

**EDISON SCHOOL DISTRICT 54JT
YODER, COLORADO
BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2017**



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EDISON SCHOOL DISTRICT 54JT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2017

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INDEPENDENT AUDITORS' REPORT

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

I have audited the accompanying financial statements of the governmental activities, each major fund, of the Edison School District 54JT, Yoder, Colorado (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the District as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

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

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

Colorado Springs, Colorado
October 6, 2017

Handwritten signature and initials, possibly reading "M. J. O. CPA PC".

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017**

The discussion and analysis of Edison School District 54JT's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

Financial Highlights – Financial Statements as of June 30, 2017

- The assets of the District exceed its liabilities at the close of June 30, 2017 by \$12,730,348 (net assets) as reported in the government-wide financial statements.
- The District's government-wide total net assets increased by \$11,263,744 over the prior fiscal year.
- Program revenues for \$12,691,338 offset expenses from governmental activities of \$4,017,911. General revenues from property taxes and state equalization amounted to \$2,402,708.
- At the close of June 30, 2017, the District reported \$1,374,698 combined fund balances (budget basis) for the Governmental Funds, an increase of \$35,372. Revenues exceeded Expenditures by \$35,372 before transfers. An additional \$29,432 was transferred to the Food Service Fund for operations.

Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017

Overview of the Financial Statements

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The statement of net assets presents information about all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Both of the government-wide financial statements distinguish functions of the District that are supported by taxes from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the District include instruction and support services and facility construction.

The government-wide financial statements can be found on pages 6-7 of this report.

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

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

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

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

Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017

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

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

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

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

Government-wide Financial Analysis

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

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

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and unearned revenues. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2017.

Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$12,730,348 at the close of the most recent fiscal year.

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 2,213,776	\$ 1,756,479
Capital assets	16,443,900	3,769,464
Total Assets	<u>18,657,676</u>	<u>5,525,943</u>
Deferred outflow of resources	2,241,401	523,016
Current and other liabilities	883,994	463,421
Long-term liabilities outstanding	7,164,436	3,973,033
Total Liabilities	<u>8,048,430</u>	<u>4,436,454</u>
Deferred inflow of resources	120,299	145,901
Net Position		
Invested in capital assets, net of related debt	15,187,698	3,127,884
Restricted for:		
TABOR	72,000	69,000
Preschool		
Insurance		
Student Activities		
Debt Service	66,576	70,026
Capital Projects	37,963	268,377
Unrestricted	(2,633,889)	(2,068,683)
As restated		
Total Net Position	<u>\$ 12,730,348</u>	<u>\$ 1,466,604</u>

The District's reported assets consist of current assets of \$2,213,776 and capital assets of \$16,443,900. The ratio of Current Assets to Current Liabilities of 2.50 to 1 indicates the District's ability to meet current obligations.

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017**

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Charges for services	\$ 46,125	\$ 58,649
Operating and capital grants and contributions	12,645,213	1,124,767
General revenues:		
Property taxes	164,547	160,798
Specific ownership taxes	11,564	9,635
State Equalization	2,226,597	2,154,460
Loss – Asset Disposal		(51,508)
Other Sources	175,865	72,225
Interest	11,744	5,699
Total Revenues	<u>2,590,317</u>	<u>3,534,725</u>
Expenses:		
Instruction	2,450,259	1,529,869
Support services	1,392,967	843,241
Capital outlay		
Professional services		
Debt service – interest	25,560	23,508
Facilities construction	6,753	22,819
Depreciation		
Food services	142,372	87,244
Total Expenses	<u>4,017,911</u>	<u>2,506,681</u>
Transfers		
Change in Net Position	11,263,744	1,028,044
Net Position – Beginning, as restated	<u>1,466,604</u>	<u>438,560</u>
Net Position – Ending	<u>\$ 12,730,348</u>	<u>\$ 1,466,604</u>

Governmental activities. Governmental activities increased the District’s net position in 2016 by \$1,028,044 and increased the net position in 2017 by \$11,263,744.

Financial Analysis of the Government’s Funds

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

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017**

Governmental funds. The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District’s governmental funds reported a combined ending fund balance of \$1,374,698, an increase of \$35,372 on a budget basis.

- Revenue exceeded expenditures and transfers out of the General Fund by \$969,522 increasing fund balance to \$1,233,733.

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

Capital assets. The District’s investment in capital assets for governmental activities as of June 30, 2017 amounts to \$ 16,443,900 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, food service equipment, office and instructional equipment.

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Governmental Fund	\$	\$
Capital Assets		
Land and Building	8,512	8,512
Improvement	3,602,001	3,602,001
Equipment	267,691	267,691
Vehicles	219,794	230,966
Construction in Progress	13,753,283	968,167
Less: Accumulated Depreciation	<u>17,851,281</u>	<u>5,077,337</u>
	1,407,381	1,307,873
Total Governmental Funds Capital Assets	<u>\$ 16,443,900</u>	<u>\$ 3,769,464</u>

Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2017

Economic Factors and Next Year's Budget

- The overriding concern in this budget was the concern of the ever growing negative factor from the state. It looks as though the district will receive a slight increase in per pupil funding for the 2017-2018 school year. This is still not enough to fill in the funding gaps but will help.
- Property and personal taxes continue to decrease, resulting in more of the funding coming from the state.
- The cost of fuel, electricity, and maintenance items continue to increase and the increase in utilities for the new building is unknown. We will need a year or two to determine exactly what the cost will be.
- The 2015-2016 count was 117 plus 62 prep students. The 2016-2017 count was 131 plus 112 prep students. The count for 2017-2018 will be 133 plus 95 prep students.
- The district purchased a newer bus for the college route and to serve as an activity bus.
- Edison District raised the base on our salary effective for the 2017-2018 school year in order for us to stay competitive in the labor market.
- The students are performing in the top of the state on state mandated tests as evidenced with our Accredited With Distinction rating this year.
- Edison's benefit package is lower than most districts in the state. Our benefits package will make staff recruitment difficult in coming years. The district raised the employee health benefit to \$400.00 to help alleviate the increase in health care premiums
- BOCES costs will decrease in the 2017-2018 school year due to the state's change in Medicaid funding.
- Edison received a Small Rural Funding Grant for textbooks that allowed us to update our entire elementary math curriculum as well as update part of the secondary curriculum.

Requests for Information

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

**BASIC FINANCIAL
STATEMENTS**

Edison School District 54JT
Statement of Net Position
June 30, 2017

	Primary Government Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,540,197
Cash with county treasurer	2,198
Accounts receivable	1,139
Property taxes receivable	4,496
Grants receivable	663,593
Inventories	2,153
Total current assets	2,213,776
Capital assets:	
Land & construction in progress	13,761,795
Depreciable assets	4,089,486
Accumulated depreciation	(1,407,381)
Capital assets, net of depreciation	16,443,900
Total assets	18,657,676
Deferred outflows of resources: See note 6	2,241,401
Liabilities	
Current liabilities:	
Accounts payable	671,873
Accrued salaries and benefits	167,205
Accrued compensated absences	19,916
General obligation bonds payable-current	25,000
Total current liabilities	883,994
Noncurrent liabilities:	
Accrued interest payable	2,173
General obligation bonds	590,000
Net pension liability	6,572,263
Total noncurrent liabilities	7,164,436
Total liabilities	8,048,430
Deferred inflows of resources: See note 6	120,299
Net position	
Invested in capital assets, net of related debt	15,187,698
Restricted for:	
Debt service	66,576
Capital projects	37,963
TABOR	72,000
Unrestricted (deficit)	(2,633,889)
Total net position	\$ 12,730,348

See accompanying notes to basic financial statements

Edison School District 54JT
Statement of Activities
Fiscal year ended June 30, 2017

	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Functions/Programs					Governmental Activities
Governmental activities:					
Regular & special education instruction	\$ 2,325,008	\$ 10,887	\$ 101,087	\$ -	\$ (2,213,034)
Cocurricular activities	125,251	25,308	-	-	(99,943)
Student services	28,349	-	-	-	(28,349)
Instructional staff	45,459	-	-	-	(45,459)
General administration	146,611	-	-	-	(146,611)
School administration	265,970	-	-	-	(265,970)
Support services - business	336,744	-	-	-	(336,744)
Operations and maintenance	335,293	-	-	-	(335,293)
Student transportation	145,976	-	31,959	-	(114,017)
Support services - central	42,478	-	-	-	(42,478)
Food production costs	142,372	9,930	60,429	-	(72,013)
Pike Peak BOCES	46,087	-	-	-	(46,087)
District-wide facilities acquisition	6,753	-	-	12,451,738	12,444,985
Interest expense, unallocated	25,560	-	-	-	(25,560)
Total primary government	\$ 4,017,911	\$ 46,125	\$ 193,475	\$ 12,451,738	\$ 8,673,427
General revenues					
Taxes:					
					\$ 164,547
Local property taxes					11,564
Specific ownership taxes					2,226,597
State equalization					175,865
Other state and local sources					11,744
Interest on investments					2,590,317
Total general revenues and transfers					11,263,744
Change in net position					1,466,604
Net position July 1, 2016					\$ 12,730,348
Net position June 30, 2017					

See accompanying notes to basic financial statements

Edison School District 54JT
Balance Sheet
Governmental Funds
June 30, 2017

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets						
Cash and cash equivalents	\$ 1,420,530	\$ 20,290	\$ 19,697	\$ 64,108	\$ 15,572	\$ 1,540,197
Cash with county treasurer	1,625	-	-	573	-	2,198
Property taxes receivable	2,601	-	-	1,895	-	4,496
Accounts receivable	-	1,139	-	-	-	1,139
Grants receivable	-	-	-	-	663,593	663,593
Inventories	-	2,153	-	-	-	2,153
Total Assets	<u>\$ 1,424,756</u>	<u>\$ 23,582</u>	<u>\$ 19,697</u>	<u>\$ 66,576</u>	<u>\$ 679,165</u>	<u>\$ 2,213,776</u>
Liabilities						
Liabilities:						
Accounts payable	\$ 30,671	\$ -	\$ -	\$ -	\$ 641,202	\$ 671,873
Accrued salaries and benefits	160,352	6,853	-	-	-	167,205
Other liabilities	-	-	-	-	-	-
Total liabilities	<u>191,023</u>	<u>6,853</u>	<u>-</u>	<u>-</u>	<u>641,202</u>	<u>839,078</u>
Fund Balances - nonspendable, inventories	-	2,153	-	-	-	2,153
Fund Balances -spendable, reported in:						
Restricted fund balance, reported in:						
TABOR	72,000	-	-	-	-	72,000
Debt service	-	-	-	66,576	-	66,576
Capital projects	-	-	-	-	37,963	37,963
Committed fund balances, reported in:						
Special revenue funds	-	14,576	19,697	-	-	34,273
Unassigned fund balances, reported in:						
General fund	1,161,733	-	-	-	-	1,161,733
Total fund balances	<u>1,233,733</u>	<u>16,729</u>	<u>19,697</u>	<u>66,576</u>	<u>37,963</u>	<u>1,374,698</u>
Total Liabilities and Fund Balances	<u>\$ 1,424,756</u>	<u>\$ 23,582</u>	<u>\$ 19,697</u>	<u>\$ 66,576</u>	<u>\$ 679,165</u>	<u>\$ 2,213,776</u>

See accompanying notes to basic financial statements

Edison School District 54JT
Reconciliation of Governmental Funds Balance Sheet To
Statement of Net Position
June 30, 2017

Governmental funds total fund balances	\$	1,374,698
Add:		
Capital assets used in government activities are not considered current financial resources and, therefore, not reported in the governmental funds. reported in the governmental funds.		17,851,281
Deferred outflows of resources		2,241,401
Deduct:		
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.		(1,407,381)
Long-term liabilities for general obligation debt are not due and payable in the current period and, therefore, not reported reported in the funds:		
2015 General obligation bonds	(340,000)	
2008 General obligation bonds	(275,000)	(615,000)
Net pension liability		(6,572,263)
Deferred inflows of resources		(120,299)
Compensated absences payable		(19,916)
Accrued interest payable		(2,173)
Government activities net position	\$	12,730,348

See accompanying notes to basic financial statements

Edison School District 54JT
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
Fiscal year ended June 30, 2017

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues						
Local sources	\$ 326,947	\$ 9,930	\$ 25,308	\$ 47,660	\$ -	\$ 409,845
State sources	2,305,613	1,596	-	-	12,451,738	14,758,947
Federal sources	54,030	58,833	-	-	-	112,863
Total revenues	<u>2,686,590</u>	<u>70,359</u>	<u>25,308</u>	<u>47,660</u>	<u>12,451,738</u>	<u>15,281,655</u>
Expenditures						
Current:						
Regular instruction	1,345,428	-	-	-	-	1,345,428
Cocurricular activities	55,305	-	24,768	-	-	80,073
Student services	28,349	-	-	-	-	28,349
Instructional staff	23,368	-	-	-	-	23,368
General administration	88,260	-	-	-	-	88,260
School administration	127,989	-	-	-	-	127,989
Support services - business	165,790	-	-	550	-	166,340
Operations and maintenance	242,374	-	-	-	-	242,374
Student transportation	117,803	-	-	-	-	117,803
Support services - central	42,478	-	-	-	-	42,478
Food production costs	-	95,306	-	-	-	95,306
Pikes Peak BOCES	46,087	-	-	-	-	46,087
District-wide facility acquisitions	109,716	-	-	-	12,682,152	12,791,868
Debt service:						
Principal retirements	-	-	-	25,000	-	25,000
Interest and fiscal charges	-	-	-	25,560	-	25,560
Total expenditures	<u>2,392,947</u>	<u>95,306</u>	<u>24,768</u>	<u>51,110</u>	<u>12,682,152</u>	<u>15,246,283</u>
Excess(deficiency) of revenues over(under)						
Expenditures	293,643	(24,947)	540	(3,450)	(230,414)	35,372
Other financing sources (uses)						
Proceeds from issuance of bonds	-	-	-	-	-	-
Transfer in	-	29,432	-	-	-	29,432
Transfer out	(29,432)	-	-	-	-	(29,432)
Total other financing sources (uses)	<u>(29,432)</u>	<u>29,432</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	264,211	4,485	540	(3,450)	(230,414)	35,372
Fund balances at beginning of year	969,522	12,244	19,157	70,026	268,377	1,339,326
Fund balances at end of year	<u>\$ 1,233,733</u>	<u>\$ 16,729</u>	<u>\$ 19,697</u>	<u>\$ 66,576</u>	<u>\$ 37,963</u>	<u>\$ 1,374,698</u>

Edison School District 54JT
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017

Governmental funds changes in fund balances	\$	35,372
Add:		
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.		12,808,213
Principal retirement of District's long-term debt results in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against the long-term liabilities.		25,000
Deduct:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(133,777)
Interest expense is recorded on the cash basis in the funds:		
Change in accrued interest		-
Long-term payroll liabilities are expensed when paid in the funds:		
Compensated absences (accrued) paid		1,352
Pension expense adjustment		(1,472,416)
Governmental activities change in net position	<u>\$</u>	<u>11,263,744</u>

See accompanying notes to basic financial statements

EDISON SCHOOL DISTRICT 54JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

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

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

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

Reporting Entity

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

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

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for

each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and others sources not described above.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

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

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

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

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

Fund Accounting

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

- **Major Governmental Funds**

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

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

Cash and Cash Equivalents

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

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

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2016. Property taxes levied in the current year but not received at year-end are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes.

Inventories

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

Capital Assets

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

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

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

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

Liabilities

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

Deferred Inflows of Resources

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

Compensated Absences/Sick Leave

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

Budgets and Budgeting Accounting

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

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

Fund Equity

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net positions are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

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

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

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

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

For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

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

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

Restricted for Debt Service – These reserves are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded reserves at June 30, 2017 are \$66,576.

Restricted for Capital Projects – These reserves are established for amounts set aside for payments of building costs associated with the BEST grant. Recorded reserves at June 30, 2017 are \$37,963.

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

Net Position

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

Note 2 - **Deposits and Investments**

Deposits

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District is authorized by Colorado State statutes to invest in the following:

- Obligations of the United States government and certain government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Checking with interest savings accounts

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end the District's bank balance was \$1,939,942. Of the bank balance, \$250,000 was covered by FDIC insurance. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA. The District's carrying balance as of June 30, 2017 was

\$1,540,197 with the entire amount at Farmers State Bank. The difference between the District's carrying balance and bank balance is outstanding checks and deposits in transit.

Note 3 - **Property Tax**

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

Note 4 - **Capital Assets**

A summary of changes in capital assets follows:

Governmental Activities

	<u>Balance</u> <u>July 1,2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2017</u>
Non-depreciable assets:				
Land	\$ 8,512	\$ -	\$ -	\$ 8,512
Const.-in-progress	<u>968,901</u>	<u>12,785,116</u>	<u>-</u>	<u>13,753,283</u>
Total Non-depreciable	<u>\$ 976,679</u>	<u>\$ 12,785,116</u>	<u>\$ -</u>	<u>\$ 13,761,795</u>

	<u>Balance</u> <u>July 1,2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2017</u>
Depreciable Assets:				
Buildings & Sites	\$ 3,602,001	\$ -	\$ -	\$ 3,602,001
Equipment Furniture And Fixtures	267,691	-	-	267,691
Vehicles	<u>230,966</u>	<u>23,097</u>	<u>34,269</u>	<u>219,794</u>
Total Depreciable Assets	<u>\$ 4,100,658</u>	<u>\$ 23,097</u>	<u>\$ 34,269</u>	<u>\$ 4,089,486</u>

Less accumulated depreciation for:

Buildings & Sites	\$ 948,894	\$ 85,894	\$ -	\$ 1,034,788
Equipment Furniture And Fixtures	199,130	23,741	-	222,871
Vehicles	<u>159,849</u>	<u>24,142</u>	<u>34,269</u>	<u>149,722</u>
Total Accumulated Depreciation	<u>\$ 1,307,873</u>	<u>\$ 133,777</u>	<u>\$ 34,269</u>	<u>\$ 1,407,381</u>
Total Capital Assets, Net	<u>\$ 3,769,464</u>	<u>\$ 12,674,436</u>	<u>\$ -</u>	<u>\$ 16,443,900</u>

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

<u>Governmental activities:</u>	
Regular instruction	\$ <u>133,777</u>

Note 5 - **Long-Term Debt**

The following is a summary of long-term debt:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2017</u>
G.O. Bonds-2008	\$ 355,000	\$ -	\$ 15,000	\$ 340,000
G.O. Bonds-2015	<u>285,000</u>	<u>-</u>	<u>10,000</u>	<u>275,000</u>
Totals G.O Bonds	<u>640,000</u>	<u>-</u>	<u>25,000</u>	<u>615,000</u>
Sick Leave	21,268	-	1,352	19,916
Total Long-Term Debt	<u>\$ 661,268</u>	<u>\$ -</u>	<u>\$ 26,352</u>	<u>\$ 634,916</u>

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

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 10,000	\$ 8,100	\$ 18,100
2019	10,000	7,800	17,800
2020	10,000	7,500	17,500
2021	10,000	7,200	17,200
2022	10,000	6,900	16,900
2023	10,000	6,600	16,600
2024	10,000	6,300	16,300
2025	10,000	6,000	16,000
2026-2031	60,000	25,200	85,200
2032-2034	<u>135,000</u>	<u>12,825</u>	<u>147,825</u>
Total	<u>\$ 275,000</u>	<u>\$ 94,425</u>	<u>\$ 369,425</u>

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 15,000	\$ 16,440	\$ 31,440
2019	15,000	15,720	30,720
2020	15,000	15,000	30,000
2021	15,000	14,280	29,280
2022	20,000	13,440	33,440
2023	20,000	12,480	32,480
2024	20,000	11,500	31,500
2025-2030	85,000	35,875	120,875
2031-2033	<u>135,000</u>	<u>17,645</u>	<u>152,645</u>
Total	<u>\$ 340,000</u>	<u>\$ 152,380</u>	<u>\$ 492,380</u>

Note 6 - **Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are

established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$183,235 for the year ended June 30, 2017.

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

At June 30, 2017 the District reported a liability of \$6,572,263 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 proportion of the net pension liability was based on District 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 proportion was 0.0220739320%, which was a increase of 0.0001320242 from its proportion measured as of December 31, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$1,472,416. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 111,710	\$ 29,756
Changes of assumptions or other inputs	\$ 1,517,991	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 503,512	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 14,965	\$ 90,543
Contributions subsequent to the measurement date	\$ 93,223	N/A
Total	\$ 2,241,401	\$ 120,299

\$93,223 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017:	
June 30, 2018	\$ 696,573
June 30, 2019	\$ 760,579
June 30, 2020	\$ 433,372
June 30, 2021	\$ 137,355
June 30, 2022	\$ -
Thereafter	\$ -

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount rate	7.50percent
Future post-retirement benefit increases:	

PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates used in the December 31, 2015 valuations were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years. Active member mortality was based upon the same mortality rates but adjusted to 55 percent of the base rate for males and 40 percent for females. For disabled retirees, the RP-2000 Disabled Mortality Table (set back 2 years for males and females) was assumed

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

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

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 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:

Asset Class	Target Allocation	10 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non US Fixed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Real Estate	8.50%	4.90%
Opportunity Fund	6.0%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103%, at which point, the AED and SAED will each drop 0.50%

every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on 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 did not use a municipal bond index rate and the discount rate was 7.50 percent, 2.24 percent higher compared to the current measurement date.

Sensitivity of the District proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net

pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	\$8,543,942	\$6,572,263	\$4,929,197

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.

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

Plan Description. The Edison School District 54JT contributes to the Health Care Fund (HCF), a cost sharing multiple employer post-employment healthcare plan administered by the PERA. The HCF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCF benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for HCF. That report may be obtained by writing to PERA of Colorado, 1301 Pennsylvania Street, Denver, Colorado 80203 or by calling PERA’s InfoLine at 1-800-759-PERA (7372) or Denver metro area 303-832-9550.

Funding Policy. The Edison School District 54JT is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Edison School District 54JT are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the health care fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The Edison School District 54JT’s contributions to HCF for the years ending June 30, 2017, 2016, and 2015 were \$ 10,169, \$ 9,900 and \$9,879, respectively, equal to their required contributions for each year.

Note 8 - **Defined Contribution Pension Plan**

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

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,000 in 2016 and \$18,000 in 2017). Beginning January 1, 2001, an employer match was legislated, which would match 100% of a

member's eligible tax deferred retirement program contributions limited by 3.0% in 2002, 2.0% in 2003 and 1.0% in 2004 per payroll of the PERA-includable salary. Effective July 1, 2004, the State Legislature rescinded the matchmaking provision of this plan. The 401(k) Plan member contributions from the District for the year ended June 30, 2017 were \$9,146. The District has a policy whereas employees who are not receiving the District's portion of employer paid health insurance (\$150 per month) may have this amount contributed to their 401(k) plan by the District. Employer contributions to the 401(k) Plan from the District for the year ended June 30, 2017 were \$2,100.

Note 9 - **Joint Ventures**

The District participates in with the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2017 contribution amounted to \$46,087. The District's share of annual contributions to the joint venture was approximately 8% for the year ended June 30, 2017. Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

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

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

Note 11- **Risk Management**

The District participates in Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the District Board approved a resolution that authorized the District to participate in the pool. The District has participated each year since then.

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

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

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

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

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

Note 12 - **Interfund Transactions**

The following identifies cash transfers from the General Fund to the Food Service Fund at June 30, 2017:

<u>Fund</u>	<u>Transfer from</u>	<u>Transfer to</u>
General Fund	\$ 29,432	
Food Service Fund		\$ 29,432

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

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

Note 14 - **Operating Leases**

The District has entered into operating leases for several copiers and printers. Monthly rentals are \$1,064. Lease expense as of June 30, 2017 was \$17,219. The minimum annual rental commitments under these leases are as follows:

Year ended June 30:	
2018	\$ 15,290
2019	15,290
2020	15,290
2021	<u>15,290</u>
Total	<u>\$ 61,160</u>

Note 15- **Commitments and Contingencies**

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

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

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

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

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

As of June 30, 2017 for budgetary purposes the District reserved \$72,000 in the General Fund.

Note 16 **Evaluation of Subsequent Events**

The District's management has evaluated subsequent events through October 6, 2017 (the date of the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Edison School District 54JT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Property taxes	\$ 118,526	\$ 118,526	\$ 116,887	\$ (1,639)
Specific ownership taxes	6,386	6,386	11,564	5,178
Delinquent taxes and interest	300	300	351	51
Tuition	4,954	4,954	10,887	5,933
Other local sources	151,218	151,218	175,514	24,296
Interest on investments	8,000	8,000	11,744	3,744
Total local sources	<u>289,384</u>	<u>289,384</u>	<u>326,947</u>	<u>37,563</u>
State sources				
State equalization	2,230,208	2,230,208	2,226,597	(3,611)
Transportation	31,668	31,668	31,959	291
Other state sources	26,262	26,262	47,057	20,795
Total state sources	<u>2,288,138</u>	<u>2,288,138</u>	<u>2,305,613</u>	<u>17,475</u>
Federal sources				
Reap grant	28,776	28,776	28,349	(427)
Other federal sources	20,777	20,777	25,681	4,904
Total federal sources	<u>49,553</u>	<u>49,553</u>	<u>54,030</u>	<u>4,477</u>
Total revenues	<u>2,627,075</u>	<u>2,627,075</u>	<u>2,686,590</u>	<u>59,515</u>
Expenditures				
Instruction and supporting services				
Regular & special education instruction	1,358,143	1,358,143	1,345,428	12,715
Cocurricular activities	60,558	60,558	55,305	5,253
Student services	33,574	33,574	28,349	5,225
Instructional staff	20,412	20,412	23,368	(2,956)
General administration	98,274	98,274	88,260	10,014
School administration	129,652	129,652	127,989	1,663
Support services - business	158,228	158,228	165,790	(7,562)
Operations and maintenance	244,164	244,164	242,374	1,790
Student transportation	157,997	157,997	117,803	40,194
Support services - central	40,081	40,081	42,478	(2,397)
Pikes Peak BOCES	43,804	43,804	46,087	(2,283)
Facilities acquisitions	285,684	285,684	109,716	175,968
Contingency	919,510	919,510	-	919,510
Total expenditures	<u>3,550,081</u>	<u>3,550,081</u>	<u>2,392,947</u>	<u>1,157,134</u>
Excess(deficiency) of revenues over expenditures	<u>(923,006)</u>	<u>(923,006)</u>	<u>293,643</u>	<u>1,216,649</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	(46,516)	(46,516)	(29,432)	17,084
Total other financing sources (uses)	<u>(46,516)</u>	<u>(46,516)</u>	<u>(29,432)</u>	<u>17,084</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(969,522)</u>	<u>(969,522)</u>	<u>264,211</u>	<u>1,233,733</u>
Fund balances at beginning of year	969,522	969,522	969,522	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,233,733</u>	<u>\$ 1,233,733</u>

See accompanying independent auditors' report.

Edison School District 54JT
Food Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Student and adult lunch sales	\$ 8,000	\$ 8,000	\$ 9,809	\$ 1,809
Other	179	179	121	(58)
Total local sources	<u>8,179</u>	<u>8,179</u>	<u>9,930</u>	<u>1,751</u>
State sources				
Start smart nutrition program	750	750	639	(111)
Other programs	1,050	1,050	957	(93)
Total state sources	<u>1,800</u>	<u>1,800</u>	<u>1,596</u>	<u>(204)</u>
Federal sources				
National breakfast and lunch program	37,450	37,450	49,920	12,470
Other federal programs	6,000	6,000	8,913	2,913
Total federal sources	<u>43,450</u>	<u>43,450</u>	<u>58,833</u>	<u>15,383</u>
Total revenues	<u>53,429</u>	<u>53,429</u>	<u>70,359</u>	<u>16,930</u>
Expenditures				
Current:				
Salaries and benefits	49,985	49,985	44,615	5,370
Purchase services	2,000	2,000	369	1,631
Supplies	5,500	5,500	6,585	(1,085)
Food costs	42,954	42,954	43,500	(546)
Other	11,750	11,750	237	11,513
Contingency	-	-	-	-
Total expenditures	<u>112,189</u>	<u>112,189</u>	<u>95,306</u>	<u>16,883</u>
Excess(deficiency) of revenues over expenditures	<u>(58,760)</u>	<u>(58,760)</u>	<u>(24,947)</u>	<u>18,634</u>
Other financing sources (uses)				
Transfer in(out)	-	-	-	-
Transfer in(out)	46,516	46,516	29,432	(17,084)
Total other financing sources (uses)	<u>46,516</u>	<u>46,516</u>	<u>29,432</u>	<u>(17,084)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(12,244)</u>	<u>(12,244)</u>	<u>4,485</u>	<u>1,550</u>
Fund balance at beginning of year	12,244	12,244	12,244	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,729</u>	<u>\$ 1,550</u>

See accompanying independent auditors' report.

Edison School District 54JT
Pupil Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Student activities	\$ 28,544	\$ 28,544	\$ 25,308	\$ (3,236)
Interest on investments	-	-	-	-
Total local sources	<u>28,544</u>	<u>28,544</u>	<u>25,308</u>	<u>(3,236)</u>
Expenditures				
Current:				
Cocurricular activities	47,701	47,701	24,768	22,933
Contingency	-	-	-	-
Total expenditures	<u>47,701</u>	<u>47,701</u>	<u>24,768</u>	<u>22,933</u>
Excess(deficiency) of revenues over expenditures	<u>(19,157)</u>	<u>(19,157)</u>	<u>540</u>	<u>19,697</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(19,157)</u>	<u>(19,157)</u>	<u>540</u>	<u>19,697</u>
Fund balance at beginning of year	19,157	19,157	19,157	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,697</u>	<u>\$ 19,697</u>

See accompanying independent auditors' report.

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District' proportion (percentage) of the collective net pension liability	0.0220739320%	0.0219419078%	0.0234246541%
District's proportionate share of the collective pension liability	6,572,263	3,355,860	3,174,827
Employer's covered-employee payroll	935,292	956,223	943,335
District's proportionate share of the net pension liability as a percentage of it's employer's covered-employee payrol	14.23%	28.49%	29.71%
Plan fiduciary net pension as a percentage of the total pension liability	43.10%	59.20%	62.80%

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

See the accompanying Independent Auditors' Report

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>
As of June 30,			
Statutorily required contributions	\$ 183,235	\$ 172,001	\$ 163,658
Contributions in relation to the statutorily required contributions	<u>183,235</u>	<u>172,001</u>	<u>163,658</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	994,553	969,741	970,138
Contribution as a percentage of employer's covered-employee payroll	18.42%	17.74%	16.87%

See the accompanying Independent Auditors' Report

**OTHER SUPPLEMENTARY
INFORMATION**

Edison School District 54JT
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Property taxes	\$ 26,000	\$ 26,000	\$ 47,660	\$ 21,660
Delinquent taxes and interest	-	-	-	-
Other	285,000	285,000	-	(285,000)
Total local sources	<u>311,000</u>	<u>311,000</u>	<u>47,660</u>	<u>(263,340)</u>
Expenditures				
Debt Service:				
Interest expense	25,560	25,560	25,560	-
Principal	310,000	310,000	25,000	285,000
Other	5,850	5,850	550	5,300
Contingency	39,616	39,616	-	39,616
Total debt service	<u>381,026</u>	<u>381,026</u>	<u>51,110</u>	<u>329,916</u>
Excess(deficiency) of revenues over expenditures	<u>(70,026)</u>	<u>(70,026)</u>	<u>(3,450)</u>	<u>66,576</u>
Other financing sources (uses)				
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(70,026)</u>	<u>(70,026)</u>	<u>(3,450)</u>	<u>66,576</u>
Fund balance at beginning of year	70,026	70,026	70,026	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,576</u>	<u>\$ 66,576</u>

See accompanying independent auditors' report.

Edison School District 54JT
Capital Projects - Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State - Best Grant	\$ 15,115,098	\$ 15,115,098	\$ 12,451,738	\$ (2,663,360)
Interest on investments	-	-	-	-
Total revenues	<u>15,115,098</u>	<u>15,115,098</u>	<u>12,451,738</u>	<u>(2,663,360)</u>
Expenditures				
Current:				
Supporting services - central	-	-	-	-
District-wide facility acquisitions	15,380,769	15,380,769	12,682,152	2,698,617
Contingency	2,706	2,706	-	2,706
Total expenditures	<u>15,383,475</u>	<u>15,383,475</u>	<u>12,682,152</u>	<u>2,701,323</u>
Excess(deficiency) of revenues over expenditures	<u>(268,377)</u>	<u>(268,377)</u>	<u>(230,414)</u>	<u>37,963</u>
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(268,377)</u>	<u>(268,377)</u>	<u>(230,414)</u>	<u>37,963</u>
Fund balance at beginning of year	<u>268,377</u>	<u>268,377</u>	<u>268,377</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,963</u>	<u>\$ 37,963</u>

COLORADO DEPARTMENT OF EDUCATION

AUDITOR'S ELECTRONIC FINANCIAL

DATA INTEGRITY CHECK FIGURES



Colorado Department of Education
Auditors Integrity Report
 District: 1120 - EDISON 54 JT
 Fiscal Year 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	969,522	2,617,469	2,353,259	1,233,733
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	39,689	39,689	0
Sub- Total	969,522	2,657,158	2,392,947	1,233,733
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	12,244	99,791	95,306	16,729
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	19,157	25,309	24,768	19,697
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	70,026	47,660	51,110	66,576
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	268,377	12,451,738	12,682,152	37,963
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,339,326	15,281,656	15,246,284	1,374,698
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL