

**EL PASO COUNTY SCHOOL DISTRICT #22  
ELLICOTT, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEAR ENDED  
JUNE 30, 2017**

**E**

**RECEIVED**

Office of the State Auditor

April 11, 2018

**EL PASO COUNTY SCHOOL DISTRICT #22**  
**ROSTER OF SCHOOL OFFICIALS**

**Year Ended June 30, 2017**

**BOARD OF EDUCATION**

Gary Dahn

Jackie Chambers

Michael Dahn

Robert McWilliams

Jodi Wilson

**ADMINISTRATIVE STAFF**

Dr. Patrick Cullen - Superintendent of Schools

Chris Smith – Interim Superintendent

Sherry Ferriman – Chief Financial Officer

EL PASO COUNTY SCHOOL DISTRICT #22

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## **FINANCIAL SECTION**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Required Supplementary Information - Unaudited)

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A) Required Supplementary Information (RSI) June 30, 2017**

The management of El Paso County School District # 22 (the "District") offer you, the readers of this Annual Financial Report, this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

### **Financial Highlights**

- Assets of the District exceeded liabilities at the close of fiscal year 2017. The Ending 2016 Net Position was \$11,363,802. The Ending 2017 Net Position was \$3,945,233. The change in net position was \$(7,418,569).
- The District's total Unrestricted Net Position for the primary reporting entity decreased by \$7,404,416 while the Restricted Net Position decreased by \$106,701. The decrease in unrestricted net position is related to a combination of an overall increase in PERA's net pension liability as of June 30, 2017 as well as an increase in the District's proportionate share of that pension liability. The increase in restricted net position is primarily related to changes in personnel contracts that restricted resources for contract fulfillment as well as increases in Debt Service reserves.
- The District's Governmental Funds fund balance decreased by \$263,686 to an ending fund balance of \$2,613,021. This decrease is primarily attributable to additional capital purchases, such as 3 buses, and general increases throughout most operating areas.
- The Governmental Funds reported combined unassigned fund balance of \$1,272,928 representing 12% of total governmental expenditures.

The District's net capital assets were \$9,860,972 as of June 30, 2017. For additional more detailed information please refer to footnote 4. In addition, the District reports a long term grant receivable related to facility improvements of \$14,472,163 as further described in Note 14.

### **Using the Basic Financial Statements**

This discussion and analysis serves as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components:

- 1) government-wide financial statements,
- 2) fund financial statements, and
- 3) notes to the financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

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

The **statement of net position** presents information on all the District's assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District. Current and previous year information is presented for comparison.

The **statement of activities** presents information reporting how the District's net position changed during fiscal year 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, food service and transportation.

**Governmental Activities** – The majority of the District’s programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation, food service and extracurricular activities.

A condensed summary of the District’s net position is as follows:

**TABLE 1 - CONDENSED STATEMENT OF NET POSITION**

	<b>Governmental Activities</b>	
	<u><b>2017</b></u>	<u><b>2016</b></u>
Current Assets and Other Assets	\$ 3,949,447	\$ 19,036,161
Capital Assets	<u>24,333,135</u>	<u>10,060,134</u>
Total Assets	<u>28,282,582</u>	<u>29,096,295</u>
Deferred Outflows of Financial Resources	<u>15,285,962</u>	<u>3,472,555</u>
Current Liabilities	1,303,609	1,098,949
Long-Term Liabilities	<u>38,116,937</u>	<u>19,570,338</u>
Total Liabilities	<u>39,420,546</u>	<u>20,669,287</u>
Deferred Inflows of Financial Resources	<u>202,763</u>	<u>535,761</u>
Net Investment in Capital Assets	7,916,255	8,022,956
Restricted Net Position	1,155,658	1,063,108
Unrestricted Net Position	<u>(5,126,678)</u>	<u>2,277,738</u>
<b>Total Net Position</b>	<b><u>\$ 3,945,235</u></b>	<b><u>\$ 11,363,802</u></b>

A condensed summary of the District's net activities is as follows:

**TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES**

	<b>Governmental Activities</b>	
	<u><b>2017</b></u>	<u><b>2016</b></u>
<b>Program Revenues:</b>		
Charges for Services	\$ 269,545	\$ 213,245
Operating Grants	1,475,936	1,415,131
Capital Grants	<u>333,545</u>	<u>12,529</u>
Total Program Revenues	<u>2,079,026</u>	<u>1,640,905</u>
<b>General Revenues:</b>		
Property Taxes	1,251,130	1,224,184
State Equalization	6,795,679	6,861,586
Other Revenues	120,459	66,850
Insurance Proceeds	<u>-</u>	<u>77,795</u>
Total General Revenues	<u>8,167,268</u>	<u>8,230,415</u>
<b>Total Revenues</b>	<u>10,246,294</u>	<u>9,871,320</u>
<b>Expenses</b>		
Instruction	10,519,030	7,280,828
Supporting Services	7,063,885	5,483,531
Interest Expense	<u>81,948</u>	<u>92,838</u>
<b>Total Expenses</b>	<u>17,664,863</u>	<u>12,857,197</u>
<b>Change in Net Position</b>	(7,418,569)	(2,985,877)
<b>Net Position - Beginning</b>	<u>11,363,802</u>	<u>14,349,679</u>
<b>Net Position - Ending</b>	<u><u>\$ 3,945,233</u></u>	<u><u>\$ 11,363,802</u></u>

### Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained five individual governmental funds for fiscal year 2017. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for:

- 1) the General Fund (including preschool operation),
- 2) the Designated Purpose Grants Fund.
- 3) the Food Services Fund and
- 4) the Capital Projects Fund and
- 5) the Bond Redemption Debt Service Fund.

All 5 are considered *major funds*.

As of June 30, 2017, the District's governmental funds reported a combined fund balance of \$2,613,021 compared to June 30, 2016 of \$2,876,707, which is a decrease of \$263,686. The following is additional information by fund which contributed to the change.

The **General Fund** outflows exceeded inflows by \$389,528. This is a decrease in the deficit of 623,764 from the previous year's \$1,013,292 loss. The District modified its operations from 2016 by consolidating certain costs, primarily subsidized state grants, that had previously been reported in the District's Designated Grants Fund. The combined costs were approximately \$137,000 less than the previous year. The reduction of expenses was spread across several areas. Instructional costs were reduced by approximately \$270,000, Business Administration costs were reduced by approximately \$58,000. Transportation costs increased by \$267,000, primarily related to grant funded bus purchases. Central support costs were reduced by \$151,000, mainly due to capital improvements that had been completed during 2016. All other areas had either smaller increases or decreases. Directly related to General Fund costs rather than combined costs, the District also received approximately \$142,000 more Federal Impact Aid during 2017 which allocated additional instruction related costs to the Grants Fund from the General Fund.

The largest changes were related to revenues. The District received quarterly BOCES assessment credits totaling approximately \$140,000 that were not received in the previous fiscal year, recognized as revenue \$260,000 of CDE Small Rural Schools funding utilized for bus purchases that was received but not spent during 2016, as well as an unlocated cash difference that was allocated to the General Fund of approximately \$117,000.

The **Designated Grants Fund** by definition has inflows matching outflows. However, this does not mean that significant operations are not accounted for in the fund. For the 2017 fiscal year, total grant operating costs were \$700,971, This represents an overall decrease of \$1,669,400. The decrease in grant related activities is due to those costs being shifted back to the General Fund for the 2017 fiscal year. The overall change in combined General and Designated Grants expenditures is summarized above.

Overall inflows exceeded outflows in the **Capital Project Fund** by \$47,933, increasing the ending Fund Balance to \$267,465. The District utilized existing fund resources for capital acquisitions and including the normal transfer from the General Fund.

During the year, **Bond Redemption Fund** inflows exceeded outflows by \$127,036, leaving an ending Fund Balance of \$604,106. This is relatively consistent with the prior year. The District is slowly accumulating resources that will allow flexibility as the bonds approach full maturity.

For the year ended June 30, 2017, **Food Service Fund** balance decreased by \$49,127. The loss resulted in a net carryover deficit of \$38,874. Adjustments will need to be made to bring expenditures in line with revenues. The District may also be required to recover the deficit through a General Fund transfer if cost savings are not sufficient.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefits of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the District's own programs. The Pupil Activity Fund is an example of this type of fund.

## Debt Administration

As of June 30, 2017, the District had total outstanding long-term debt as follows:

	Balance July 1 2016			Balance June 30 2017		
	Advances	Payments	Current Portion	Interest Expense		
Series 2011 General Obligation Bonds	\$ 2,037,178	\$ -	\$ 92,461	\$ 1,944,717	\$ 96,269	\$ 82,272
PERA Net Pension Liability	17,533,160	18,639,060	-	36,172,220	-	-
<b>Totals</b>	<b>\$ 19,570,338</b>	<b>\$ 18,639,060</b>	<b>\$ 92,461</b>	<b>\$ 38,116,937</b>	<b>\$ 96,269</b>	<b>\$ 82,272</b>

During the year, the District made all of its scheduled debt payments. Additional information related to the District's debt can be found in Note 6 to the financial statements. Additional information about the District's pension plan can be found in Note 9.

## Capital Assets

As of June 30, 2017, the District's Governmental Activity had capital assets of \$9,860,972 invested in a broad range of assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deletions, and depreciation) of \$199,162 from last year. This is a result of normal depreciation of existing assets in the amount of \$524,453 from last year offset by current acquisitions. The District does not maintain separate infrastructure assets as the entire infrastructure has been included with the related capital asset.

	Balance July 1 2016	Additions	Deletions	Balance June 30 2017
<b>Governmental Activities:</b>				
Capital Assets Not Being Depreciated:				
Land	\$ 392,261	\$ -	\$ -	\$ 392,261
Construction in Progress	20,079	54,284	-	74,363
Total Capital Assets Not Being Depreciated	412,340	54,284	-	466,624
Capital Assets Being Depreciated:				
Land Improvements	1,194,652	20,190	-	1,214,842
Buildings and Improvements	15,907,352	-	-	15,907,352
Transportation Equipment	1,518,505	318,920	213,372	1,624,053
Food Service Equipment	39,428	-	-	39,428
Other Equipment	349,680	9,150	-	358,830
Total Capital Assets Being Depreciated	19,009,617	348,260	213,372	19,144,505
Less: Accumulated Depreciation				
Land and Improvements	(622,342)	(43,667)	-	(666,009)
Buildings and Improvements	(7,817,783)	(367,492)	-	(8,185,275)
Transportation Equipment	(723,684)	(92,078)	(136,119)	(679,643)
Food Service Equipment	(12,948)	(1,079)	-	(14,027)
Other Equipment	(185,066)	(20,137)	-	(205,203)
Total Accumulated Depreciation	(9,361,823)	(524,453)	(136,119)	(9,750,157)
<b>Net Governmental Capital Assets</b>	<b>\$ 10,060,134</b>	<b>\$ (121,909)</b>	<b>\$ 77,253</b>	<b>\$ 9,860,972</b>

## **General Fund Budget**

The Board of Education adopts the District's budget in June of each year. If needed, changes are then in January based on the final October student enrollment. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional inflows are received. Program funding is based upon student enrollment on October 1<sup>st</sup> of each year. This per pupil funding is a combination of Property Tax, State Equalization, and Specific Ownership Tax. Because these factors are not known in June when the budget is adopted, the portion of inflow from each source is not known until the following January.

The District's actual revenues were \$357,345 under the revised budget amount. This is primarily due to the District failing to adjust the amended budget for the expected property tax and specific ownership tax revisions included in the funding formula. In addition, the District had originally budgeted for certain state and federal grants that were ultimately not received,

General Fund expenditures were \$515,041 under revised budget amount. Instructional benefit costs same in significantly under budget. In addition, the District had budgeted grant revenues in the Designated Grants Fund with the corresponding expenses budgeted in the General Fund. These costs were allocated over to the Grants Fund prior to year end. The combination of these savings was partially offset by the purchase three buses that were not included in the budget. The District adopted mid-year budget revisions increasing rents, local BOCES flow through and additional State Grants that were ultimately not received. Expenditures were approximately \$500,000 under the budgeted amount after adjusting for contingency reserves.

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

Going into the FY2017-2018, the Ellicott School District budgeted conservatively. The budget was built on the estimate of 950 students at \$8100 a student. As of October 1, 2017 the Ellicott District official funded count for enrollment was 969.5, which was an increase of 19.5 funded students from the previous year. Having 969.5 students was also a benefit because that meant the District still qualified for the Small Rural Schools Impact Aid by remaining under a 1,000 students. Also in the spring of 2017 the District underwent a restructuring of administrative positions and asked all of the district's department supervisors and building administrators to find a way to cut 20% from their previous budget's, to help ease the strain on the current budget.

In anticipation of issues which will impact next year's budget, the following are high on that list.

- Maintaining and increasing the district's state designated accreditation status. This will mean that the district will still struggle to keep at least the same amount of staff members to help educate the increasing at-risk student population that continues to remain above the state average in the areas of special education, the free and reduced count, and the English Language Learner. To exceed the state average in growth and achievement we still have to focus on closing the achievement gaps. In order to do this we must not lose instructional staff. This staff allows us to keep class size down and allows us to focus on at-risk factors that our student face. Attracting and retaining high quality educators is very competitive in the State of Colorado and our rural school district can't match the nearby bigger districts in salary and benefits as was demonstrated this past year by not being able to fill all of our teaching positions.
- We still continue to focus on the other district facility safety features relating to lighting, pedestrian traffic patterns, building security and any crumbling surfaces and entryways. Additional partnerships will assist in the building and re-building of the District's athletic field and structures. These partnerships include but are not limited to the Ellicott Metro Athletic District, Pikes Peak BOCES, El Paso County Sherriff's Department, El Paso County and Schriever Air Force Base. Schriever Air Force Base remains very important part of the District's growth model and proves to be a great asset to the District as a whole. The District will continue building upon the great relationship with Schriever Air Force Base and others. This is going to be crucial if we are to keep up with the oncoming urban sprawl east towards our community.
- Our current technology is above the minimum requirements. We have begun the 1<sup>st</sup> phase of a technology refresh for all of our secondary students, which is a three year plan to help spread out the initial costs of supporting a 1:1 initiative. This will continue to be an expenditure that we must have to compete with the State, Nation and World.

How well the district is able to meet the challenge of providing facilities and staffing will be determined by the growth factor - a critical component of which will be the amount of commercial growth and potential mineral development. A challenge to keep pace still remains without commercial expansion, mineral development or a change in how the state

manages school financing. The legislation in regards to school finance is daunting. The negative factor will continue to impact our district. The moving trend to charter and choice schools also implies that we must find a way to market ourselves to attract new families to us, while maintaining our relationships with our existing community and families. To this end the classroom is evolving beyond the standard brick and mortar. Students need to have the capability to have access to blended learning opportunities such as partnering with area colleges and on-line options.

Ellicott is one of the few rural districts in the state that has remained the same in enrollment. El Paso County does rely on the military. Any sequester in Federal Programs will have a negative impact on the Ellicott School District. A 'need-based' funding method would greatly benefit the Ellicott School District with its large percentage of at-risk youth.

The district did not maintain the ending fund balance from last year. The District has anticipated deficit spending in 2017 – 2018. In Fiscal Year 2018 - 2019, the District will intentionally evaluate District restructuring, budget cuts and adjustments to minimize deficit spending, and over the next three years balance the budget and rebuild reserves in accordance with the State of Colorado guidelines. The board continues towards a goal of accumulating five months of operating reserves. This is to be coupled with required TABOR reserves, Emergency reserves and a suggested non-appropriated reserve. Our relationship with state and federal agencies continue to grow as the District complies with the ever increasing mandates.

The district leadership continues to anticipate the future with enthusiasm. We must continue to move forward toward improved student learning achievement.

### **Requests for Information**

This financial report is designed to provide a general overview of the El Paso County School District # 22's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Sherry Ferriman Chief Financial Officer, 322 South Ellicott Highway, Ellicott, Colorado 80808.

# Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Education  
El Paso County School District # 22  
Ellicott, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the El Paso County School District # 22, Colorado, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 qualified audit opinions.

***Basis for Qualified Opinions***

The District was unable to reconcile its pooled checking account balance to the accounting records. The District's internal records reflected approximately \$117,000 less cash than what was actually in the bank account. We were unable to obtain sufficient appropriate audit evidence regarding which opinion unit was internally misstated, as the District was not able to identify specific transactions that had not been properly reflected in the accounting records. The unlocated difference was posted to the District's General Fund, although a portion of that difference may have been related to other operations.

***Qualified Opinion***

In our opinion, based on our audits, except for the possible effects of the matter described in the Basis for Qualified opinion paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the El Paso County School District # 22, Colorado, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the El Paso County School District # 22's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 13, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Matters***

***Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)***

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M7

and pension schedules on pages 33 - 34 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.

***Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 35 - 40 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. In addition, the schedules on pages 41 - 43 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 44 - 47 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 13, 2017 on our consideration of the El Paso County School District # 22's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Paso County School District # 22s internal control over financial reporting and compliance.



Englewood, CO  
March 6, 2018

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## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2017.

EL PASO COUNTY SCHOOL DISTRICT #22  
Statement of Net Position  
June 30, 2017

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 3,079,084
Restricted Cash and Investments	627,867
Cash with Fiscal Agent	15,908
Taxes Receivable	56,048
Grants Receivable	127,265
Other Accounts Receivable	16,339
Inventory	15,092
Prepaid Expenses	11,844
<b>Total Current Assets</b>	<u>3,949,447</u>
<b>Noncurrent Assets</b>	
BEST Grant Receivable	14,472,163
Capital Assets, not being depreciated	466,624
Capital Assets, being depreciated	9,394,348
<b>Total Noncurrent Assets</b>	<u>24,333,135</u>
<b>TOTAL ASSETS</b>	<u>28,282,582</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
Contributions Subsequent to Measurement Date	509,088
Change in District's Proportionate Share of Net Pension Liability - net	1,378,010
Difference Between Projected and Actual Returns on Pension Plan Investments - net	1,209,524
Difference Between Projected and Actual Pension Plan Experience - net	452,209
Change in Assumptions - net	11,737,131
<b>TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>15,285,962</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>\$ 43,568,544</u>
<b>LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 331,768
Accrued Interest	6,509
Accrued Salaries & Benefits	965,332
<b>Total Current Liabilities</b>	<u>1,303,609</u>
<b>Noncurrent Liabilities</b>	
Due Within One Year	96,269
Due In More Than One Year	38,020,668
<b>Total Noncurrent Liabilities</b>	<u>38,116,937</u>
<b>TOTAL LIABILITIES</b>	<u>39,420,546</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	
Difference Between Projected and Actual Pension Plan Experience - net	318
Change in Pension Plan Assumptions - net	163,119
Deferred Inflows - Grants	16,175
Deferred Inflows - Other	23,151
<b>TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	<u>202,763</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	7,916,255
Restricted Net Position	1,155,658
Unrestricted Net Position	(5,126,678)
<b>TOTAL NET POSITION</b>	<u>3,945,235</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND NET POSITION</b>	<u>\$ 43,568,544</u>

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



EL PASO COUNTY SCHOOL DISTRICT #22

Balance Sheet

Governmental Funds

June 30, 2017

(With Comparative Totals for June 30, 2016)

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Designated Grants Fund	Bond
				Redemption Fund
<b>ASSETS</b>				
Cash and Investments	\$ 2,967,943	\$ (12,289)	\$ 7,847	\$ -
Restricted Cash and Investments	-	-	-	627,867
Cash with Fiscal Agent	11,612	-	-	4,296
Taxes Receivable	40,918	-	-	15,130
Interfund Accounts Receivable	275	-	25,252	-
Grants Receivable	122,165	4,294	806	-
Other Accounts Receivable	13,869	2,470	-	-
Inventory	-	15,092	-	-
Prepaid Expenses	11,844	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 3,168,626</b>	<b>\$ 9,567</b>	<b>\$ 33,905</b>	<b>\$ 647,293</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Accounts Payable	\$ 134,222	\$ -	\$ -	\$ 43,187
Accounts Payable	327,433	2,215	2,120	-
Accrued Salaries & Benefits	919,233	23,075	23,024	-
<b>Total Liabilities</b>	<b>1,380,888</b>	<b>25,290</b>	<b>25,144</b>	<b>43,187</b>
<b>Deferred Inflows of Financial Resources</b>				
Deferred Inflows - Other	-	23,151	-	-
Deferred Inflows - Grants	7,414	-	8,761	-
<b>Total Deferred Inflows of Financial Resources</b>	<b>7,414</b>	<b>23,151</b>	<b>8,761</b>	<b>-</b>
<b>Fund Balance</b>				
Nonspendable Fund Balance	11,844	2,777	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	-	604,106
Restricted for TABOR Emergencies	269,000	-	-	-
Restricted for Colorado Preschool Program	101,552	-	-	-
Restricted for BEST Replacement Reserve	-	-	-	-
Restricted for TABOR Multiyear Obligations	125,000	-	-	-
Committed Fund Balance				
Committed for Fund Purposes	-	(41,651)	-	-
Assigned Fund Balance				
Assigned for Fund Purposes	-	-	-	-
Unassigned Fund Balance	1,272,928	-	-	-
<b>Total Fund Balance</b>	<b>1,780,324</b>	<b>(38,874)</b>	<b>-</b>	<b>604,106</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<b>\$ 3,168,626</b>	<b>\$ 9,567</b>	<b>\$ 33,905</b>	<b>\$ 647,293</b>

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

Capital Projects		Totals	
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Capital Reserve			
Project Fund	2017	2016	

\$ 115,583	\$ 3,079,084	\$ 3,640,814	
-	627,867	462,979	
-	15,908	12,683	
-	56,048	61,781	
154,065	179,592	119,370	
-	127,265	46,824	
-	16,339	11,326	
-	15,092	11,766	
-	11,844	7,907	
<u>\$ 269,648</u>	<u>\$ 4,129,039</u>	<u>\$ 4,375,450</u>	

\$ 2,183	\$ 179,592	\$ 119,370	
-	331,768	114,950	
-	965,332	977,166	
<u>2,183</u>	<u>1,476,692</u>	<u>1,211,486</u>	

-	23,151	18,799	
-	16,175	268,458	
-	39,326	287,257	

-	14,621	10,884	
-	604,106	477,070	
-	269,000	259,000	
-	101,552	77,038	
56,000	56,000	28,500	
-	125,000	250,000	
211,465	169,814	191,032	

-	-	10,980	
-	1,272,928	1,572,203	
<u>267,465</u>	<u>2,613,021</u>	<u>2,876,707</u>	
<u>\$ 269,648</u>	<u>\$ 4,129,039</u>	<u>\$ 4,375,450</u>	

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**EL PASO COUNTY SCHOOL DISTRICT #22**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2017**

Fund Balance - Governmental Funds		\$ 2,613,021
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 466,624	
Capital assets, being depreciated	19,144,505	
Accumulated depreciation	<u>(9,750,157)</u>	9,860,972
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds		
Long-Term BEST Grant Receivable		14,472,163
Certain long-term pension related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds		
Contributions subsequent to measurement date	509,088	
Difference between projected and actual investment returns on the pension plan	2,153,541	
Amortization of the investment return difference	(944,017)	
Difference between projected and actual pension plan experience (outflow)	759,460	
Amortization of the experience difference (outflow)	(307,251)	
Change in pension assumptions (outflow)	16,489,005	
Amortization of the change in assumptions (outflow)	(4,751,874)	
Net pension liability	(36,172,220)	
Difference between projected and actual pension plan experience (inflow)	(1,685)	
Amortization of the experience difference (inflow)	1,367	
Change in pension plan assumptions	(362,046)	
Amortization of the change in assumptions	198,927	
Change in District proportionate share of the net pension liability	3,019,572	
Amortization of the change in proportion	<u>(1,641,562)</u>	(21,049,695)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,944,717)	
Accrued interest payable	<u>(6,509)</u>	<u>(1,951,226)</u>
Total Net Position - Governmental Activities		<u>\$ 3,945,235</u>

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

EL PASO COUNTY SCHOOL DISTRICT #22  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Designated Grants Fund	Bond Redemption Fund
<b>REVENUES</b>				
Local Sources	\$ 1,291,451	\$ 100,455	\$ -	\$ 301,769
Intermediate Sources	126	-	-	-
State Sources	7,409,424	10,543	48,283	-
Federal Sources	-	397,333	652,688	-
<b>TOTAL REVENUES</b>	<u>8,701,001</u>	<u>508,331</u>	<u>700,971</u>	<u>301,769</u>
<b>EXPENDITURES</b>				
Instruction	4,902,744	-	700,971	-
Pupil Support	185,793	-	-	-
Staff Support	192,219	-	-	-
General Administration	237,424	-	-	-
School Administration	852,238	-	-	-
Business Services	295,049	-	-	-
Operations and Maintenance	869,654	-	-	-
Transportation	1,002,496	-	-	-
Other Central Support	451,605	-	-	-
Risk Management	18,300	-	-	-
Food Service	-	557,458	-	-
Facilities	-	-	-	-
Other Uses	6,725	-	-	-
Debt Service	-	-	-	174,733
<b>TOTAL EXPENDITURES</b>	<u>9,014,247</u>	<u>557,458</u>	<u>700,971</u>	<u>174,733</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(313,246)	(49,127)	-	127,036
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In (Out) - net	(76,282)	-	-	-
<b>CHANGE IN FUND BALANCE</b>	(389,528)	(49,127)	-	127,036
<b>BEGINNING FUND BALANCE</b>	2,169,852	10,253	-	477,070
<b>ENDING FUND BALANCE</b>	<u>\$ 1,780,324</u>	<u>\$ (38,874)</u>	<u>\$ -</u>	<u>\$ 604,106</u>

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

<u>Capital Projects</u>	<u>Totals</u>	
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<u>Capital Reserve</u>		
<u>Project Fund</u>	<u>2017</u>	<u>2016</u>

\$ 37,629	\$ 1,731,304	\$ 1,587,199
-	126	649
73,848	7,542,098	7,403,564
-	1,050,021	884,031
<u>111,477</u>	<u>10,323,549</u>	<u>9,875,443</u>

-	5,603,715	5,870,183
-	185,793	154,526
-	192,219	191,233
-	237,424	251,334
-	852,238	827,542
-	295,049	352,918
-	869,654	834,248
-	1,002,496	734,966
-	451,605	602,195
-	18,300	353
-	557,458	611,522
139,826	139,826	399,034
-	6,725	4,341
-	174,733	174,809
<u>139,826</u>	<u>10,587,235</u>	<u>11,009,204</u>
(28,349)	(263,686)	(1,133,761)

<u>76,282</u>	<u>-</u>	<u>-</u>
47,933	(263,686)	(1,133,761)
<u>219,532</u>	<u>2,876,707</u>	<u>4,010,468</u>
<u>\$ 267,465</u>	<u>\$ 2,613,021</u>	<u>\$ 2,876,707</u>

**EL PASO COUNTY SCHOOL DISTRICT #22**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2017**

Change in Fund Balance - Governmental Funds \$ (263,686)

Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	\$ 402,544	
Depreciation Expense	(524,453)	
Gain (Loss) on Asset Disposals	<u>(77,253)</u>	(199,162)

The long term BEST grant receivable was not recognized as revenue in the fund when the building was placed in service as it is not available to satisfy current obligations and is being amortized due to depreciation on the underlying building that is the basis of grant.

Amortization of BEST grant receivable (307,918)

Pension expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

Change in contributions subsequent to the measurement date	16,569	
Current year projected to actual investment return difference	178,369	
Current year amortization of overall investment return differences	(459,655)	
Current year change in pension plan assumptions (outflow)	440,233	
Current year amortization of change in plan assumptions	(219,551)	
Current year change in plan assumptions (outflow)	16,489,005	
Current year amortization of change in plan assumptions	(4,751,874)	
Change in net pension liability	(18,639,060)	
Current year projected to actual pension plan experience difference	(95)	
Current year amortization of overall experience differences	507	
Current year change in pension plan assumptions (inflow)	(20,417)	
Current year amortization of change in plan assumptions	105,072	
Current year change in proportionate share of cost-sharing plan liability	958,798	
Current year amortization of overall proportionate share differences	<u>(838,487)</u>	(6,740,586)

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

Principal payments on bonds payable	92,461	
Change in accrued interest payable	<u>324</u>	<u>92,785</u>

Change in Net Position - Governmental Activities \$ (7,418,567)

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

**EL PASO COUNTY SCHOOL DISTRICT #22**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Pupil Activity Agency Fund**  
**June 30, 2017**  
**(With Comparative Totals for June 30, 2016)**

	<u>Totals</u>	
	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and Investments	\$ 117,029	\$ 86,723
<b>LIABILITIES</b>		
Accrued Salaries & Benefits	\$ -	\$ 12,061
<b>NET POSITION</b>		
Restricted Net Position	<u>117,029</u>	<u>74,662</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 117,029</u>	<u>\$ 86,723</u>

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

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of El Paso County School District # 22 (the District) conform to generally accepted accounting principles as applicable to governmental units. A summary of the more significant policies is described below.

##### **Reporting Entity**

In evaluating how to define the government for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Codification Section 2100 - *Defining the Financial Reporting Entity*.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

##### **Basis of Presentation**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District did not have any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

*Fund Financial Statements* The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds would be aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds.

*General Fund:* This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

*Designated Grants (Special Revenue) Fund:* This fund accounts for the District's non-food related grant activities that are not accounted for in the General Fund.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### **Basis of Presentation** (Continued)

*Food Service (Special Revenue) Fund:* The Food Service Fund accounts for the District's food service program.

*Bond Redemption (Debt Service) – Fund* – This fund is used to account for the repayment of the District's general obligation indebtedness.

*Capital Reserve Projects (Capital Project) Fund* – This fund is used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

The District reports one fiduciary fund.

*Pupil Activity (Agency) Fund:* This fund is used to account for the money held in trust by the District for student organization and scholarships. This fund is custodial and does not measure the results of operations.

##### **Measurement Focus and Basis of Accounting**

###### **Government-Wide, Proprietary and Fiduciary Fund Financial Statements**

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

###### **Governmental Fund Financial Statements**

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year-end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the Enterprise Fund which budgets on a cash basis. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

The District adheres to the procedures described below in establishing the budgetary data reflected in the financial statements.

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education.
- Encumbrance accounting is not utilized.

The District's expenditures exceeded appropriations in the Designated Grants Fund by \$253,710 which is a violation of Colorado Statutes.

#### **Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**

##### **Cash and Investments**

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest-bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts that are legally authorized. Investments are stated at fair value.

Cash and Cash Equivalents – The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

##### **Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

# EL PASO COUNTY SCHOOL DISTRICT #22

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance** (Continued)

##### **Inventories**

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

##### **Capital Assets**

Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds. Property and equipment with a cost of \$5,000 or greater are considered capital assets.

Property and equipment acquired for the proprietary fund is capitalized in the fund.

Property and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	10 - 75 years
Vehicles and Other Equipment	10 - 30 years

##### **Vacation, Sick Leave, and Other Compensated Absences**

District employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. As all employees are contracted to work a set number of days during a year; no vacation accrual accumulates.

##### **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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. The government has several items that qualify for reporting in this category, all related to outstanding pension obligations and further described in Note 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The District reports deferred inflows related to pension liabilities as further described in Note 9 as well as for prepaid student balances and unspent grant proceeds.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance**  
(Continued)

**Net Position/Fund Balance**

In the government-wide financial statements net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

**Net Position/Fund Balance Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Revenues and Expenditures/Expenses**

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues that are directly attributable to a program are shown as program revenues for the statement of activities. These revenues consist of, but are not limited to, grants, fees and other charges for services.

#### **Property Tax Revenues**

Property taxes are levied on December 15 based on the assessed value of property, as certified by the county assessor on October 1. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post-mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1 in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Due to the nature of Colorado school district funding, uncollected property taxes levied in the current fiscal year for collection in the subsequent fiscal year are identified as property taxes receivable at June 30, and are presented net of an estimated allowance for uncollectible taxes.

#### **Comparative Data**

Comparative total data for the prior year have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 2: CASH AND INVESTMENTS**

A summary of deposits and investments at June 30, 2017 is provided below.

Government-wide	
Unrestricted:	
Cash and Deposits	\$ 405,291
Investments:	
Colostrust	<u>2,673,793</u>
Total Unrestricted - Government-wide	3,079,084
Restricted:	
Investments:	
ColoTrust - Bond Redemption	<u>627,867</u>
Total Government-wide	<u>3,706,951</u>
Fiduciary	
Unrestricted:	
Demand deposits	105,465
Certificates of deposit	<u>11,564</u>
Total Fiduciary	<u>117,029</u>
<b>Total Cash &amp; Investments</b>	<b><u>\$ 3,823,980</u></b>

**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 regulations. At June 30, 2017, State regulatory commissioners indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the District or by its agent in the District's name; (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name; or (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the District's name.

At June 30, 2017, the District's deposits had bank and carrying balances as follows:

	<b>Bank Balance</b>	<b>Carrying Balance</b>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	<u>303,734</u>	<u>271,522</u>
<b>Total Cash Deposits</b>	<b><u>\$ 553,734</u></b>	<b><u>\$ 521,522</u></b>

# EL PASO COUNTY SCHOOL DISTRICT #22

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

### NOTE 2: CASH AND INVESTMENTS (Continued)

#### Investments

The following is a summary of the District's investments as of June 30, 2017:

	<u>Total</u>	<u>Weighted Avg. Mat. In Yrs</u>
Local Government Investment Pools	<u>\$ 3,301,660</u>	-

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District has invested \$3,301,660 in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of the Trusts consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the Trusts in connection with the direct investment and withdrawal functions of the Trusts. Substantially all securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the Trusts. These investments, as well as the investments in mutual funds, are not categorized because the underlying securities cannot be determined.

#### Cash Invested

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. The allowed investments include local government investment pools and obligations of the United States Government.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

**NOTE 2: CASH AND INVESTMENTS** (Continued)

**Interest Rate Risk**

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk**

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investments policy that would further limit its investment choices. At June 30, 2017 the District's investment in the Colorado Government Liquid Assets Trust (COLOTRUST) was rated AAAM by Standard & Poor's. The District's funds held for repayment of the Series 2000 Certificates of Participation are held in trust and are invested in a Fidelity Treasury Portfolio I mutual fund who's rating could not be determined.

**Concentration of Credit Risk**

The District places no limit on the amount that may be invested in any one issuer.

**NOTE 3: INVENTORIES**

Food Service Fund inventory as of June 30, 2017 of \$15,092 consisted of purchased and donated commodities. 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. Unused commodity inventory is reported as a deferred inflow at year end.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 4: CAPITAL ASSETS**

Changes in capital assets for the year ended June 30, 2017 are shown below:

	<u>Balance July 1 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30 2017</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets Not Being Depreciated:				
Land	\$ 392,261	\$ -	\$ -	\$ 392,261
Construction in Progress	20,079	54,284	-	74,363
Total Capital Assets Not Being Depreciated	<u>412,340</u>	<u>54,284</u>	<u>-</u>	<u>466,624</u>
Capital Assets Being Depreciated:				
Land Improvements	1,194,652	20,190	-	1,214,842
Buildings and Improvements	15,907,352	-	-	15,907,352
Transportation Equipment	1,518,505	318,920	213,372	1,624,053
Food Service Equipment	39,428	-	-	39,428
Other Equipment	349,680	9,150	-	358,830
Total Capital Assets Being Depreciated	<u>19,009,617</u>	<u>348,260</u>	<u>213,372</u>	<u>19,144,505</u>
Less: Accumulated Depreciation				
Land and Improvements	(622,342)	(43,667)	-	(666,009)
Buildings and Improvements	(7,817,783)	(367,492)	-	(8,185,275)
Transportation Equipment	(723,684)	(92,078)	(136,119)	(679,643)
Food Service Equipment	(12,948)	(1,079)	-	(14,027)
Other Equipment	(185,066)	(20,137)	-	(205,203)
Total Accumulated Depreciation	<u>(9,361,823)</u>	<u>(524,453)</u>	<u>(136,119)</u>	<u>(9,750,157)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 10,060,134</u></b>	<b><u>\$ (121,909)</u></b>	<b><u>\$ 77,253</u></b>	<b><u>\$ 9,860,972</u></b>

Depreciation has been allocated to the District's operating functions as follows:

Instruction	\$ 282,040
Supporting Services	242,413
<b>Depreciation Allocation</b>	<b><u>\$ 524,453</u></b>

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2017, are \$965,332. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General, Food Service, and Designated Grants Funds.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 6: LONG-TERM DEBT**

Changes in long-term debt and the current portion of each obligation are as follows:

	Balance			Balance	Current	Interest
	July 1		Payments	June 30	Portion	Expense
	2016	Advances		2017		
Series 2011 General Obligation Bonds	\$ 2,037,178	\$ -	\$ 92,461	\$ 1,944,717	\$ 96,269	\$ 82,272
PERA Net Pension Liability	17,533,160	18,639,060	-	36,172,220	-	-
<b>Totals</b>	<b>\$ 19,570,338</b>	<b>\$ 18,639,060</b>	<b>\$ 92,461</b>	<b>\$ 38,116,937</b>	<b>\$ 96,269</b>	<b>\$ 82,272</b>

**General Obligation Bonds Payable**

On December 11, 2011 the District issued \$2,373,694 of general obligation bonds used to help construct a middle school, pre-school, and administrative facility. The issuance bears an interest rate of 4.12 percent. Interest is payable semi-annually on June 1 and December 1 of each year. Principal is payable over a period of twenty years and is payable annually on December 1 of each year.

Principal and interest is payable on the outstanding obligations as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 96,269	\$ 78,111	\$ 174,380
2019	100,234	74,064	174,298
2020	104,362	69,851	174,213
2021	108,660	65,464	174,124
2022	113,136	60,897	174,033
2023-2027	639,529	229,114	868,643
2028-2032	782,527	83,170	865,697
<b>Totals</b>	<b>\$ 1,944,717</b>	<b>\$ 660,671</b>	<b>\$ 2,605,388</b>

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

#### **NOTE 7: JOINTLY GOVERNED ORGANIZATION**

The District is a participant among four Districts in a jointly governed organization to operate the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. During the year ended June 30, 2017, the District paid \$197,756 in assessments to the BOCES. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2883 South Circle Drive, Colorado Springs, CO 80906.

#### **NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to: torts; theft of; damage to; destruction of assets; errors and omissions; injuries to employees; and natural disasters.

##### Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials.

Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2017.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

##### Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

#### NOTE 9: DEFINED BENEFIT PENSION PLAN

##### **Summary of Significant Accounting Policies**

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

##### **General Information about the Pension Plan**

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

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

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

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

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

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

# EL PASO COUNTY SCHOOL DISTRICT #22

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

#### General Information about the Pension Plan (Continued)

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

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

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

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

January 1 <sup>st</sup> through December 31 <sup>st</sup>	2014 <sup>1</sup>	2015 <sup>1</sup>	2016 <sup>1</sup>
Employer contribution rate	10.15%	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%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>16.43%</b>	<b>17.33%</b>	<b>18.13%</b>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$988,571 for the plan year ended December 31, 2016 and \$1,003,257 for the fiscal year ended June 30, 2017.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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

At June 30, 2017, the District reported a liability of \$36,172,220 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 District's proportion of the net pension liability was based on District's 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 District's proportion was .1215%, which was an increase of .0227% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017 the District recognized pension expense of \$6,904,094. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 452,208	\$ (318)
Changes of assumptions or other inputs	\$ 11,737,131	\$ (163,119)
Net difference between projected and actual earnings on pension plan investments	\$ 1,209,524	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ 1,378,010
Contributions subsequent to the measurement date	\$ 509,088	\$ -
Total	\$ 13,907,951	\$ 1,214,573

\$509,088 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:

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

Year Ended June 30:	Fiscal year Total
2018	\$ (6,063,330)
2019	(5,781,706)
2020	(2,756,335)
2021	(12,065)
Total	\$ (14,613,436)

*Actuarial assumptions.* The total pension liability as of December 31, 2016 actuarial valuation was determined based on the December 31, 2015 actuarial valuation using the following rollforward assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1//07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

The actuarial assumptions used in the December 31, 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.

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

# EL PASO COUNTY SCHOOL DISTRICT #22

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

### NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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 7.50%.

*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 method and assumptions described above. In addition, the following methods and assumptions were used in the projection of cash flows:

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 16, 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 3.5%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.
- 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 Ration reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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 on 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 increase 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 GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond 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 Federal Obligation 20-year Municipal bond Index published weekly by the board of Governors of the Federal Reserve System was applied to periods on or after 2014 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting is a discount rate of 5.26 percent.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

As of the prior measurement date, the GASB Statement No. 67 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 pension plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate and the discount rate was 7.50 percent.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26%, 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%) or 1-percentage-point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension asset (liability)	\$ (45,485,404)	\$ (36,172,220)	\$ (28,587,697)

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

**NOTE 10: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

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

*Funding Policy* - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2017 program members contributed \$43,655.

## EL PASO COUNTY SCHOOL DISTRICT #22

### NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2017

#### **NOTE 11: OTHER POST-EMPLOYMENT BENEFITS**

##### Health Care Trust Fund

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

*Funding Policy* – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016 and 2015, the District contributions to the HCTF were \$59,803, \$57,533, and \$50,283 respectively, equal to their required contributions for each year.

#### **NOTE 12: 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, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

##### **TABOR Amendment**

In November 1992, Colorado voters passed Article X, Section 20, (the TABOR Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. On November 4, 1997, voters within the District authorized the District to collect, retain and expend all non-property tax revenues in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$269,000 as required by the Amendment.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2017**

**NOTE 13: INTERFUND ACTIVITY**

The General and Capital Reserve Project Funds transferred to the Designated Grants Fund to provide local matches for current grant programs. A summary of these transfers is as follows:

	<u>Transfers In (Out)</u>
<u>General Fund</u>	
Transfer to Capital Reserve	\$ (76,282)
<u>Capital Reserve Projects Fund</u>	
Transfer from General Fund	<u>76,282</u>
<b>Net Transfers</b>	<b><u><u>\$ -</u></u></b>

The District has amounts owed between funds as of the end of the fiscal year. The majority of these balances are comprised of additional operating fund requirements for the District's grants and a Capital Reserve match of a food service equipment grant. A summary of the interfund balances is as follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 275	\$ 134,221
Designated Grants Fund	25,252	-
Bond Redemption Fund	-	43,187
Capital Reserve Fund	<u>154,065</u>	<u>2,183</u>
Balance	<b><u><u>\$ 179,592</u></u></b>	<b><u><u>\$ 179,591</u></u></b>

The District has recorded the following allocation of General Fund program costs to grants presented in the Designated Grants Fund as shown below:

	<b>Operating Cost Allocations</b>	<b>Title Cost Allocations</b>	<b>Total Allocation</b>
<b><u>General Fund Allocation</u></b>			
Instruction	\$ (430,417)	\$ (181,032)	\$ (611,449)
<b><u>Designated Grant Allocation</u></b>			
NCLB Title VIII - Impact Aid	429,611	-	429,611
Race to the Top - Early Childhood Readines	806	-	806
NCLB Title I, Improving Basic Programs	-	150,452	150,452
NCLB Title IIA - Teacher & Principal Training	<u>-</u>	<u>30,580</u>	<u>30,580</u>
<b>Net Allocations</b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>

**PENSION SCHEDULES**

(Required Supplementary Information – Unaudited)

**EL PASO COUNTY SCHOOL DISTRICT #22**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)  
PERA Pension Plan  
Last 10 Fiscal Years(1)**

	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
District's proportion of the net pension asset (liability)	0.121490%	0.114639%	0.105808%	0.098820%
District's proportionate share of the net pension asset (liability)	\$ (36,172,220)	\$ (17,533,160)	\$ (14,340,495)	\$ (12,604,416)
District's covered-employee payroll	\$ 5,393,186	\$ 4,995,923	\$ 4,432,583	\$ 3,983,734
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	670.70%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.16%	62.84%	64.07%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**EL PASO COUNTY SCHOOL DISTRICT #22**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA Pension Plan  
Last 10 Fiscal Years(1)**

	<u>6/30/17</u>	<u>6/30/16</u>	<u>6/30/15</u>	<u>6/30/14</u>
Contractually required contributions	\$ 988,571	\$ 865,793	\$ 728,273	\$ 618,674
Actual contributions	<u>(988,571)</u>	<u>(865,793)</u>	<u>(728,273)</u>	<u>(618,674)</u>
Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
District's covered-employee payroll	\$ 5,393,186	\$ 4,995,923	\$ 4,432,583	\$ 3,983,734
Contributions as a percentage of covered-employee payroll	18.33%	17.33%	16.43%	15.53%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

(1) - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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## **Required Supplementary Information**

EL PASO COUNTY SCHOOL DISTRICT #22  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 1,000,000	\$ 1,000,000	\$ 814,448	\$ (185,552)	\$ 801,891
Specific Ownership Taxes	120,000	120,000	99,658	(20,342)	88,656
Delinquent Taxes	4,500	4,500	2,466	(2,034)	2,843
Investment Earnings	9,500	9,500	23,261	13,761	11,723
Rent Revenue	-	-	11,055	11,055	21,464
Donations	-	-	12,916	12,916	-
Instructional Materials Fees	2,000	2,000	13,841	11,841	1,590
Local BOCES Passthrough	35,000	35,000	145,864	110,864	14,098
Other Local	30,000	30,000	167,942	137,942	(6,497)
Total Local Sources	1,201,000	1,201,000	1,291,451	90,451	935,768
<b>Intermediate Sources</b>					
Mineral Leases	100	100	52	(48)	81
Impact Fee Revenue	-	-	74	74	568
Total Intermediate Sources	100	100	126	26	649
<b>State Sources</b>					
State Equalization	7,011,447	6,832,257	6,795,679	(36,578)	6,861,586
Transportation	175,000	175,000	146,870	(28,130)	-
State Grants from CDE					
State ELPA	45,000	44,792	44,792	-	-
State Gifted and Talented	10,000	10,000	-	(10,000)	-
READ Act Grant	32,000	32,000	-	(32,000)	-
School Counselor Grant	40,000	40,000	73,726	33,726	-
AP Incentive Pay	4,500	4,500	10,500	6,000	-
Library Grant	4,000	4,000	4,000	-	-
Small Rural Schools Grant	250,000	-	259,697	259,697	-
Additional At Risk Funding	-	-	7,777	7,777	-
Other CDE State Grants	(324,190)	150,000	-	(150,000)	-
State Grants from Other Agencies					
State Vocational Education	50,000	50,000	59,923	9,923	-
State Grants Provided through BOCES	175,000	175,000	6,460	(168,540)	-
Total State Sources	7,472,757	7,517,549	7,409,424	(108,125)	6,861,586
<b>Federal Sources</b>					
Federal Grants from CDE					
Other Federal Grants	80,000	80,000	-	(80,000)	-
<b>TOTAL REVENUES</b>	<b>8,753,857</b>	<b>8,798,649</b>	<b>8,701,001</b>	<b>(97,648)</b>	<b>7,798,003</b>

(Continued)

See the accompanying Independent Auditors' Report

EL PASO COUNTY SCHOOL DISTRICT #22  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			Variance with Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	3,737,262	3,675,171	3,758,514	(83,343)	2,898,066
Benefits	1,486,106	1,512,199	1,162,524	349,675	885,323
PS - Professional	71,157	73,700	18,016	55,684	8,767
PS - Property	39,900	47,100	3,402	43,698	26,879
PS - Other	357,708	340,689	331,651	9,038	153,966
Supplies	255,557	286,500	210,344	76,156	278,488
Property	83,168	73,250	21,293	51,957	41,575
Other Expenses	(329,670)	(385,000)	(603,000)	218,000	(480,124)
Total Instruction	<u>5,701,188</u>	<u>5,623,609</u>	<u>4,902,744</u>	<u>720,865</u>	<u>3,812,940</u>
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	122,400	123,400	103,914	19,486	89,967
Benefits	44,728	48,516	36,019	12,497	29,847
PS - Professional	2,000	2,000	318	1,682	-
PS - Other	7,500	7,500	41,517	(34,017)	-
Supplies	4,200	4,200	4,025	175	1,752
Other Expenses	-	-	-	-	(6,607)
Total Pupil Support	<u>180,828</u>	<u>185,616</u>	<u>185,793</u>	<u>(177)</u>	<u>114,959</u>
<b>Staff Support</b>					
Salaries	166,253	168,124	104,282	63,842	100,734
Benefits	82,552	85,836	46,109	39,727	43,853
PS - Professional	7,000	7,000	6,357	643	3,994
PS - Property	1,500	1,500	1,149	351	1,495
PS - Other	6,500	6,500	2,230	4,270	6,151
Supplies	38,000	38,000	32,092	5,908	35,006
Other Expenses	-	4,000	-	4,000	(4,000)
Total Staff Support	<u>301,805</u>	<u>310,960</u>	<u>192,219</u>	<u>118,741</u>	<u>187,233</u>
<b>General Administration</b>					
Salaries	135,150	137,150	144,451	(7,301)	135,688
Benefits	42,487	42,681	44,838	(2,157)	41,190
PS - Professional	32,500	32,500	22,405	10,095	41,917
PS - Other	13,500	13,500	11,881	1,619	14,572
Supplies	7,000	7,000	9,415	(2,415)	9,398
Other Expenses	3,500	3,500	4,434	(934)	8,569
Total General Administration	<u>234,137</u>	<u>236,331</u>	<u>237,424</u>	<u>(1,093)</u>	<u>251,334</u>
<b>School Administration</b>					
Salaries	624,843	624,806	654,677	(29,871)	633,793
Benefits	223,985	225,551	176,600	48,951	170,158
PS - Other	17,700	16,800	6,826	9,974	15,831
Supplies	43,752	16,500	14,135	2,365	7,760
Total School Administration	<u>910,280</u>	<u>883,657</u>	<u>852,238</u>	<u>31,419</u>	<u>827,542</u>

(Continued)

See the accompanying Independent Auditors' Report

EL PASO COUNTY SCHOOL DISTRICT #22  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2017  
(With Comparative Totals for the Year Ended June 30, 2016)

	2017			Variance with Final Budget	2016 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	241,000	206,000	151,020	54,980	204,932
Benefits	87,939	80,940	46,770	34,170	58,790
PS - Professional	3,000	3,000	3,702	(702)	3,767
PS - Property	2,000	2,000	-	2,000	1,690
PS - Other	33,618	33,618	58,075	(24,457)	44,732
Supplies	18,000	18,000	34,365	(16,365)	30,052
Property	8,000	8,000	-	8,000	7,012
Other Expenses	1,000	1,000	1,117	(117)	1,943
Total Business Services	<u>394,557</u>	<u>352,558</u>	<u>295,049</u>	<u>57,509</u>	<u>352,918</u>
<b>Operations and Maintenance</b>					
Salaries	84,976	84,976	92,394	(7,418)	90,721
Benefits	32,559	32,995	37,096	(4,101)	36,664
PS - Professional	25,000	25,000	8,832	16,168	22,041
PS - Property	357,000	357,000	389,905	(32,905)	344,334
PS - Other	43,000	43,000	41,946	1,054	51,680
Supplies	205,000	205,000	286,362	(81,362)	236,649
Property	56,862	56,862	13,119	43,743	53,659
Other Expenses	(12,500)	(12,500)	-	(12,500)	(1,500)
Total Operations and Maintenance	<u>791,897</u>	<u>792,333</u>	<u>869,654</u>	<u>(77,321)</u>	<u>834,248</u>
<b>Transportation</b>					
Salaries	324,291	341,791	379,286	(37,495)	298,416
Benefits	93,174	102,127	96,680	5,447	72,588
PS - Professional	6,000	6,000	1,923	4,077	2,925
PS - Property	30,000	30,000	29,340	660	24,335
PS - Other	63,535	63,535	28,545	34,990	46,889
Supplies	177,031	177,031	147,802	29,229	123,626
Property	85,585	85,585	318,920	(233,335)	93,423
Other Expenses	-	-	-	-	(182,085)
Total Transportation	<u>779,616</u>	<u>806,069</u>	<u>1,002,496</u>	<u>(196,427)</u>	<u>480,117</u>
<b>Other Central Support</b>					
Salaries	133,995	133,995	132,603	1,392	130,316
Benefits	50,465	51,059	45,263	5,796	47,308
PS - Professional	50,000	50,000	75,880	(25,880)	87,494
PS - Property	10,000	10,000	9,285	715	10,472
PS - Other	-	-	91,727	(91,727)	-
Supplies	34,500	34,500	19,963	14,537	53,775
Property	57,600	57,600	76,884	(19,284)	272,830
Total Other Central Support	<u>336,560</u>	<u>337,154</u>	<u>451,605</u>	<u>(114,451)</u>	<u>602,195</u>
<b>Risk Management</b>					
Benefits	-	-	-	-	21
PS - Other	1,000	1,000	18,300	(17,300)	332
Total Risk Management	<u>1,000</u>	<u>1,000</u>	<u>18,300</u>	<u>(17,300)</u>	<u>353</u>
<b>Total Supporting Services</b>	<u>3,930,680</u>	<u>3,905,678</u>	<u>4,104,778</u>	<u>(199,100)</u>	<u>3,650,899</u>
<b>Other Uses</b>					
Up-Front Grant Match	-	-	6,725	(6,725)	4,341
<b>TOTAL EXPENDITURES</b>	<u>9,631,868</u>	<u>9,529,287</u>	<u>9,014,247</u>	<u>515,040</u>	<u>7,468,180</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(878,011)</u>	<u>(730,638)</u>	<u>(313,246)</u>	<u>417,392</u>	<u>329,823</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	-	-	(76,282)	(76,282)	(1,343,115)
<b>CHANGE IN FUND BALANCE</b>	<u>(878,011)</u>	<u>(730,638)</u>	<u>(389,528)</u>	<u>341,110</u>	<u>(1,013,292)</u>
<b>BEGINNING FUND BALANCE</b>	<u>3,100,000</u>	<u>3,100,000</u>	<u>2,169,852</u>	<u>(930,148)</u>	<u>3,183,144</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,221,989</u>	<u>\$ 2,369,362</u>	<u>\$ 1,780,324</u>	<u>\$ (589,038)</u>	<u>\$ 2,169,852</u>

See accompanying Independent Auditors' Report.

## **Special Revenue Funds**

EL PASO COUNTY SCHOOL DISTRICT #22  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Food Service Fund  
 For the Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>					
<b>Local Sources</b>					
Food Service Revenue	155,000	\$ 155,000	\$ 98,785	\$ (56,215)	\$ 113,333
Other Local	-	-	1,670	1,670	378
Total Local Sources	155,000	155,000	100,455	(54,545)	113,711
<b>State Sources</b>					
State Grants from CDE					
State Match - Child Nutrition	10,000	10,000	4,380	(5,620)	4,202
Smart Start Nutrition	5,000	5,000	2,446	(2,554)	1,910
State K-2 Reduced Lunch	10,000	10,000	3,716	(6,284)	3,450
Additional At Risk Funding	9,000	9,000	-	(9,000)	-
Total State Sources	34,000	34,000	10,542	(23,458)	9,562
<b>Federal Sources</b>					
Federal Grants from CDE					
School Breakfast Program	59,000	59,000	76,455	17,455	71,308
Special Milk Program	4,000	4,000	949	(3,051)	973
National School Lunch Program	275,000	275,000	267,428	(7,572)	261,198
Summer Food Service Program	7,000	7,000	19,159	12,159	7,072
Federal Fresh Fruit & Vegetable	-	-	-	-	20,707
Federal Grants from Other State Agencies					
Commodities	-	-	33,343	33,343	31,117
Total Federal Sources	345,000	345,000	397,334	52,334	392,375
<b>TOTAL REVENUES</b>	<b>534,000</b>	<b>534,000</b>	<b>508,331</b>	<b>(25,669)</b>	<b>515,648</b>
<b>EXPENDITURES</b>					
<b>Food Service</b>					
Salaries	201,500	201,500	156,722	44,778	158,418
Benefits	101,910	101,910	68,859	33,051	65,101
PS - Professional	7,000	7,000	3,454	3,546	1,278
PS - Property	5,000	5,000	2,175	2,825	1,911
PS - Other	16,700	16,700	8,438	8,262	20,121
Supplies	23,000	23,000	329	22,671	20,521
Food	204,300	208,000	284,138	(76,138)	292,088
Commodities	1,000	1,000	33,343	(32,343)	31,117
Property	7,000	7,000	-	7,000	6,256
<b>TOTAL EXPENDITURES</b>	<b>567,410</b>	<b>571,110</b>	<b>557,458</b>	<b>13,652</b>	<b>596,811</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(33,410)</b>	<b>(37,110)</b>	<b>(49,127)</b>	<b>(12,017)</b>	<b>(81,163)</b>
<b>BEGINNING FUND BALANCE</b>	<b>100,000</b>	<b>100,000</b>	<b>10,253</b>	<b>(89,747)</b>	<b>91,416</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 66,590</b>	<b>\$ 62,890</b>	<b>\$ (38,874)</b>	<b>\$ (101,764)</b>	<b>\$ 10,253</b>

See accompanying Independent Auditors' Report.

EL PASO COUNTY SCHOOL DISTRICT #22  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Designated Grants Fund  
 For the Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>					
<b>Local Sources</b>					
Donations	\$ -	\$ -	\$ -	\$ -	\$ 1,000
<b>State Sources</b>					
Transportation	-	-	-	-	182,085
State Grants from CDE					
ELPA Professional Development	-	-	-	-	27,765
State ELPA	-	-	-	-	18,667
School Counselor Grant	-	-	-	-	39,567
READ Act Grant	-	-	48,283	48,283	31,706
Library Grant	-	-	-	-	4,000
Advanced Placement Incentives Grant	-	-	-	-	4,500
State Vocational Education	-	-	-	-	31,581
State Grants Provided through BOCES	-	-	-	-	192,546
Total State Sources	-	-	48,283	48,283	532,417
<b>Federal Sources</b>					
Federal Grants from CDE					
NCLB Title I, Part A - Improving Basic Programs	140,000	140,000	150,452	10,452	147,587
NCLB Title III, Part A - English Language Acquisition	7,000	7,000	-	(7,000)	-
NCLB Title II, Part A - Teacher & Principal Training	29,000	29,000	30,580	1,580	29,694
National School Lunch Equipment	-	-	-	-	12,529
Race to the Top - Early Childhood Readiness	1,000	1,000	806	(194)	671
Medicaid Reimbursement	1,000	1,000	-	(1,000)	-
Federal Grants from Other State Agencies					
Carl Perkins Vocational Education	-	-	32,705	32,705	6,034
Direct Federal Revenue					
NCLB Title VIII - Impact Aid	270,000	270,000	429,611	159,611	287,293
Federal Provided through BOCES	-	-	8,534	8,534	7,848
Total Federal Sources	448,000	448,000	652,688	204,688	491,656
<b>TOTAL REVENUES</b>	<b>448,000</b>	<b>448,000</b>	<b>700,971</b>	<b>252,971</b>	<b>1,025,073</b>

(Continued)

See the accompanying Independent Auditors' Report

EL PASO COUNTY SCHOOL DISTRICT #22  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Designated Grants Fund  
 For the Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017				2016 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	55,900	50,900	50,113	787	901,411
Benefits	16,196	14,106	6,704	7,402	299,460
PS - Professional	-	-	-	-	71,977
PS - Property	-	-	-	-	1,028
PS - Other	-	-	-	-	249,999
Supplies	-	-	32,705	(32,705)	45,717
Other Expenses	342,500	342,500	611,449	(268,949)	487,651
Total Instruction	<u>414,596</u>	<u>407,506</u>	<u>700,971</u>	<u>(293,465)</u>	<u>2,057,243</u>
<b>Pupil Support</b>					
Salaries	-	-	-	-	16,038
Benefits	-	-	-	-	6,437
PS - Professional	-	-	-	-	1,727
PS - Other	-	-	-	-	5,692
Supplies	-	-	-	-	3,066
Other Expenses	1,000	1,000	-	1,000	6,607
Total Pupil Support	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>39,567</u>
<b>Staff Support</b>					
Salaries	31,000	31,000	-	31,000	-
Benefits	8,004	7,755	-	7,755	-
Other Expenses	-	-	-	-	4,000
Total Staff Support	<u>39,004</u>	<u>38,755</u>	<u>-</u>	<u>38,755</u>	<u>4,000</u>
<b>Transportation</b>					
Salaries	-	-	-	-	56,710
Benefits	-	-	-	-	15,344
Supplies	-	-	-	-	710
Other Expenses	-	-	-	-	182,085
Total Transportation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,849</u>
<b>Food Service</b>					
Property	-	-	-	-	14,712
<b>TOTAL EXPENDITURES</b>	<u>454,600</u>	<u>447,261</u>	<u>700,971</u>	<u>(253,710)</u>	<u>2,370,371</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	-	-	-	-	1,345,298
<b>CHANGE IN FUND BALANCE</b>	(6,600)	739	-	(739)	-
<b>BEGINNING FUND BALANCE</b>	-	-	-	-	-
<b>ENDING FUND BALANCE</b>	<u>\$ (6,600)</u>	<u>\$ 739</u>	<u>\$ -</u>	<u>\$ (739)</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

## **Other Supplementary Information**

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## **Debt Service Fund**

EL PASO COUNTY SCHOOL DISTRICT #22  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Bond Redemption Fund  
 For the Year Ended June 30, 2017  
 (With Comparative Totals for the Year Ended June 30, 2016)

	2017		Variance with Final Budget	2016 Actual
	Final Budget	Actual		
<b>REVENUES</b>				
<b>Local Sources</b>				
Property Taxes	\$ 213,909	\$ 296,765	\$ 82,856	\$ 296,986
Delinquent Taxes	1,000	916	(84)	1,023
Investment Earnings	1,500	4,088	2,588	1,192
<b>TOTAL REVENUES</b>	<u>216,409</u>	<u>301,769</u>	<u>85,360</u>	<u>299,201</u>
<b>EXPENDITURES</b>				
<b>Debt Service</b>				
Principal	134,412	92,461	41,951	88,804
Interest	81,997	82,272	(275)	86,005
<b>TOTAL EXPENDITURES</b>	<u>216,409</u>	<u>174,733</u>	<u>41,676</u>	<u>174,809</u>
<b>CHANGE IN FUND BALANCE</b>	-	127,036	127,036	124,392
<b>BEGINNING FUND BALANCE</b>	<u>200,000</u>	<u>477,070</u>	<u>277,070</u>	<u>352,678</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 200,000</u>	<u>\$ 604,106</u>	<u>\$ 404,106</u>	<u>\$ 477,070</u>

See accompanying Independent Auditors' Report.

## **Capital Projects Fund**

EL PASO COUNTY SCHOOL DISTRICT #22  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Capital Reserve Project Fund  
For the Year Ended June 30, 2017

	2017			
	Original and Final Budget	Actual	Variance with Final Budget	2016 Actual
<b>REVENUES</b>				
<b>Local Sources</b>				
Specific Ownership Taxes	\$ 40,000	\$ 36,879	\$ (3,121)	\$ 32,784
Investment Earnings	-	750	750	458
Rent Revenue	62,400	-	(62,400)	62,760
Insurance Proceeds	-	-	-	77,795
Other Local	-	-	-	63,722
Total Local Sources	102,400	37,629	(64,771)	237,519
<b>State Sources</b>				
State Grants from CDE				
Best Capital Construction Program	-	73,848	73,848	-
State Grants from Other Agencies				
Other Agency State Grants	343,913	-	(343,913)	-
Total State Sources	343,913	73,848	(270,065)	-
<b>TOTAL REVENUES</b>	<b>446,313</b>	<b>111,477</b>	<b>(334,836)</b>	<b>237,519</b>
<b>EXPENDITURES</b>				
<b>Facilities/Capital Outlay</b>				
PS - Professional	1,000	10	990	30
Land and Improvements	345,913	71,474	274,439	95,702
Buildings	-	-	-	31,549
Equipment	50,000	5,009	44,991	20,780
Non-Capitalized Equipment	49,400	63,333	(13,933)	250,973
<b>TOTAL EXPENDITURES</b>	<b>446,313</b>	<b>139,826</b>	<b>306,487</b>	<b>399,034</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>-</b>	<b>(28,349)</b>	<b>(28,349)</b>	<b>(161,515)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	-	76,282	76,282	(2,183)
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>47,933</b>	<b>47,933</b>	<b>(163,698)</b>
<b>BEGINNING FUND BALANCE</b>	<b>183,230</b>	<b>219,532</b>	<b>36,302</b>	<b>383,230</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 183,230</b>	<b>\$ 267,465</b>	<b>\$ 84,235</b>	<b>\$ 219,532</b>

See accompanying Independent Auditors' Report.

## **FIDUCIARY FUND TYPE**

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established an agency fund to account for various student activity groups and contributions from private organizations. The agency fund is custodial in nature and does not involve measurement of results of operations.

**EL PASO COUNTY SCHOOL DISTRICT #22**  
**Schedule of Revenues, Expenses and Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Pupil Activity Agency Fund**  
**For the Year Ended June 30, 2017**  
**(With Comparative Totals for the Year Ended June 30, 2016)**

	2017		Variance with Final Budget	2016	
	Final Budget	Actual		Actual	Actual
<b>ADDITIONS</b>					
Local Sources	\$ 145,000	\$ 112,875	\$ (32,125)	\$ 207,898	
Transfers	-	9,508	9,508	-	
<b>TOTAL ADDITIONS</b>	145,000	122,383	(22,617)	207,898	
<b>DEDUCTIONS</b>					
Instruction	145,000	80,016	64,984	179,134	
<b>CHANGE IN NET POSITION</b>	-	42,367	42,367	28,764	
<b>BEGINNING NET POSITION</b>	60,000	74,662	14,662	45,898	
<b>ENDING NET POSITION</b>	<u>\$ 60,000</u>	<u>\$ 117,029</u>	<u>\$ 57,029</u>	<u>\$ 74,662</u>	

See accompanying Independent Auditors' Report.

## **State Compliance**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1050 - ELLICOTT 22  
 Fiscal Year 2016-17  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
<b>Governmental</b>				
10 General Fund	2,092,815	8,297,347	8,711,391	1,678,771
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	77,037	327,371	302,855	101,552
<b>Sub- Total</b>	<b>2,169,852</b>	<b>8,624,718</b>	<b>9,014,246</b>	<b>1,780,324</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	10,253	508,331	557,458	-38,874
22 Govt Designated-Purpose Grants Fund	0	700,971	700,971	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	477,070	301,769	174,733	604,106
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	219,532	187,758	139,826	267,465
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>2,876,707</b>	<b>10,323,546</b>	<b>10,587,233</b>	<b>2,613,020</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	74,662	122,384	80,017	117,029
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>74,662</b>	<b>122,384</b>	<b>80,017</b>	<b>117,029</b>

FINAL



**Colorado Department of Education**

**Balanced Budget Sheet Report**

District: 1050 - ELLICOTT 22

Fiscal Year 2016-17

Colorado School District/BOCES

ASSETS	Governmental			Proprietary			Fiduciary						Totals		
	General Funds 10,12-16	Charter School Fund 11	Preschool Fund 19	General Revenue Funds 20, 21	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-43, 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)	2,814,457	0	153,486	7,847	0	-12,289	627,867	115,533	0	0	0	0	117,029	0	3,823,980
Cash with Fiscal Agent (8105)	11,612	0	0	0	0	0	4,296	0	0	0	0	0	0	0	15,908
Taxes Receivable (6121, 8122)	40,918	0	0	0	0	0	15,129	0	0	0	0	0	0	0	56,047
Interfund Loans Receivable (8131, 8132)	275	0	0	25,252	0	0	0	154,065	0	0	0	0	0	0	179,592
Grants Accounts Receivable (8142)	122,165	0	0	806	0	4,294	0	0	0	0	0	0	0	0	127,265
Other Receivables (8151-8154, 8161)	13,869	0	0	0	0	2,470	0	0	0	0	0	0	0	0	16,339
Inventories (8171, 8172, 8173)	0	0	0	0	0	15,092	0	0	0	0	0	0	0	0	15,092
Prepaid Expenses (8181, 8182)	11,844	0	0	0	0	0	0	0	0	0	0	0	0	0	11,844
Machinery and Equipment (8241, 8242, 8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>3,016,141</b>	<b>0</b>	<b>153,486</b>	<b>33,905</b>	<b>0</b>	<b>9,566</b>	<b>647,293</b>	<b>269,648</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117,029</b>	<b>0</b>	<b>4,246,068</b>

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FUND EQUITY	Governmental			Proprietary			Fiduciary			Foundations Fund 85	Totals				
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service 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
Non-spendable Fund Balance 6710	11,644	0	0	0	0	2,777	0	0	0	0	0	0	0	14,621	
Restricted Fund Balance 6720	0	0	0	0	0	604,106	0	0	0	0	0	0	0	604,106	
TABOR 3% Emergency Reserve 6721	269,000	0	0	0	0	0	0	0	0	0	0	0	0	269,000	
TABOR Multi-Year 6722	125,000	0	0	0	0	0	0	0	0	0	0	0	0	125,000	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	101,552	0	0	0	0	0	0	0	0	0	0	101,552	
Full Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Risk Retainer / Reallocated Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BEST Capital Reserve 6727	0	0	0	0	0	56,000	0	0	0	0	0	0	0	56,000	
Committed Fund Balance 6750	0	0	0	0	0	211,465	0	0	0	0	0	0	0	211,465	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unassigned Fund Balance 6770	1,272,927	0	0	0	0	41,651	0	0	0	0	0	0	117,029	1,348,305	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Fund Equity</b>	<b>1,678,771</b>	<b>0</b>	<b>101,552</b>	<b>0</b>	<b>0</b>	<b>-38,874</b>	<b>604,106</b>	<b>267,465</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117,029</b>	<b>2,730,049</b>	
	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 Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	<b>3,015,141</b>	<b>0</b>	<b>153,486</b>	<b>33,905</b>	<b>0</b>	<b>9,566</b>	<b>647,293</b>	<b>269,648</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>117,029</b>	<b>0</b>	<b>4,246,068</b>
	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 Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Do Assets=Liability+Fund Equity</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>

4/4/18

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