

cPa DIXON, WALLER & CO., INC.

LA VETA PUBLIC SCHOOLS

LA VETA, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017



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DIXON, WALLER & CO., INC.

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LA VETA PUBLIC SCHOOLS

FINANCIAL STATEMENTS

JUNE 30, 2017

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LA VETA PUBLIC SCHOOLS
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

Edward Donovan	President
Eleanor Foley	Vice-President
Cindy Campbell	Member
John Albright	Member
Matthew Dobbs	Member

SCHOOL OFFICIALS

Bree Lessar	Superintendent
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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
La Veta Public Schools
La Veta, CO 81055

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the La Veta Public Schools, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the La Veta Public Schools, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension trend data on pages i through xvii and 33 through 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the La Veta Public Schools' basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules, and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.



Trinidad, Colorado
November 28, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LA VETA SCHOOL DISTRICT RE-2
PO BOX 85, 126 EAST GARLAND
LA VETA, COLORADO 81055
719-742-3562 FAX 719-742-3959**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FY 2016/2017**

This section of the La Veta School District RE-2's annual financial report offers readers of the La Veta RE-2 School District financial statements, a narrative summary, and an analysis of the District's financial performance during the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

In 2003/2004 La Veta School District RE-2 adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*, the District is required to restate prior financial periods for the purpose of providing a comparative analysis from one fiscal year to the next.

Financial Highlights

- At the close of FY 2016/2017, the District's net position changed from (166,440) at the end of FY 2016 to (\$1,907,537) at the end of FY 2017. Affecting the District net asset position is the implementation of the accounting requirements of GASB 68, the Accounting and Financial Reporting for Pensions. GASB 68 affects the financial statement of Colorado PERA-affiliated employers. GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflow of resources, and expenditures for the PERA defined benefit pension plan. GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. At the end of FY 2017, La Veta RE-2 reported a liability of \$10,591,063 for its proportionate share of the net pension liability, an increase from \$5,194,071 at the end of FY 2016. The District's total liabilities include the net PERA pension obligation of \$10,591,063. When excluding the pension obligation, the assets of the District exceeded its liabilities by \$8,683,526. Notes to the financial statement include additional information regarding GASB 68.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$2.67 million or 80 percent of all revenues. Program specific revenues for services, grants, and contributions accounted for \$667,163 or 20 percent of \$3,339,966 in total revenues.

- The District had \$5,081,063 in expenses related to governmental activities; \$667,163 of the expenses was offset by program specific charges for services, grants and contributions.
- The District's General Fund, which includes Fund 10/General Fund and Fund19/Colorado Preschool Program (CPP), began FY 2017 with a \$743,084 fund balance. General Fund received \$2,642,904 in revenues and expended \$2,561,716 in expenditures and transfers. The fund balance in the General Fund increased by \$81,188 from July 1, 2016 to June 30, 2017. The ending fund balance in the General Fund on June 30, 2017 was \$824,272.
- The FY 2017 ending fund balance in Fund 21, the Food Service Fund, was \$26,311, an increase of \$2,574.
- The Government Designated Purpose Grants, Fund 22, accounted for \$321,070 in revenue and expenditures related to governmental activities.
- The Activities Account, Fund 23, received \$148,317 in revenues and expended \$136,254. The ending fund balance in the Activities Account was \$48,655.
- Bond Redemption, Fund 31, had a beginning fund balance of \$111,391. Total revenues totaled \$78,635. Bond property taxes accounted for \$78,377 of the total revenues. Principal and interest paid on the Series 2002 Bonds was \$82,290. The School District's long term debt was reduced by \$60,000 leaving a principal balance of \$410,000. The Bond Redemption fund balance on June 30, 2017 was \$111,391.
- The balance of \$3,348 remaining in Fund 41, the Building Fund, after the completion of the Garland Street Project, the Drainage Project, and the Playground Project was transferred to Fund 43, the Capital Reserve Capital Project.
- Fund 43, Capital Reserve/Capital Projects, had a beginning fund balance of \$64,075. CRCP received \$88,452 in revenues which includes a General Fund transfer of \$50,000 and the \$3,348 transferred from the Building Fund. Expenses totaled \$102,935. The ending fund balance in the Capital Reserve/Capital Projects Fund was \$49,592, a decrease of \$14,483.

Overview of the Financial Statements

The Management's Discussion and Analysis statement is intended to serve as an introduction to La Veta School District RE-2's basic financial statements. The basic financial statements consist of three components: (1) District-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Additionally, this report contains other supplementary information in conjunction with the basic financial statements.

The basic financial statements include two kinds of statements that present different views of the District. The basic financial statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services were financed in the short-term as well as what remain for future spending.
- Proprietary fund statements offer short and long term financial information about the activities that the District operates like businesses. The District no longer has a proprietary fund.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements.

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the finances of La Veta School District RE-2, in a manner similar to private-sector business.

The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The Statement of Net Program presents information on all of the District's assets and liabilities, with the differences between the two reported as net program. Over time, increases or decreases in net program may serve as a useful indicator of whether the financial position of LaVeta School District RE-2 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of school buildings and other facilities.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net program are reported as soon as the underlying event giving rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of La Veta RE2's financial activities are now included in governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Certain funds are required by law. Other funds control and manage money for particular purposes (such as federal grants or student activity). The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

La Veta School District RE-2 maintains seven governmental funds: General Fund, which includes the Colorado Preschool Program, the Food Service Fund, Government Designated Grants, Student Activities, Bond Redemption, Building Fund, and Capital Reserve Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. Included in the required supplementary information section is budget-to-actual information for all government funds as required by State law.

- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

La Veta School District RE-2 currently does not have any proprietary funds.

- ***Fiduciary Funds:*** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes stated by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

La Veta School District RE-2 currently does not have any fiduciary funds

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes budget-to-actual information for all funds as dictated by State law.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

All financial activities of the District are reported on the accrual basis of accounting. This section explains the differences between the current and prior year's assets, liabilities, and changes in the net assets.

Table 1 provides a comparison of the District's net position as of June 30, 2016 to June 30, 2017.

NET ASSETS	FY 2016			FY 2017		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
ASSETS						
Current and Other Assets	1,434,767	-	1,434,767	1,566,972	-	1,566,972
Capital Assets	3,717,677	-	3,717,677	3,564,246	-	3,564,246
Total Assets	5,152,444	-	5,152,444	5,131,218	-	5,131,218
DEFERRED OUTFLOW OF RESOURCES						
District contributions subsequent to pension measurement date	147,874	-	147,874	152,952	-	152,952
Difference in actual & projected pension investment earnings	602,487	-	602,487	4,155,805	-	4,155,805
Total Deferred Outflow of Resources	750,361	-	750,361	4,308,757	-	4,308,757
LIABILITIES						
Current and Other Liabilities	250,701	-	250,701	265,301	-	265,301
Net PERA Pension Liability	5,194,071	-	5,194,071	10,591,063	-	10,591,063
Long Term Liabilities	470,000	-	470,000	410,000	-	410,000
Total Liabilities	5,914,772	-	5,914,772	11,266,364	-	11,266,364
DEFERRED INFLOW OF RESOURCES						
Difference in Pension Expected & Actual Experience	154,473	-	154,473	81,148	-	81,148
NET ASSETS						
Invested in capital assets, Net of Related Debt	3,247,677	-	3,247,677	3,154,246	-	3,154,246
Restricted for:						
Tabor Reserve	80,900	-	80,900	85,000	-	85,000
Multi Year Obligations	-	-	-	-	-	-
Preschool	-	-	-	-	-	-
Food Service	23,737	-	23,737	26,311	-	26,311
Insurance	-	-	-	-	-	-
Debt	115,046	-	115,046	111,391	-	111,391
Unrestricted	(3,633,800)	-	(3,633,800)	(5,284,485)	-	(5,284,485)
TOTAL NET POSITION	(166,440)	-	(166,440)	(1,907,537)	-	(1,907,537)

The Statement of Net Program reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2017, consisting of accounts payable, accrued salaries and benefits, and internal payables. The difference between the District's assets and liabilities is its net program. In FY 2017, the District-wide net program decreased by \$1,741,097.

Changes in Net Program

The District's Governmental Activities are reported on the accrual basis of accounting. A condensed financial comparison of revenues and expenditures from FY 2016 to FY 2017 shows the District's net program in total government activities increased by \$135,272.

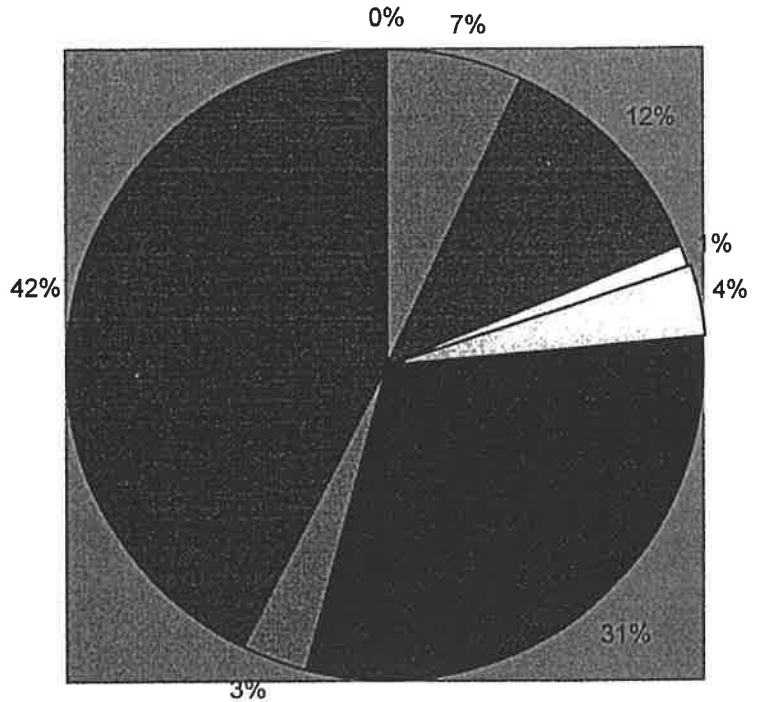
Table 2 provides a summary and comparison of the changes in the net program from FY 2016 to FY 2017.

Changes in Net Program	2016			2017		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenues						
Charges for Services	146,020	-	146,020	232,046	-	232,046
Operating Grants and Contributions	506,361	-	506,361	400,117	-	400,117
Capital Grants and Contributions	591,350	-	591,350	35,000	-	35,000
Property taxes	1,003,310	-	1,003,310	1,027,442	-	1,027,442
Specific Ownership Taxes	111,512	-	111,512	108,292	-	108,292
Equalization	1,327,701	-	1,327,701	1,414,524	-	1,414,524
Earnings on investments	791	-	791	3,677	-	3,677
Other Revenues	13,739	-	13,739	118,868	-	118,868
Transfers	-	-	-	-	-	-
TOTAL REVENUES	3,700,784	-	3,700,784	3,339,966	-	3,339,966
Expenses						
Instructional Services	1,808,335	-	1,808,335	1,891,272	-	1,891,272
Student Support	178,472	-	178,472	178,583	-	178,583
Instructional Staff	82,905	-	82,905	91,465	-	91,465
District Administration	197,685	-	197,685	193,619	-	193,619
School Administration	71,959	-	71,959	81,495	-	81,495
Business Support	147,331	-	147,331	156,489	-	156,489
Operation and Maintenance of Facilities	350,816	-	350,816	344,337	-	344,337
Transportation	107,652	-	107,652	98,780	-	98,780
Central Support	138,611	-	138,611	139,010	-	139,010
Capital Outlay	-	-	-	-	-	-
Food Service	115,025	-	115,025	118,682	-	118,682
Interest on Long Term Liabilities	24,725	-	24,725	22,060	-	22,060
Pension Amortization	213,577	-	213,577	1,765,271	-	1,765,271
TOTAL EXPENSES	3,437,093	-	3,437,093	5,081,063	-	5,081,063
Change in Net Position	263,691	-	263,691	(1,741,097)	-	(1,741,097)
Beginning Net Position (As Restated)	(301,712)	-	(301,712)	(166,440)	-	(166,440)
Prior Period Adjustment	(128,419)	-	(128,419)	-	-	-
Total Net Program	(166,440)	-	(166,440)	(1,907,537)	-	(1,907,537)

TABLE 3

**La Veta School District RE-2
Government-Wide
Total Revenues FY 2016**

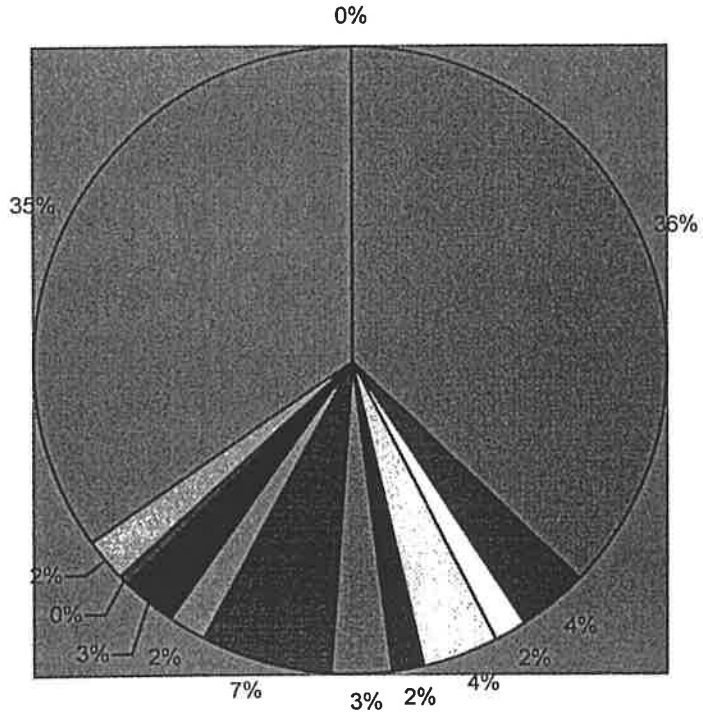
- Charges for Service
- Operating Grants & Contributions
- Capital Grants & Contributions
- Other Revenue
- Local Property Tax
- Specific Ownership Tax
- Equalization
- Earning on Investments



PRIMARY GOVERNMENT REVENUE	
(Government Activities and Business Type Activities)	
FY 2017	
Charges for Services	\$ 232,046
Operating Grants and Contributions	\$ 400,117
Capital Grants and Contributions	\$ 35,000
Local Property Tax	\$ 1,027,442
Specific Ownership Tax	\$ 108,292
Equalization	\$ 1,414,524
Earnings on Investment	\$ 3,677
Other Revenue	\$ 118,868
Total Primary Government Revenue	\$ 3,339,966

**Table 4
La Veta School District RE-2
Government-Wide
Total Expenditures FY 2017**

- Instruction
- Student Support
- Instructional Staff
- District Administration
- School Administration
- Business Support
- Operations & Maintenance
- Transportation
- Central Support
- Interest Long Term Debt
- Food Service
- Pension Amortization
- Slice 13



Primary Government Expenditures	
(Includes Government Activities and Business-Type Activities)	
FY 2017	
Instruction	\$ 1,891,272
Student Support	\$ 178,583
Instructional Support	\$ 91,465
District Administration	\$ 193,619
School Administration	\$ 81,495
Business Support	\$ 156,489
Operation & Maintenance	\$ 344,337
Transportation	\$ 98,780
Central Support	\$ 139,010
Capital Outlay	\$ -
Food Service	\$ 118,682
Interest on Long Term Debt	\$ 22,060
Pension Amortization	\$ 1,765,271
Total Primary Government Expenditures	\$ 5,081,063

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this Act, the District received \$11,259.13 per funded in-school student in FY 2017. The per-funded pupil amount included an 11.52% negative factor adjustment which totaled (\$310,969). Total program per-pupil funding would have been \$12,724.58 without the negative factor adjustment. The total funded pupil count for FY 2017 was 212.2, down from 213.6 in FY 2016.

Funding for the School Finance Act comes from property taxes, specific ownership taxes, and state equalization. In the General Fund, the District received \$2,550,258 in funding from these sources: 55.46% from state equalization, 40.29% from local property taxes, and 4.25% from specific ownership taxes.

The statement of activities provides the cost of program services and the related changes for services and grants offsetting those costs. Table 7 reflects each programs net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs).

Governmental Activities by Major Function	2016			2017		
	Total Cost of Service	Program Revenue & Aid	Net Cost of Service	Total Cost of Service	Program Revenue & Aid	Net Cost of Service
Governmental Activities						
Instructional Services	1,808,335	558,584	(1,249,751)	1,891,272	520,541	(1,370,731)
Support Services						
Student Support	178,472		(178,472)	178,583		(178,583)
Instructional Staff	82,905		(82,905)	91,465		(91,465)
District Administration	197,685		(197,685)	193,619		(193,619)
School Administration	71,959		(71,959)	81,495		(81,495)
Business Support	147,331		(147,331)	156,489		(156,489)
Operation and Maintenance of Facilities	350,816	591,350	240,534	344,337	45,000	(299,337)
Transportation	107,652	22,290	(85,362)	98,780	21,586	(77,194)
Central Support	138,611		(138,611)	139,010		(139,010)
Food Service	115,025	71,507	(43,518)	118,682	80,036	(38,646)
Capital Outlay	-	0	-	-	0	-
Interest on Long Term Liabilities	24,725		(24,725)	22,060		(22,060)
Pension Amortization	213,577		(213,577)	1,765,271		(1,765,271)
Business-Type Activities						
Food Service Program	\$ -		-	\$ -		-
Total	3,437,093	1,243,731	(2,193,362)	5,081,063	667,163	(4,413,900)

Table 6 is a summary of the Districts capital assets.

	Governmental FY 2016	Business Type FY 2016	Total FY 2016	Governmental FY 2017	Business Type FY 2017	Total FY 2017
Capital Assets Not Being Depreciated						
Land & Sites	322,177		322,177	332,177		332,177
Construction in Progress	-		-	-		-
Capital Assets Being Depreciated						
Buildings & Improvements	3,276,415		3,276,415	3,064,268		3,064,268
Equipment & Vehicles	109,329		109,329	159,265		159,265
Food Service	9,756		9,756	8,536		8,536
Total Capital Assets	3,717,677	-	3,717,677	3,564,246	-	3,564,246

Table 7 is a summary of the La Veta School District RE-2 long-term debt transactions in FY 2017. A bond principal payment in the amount of \$60,000 was made on the General Obligation Bonds, Series 2002, leaving a balance of \$410,000.

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Compensated Absences	31,696		9,136	22,560
General Obligation Bonds Series 2000	470,000	-	60,000	410,000
Total	501,696	-	69,136	432,560

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The focus of the District's governmental funds report is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financial 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.

General Fund (Includes Fund 10/General Fund and Fund 19/Colorado Preschool Program (CPP))

The General Fund is the major operating fund of the District, providing the majority of the resources for the education and support programs. The Board of Education approved a budget in June 2016 based on enrollment projections of 222 students, a funded pupil count of 213.0, for the 2016/2017 school year.

In January 2017, the Board of Education approved a revised/finalized issuance of the budget. The primary reasons for the revision were a more precise student enrollment count (total program per-pupil funding) and an updated beginning fund balance. The FY 2017 October count was 220, the FTE count was 207.0. Averaging the enrollment over the past five years did not benefit the District, therefore, 207.0 was used as the FTE count to calculate funding. The funded pupil count was 212.2.

The FY 2017 beginning fund balance in the General Fund, Fund 10 and Fund 19, was 743,084. Revenues for the General Fund totaled \$2,642,904 and actual expenditures totaled \$2,471,716. The General Fund also transferred \$40,000 to Food Service, \$50,000 to Capital Reserve Capital Projects. The fund balance in the District's General Fund at the end of FY 2017 was \$824,272, and increase of \$81,188. A portion of this increase was due to unexpected specific ownership tax revenue.

Food Service (Fund 21)

The Food Service Fund changed from a proprietary fund to a special revenue fund and is accounted for in Fund 21. Operating revenues totaled \$80,036 which includes \$18,742 in student revenue and \$3,834 in adult revenue. The District's General Fund continues to subsidize the food service program and transferred \$40,000 in FY 2017. The ending fund balance in the Food Service Fund was \$26,311, an increase of \$2,574.

Government Designated Grants (Fund 22)

Fund 22, Government Designated Grants, is used to record financial transactions for grants received for designated programs funded by federal, state, and local sources. In FY 2017, the Government Designated Purpose Grants, Fund 22, accounted for \$321,070 in revenue and expenditures related to governmental activities.

Bond Redemption (Fund 31)

District voters approved a general obligations bond of \$1,000,000 in 2002. General Obligation Bonds, Series 2002, were issued on December 15, 2002, for the original amount of \$1,000,000. In 2002, the mill levy was set to provide property tax revenue sufficient to pay principal and interest as required by the bond amortization schedules. The Bond Redemption mill levy certified in December 2016 was 2.260 mills.

Revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest, are recorded in the Bond Redemption Fund, but are administered by a third-party custodian. The District's approved third-party custodian for the Bond Redemption Fund is UMB Corporate Trust Services. Property tax revenue in the Bond Redemption Fund totaled \$78,377. Specific ownership tax revenues generated by the bond mill levy are deposited directly into the General Fund account. Bond principal and interest payments in the amount of \$81,640 were made. The balance owed on the bond at the end of FY 2017 was \$410,000. The Bond Redemption fund balance as of June 30, 2017 was \$111,391.

Student Activity (Fund 23)

The Student Activity Fund is used to record financial transactions related to school-sponsored pupil intra-scholastic and inter-scholastic athletics and other related activities. These activities are supported in whole or in part by revenue generated from fund-raising activities and donations. The FY 2017 beginning fund balance in the Student Activity Fund was \$36,592. Revenues in the Student Activity Fund totaled \$148,317 and expenditures totaled \$117,462. The fund balance in the student activity fund as of June 30, 2017 was \$48,655.

Building Fund (Fund 41) and Capital Reserve/Capital Projects (Fund 43)

The Building Fund (Fund 41) and the Capital Reserve/Capital Project Fund (Fund 43) are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays acquisition or construction of major capital facilities and other capital assets.

At the end of FY 2016, after completion of the Garland Street Project, the Campus Drainage Project, and the Playground Project, Fund 41 Building Fund had a balance of \$3,348 which was transferred to Fund 43 Capital Reserve Capital Projects in FY 2017. Fund 4, the Building Fund, was closed and will not be utilized unless a bond for construction is passed.

The beginning fund balance in Fund 43, Capital Reserve Capital Projects was \$64,075. The General Fund transferred \$50,000 to CRCP in FY 2017.

A BEST Grant application was submitted to CDE for a telephone system, doors, controlled entry, and a camera system. The grant application made the short list of grants considered, but it was not funded. It was determined that the District could not wait for another grant cycle before replacing the phone system, therefore, the Board approve the purchase of a new phone system with funds from CRCP at the beginning of FY 2018. The Board also approved the submittal of another BEST grant application in the amount of \$130,782 for the replacement of the bleachers and heating units in the Rodger Brunelli Gymnasium. If approve, the District's match for the project will be \$64,415.

A 2017 Thomas 14-passenger bus was purchased in August 2016 for \$55,500. A USDA grant for \$25,000 and a \$10,000 grant from the Huerfano County Mineral Lease District were approved and used to offset the cost of this bus. Funds from CRCP were used to pay the balance of \$20,500. The District will conduct a study to determine the need to continue bus route pickup/dropoff due to the decline in the number of students utilizing the service.

In FY 2017, the District completed the technology network upgrades. The District is now able to fully utilize broadband capacity and insure that all work stations can take advantage of the available upload/download speeds.

A Settlement Agreement with Release of Claims and an Easement Agreement was finalized between La Veta School District RE-2 and Donald H. Wickwire and Ann J. Wickwire regarding the property line of the preschool building and fence line. The purchase price of \$10,000 for an easement on the property was remitted in full for final settlement of the claims against the District.

The fund balance at the end of FY 2017 in Fund 43/Capital Reserve/Capital Projects was \$49,592, a decrease of \$14,483.

Governmental Activities
FY 2017 Budget-to-Actual Summary Statement

	FY 2017 Original Budget (June 2016)	FY 2017 Final Budget (January 2017)	FY 2017 Actual	Variance
General Fund (Fund 10) BFB - July 1, 2016	707,661	743,085	743,085	
General Fund Revenue	2,544,684	2,634,740	2,642,904	8,164
General Fund Direct CPP Allocation	(50,441)	(33,766)	(45,020)	
General Fund Operating Transfers (In/Out)	(68,186)	(73,745)	(67,490)	6,255
General Fund Operating Expenditures	2,524,952	2,557,437	2,449,207	108,230
General Fund Reserves	608,766	712,877	0	712,877
General Fund EFB - June 30, 2017	0	0	824,272	
General Fund - Change in Fund Balance				81,187
Colorado Preschool Program (Fund 19) BFB-July 1, 2016	4,260	0	0	
CPP Allocation from General Fund	56,612	45,040	45,020	(20)
CPP Transfers (In/Out)	(22,645)	(16,890)	(22,510)	(5,620)
CPP Expenditures	38,227	28,150	22,510	5,640
CPP EFB - June 30, 2017	0	0	0	
CPP Change in Fund Balance				0
Food Service (Fund 21) BFB-July 1, 2016	17,029	23,737	23,737	
Food Service Revenue	71,500	78,972	80,036	1,064
Food Service Transfer (In/Out)	45,000	45,000	40,000	(5,000)
Fund Service Expenditures	133,529	147,709	117,462	30,247
Food Service EFB - June 30, 2017	0	0	26,311	
Food Service - Change in Fund Balance				2,574
Designated Grants (Fund 22) BFB-July 1, 2016	0	0	0	
Designated Grants Revenue	337,224	331,054	321,069	(9,985)
Designated Grants Expenditures	337,224	331,054	321,069	9,985
Designated Grants EFB - June 30, 2017	0	0	0	
Designated Grants - Change in Fund Balance				0
Pupil Activity Fund (Fund 23) BFB-July 1, 2016	0	0	36,592	
Pupil Activity Fund Revenue	187,511	175,932	148,317	(27,615)
Pupil Activity Fund Transfer (In/Out)		0	0	0
Pupil Activity Fund Expenditures	187,511	175,932	136,254	39,678
Pupil Activity EFB - June 30, 2017	0	0	48,655	
Pupil Activity Fund - Change in Fund Balance				12,063
Bond Redemption (Fund 31) BFB-July 1, 2016	114,738	115,046	115,046	
Bond Redemption Revenues	80,530	80,530	78,635	(1,895)
Bond Redemption Expenditures	82,340	82,340	82,290	50
Bond Redemption Reserve	112,928	113,236	0	113,236
Bond Redemption EFB - June 30, 2017	0	0	111,391	
Bond Redemption Fund - Change in Fund Balance				(3,655)
Building Fund (Fund 41) BFB-July 1, 2016	0	3,348	3,348	
Building Fund Revenues	0	0	0	0
Building Fund Transfer (In/Out)	0	(3,348)	(3,348)	0
Building Fund Expenditures	0	0	0	0
Building Fund EFB - June 30, 2017	0	0	0	
Building Fund - Change in Fund Balance				(3,348)
CRCP (Fund 43) BFB-July 1, 2016	64,075	64,075	64,075	
CRCP Revenues	0	60,000	35,104	(24,896)
CRCP Transfer (In/Out)	40,000	43,348	53,348	(10,000)
CRCP Expenditures	104,075	167,423	102,935	64,488
CRCP Reserves	0	0	0	0
CRCP EFB - June 30, 2017	0	0	49,592	
CRCP - Change in Fund Balance				(14,483)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- State shortfalls continue to create an overall decrease to what would be considered full funding for LaVeta RE-2. The “negative factor,” the underfunding of the school finance act, will reduce total program funding for La Veta RE-2 by approximately \$309,000 in FY 2018. The “negative factor” continues to create significant restraints on the District’s budget.
- It is anticipated that enrollment will remain stable in FY 2018. The District will pursue additional ECare slots for FY 2018, though there is no guarantee we will get them. The FY 2018 budget, submitted in June 2017, was based on a student FTE count of 207.0 and a funded pupil count of 213.1.
- The initial budget for FY 2018 projected an increase of approximately \$65,800 to the General Fund’s beginning fund balance. This is mostly due to additional unexpected specific ownership tax.
- The teacher’s salary base in LaVeta RE-2 continues to be low in comparison to other schools in the State. The school board approved increasing the teacher salary base to \$31,600 for FY 2018, a 1.94% increase to the base of the teacher salary schedule. The extra duty and coaching stipends will also be increased by 1.94%. In order to become more competitive with school districts in the surrounding area, it is desirable to again increase the teacher’s base salary by 1%, possibly 2%, for FY 2019.
- The District share of PERA increased to 19.65% in January 2017 and will increase to 20.15% in January 2018. The District share of PERA will increase by approximately \$30,000 in FY 2018 due to the increase in salaries and the percentage increase to PERA.
- The facilities in LaVeta RE-2 are very old and the need for renovations and remediation of the District campus is essential. Because of the age of the buildings, general maintenance continues to be very expensive.

A Building Facilities Taskforce Committee was formed to study and explore options for renovations or replacement of facilities. The Board approved a contract with Bennett, Wagner, Grody Architects to develop a district facilities master plan. The Facilities Taskforce, with the help of Bennett, Wagner, Grody Architects, will make a recommendation to the school board to either renovate the current buildings/campus or build a new facility on the district owned property north of town. The expectation is for the District to apply for a BEST Construction Grant in February 2018. If the BEST grant is approved, the District will go to the voters to pass a bond in November 2018.

**CONTACTING THE FINANCIAL MANAGEMENT TEAM OF
LA VETA SCHOOL DISTRICT RE-2**

This financial report is designed to provide the District's taxpayers, citizens, investor, and creditors with a general overview of the District's financial status and to demonstrate the District's accountability for the money it receives.

If there are questions regarding this report or additional information is needed, please contact Superintendent Bree Lessar or Business Manager Toni Brgoch at La Veta School District, 126 East Garland, La Veta, CO 81055, 719-742-3562.

BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
June 30, 2017

	<u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	1,195,615	1,195,615
Accounts Receivable	11,784	11,784
Accrued Revenue	-	-
Property Taxes Receivable	300,775	300,775
Grants Receivable	51,792	51,792
Inventories	7,006	7,006
Capital Assets	8,785,567	8,785,567
Accumulated Depreciation	<u>(5,221,321)</u>	<u>(5,221,321)</u>
<u>TOTAL ASSETS</u>	<u>5,131,218</u>	<u>5,131,218</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
District Contributions Subsequent to Pension Measurement Date	152,952	152,952
Pension Outflows – Plan Level	3,923,127	3,923,127
Pension Outflows – Employer Level	<u>232,678</u>	<u>232,678</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>4,308,757</u>	<u>4,308,757</u>
<u>LIABILITIES</u>		
Accounts Payable	23,507	23,507
Accrued Salaries	207,531	207,531
Accrued Interest Payable	1,690	1,690
Compensated Absences	22,560	22,560
Deferred Revenue	10,013	10,013
Net Pension Liability	10,591,063	10,591,063
Debt Payable – Current	60,000	60,000
Debt Payable – Long-Term	<u>350,000</u>	<u>350,000</u>
<u>TOTAL LIABILITIES</u>	<u>11,266,364</u>	<u>11,266,364</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Inflows – Plan Level	47,854	47,854
Pension Inflows – Employer Level	<u>33,294</u>	<u>33,294</u>
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>81,148</u>	<u>81,148</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,154,246	3,154,246
Restricted for:		
TABOR Reserve	85,000	85,000
Preschool	-	-
Food Service	26,311	26,311
Debt	111,391	111,391
Unrestricted	<u>(5,284,485)</u>	<u>(5,284,485)</u>
<u>TOTAL NET POSITION</u>	<u>(1,907,537)</u>	<u>(1,907,537)</u>

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

LA VETA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General Fund	Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	953,750	12,610	229,255	1,195,615
Accounts Receivable	9,790	-	1,994	11,784
Accrued Revenue	-	-	-	-
Due From Other Funds	29,623	-	-	29,623
Property Taxes Receivable	280,500	-	20,275	300,775
Grants Receivable	-	51,792	-	51,792
Inventories	-	-	7,006	7,006
<u>Total Assets</u>	<u>1,273,663</u>	<u>64,402</u>	<u>258,530</u>	<u>1,596,595</u>
LIABILITIES				
Accounts Payable	19,329	3,138	1,040	23,507
Accrued Salaries	182,062	21,628	3,841	207,531
Due To Other Funds	-	29,623	-	29,623
Interest Payable	-	-	-	-
Deferred Revenue	-	10,013	-	10,013
<u>Total Liabilities</u>	<u>201,391</u>	<u>64,402</u>	<u>4,881</u>	<u>270,674</u>
DEFERRED INFLOW OF RESOURCES				
Property Taxes	248,000	-	17,700	265,700
FUND BALANCES:				
Nonspendable:				
Inventories	-	-	7,006	7,006
Restricted for:				
Emergencies	85,000	-	-	85,000
Preschool	-	-	-	-
Food Service	-	-	19,305	19,305
Debt Service	-	-	111,391	111,391
Committed for:				
Capital Outlay	-	-	49,592	49,592
Assigned for:				
Pupil Activities	-	-	48,655	48,655
Instruction	-	-	-	-
Unassigned	739,272	-	-	739,272
<u>Total Fund Balances</u>	<u>824,272</u>	<u>-</u>	<u>235,949</u>	<u>1,060,221</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
	<u>1,273,663</u>	<u>64,402</u>	<u>258,530</u>	<u>1,596,595</u>

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

LA VETA PUBLIC SCHOOLS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2017

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

<u>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</u>	1,060,221
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$8,785,567 and the accumulated depreciation is \$5,221,321.	3,564,246
Property tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax revenue is not available.	265,700
Accrued interest that is not due and payable on long term debt is not reported in the funds.	(1,690)
Compensated absences are not reported as a liability in the funds.	(22,560)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(410,000)
The District's portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(10,591,063)
Deferred flows for contributions made toward the net pension obligation from December 31, 2016 until June 30, 2017 is not reported in the funds.	152,952
Net deferred pension flows – Plan Level	3,875,273
Net deferred pension flows – Employer Level	<u>199,384</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>(1,907,537)</u>

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

LA VETA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General Fund	Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	915,165	-	78,377	993,542
Specific Ownership Taxes	108,292	-	-	108,292
Earnings on Investments	3,650	-	-	3,650
Other Local Sources	123,471	-	181,254	304,725
State Aid	1,491,453	-	2,850	1,494,303
Federal Aid	873	321,070	79,611	401,554
Allocation to Reserves	-	-	-	-
<u>Total Revenues</u>	<u>2,642,904</u>	<u>321,070</u>	<u>342,092</u>	<u>3,306,066</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	1,223,160	321,070	136,254	1,680,484
Supporting Services:				
Students	178,583	-	-	178,583
Instructional Staff	87,710	-	-	87,710
District Administration	193,619	-	-	193,619
School Administration	81,495	-	-	81,495
Business	156,489	-	-	156,489
Operation & Maintenance of Facilities	335,968	-	-	335,968
Transportation	75,682	-	-	75,682
Central Support	139,010	-	-	139,010
Food Service	-	-	117,462	117,462
Debt Service:				
Principal Retirement	-	-	60,000	60,000
Interest and Fiscal Charges	-	-	22,290	22,290
Capital Outlay	-	-	102,935	102,935
<u>Total Expenditures</u>	<u>2,471,716</u>	<u>321,070</u>	<u>438,941</u>	<u>3,231,727</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>171,188</u>	<u>-</u>	<u>(96,849)</u>	<u>74,339</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(90,000)	-	90,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(90,000)</u>	<u>-</u>	<u>90,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>81,188</u>	<u>-</u>	<u>(6,849)</u>	<u>74,339</u>
<u>FUND BALANCES – Beginning</u>	<u>743,084</u>	<u>-</u>	<u>242,798</u>	<u>985,882</u>
<u>FUND BALANCES – Ending</u>	<u>824,272</u>	<u>-</u>	<u>235,949</u>	<u>1,060,221</u>

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

LA VETA PUBLIC SCHOOLS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2017

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

Net Change in Fund Balances – Total Governmental Funds 74,339

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

	102,935	
Capital Outlays more than \$5,000	(256,366)	(153,431)
Depreciation Expense		

Property tax revenues received prior to the year for which they are being levied are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities.

Deferred property tax revenues increased by this amount. 33,900

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

9,136

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

	230	
Accrued Interest		
Debt Payment		60,000

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

	(5,396,992)	
Change in net pension obligation		
Deferred flows from net pension obligations		<u>3,631,721</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (1,741,097)

NOTES TO BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of La Veta Public Schools (District) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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

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

A. Reporting Entity

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Designated Purpose Grants Fund – this fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

E. Cash and Investments

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

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

F. Receivables

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

G. Inventories

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

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

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

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

I. Long-Term Obligations

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

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

J. Constitutional Amendment

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

In November of 1999 the registered voters approved a ballot resolution authorizing the District to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (Continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2017 the District reserved \$85,000 for this purpose.

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

K. Property Taxes

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

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

L. Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2017 the District has recorded an estimated liability of \$22,560 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Accumulated Sick Leave	<u>31,696</u>	<u>-</u>	<u>9,136</u>	<u>22,560</u>

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)
Order of Fund Balance Spending Policy (Continued)

Fund Balance Classification by Fund:

	<u>General</u>	<u>Building Fund</u>	<u>Bond Fund</u>	<u>Pupil Activity</u>	<u>CRCP</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>							
Inventories	-	-	-	-	-	7,006	7,006
<u>Restricted:</u>							
Emergencies	85,000	-	-	-	-	-	85,000
Preschool	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	19,305	19,305
Debt Service	-	-	111,391	-	-	-	111,391
<u>Committed:</u>							
Capital Outlay	-	-	-	-	49,592	-	49,592
<u>Assigned:</u>							
Pupil Activities	-	-	-	48,655	-	-	48,655
<u>Unassigned</u>	<u>739,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>739,272</u>
<u>Total Fund Balances</u>	<u>824,272</u>	<u>-</u>	<u>111,391</u>	<u>48,655</u>	<u>49,592</u>	<u>26,311</u>	<u>1,060,221</u>

O. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were not included in the government wide statements during the consolidation of governmental activities.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 (Continued)

	Items Eliminated	
	Due From Other Funds	Due To Other Funds
General Fund	29,623	-
Designated Purpose Grants Fund	-	29,623
Food Service	-	-
Capital Reserve Capital Projects	-	-
Building Fund	-	-
	<u>29,623</u>	<u>29,623</u>
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	90,000	-
Food Service	-	40,000
Capital Reserve Capital Projects	-	53,348
Building Fund	3,348	-
	<u>93,348</u>	<u>93,348</u>

NOTE 3 BUDGETARY INFORMATION

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 4 CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	129,310	175,681
Cash with County Treasurer	25,473	-
Cash with Fiscal Agent	98,463	-
Cash on Hand	<u>360</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>503,606</u>	<u>425,681</u>

As presented above, deposits with a bank balance of \$175,681 and a carrying balance of \$129,310 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

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

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	State Pool	Under 60 Day Average	692,009

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

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

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

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

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

- ColoTrust Investment Pool of \$692,009 is valued using quoted market prices (Level 1 inputs)

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Capital Assets Not Being</u>				
<u>Depreciated</u>				
Land	322,177	10,000	-	332,177
Construction in Progress	-	-	-	-
<u>Total Capital Assets Not Being</u>				
<u>Depreciated</u>	<u>322,177</u>	<u>10,000</u>	<u>-</u>	<u>332,177</u>
 <u>Capital Assets Being Depreciated</u>				
Buildings &				
Site Improvements	6,993,687	-	-	6,993,687
Equipment & Vehicles	1,360,456	92,935	28,900	1,424,491
Food Service	<u>35,212</u>	<u>-</u>	<u>-</u>	<u>35,212</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>8,389,355</u>	<u>92,935</u>	<u>28,900</u>	<u>8,453,390</u>
 <u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building &				
Site Improvements	3,717,272	212,147	-	3,929,419
Equipment & Vehicles	1,251,127	42,999	28,900	1,265,226
Food Service	<u>25,456</u>	<u>1,220</u>	<u>-</u>	<u>26,676</u>
<u>Total Accumulated Depreciation</u>	<u>4,993,855</u>	<u>256,366</u>	<u>28,900</u>	<u>5,221,321</u>
 <u>Total Capital Assets Being</u>				
<u>Depreciated, Net</u>	<u>3,395,500</u>	<u>(163,431)</u>	<u>-</u>	<u>3,232,069</u>
 <u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>3,717,677</u>	<u>(153,431)</u>	<u>-</u>	<u>3,564,246</u>

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

<u>Governmental Activities</u>	
Instruction	219,924
Instructional Support	3,755
Operations and Maintenance	8,369
Transportation	23,098
Food Service	<u>1,220</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>256,366</u>

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

Contributions. Eligible employees and La Veta Public Schools 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.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the La Veta Public Schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from La Veta Public Schools were \$294,527 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 La Veta Public Schools reported a liability of \$10,591,063 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 La Veta Public Schools proportion of the net pension liability was based on La Veta Public Schools 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 La Veta Public Schools proportion was 0.0356 percent, which was an increase of 0.0016 to its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the La Veta Public Schools recognized pension expense of \$1,765,271. At June 30, 2017, the La Veta Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	132,405	(94)
Changes of assumptions or other inputs	3,436,579	(47,760)
Net difference between projected and actual earnings on pension plan investments	354,143	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	232,678	(33,294)
Contributions subsequent to the measurement date	152,952	N/A
Total	4,308,757	(81,148)

\$152,952 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017	
2018	1,623,621
2019	1,645,115
2020	802,380
2021	3,541
2022	-
Thereafter	-

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

Actuarial Cost Method	Entry Age
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage Inflation	3.90 percent
Salary increases, including wage inflation	3.90 – 10.10 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50 percent
Discount Rate	7.50 percent
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best -estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 PENSION PLAN (Continued)

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

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

- Updated economic and demographic actuarial assumptions adopted by PERA’s Board on November 18, 2016
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the La Veta Public Schools 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	13,317,922	10,591,063	8,370,136

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

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2017, program members contributed \$11,592.

Other Post-Employment Benefits

Health Care Trust Fund

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

Funding Policy – The La Veta Public Schools is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the La Veta Public Schools are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2017, 2016 and 2015, the La Veta Public Schools contributions to the HCTF were \$16,339, \$15,880 and \$14,686, respectively equal to their required contributions for each year.

NOTE 7 RISK MANAGEMENT

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

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

NOTE 8 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

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

NOTE 9 LONG TERM DEBT

The following is a summary of the transaction in the School District's long-term debt:

	<u>Balance at</u> <u>7-1-2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>6-30-2017</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds Series 2002	<u>470,000</u>	<u>-</u>	<u>60,000</u>	<u>410,000</u>	60,000

General Obligation Bonds

During the fiscal year ended June 30, 2003, the District issued general obligation bonds for the purpose of renovating school buildings within the District. The issue was made as described below:

General Obligation Bonds, Series 2002 – These bonds issued December 31, 2002 for the original amount of \$1,000,000 mature serially on December 1 in denominations of \$5,000 with interest from 2.5% to 5.0% payable semi-annually.

Bonds maturing on or after December 1, 2013 are callable for redemption at the option of the District. Additionally, the bonds bear additional interest evidenced by detachable registered coupons yielding between 2.1% and 2.7%.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 9 LONG TERM DEBT (Continued)

General Obligation Bonds, Series 2002 (continued)

The repayment schedule of the General Obligation Bonds as of June 30, 2017 is as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	4.6	60,000	18,880	78,880
2019	5	65,000	15,875	80,875
2020	5	65,000	12,625	77,625
2021	5	70,000	9,250	79,250
2022	5	75,000	5,625	80,625
2023	5	<u>75,000</u>	<u>1,875</u>	<u>76,875</u>
<u>Total</u>		<u>410,000</u>	<u>64,130</u>	<u>474,130</u>

NOTE 10 INVENTORIES

Food Service Fund inventories at June 30, 2017, consisted of USDA, purchased food, and non-food amounting to \$3,094, \$3,130 and \$782 respectively, Purchased inventories are state at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2017 are estimated to be \$207,531. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12 LITIGATION

None.

NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 14 JOINT VENTURES

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2017. The joint venture summary audited financial information as of June 30, 2016 is as follows:

Total Assets and Deferred Outflows	<u>2,980,723</u>
Total Liabilities and Deferred Inflows	7,804,017
Net Position	<u>(4,823,294)</u>
	<u>2,980,723</u>
Revenues	3,658,161
Expenditures	<u>3,253,611</u>
Excess (Deficiency)	<u>404,550</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a report with the Colorado State Auditor's office.

NOTE 15 INTERFUND BALANCES AND TRANSFERS

<u>Interfund Balances</u>	<u>Due From</u>	<u>Due To</u>
<u>Major Governmental Funds</u>		
General Fund	29,623	-
Designated Purpose Grants Fund	-	29,623
<u>Non Major Governmental Funds</u>		
Building Fund	-	-
Food Service	-	-
Capital Reserve Capital Projects	-	-
	<u>29,623</u>	<u>29,623</u>

These interfund balances occurred due to expenditures paid on behalf of another fund.

Interfund balances are expected to be paid within one year from the date of the financial statements.

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Governmental Fund</u>		
General Fund	-	90,000
<u>Non Major Governmental Funds</u>		
Food Service	40,000	-
Capital Reserve Capital Projects	53,348	-
Building Fund	-	3,348
	<u>93,348</u>	<u>93,348</u>

Transfers were made from the General Fund for the purpose of assisting operations.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Designated Purpose Grant Fund

The Designated Purpose Grant Fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

Pension Trend Data

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	924,379	949,373	915,165	(34,208)
Specific Ownership Taxes	104,379	104,379	108,292	3,913
Earnings on Investments	500	800	3,650	2,850
Delinquent Taxes & Interest	5,000	2,000	2,913	913
Other	84,249	112,424	120,558	8,134
<u>State Sources</u>				
Equalization	1,370,306	1,414,568	1,414,524	(44)
Transportation	21,000	21,000	21,586	586
Vocational Education	15,000	15,000	23,056	8,056
Other	14,470	26,470	32,287	5,817
<u>Federal Sources</u>				
Other	16,814	-	873	873
<u>TOTAL REVENUES</u>	<u>2,556,097</u>	<u>2,646,014</u>	<u>2,642,904</u>	<u>(3,110)</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Regular Programs				
Salaries	853,440	853,612	836,393	17,219
Employee Benefits	252,488	257,926	247,242	10,684
Purchased Services – Professional	550	550	-	550
Purchased Services - Property	200	200	925	(725)
Purchased Services – Other	76,050	82,050	74,764	7,286
Supplies and Materials	64,207	64,207	51,744	12,463
Property	7,500	7,500	7,663	(163)
Other Objects	5,150	5,150	4,429	721
<u>Total Instruction</u>	<u>1,259,585</u>	<u>1,271,195</u>	<u>1,223,160</u>	<u>48,035</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	119,076	110,988	103,403	7,585
Employee Benefits	35,339	32,780	28,028	4,752
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	-	-	-	-
Purchased Services - Other	42,192	42,192	45,936	(3,744)
Supplies and Materials	9,000	9,500	462	9,038
Property	-	-	-	-
Other Objects	<u>1,000</u>	<u>1,200</u>	<u>754</u>	<u>446</u>
<u>Total Student Services</u>	<u>206,607</u>	<u>196,660</u>	<u>178,583</u>	<u>18,077</u>
 <u>Instructional Staff</u>				
Salaries	47,792	47,792	54,456	(6,664)
Employee Benefits	19,188	19,188	20,384	(1,196)
Purchased Services - Professional	3,200	3,200	224	2,976
Purchased Services - Property	-	-	134	(134)
Purchased Services - Other	5,500	5,500	3,875	1,625
Supplies and Materials	2,950	6,450	8,567	(2,117)
Property	-	-	-	-
Other Objects	<u>500</u>	<u>500</u>	<u>70</u>	<u>430</u>
<u>Total Instructional Staff</u>	<u>79,130</u>	<u>82,630</u>	<u>87,710</u>	<u>(5,080)</u>
 <u>General Administration</u>				
Salaries	108,523	108,523	108,573	(50)
Employee Benefits	37,978	37,978	37,989	(11)
Purchased Services - Professional	12,250	12,250	12,333	(83)
Purchased Services - Property	-	-	-	-
Purchased Services - Other	15,000	17,500	17,684	(184)
Supplies and Materials	10,250	10,250	10,916	(666)
Property	1,500	1,500	361	1,139
Other Objects	<u>6,300</u>	<u>6,300</u>	<u>5,763</u>	<u>537</u>
<u>Total General Administration</u>	<u>191,801</u>	<u>194,301</u>	<u>193,619</u>	<u>682</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	52,060	52,060	60,716	(8,656)
Employee Benefits	16,269	16,269	19,657	(3,388)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	180	(180)
Supplies and Materials	1,800	1,800	942	858
Property	1,000	1,000	-	1,000
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>71,129</u>	<u>71,129</u>	<u>81,495</u>	<u>(10,366)</u>
 <u>Business Services</u>				
Salaries	90,806	90,806	92,783	(1,977)
Employee Benefits	24,347	24,347	24,458	(111)
Purchased Services – Professional	9,500	9,500	9,032	468
Purchased Services - Property	16,500	16,500	14,119	2,381
Purchased Services - Other	4,200	4,200	3,232	968
Supplies and Materials	9,550	9,550	8,489	1,061
Property	-	-	3,976	(3,976)
Other Objects	540	540	400	140
<u>Total Business Services</u>	<u>155,443</u>	<u>155,443</u>	<u>156,489</u>	<u>(1,046)</u>
 <u>Operations and Maintenance</u>				
Salaries	98,008	102,008	96,596	5,412
Employee Benefits	36,673	37,495	34,630	2,865
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	47,000	67,000	57,200	9,800
Purchased Services - Other	2,800	2,800	620	2,180
Supplies and Materials	159,100	159,100	143,643	15,457
Property	5,000	5,000	3,279	1,721
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>348,581</u>	<u>373,403</u>	<u>335,968</u>	<u>37,435</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	45,007	45,007	39,839	5,168
Employee Benefits	10,755	10,755	9,623	1,132
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	7,500	7,500	2,313	5,187
Purchased Services – Other	10,130	10,130	7,853	2,277
Supplies and Materials	23,000	23,000	16,042	6,958
Property	2,500	2,500	-	2,500
Other Objects	-	-	12	(12)
<u>Total Student Transportation</u>	<u>98,892</u>	<u>98,892</u>	<u>75,682</u>	<u>23,210</u>
<u>Central Support</u>				
Salaries	22,725	22,725	22,725	-
Employee Benefits	5,678	5,678	5,614	64
Purchased Services – Professional	18,000	18,000	25,260	(7,260)
Purchased Services – Property	1,000	1,000	-	1,000
Purchased Services – Other	72,031	72,031	72,724	(693)
Supplies and Materials	19,000	19,000	8,929	10,071
Property	3,500	3,500	3,758	(258)
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>141,934</u>	<u>141,934</u>	<u>139,010</u>	<u>2,924</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,293,517</u>	<u>1,314,392</u>	<u>1,248,556</u>	<u>65,836</u>
<u>APPROPRIATED RESERVES</u>	<u>608,766</u>	<u>712,877</u>	<u>-</u>	<u>712,877</u>
<u>TOTAL EXPENDITURES</u>	<u>3,161,868</u>	<u>3,298,464</u>	<u>2,471,716</u>	<u>826,748</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(605,771)	(652,450)	171,188	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(101,890)	(90,635)	(90,000)	635
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u>	(707,661)	(743,085)	81,188	
<u>FUND BALANCE, Beginning</u>	<u>707,661</u>	<u>743,085</u>	<u>743,084</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>824,272</u>	

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

LA VETA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
DESIGNATED PURPOSE GRANTS – MAJOR SPECIAL REVENUE FUND
For the Year Ended June 30, 2017

	Budget		Actual	Variance- Favorable (Unfavorable)
	Original	Budget		
<u>REVENUES:</u>				
Local Sources	57,500	-	-	-
State Sources	56,196	-	-	-
Federal Sources	<u>223,528</u>	<u>340,089</u>	<u>321,070</u>	<u>(19,019)</u>
<u>Total Revenues</u>	<u>337,224</u>	<u>340,089</u>	<u>321,070</u>	<u>(19,019)</u>
<u>EXPENDITURES:</u>				
Salaries	198,770	210,200	193,241	16,959
Employee Benefits	56,212	58,218	53,082	5,136
Purchased Services - Professional	30,335	5,871	817	5,054
Purchased Services – Property	-	-	-	-
Purchased Services - Other	-	9,315	9,102	213
Supplies and Materials	22,211	42,335	49,824	(7,489)
Property	15,000	-	3,600	(3,600)
Other Objects	<u>14,696</u>	<u>14,150</u>	<u>11,404</u>	<u>2,746</u>
<u>Total Expenditures</u>	<u>337,224</u>	<u>340,089</u>	<u>321,070</u>	<u>19,019</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	-	
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers	-	-	-	
<u>Total Other Financing Sources (Uses)</u>	-	-	-	
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	-	-	
<u>FUND BALANCES, July 1</u>	-	-	-	
<u>FUND BALANCES, June 30</u>	-	-	-	

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
District's proportion of the net pension liability (asset)	0.0356%	0.0339%	0.0330%	0.0344%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$10,591,063	\$5,194,071	\$4,475,632	\$4,387,968	-	-	-	-	-	-
District's covered-employee payroll	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	661%	334%	311%	326%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.2%	62.80%	64.06%	-	-	-	-	-	-

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF DISTRICT CONTRIBUTIONS
 For The Last 10 Fiscal Years (As Available)

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Contractually required contributions	\$ 294,527	\$ 276,322	\$ 243,349	\$ 215,166	\$ 214,098	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (294,527)</u>	<u>\$ (276,322)</u>	<u>\$ (243,349)</u>	<u>\$ (215,166)</u>	<u>\$ (214,098)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered-employee payroll	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	\$1,418,319	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.74%	16.90%	15.99%	15.10%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital Reserve Capital Project Fund

This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Building Fund

This fund accounts for the construction and improvement of district buildings.

Debt Service Fund

Bond Fund

This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Special Revenue Funds

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

Pupil Activity Fund

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

Food Service Fund

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

LA VETA PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2017

	Capital Reserve Capital Projects Fund	Building Fund	Bond Fund	Pupil Activity	Food Service	Total NonMajor Governmental Funds
ASSETS						
Cash and Investments	49,592	-	108,816	49,110	21,737	229,255
Accounts Receivable	-	-	-	-	1,994	1,994
Accrued Revenue	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Property Taxes Receivable	-	-	20,275	-	-	20,275
Grants Receivable	-	-	-	-	-	-
Inventories	-	-	-	-	7,006	7,006
<u>Total Assets</u>	<u>49,592</u>	<u>-</u>	<u>129,091</u>	<u>49,110</u>	<u>30,737</u>	<u>258,530</u>
LIABILITIES						
Accounts Payable	-	-	-	455	585	1,040
Accrued Salaries	-	-	-	-	3,841	3,841
Due To Other Funds	-	-	-	-	-	-
Interest Payable	-	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>455</u>	<u>4,426</u>	<u>4,881</u>
DEFERRED INFLOW OF RESOURCES						
Property Taxes	-	-	17,700	-	-	17,700
FUND BALANCES						
Nonspendable:						
Inventories	-	-	-	-	7,006	7,006
Restricted:						
Debt Service	-	-	111,391	-	-	111,391
Food Service	-	-	-	-	19,305	19,305
Committed:						
Capital Outlay	49,592	-	-	-	-	49,592
Assigned:						
Pupil Activities	-	-	-	48,655	-	48,655
Unassigned						
Unassigned	-	-	-	-	-	-
<u>Total Fund Balances</u>	<u>49,592</u>	<u>-</u>	<u>111,391</u>	<u>48,655</u>	<u>26,311</u>	<u>235,949</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES</u>	<u>49,592</u>	<u>-</u>	<u>129,091</u>	<u>49,110</u>	<u>30,737</u>	<u>258,530</u>

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

LA VETA PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2017

	Capital Reserve Capital Projects Fund	Building Fund	Bond Fund	Pupil Activity	Food Service	Total NonMajor Governmental Funds
REVENUES:						
Property Taxes	-	-	78,377	-	-	78,377
Specific Ownership Taxes	-	-	-	-	-	-
Earnings on Investments	-	-	-	-	-	-
Other Local Sources	10,104	-	258	148,317	22,575	181,254
State Aid	-	-	-	-	2,850	2,850
Federal Aid	<u>25,000</u>	-	-	-	<u>54,611</u>	<u>79,611</u>
Total Revenues	<u>35,104</u>	-	<u>78,635</u>	<u>148,317</u>	<u>80,036</u>	<u>342,092</u>
EXPENDITURES:						
Current:						
Instructional Services	-	-	-	136,254	-	136,254
Supporting Services:						
Students	-	-	-	-	-	-
Instructional Staff	-	-	-	-	-	-
District Administration	-	-	-	-	-	-
School Administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Operation & Maintenance of Facilities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Central	-	-	-	-	-	-
Food Service	-	-	-	-	117,462	117,462
Debt Service:						
Principal Retirement	-	-	60,000	-	-	60,000
Interest and Fiscal Charges	-	-	22,290	-	-	22,290
Capital Outlay	<u>102,935</u>	-	-	-	-	<u>102,935</u>
Total Expenditures	<u>102,935</u>	-	<u>82,290</u>	<u>136,254</u>	<u>117,462</u>	<u>438,941</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(67,831)	-	(3,655)	12,063	(37,426)	(96,849)
OTHER FINANCING SOURCES (USES)						
Transfers	<u>53,348</u>	(3,348)	-	-	<u>40,000</u>	<u>90,000</u>
NET CHANGE IN FUND BALANCES	(14,483)	(3,348)	(3,655)	12,063	2,574	(6,849)
FUND BALANCES, Beginning	<u>64,075</u>	<u>3,348</u>	<u>115,046</u>	<u>36,592</u>	<u>23,737</u>	<u>242,798</u>
FUND BALANCES, Ending	<u>49,592</u>	-	<u>111,391</u>	<u>48,655</u>	<u>26,311</u>	<u>235,949</u>

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

LA VETA PUBLIC SCHOOLS
 CAPITAL RESERVE – CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Federal Aid	50,000	25,000	(25,000)
Other Local	<u>10,000</u>	<u>10,104</u>	<u>104</u>
<u>Total Revenues</u>	<u>60,000</u>	<u>35,104</u>	<u>(24,896)</u>
<u>EXPENDITURES</u>			
Land and Land Sites	-	-	-
Building and Improvements	59,423	10,000	49,423
Equipment	48,000	37,435	10,565
Vehicles	60,000	55,500	4,500
Other	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>167,423</u>	<u>102,935</u>	<u>64,488</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(107,423)</u>	<u>(67,831)</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	<u>43,348</u>	<u>53,348</u>	<u>10,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>43,348</u>	<u>53,348</u>	<u>10,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(64,075)</u>	<u>(14,483)</u>	
<u>FUND BALANCE, July 1</u>	<u>64,075</u>	<u>64,075</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>49,592</u>	

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

LA VETA PUBLIC SCHOOLS
BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local	-	-	-
Grant Revenue	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>			
Land and Land Sites	-	-	-
Building and Improvements	-	-	-
Equipment	-	-	-
Vehicles	-	-	-
Other	-	-	-
Contingency Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>-</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	(3,348)	(3,348)	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(3,348)</u>	<u>(3,348)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	(3,348)	(3,348)	
<u>FUND BALANCE, July 1</u>	<u>3,348</u>	<u>3,348</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	

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

LA VETA PUBLIC SCHOOLS
 BOND REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Property Taxes	80,000	78,377	(1,623)
Earnings on Investments	-	-	-
Other Local	<u>530</u>	<u>258</u>	<u>(272)</u>
<u>Total Revenues</u>	<u>80,530</u>	<u>78,635</u>	<u>(1,895)</u>
 <u>EXPENDITURES:</u>			
Debt Service:			
Principal Retirement	60,000	60,000	-
Interest and Fiscal Charges	22,340	22,290	50
Other	-	-	-
Contingency	<u>113,236</u>	<u>-</u>	<u>113,236</u>
<u>Total Expenditures</u>	<u>195,576</u>	<u>82,290</u>	<u>113,286</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	(115,046)	(3,655)	
 <u>FUND BALANCE, Beginning</u>	115,046	<u>115,046</u>	
 <u>FUND BALANCE, Ending</u>	<u>-</u>	<u>111,391</u>	

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

LA VETA PUBLIC SCHOOLS
PUPIL ACTIVITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Local Sources	175,932	148,317	(27,615)
<u>Total Revenues</u>	<u>175,932</u>	<u>148,317</u>	<u>(27,615)</u>
<u>EXPENDITURES:</u>			
Student Activities	175,932	136,254	39,678
Contingency	-	-	-
<u>Total Expenditures</u>	<u>175,932</u>	<u>136,254</u>	<u>39,678</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	<u>12,063</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	12,063	
<u>FUND BALANCE, July 1</u>	-	<u>36,592</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>48,655</u>	

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

LA VETA PUBLIC SCHOOLS
FOOD SERVICE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	19,500	22,575	3,075
Earnings on Investments	-	-	-
Other	200	-	(200)
<u>State Sources</u>			
School Lunches	3,300	2,850	(450)
<u>Federal Sources</u>			
School Lunches	52,972	49,007	(3,965)
Commodities	<u>3,000</u>	<u>5,604</u>	<u>2,604</u>
<u>Total Revenues</u>	<u>78,972</u>	<u>80,036</u>	<u>1,064</u>
 <u>EXPENDITURES</u>			
Salaries	44,560	45,045	(485)
Employee Benefits	19,827	19,702	125
Purchased Services – Professional	-	-	-
Purchased Services – Property	2,500	655	1,845
Purchased Services - Other	1,000	200	800
Supplies and Materials	63,823	42,559	21,264
Capital Outlay	16,000	3,697	12,303
Other	-	-	-
Commodities	<u>-</u>	<u>5,604</u>	<u>(5,604)</u>
<u>Total Expenditures</u>	<u>147,710</u>	<u>117,462</u>	<u>30,248</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (68,738)	 (37,426)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>45,000</u>	<u>40,000</u>	<u>(5,000)</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (23,738)	 2,574	
 <u>FUND BALANCE, Beginning</u>	 <u>23,738</u>	 <u>23,737</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>26,311</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District 1400 - LA VETA RE-2
 Fiscal Year 2016-17
 Colorado School District/BOCES

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000-5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
19 General Fund	743,085	2,530,394	2,449,207	824,272
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	22,510	22,510	0
Sub-Total	743,085	2,552,904	2,471,717	824,272
11 Charter School Fund	0	0	0	0
20.35-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	23,737	120,056	117,462	26,311
22 Govt Designated-Purpose Grants Fund	0	31,068	31,069	0
23 Pupil Activity Special Revenue Fund	36,593	148,316	136,354	48,655
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	115,046	78,635	82,290	111,391
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	3,348	-3,348	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	64,075	88,451	102,935	49,592
45 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	952,843	3,166,064	3,231,726	1,069,221
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
Stipendiary				
70 Other Trust and Agency Funds	0	0	0	0
72 Invoice 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 34IP Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District: 1400 - LA VETA RE-2
 Fiscal Year 2016-17
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 1012-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-25	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk- Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	953,750	0	0	61,721	0	21,737	108,816	49,592	0	0	0	0	0	0	1,195,616
Taxes Receivable (8121,8122)	280,500	0	0	0	0	0	0	0	0	0	0	0	0	0	280,500
Interfund Loans Receivable (8131,8132)	29,623	0	0	0	0	0	0	0	0	0	0	0	0	0	29,623
Grants Accounts Receivable (8142)	0	0	0	51,792	0	0	0	0	0	0	0	0	0	0	51,792
Other Receivables (8151-8154,8161)	9,790	0	0	0	0	1,994	20,275	0	0	0	0	0	0	0	32,059
Inventories (8171,8172,8173)	0	0	0	0	0	7,006	0	0	0	0	0	0	0	0	7,006
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,273,663	0	0	113,513	0	30,737	129,091	49,592	0	0	0	0	0	0	1,595,596

	Governmental							Proprietary					Fiduciary		
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap. Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap. Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
Interfund Payables (7401,7402)	0	0	0	29,623	0	0	0	0	0	0	0	0	0	0	29,623
Other Payables (7421-7423)	19,329	0	0	3,594	0	585	0	0	0	0	0	0	0	0	23,507
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	182,062	0	0	21,628	0	3,841	0	0	0	0	0	0	0	0	207,532
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	10,013	0	0	0	0	0	0	0	0	0	0	10,013
Deferred Inflow (7800)	248,000	0	0	0	0	0	17,700	0	0	0	0	0	0	0	265,700
Total Liabilities	449,391	0	0	64,858	0	4,426	17,700	0	0	0	0	0	0	0	536,375

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental											Proprietary				Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85					
Non-spendable Fund Balance 6710	0	0	0	0	0	7,006	0	0	0	0	0	0	0	0	0	7,006			
Restricted Fund Balance 6720	0	0	0	19,205	0	0	111,391	0	0	0	0	0	0	0	0	130,595			
TABOR 3% Emergency Reserve 6721	85,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	85,000			
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Committed Fund Balance 6750	0	0	0	0	0	0	0	49,592	0	0	0	0	0	0	0	49,592			
Assigned Fund Balance 6760	0	0	0	48,655	0	0	0	0	0	0	0	0	0	0	0	48,655			
Unassigned Fund Balance 6770	739,272	0	0	0	0	0	0	0	0	0	0	0	0	0	0	739,272			
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Total Fund Equity	824,272	0	0	48,655	0	26,511	111,391	49,592	0	0	0	0	0	0	0	1,060,221			

Total Liabilities & Fund Equity	Governmental											Proprietary				Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85					
1,273,663	0	0	0	113,513	0	30,737	129,091	49,592	0	0	0	0	0	0	0	1,596,596			

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