,435
Pension Inflows – Employer Level	<u>395,745</u>	<u>395,745</u>
<u>Total Deferred Inflow of Resources</u>	<u>458,180</u>	<u>458,180</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	4,474,381	4,474,381
Restricted for:		
TABOR Reserve	125,000	125,000
Multi-Year Obligations	126,709	126,709
Food Service	16,267	16,267
Capital Outlay	164,509	164,509
Unrestricted	<u>(7,418,664)</u>	<u>(7,418,664)</u>
<u>TOTAL NET POSITION</u>	<u>(2,511,798)</u>	<u>(2,511,798)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	1,814,163	396,022	3,844	2,214,029
Accounts Receivable	11,435	-	-	11,435
Accrued Revenue	117,322	-	15,267	132,589
Due From Other Funds	-	-	-	-
Property Taxes Receivable	62,600	-	-	62,600
Inventories	-	-	7,465	7,465
Deposits	-	-	-	-
<u>Total Assets</u>	<u>2,005,520</u>	<u>396,022</u>	<u>26,576</u>	<u>2,428,118</u>
<u>Liabilities</u>				
Accounts Payable	19,329	-	-	19,329
Accrued Salaries	320,216	-	10,309	330,525
Due To Other Funds	-	-	-	-
Grant Amounts Received in Advance	-	-	-	-
<u>Total Liabilities</u>	<u>339,545</u>	<u>-</u>	<u>10,309</u>	<u>349,854</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	<u>52,600</u>	<u>-</u>	<u>-</u>	<u>52,600</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	7,465	7,465
Restricted for:				
Emergencies	125,000	-	-	125,000
Multi-Year Obligations	126,709	-	-	126,709
Capital Outlay	-	164,509	-	164,509
Preschool	-	-	-	-
Food Service	-	-	8,802	8,802
Committed for:				
Capital Outlay	-	231,513	-	231,513
Unassigned	<u>1,361,666</u>	<u>-</u>	<u>-</u>	<u>1,361,666</u>
<u>Total Fund Balances</u>	<u>1,613,375</u>	<u>396,022</u>	<u>16,267</u>	<u>2,025,664</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>2,005,520</u>	<u>396,022</u>	<u>26,576</u>	<u>2,428,118</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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>	2,025,664
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$10,564,474 and the accumulated depreciation is \$5,725,063.	4,839,411
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.	52,600
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(365,030)
Accrued interest payable is not reported as a liability in the funds.	(10,010)
Compensated absences are not reported as a liability in the funds.	(86,378)
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.	(13,818,173)
Deferred flows for contributions made toward the net pension liability from December 31, 2016 until June 30, 2017 is not reported in the funds.	189,790
Net deferred pension flows – Plan Level	5,056,073
Net deferred pension flows – Employer Level	<u>(395,745)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(2,511,798)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	696,051	-	-	696,051
Specific Ownership Taxes	83,016	-	-	83,016
Earnings on Investments	3,263	412	19	3,694
Other Local Sources	74,459	188,354	3,936	266,749
State Aid	3,109,790	-	1,742	3,111,532
Federal Aid	<u>290,476</u>	<u>-</u>	<u>225,181</u>	<u>515,657</u>
<u>Total Revenues</u>	<u>4,257,055</u>	<u>188,766</u>	<u>230,878</u>	<u>4,676,699</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	2,274,920	-	-	2,274,920
Supporting Services:				
Students	195,607	-	-	195,607
Instructional Staff	60,068	-	-	60,068
District Administration	230,668	-	-	230,668
School Administration	274,049	-	-	274,049
Business	59,430	-	-	59,430
Operation & Maintenance	489,518	23,845	-	513,363
Transportation	206,531	-	-	206,531
Central	140,788	-	-	140,788
Facilities	-	-	-	-
Food Service	-	-	230,826	230,826
Debt Service:				
Principal Retirement	112,344	-	-	112,344
Interest and Fiscal Charges	15,522	-	-	15,522
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>4,059,445</u>	<u>23,845</u>	<u>230,826</u>	<u>4,314,116</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>197,610</u>	<u>164,921</u>	<u>52</u>	<u>362,583</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(10,000)	-	10,000	-
Proceeds from Debt	-	-	-	-
Legal Settlement	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	187,610	164,921	10,052	362,583
<u>FUND BALANCES, Beginning</u>	<u>1,425,765</u>	<u>231,101</u>	<u>6,215</u>	<u>1,663,081</u>
<u>FUND BALANCES, Ending</u>	<u>1,613,375</u>	<u>396,022</u>	<u>16,267</u>	<u>2,025,664</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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 362,583

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	20,487	
Capital Outlays		
Depreciation Expense	(315,334)	(294,847)

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end 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. (2,400)

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 increased by this amount. (8,772)

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 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:

	-	
Debt Proceeds		
Debt Payments	112,350	
Accrued Interest	3,440	

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

	(6,351,689)	
Change in Net Pension Liability		
Deferred Flows from Net Pension Liability	4,255,285	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (1,924,050)

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2017

	<u>Pupil Activity Fund</u>
<u>ASSETS</u>	
Cash and Investments	<u>108,372</u>
<u>Total Assets</u>	<u>108,372</u>
 <u>LIABILITIES</u>	
Deposits Held for Others	<u>108,372</u>
<u>Total Liabilities</u>	<u>108,372</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Crowley County School District Number RE-1-J (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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 Crowley County School District Number RE-1-J. 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 and Capital Projects 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 revenue 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 total 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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

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.

Capital Reserve-Capital Projects Fund – this fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

Additionally, the District reports the following fund type:

The Student Activity Fund – this fund is used to account for the activities of student clubs and organizations 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.

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 inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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. 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (continued)

On November 7, 1995 the registered voters approved a ballot resolution authorizing Crowley County School District Number RE-1-J 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 \$125,000 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 Crowley 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

L. Accumulated Staff Leave

Compensated absences are made up of accumulated sick 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 \$86,378 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2017</u>
Accumulated Sick Leave	<u>77,606</u>	<u>8,772</u>	<u>-</u>	<u>86,378</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Education (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.

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC 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)

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>Capital Projects Fund</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>				
Inventories	-	-	7,465	7,465
<u>Restricted:</u>				
Emergencies	125,000	-	-	125,000
Multi-Year Obligations	126,709	-	-	126,709
Capital Outlay	-	164,509	-	164,509
Food Service	-	-	8,802	8,802
<u>Committed:</u>				
Capital Outlay	-	231,513	-	231,513
<u>Unassigned</u>	<u>1,361,666</u>	<u>-</u>	<u>-</u>	<u>1,361,666</u>
<u>Total Fund Balances</u>	<u>1,613,375</u>	<u>396,022</u>	<u>16,267</u>	<u>2,025,664</u>

O. Deferred Outflows / Inflows of Resources (Continued)

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.

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 BUDGETARY INFORMATION (Continued)

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.

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)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,007,952	2,054,757
Cash with County Treasurer	64,249	-
Cash on Hand	200	-
<u>Total Cash and Deposits</u>	<u>2,322,401</u>	<u>2,304,757</u>

As presented above, deposits with a bank balance of \$2,054,757 and a carrying balance of \$2,007,952 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

None

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Governmental Activities</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land & Sites	222,797	-	-	222,797
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	9,003,487	-	-	9,003,487
Equipment & Vehicles	1,230,682	20,487	-	1,251,169
Food Service Equipment	87,021	-	-	87,021
<u>Total Capital Assets Being Depreciated</u>	<u>10,321,190</u>	<u>20,487</u>	<u>-</u>	<u>10,341,677</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	4,314,424	267,699	-	4,582,123
Equipment & Vehicles	1,009,176	46,743	-	1,055,919
Food Service Equipment	86,129	892	-	87,021
<u>Total Accumulated Depreciation</u>	<u>5,409,729</u>	<u>315,334</u>	<u>-</u>	<u>5,725,063</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>5,134,258</u>	<u>(294,847)</u>	<u>-</u>	<u>4,839,411</u>

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

<u>Governmental Activities:</u>	
Regular Programs	282,613
General Administration Support	45
Operations and Maintenance	2,582
Transportation	29,202
Food Service	892
<u>Total Depreciation Expense –Governmental Activities</u>	<u>315,334</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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 Crowley County School District Number RE-1-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crowley County School District Number RE-1-J were \$377,851 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 Crowley County School District Number RE-1-J reported a liability of \$13,818,173 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 Crowley County School District Number RE-1-J proportion of the net pension liability was based on Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J proportion was 0.0464 percent, which was a decrease of 0.0024% to its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Crowley County School District Number RE-1-J recognized pension expense of \$2,096,404. At June 30, 2017, the Crowley County School District Number RE-1-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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	172,748	(122)
Changes of assumptions or other inputs	4,483,709	(62,313)
Net difference between projected and actual earnings on pension plan investments	462,051	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	(395,745)
Contributions subsequent to the measurement date	189,790	N/A
Total	5,308,298	(458,180)

\$189,790 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,	
2018	2,023,553
2019	1,833,464
2020	848,595
2021	(45,284)
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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the Crowley County School District Number RE-1-J 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	17,375,908	13,818,173	10,920,526

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 Crowley County School District Number RE-1-J 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 \$5,717.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Crowley County School District Number RE-1-J 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.

Funding Policy – The Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J contributions to the HCTF were \$20,971, \$21,478 and \$21,523, 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

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 Education is composed of eight persons; seven of whom are appointed by the Board of Education of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Education. 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.

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	<u>2,424,983</u>
Dividend	-
Net Income	2,424,983
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 FOOD SERVICE INVENTORIES

Food Service Fund inventories at June 30, 2017, consisted of USDA, purchased, and non-food amounting to \$7,465. 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 10 LONG-TERM DEBT

The District had changes in its long-term obligations as follows:

	<u>Balance</u> <u>7-1-2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-2017</u>	<u>Current</u> <u>Portion</u>
Refinanced HVAC Lease	248,718	-	79,976	168,742	82,887
Note with FNB – Capital Projects	143,177	-	16,468	126,709	16,865
Bus Lease – 2015/2016	<u>85,485</u>	<u>-</u>	<u>15,906</u>	<u>69,579</u>	<u>16,479</u>
<u>Total</u>	<u>477,380</u>	<u>-</u>	<u>112,350</u>	<u>365,030</u>	<u>116,231</u>

CAPITAL LEASES

Refinanced HVAC Lease

The District entered into a lease in 2013 with the First National Bank of Ordway for an HVAC Lease in the amount of \$475,000. The lease requires (6) annual payments of \$88,954 beginning on July 30, 2013, with an interest rate of 3.6%.

Lease Purchase - Bus

During the fiscal year ended June 30, 2016 the District executed a lease purchase agreement of \$85,485 to purchase a bus. The lease purchase agreement is for a period of 5 years with interest at a rate of 3.75% per annum and yearly payments of \$19,070.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 10 LONG-TERM DEBT (Continued)

CAPITAL LEASES (Continued)

Annual debt service requirements to maturity for the lease purchase agreements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Payment</u>
2018	99,366	8,658	108,024
2019	102,860	5,163	108,023
2020	17,716	1,354	19,070
2021	18,379	691	<u>19,070</u>
			254,187
			<u>(15,866)</u>
			<u>238,321</u>
	Less amount representing interest		
	Net Present Value of Minimum Lease Payments		

NOTES PAYABLE

First National Bank Note – Capital Projects

The District entered into a loan agreement with the First National Bank of Las Animas in the amount of \$175,000. The note will be paid over a ten year period beginning August 21, 2014 at an annual interest rate of 2.35%. This note was obtained for necessary building repairs. The note is considered a multi-year obligation and accordingly the District has restricted fund balance to comply with the TABOR law requirements.

Listed below is a schedule of the debt to maturity.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	2.35%	16,865	2,977	19,842
2019	2.35%	17,261	2,581	19,842
2020	2.35%	17,666	2,176	19,842
2021	2.35%	18,077	1,765	19,842
2022	2.35%	18,506	1,336	19,842
2023	2.35%	18,941	901	19,842
2024	2.35%	<u>19,393</u>	<u>449</u>	<u>19,842</u>
Total		<u>126,709</u>	<u>12,185</u>	<u>138,894</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 11 LITIGATION

None.

NOTE 12 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.

NOTE 13 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the South Central Board of Cooperative Educational Services for Teacher Leadership (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. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2017. The joint venture summary audited financial information as of June 30, 2016 is as follows:

Assets and Deferred Outflows	2,980,723
Liabilities and Deferred Inflows	<u>7,804,017</u>
Net Position	<u>(4,823,294)</u>
Revenues	3,658,221
Expenditures	<u>3,253,671</u>
Excess (Deficiency)	<u>404,550</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 a report with the Colorado State Auditor's office.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 14 INTERFUND BALANCES

	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	10,000	-
Food Service Fund	<u>-</u>	<u>10,000</u>
	<u>10,000</u>	<u>10,000</u>

Transfers were made in the normal course of operations to support funding needs.

NOTE 15 COMPLIANCE WITH BUDGET LAWS

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

Expenditures in the Food Service Fund exceeded budgeted amounts by \$1,646.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

MAJOR GOVERNMENTAL FUNDS

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.

Pension Trend Data

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 (Unfavorable)
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	651,665	693,415	696,051	2,636
Specific Ownership Taxes	84,595	83,258	83,016	(242)
Earnings on Investments	7,000	7,000	3,263	(3,737)
Delinquent Taxes & Interest	5,000	5,000	1,654	(3,346)
Other	42,350	42,350	72,805	30,455
<u>State Sources</u>				
Equalization	3,018,535	2,963,254	2,971,469	8,215
Transportation	45,000	45,000	34,824	(10,176)
Vocational Education	28,000	28,000	42,096	14,096
Special Education	-	-	-	-
Grants	23,090	18,090	61,401	43,311
Other	-	-	-	-
<u>Federal Sources</u>				
Other	302,199	321,359	290,476	(30,883)
Allocation	(185,000)	-	-	-
<u>TOTAL REVENUES</u>	<u>4,022,434</u>	<u>4,206,726</u>	<u>4,257,055</u>	<u>50,329</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,411,710	1,461,376	1,389,115	72,261
Employee Benefits	458,110	474,420	409,071	65,349
Purchased Services - Professional	64,060	57,174	63,788	(6,614)
Purchased Services – Property	400	400	432	(32)
Purchased Services – Other	138,185	327,185	318,237	8,948
Supplies and Materials	79,200	70,200	75,397	(5,197)
Property	15,080	15,080	15,000	80
Other Objects	2,750	2,750	3,880	(1,130)
<u>Total Instruction</u>	<u>2,169,495</u>	<u>2,408,585</u>	<u>2,274,920</u>	<u>133,665</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 - Favorable (Unfavorable)
<u>Student Supporting Services</u>	<u>Original</u>	<u>Final</u>		
Salaries	133,015	133,015	135,718	(2,703)
Employee Benefits	37,175	37,175	39,038	(1,863)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	2,000	2,000	2,561	(561)
Supplies and Materials	6,950	6,950	5,840	1,110
Property	14,025	12,925	12,450	475
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>193,165</u>	<u>192,065</u>	<u>195,607</u>	<u>(3,542)</u>
<u>Instructional Staff</u>				
Salaries	63,230	42,790	34,571	8,219
Employee Benefits	17,351	12,820	10,924	1,896
Purchased Services – Professional	5,000	5,000	5,825	(825)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	100	800	824	(24)
Supplies and Materials	8,500	8,000	7,724	276
Property	1,000	800	200	600
Other Objects	-	-	-	-
<u>Total Instruction Staff</u>	<u>95,181</u>	<u>70,210</u>	<u>60,068</u>	<u>10,142</u>
<u>General Administration</u>				
Salaries	120,000	120,000	120,000	-
Employee Benefits	46,660	46,660	44,596	2,064
Purchased Services – Professional	8,100	8,100	8,598	(498)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	37,550	37,550	36,103	1,447
Supplies and Materials	10,500	10,500	7,031	3,469
Property	-	-	-	-
Other Objects	12,350	12,350	14,340	(1,990)
<u>Total General Administration</u>	<u>235,160</u>	<u>235,160</u>	<u>230,668</u>	<u>4,492</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	186,920	186,920	186,087	833
Employee Benefits	81,315	81,315	80,335	980
Purchased Services – Professional	600	600	264	336
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,100	3,100	552	2,548
Supplies and Materials	15,485	13,100	6,066	7,034
Property	800	800	520	280
Other Objects	1,680	1,680	225	1,455
<u>Total School Administration</u>	<u>289,900</u>	<u>287,515</u>	<u>274,049</u>	<u>13,466</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Business Services</u>				
Salaries	39,200	39,200	39,200	-
Employee Benefits	12,770	12,770	11,810	960
Purchased Services – Professional	7,000	7,000	7,370	(370)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	100	100	28	72
Supplies and Materials	1,500	1,500	1,022	478
Property	250	250	-	250
Other Objects	200	200	-	200
<u>Total Business Services</u>	<u>61,020</u>	<u>61,020</u>	<u>59,430</u>	<u>1,590</u>
<u>Operations and Maintenance</u>				
Salaries	128,000	131,000	121,751	9,249
Employee Benefits	36,505	36,505	34,413	2,092
Purchased Services – Professional	45,500	55,500	43,783	11,717
Purchased Services – Property	61,920	61,920	68,406	(6,486)
Purchased Services – Other	11,500	11,500	15,856	(4,356)
Supplies and Materials	235,000	235,000	205,211	29,789
Property	12,000	12,000	-	12,000
Other Objects	500	500	98	402
<u>Total Operations and Maintenance</u>	<u>530,925</u>	<u>543,925</u>	<u>489,518</u>	<u>54,407</u>
<u>Student Transportation</u>				
Salaries	87,500	87,500	85,021	2,479
Employee Benefits	24,685	24,685	22,954	1,731
Purchased Services – Professional	6,100	6,100	5,573	527
Purchased Services – Property	46,000	46,000	54,826	(8,826)
Purchased Services – Other	3,810	10,100	9,067	1,033
Supplies and Materials	34,500	34,500	27,611	6,889
Property	-	-	-	-
Other Objects	500	500	1,479	(979)
<u>Total Student Transportation</u>	<u>203,095</u>	<u>209,385</u>	<u>206,531</u>	<u>2,854</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	45,600	45,600	45,714	(114)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	60,050	60,050	58,027	2,023
Supplies and Materials	19,000	19,000	24,897	(5,897)
Property	25,000	25,000	12,150	12,850
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>149,650</u>	<u>149,650</u>	<u>140,788</u>	<u>8,862</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

SUPPORTING SERVICES (Continued)	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,758,096</u>	<u>1,748,930</u>	<u>1,656,659</u>	<u>92,271</u>
Debt Service	<u>127,866</u>	<u>127,866</u>	<u>127,866</u>	<u>-</u>
Appropriated Reserves	<u>1,322,504</u>	<u>1,337,110</u>	<u>-</u>	<u>1,337,110</u>
<u>TOTAL EXPENDITURES</u>	<u>5,377,961</u>	<u>5,622,491</u>	<u>4,059,445</u>	<u>1,563,046</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(1,355,527)</u>	<u>(1,415,765)</u>	<u>197,610</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,365,527)</u>	<u>(1,425,765)</u>	<u>187,610</u>	
<u>FUND BALANCE, July 1</u>	<u>1,365,527</u>	<u>1,425,765</u>	<u>1,425,765</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,613,375</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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)	0.0464%	0.0488%	0.0508%	0.0512%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$13,818,173	\$7,466,484	\$6,892,973	\$6,534,641	-	-	-	-	-	-
District's covered-employee payroll	\$2,056,027	\$2,105,710	\$2,110,101	\$2,139,765	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	672%	355%	327%	305%	-	-	-	-	-	-
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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	\$ 377,851	\$ 373,285	\$ 356,297	\$ 342,098	\$ 304,592	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (377,851)</u>	<u>\$ (373,285)</u>	<u>\$ (356,297)</u>	<u>\$ (342,098)</u>	<u>\$ (304,592)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered-employee payroll	\$2,056,027	\$2,105,710	\$2,110,101	\$2,139,765	\$2,005,921	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.72%	16.89%	15.99%	15.18%	-	-	-	-	-

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

OTHER SCHEDULES

Major Governmental Funds

Major Capital Reserve Capital Projects Fund – This fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

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

Agency Fund

Pupil Activity – This fund is used to account for assets held by the District in a trustee capacity or as an agent for others.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 MAJOR CAPITAL RESERVE CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	Budget		Actual	Variance - Favorable (Unfavorable)
	Original	Final		
<u>Revenues</u>				
Earnings on Investments	400	400	412	12
Other Local Sources	-	-	188,354	188,354
State Sources	-	-	-	-
<u>Total Revenue</u>	<u>400</u>	<u>400</u>	<u>188,766</u>	<u>188,366</u>
<u>Expenditures</u>				
Land and Land Sites	-	-	-	-
Equipment	-	-	-	-
Vehicle - Other	-	-	-	-
Buildings & Improvements	234,800	231,501	23,845	207,656
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Contingency Reserves	-	-	-	-
<u>Total Expenditures</u>	<u>234,800</u>	<u>231,501</u>	<u>23,845</u>	<u>207,656</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(234,400)</u>	<u>(231,101)</u>	<u>164,921</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	-	-	-	-
Proceeds from Debt	-	-	-	-
Legal Settlement	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>(234,400)</u>	<u>(231,101)</u>	<u>164,921</u>	
<u>FUND BALANCE, July 1</u>	<u>234,400</u>	<u>231,101</u>	<u>231,101</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>396,022</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	7,500	3,936	(3,564)
Earnings on Investments	25	19	(6)
Other	-	-	-
<u>State Sources</u>			
School Lunches	3,200	1,742	(1,458)
<u>Federal Sources</u>			
School Lunches	202,240	225,181	22,941
Commodities	-	-	-
<u>Total Revenues</u>	<u>212,965</u>	<u>230,878</u>	<u>17,913</u>
 <u>EXPENDITURES</u>			
Salaries	47,000	52,300	(5,300)
Employee Benefits	14,280	15,388	(1,108)
Purchased Services – Professional	-	-	-
Purchased Services – Property	3,100	2,253	847
Purchased Services - Other	2,500	4,310	(1,810)
Supplies and Materials	160,650	140,749	19,901
Capital Outlay	1,500	465	1,035
Other	150	3	147
Commodities	-	<u>15,358</u>	<u>(15,358)</u>
<u>Total Expenditures</u>	<u>229,180</u>	<u>230,826</u>	<u>(1,646)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(16,215)	52	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>10,000</u>	<u>10,000</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>			
	(6,215)	10,052	
<u>FUND BALANCE, Beginning</u>	<u>6,215</u>	<u>6,215</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>16,267</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
PUPIL ACTIVITY AGENCY FUND
SCHEDULE OF ACTIVITIES BUDGET AND ACTUAL
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	-	-	-
Other Local Sources	<u>108,903</u>	<u>189,437</u>	<u>80,534</u>
<u>Total Additions</u>	<u>108,903</u>	<u>189,437</u>	<u>80,534</u>
<u>DEDUCTIONS:</u>			
Activity Expenditures	212,000	184,162	27,838
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Deductions</u>	<u>212,000</u>	<u>184,162</u>	<u>27,838</u>
Net Increase (Decrease) in Deposits Held for Others	(103,097)	5,275	
Deposits Held for Others – Beginning of Year	<u>103,097</u>	<u>103,097</u>	
Deposits Held for Others – End of Year	<u>-</u>	<u>108,372</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: 0770 - CROWLEY COUNTY RE-1-J
 Fiscal Year 2016-17
 Colorado School District/BOCES

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	1,425,766		4,060,642		3,873,032		1,613,375
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		186,413		186,413		0
Sub-Total	1,425,766		4,247,055		4,059,445		1,613,375
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
05 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	6,215		240,878		230,826		16,267
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
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	231,101		188,766		23,045		396,022
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	1,425,766		4,247,055		4,059,445		1,613,375
Proprietary							
59 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
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	0		0		0		0
74 Pupil Activity-Agency Fund	103,097		189,437		184,162		108,372
79 GASB 34/Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	103,097		189,437		184,162		108,372

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District 0770 - CROWLEY COUNTY RE-1-J
 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 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
Cash and Investments (8100-8104,8111)	1,749,914	0	0	0	0	3,844	0	396,022	0	0	0	108,372	0	2,258,152
Cash with Fiscal Agent (8105)	64,249	0	0	0	0	0	0	0	0	0	0	0	0	64,249
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121, 8122)	62,600	0	0	0	0	0	0	0	0	0	0	0	0	62,600
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	117,322	0	0	0	0	0	0	0	0	0	0	0	0	117,322
Other Receivables (8151-8154,8161)	11,435	0	0	0	0	15,267	0	0	0	0	0	0	0	26,702
Inventories (8171,8172,8173)	0	0	0	0	0	7,465	0	0	0	0	0	0	0	7,465
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,005,519	0	0	0	0	26,576	0	396,022	0	0	0	108,372	0	2,536,489

