

cPa DIXON, WALLER & CO., INC.

KIM SCHOOL DISTRICT RE-88

KIM, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017



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DIXON, WALLER & CO., INC.

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KIM SCHOOL DISTRICT RE-88

FINANCIAL STATEMENTS

JUNE 30, 2017

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KIM SCHOOL DISTRICT RE-88
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

Joe Doherty	President
Brady Burnham	Vice-President
Nikki Shannon	Secretary/Treasurer
John Cranson	Member
Rommel Moismann	Member

SCHOOL OFFICIALS

Blake Byall	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
Kim School District RE-88
Kim, Colorado 81049

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kim School District RE-88, 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 Kim School District RE-88, 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 vii and 35 through 37 and 38 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 Kim School District RE-88's basic financial statements. The combining and individual fund 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 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 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 3, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

This is the Management Discussion and Analysis (MD&A) for the Kim School District RE-88. It offers the reader management's perspective of the financial activities of the school district for the year ended June 30, 2017. The focus of this discussion is the primary government (general) fund.

The MD&A is an element of reporting put forth by the Government Accounting Standards Board (GASB), in accordance with GASB Statement No. 34, *Basic Financial Statement and Management Discussion and Analysis for State and Local Governments*.

Financial Highlights

- In government-wide activities the District's net position totaled \$10,625,496 at the end of the 2017 fiscal year.
- Governmental Funds revenue was \$1,275,699; expenditures totaled \$1,231,683, with an ending fund balance of \$1,570,865.

Overview of the Financial Statements

The Management's Discussion & Analysis is presented as an introduction into the Kim School District's basic financial information. This information is comprised in the following three components:

- 1) Government-wide financial statements
- 2) Fund Financial Statements
- 3) Supplemental Information

Government-Wide Financial Statements

Government-wide statements provide an overall view of the District's financial status specific to those activities directly related to the education of our students. The government-wide statements report assets and liabilities. The difference between the assets and liabilities is reported as net assets. The statements of net assets are one way to measure the financial position of the District. Over time, changes in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

Governmental activities: Such services as instruction, transportation, maintenance and operations, and administration are represented in this area. For Kim School District this information will be found in the general fund, preschool fund, and capital reserve fund.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been "set apart" for specific activities. The fund financial statements provide detailed information about the District's funds. These statements focus on those specific funds, not the District as a whole. Kim School District RE-88, like other governmental agencies, uses fund accounting to demonstrate and ensure compliance.

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

Governmental Funds: Most of the District's basic services are reported in governmental funds. This information is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund accounting may help the reader determine whether there are more or less financial resources that can be spent in the near future. The differences between governmental activities and governmental funds are reconciled in the financial statements.

Fiduciary Funds: The District is the agent, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purpose.

Supplemental Information: In addition to the financial statements and accompanying notes the District's financial audit also contains more detailed financial information and other supplemental information concerning the District's non-major governmental funds.

Financial Analysis of the Governmental Funds: The focus of the District's governmental funds is to provide information on balances of available (spendable) resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful tool in measuring the District's net resources available for spending at the end of the fiscal year. The combined general fund is the major governmental fund of the Kim School District. The combined general fund under GASB 34 reporting requirements involves the general fund and the preschool fund. As of June 30, 2017, the combined general fund shows an ending fund balance of \$1,371,867.

Capital Assets and Debt Administration: The Districts' investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$13,419,261. This is a total capital asset of \$15,251,083 less accumulated depreciation of \$1,831,822.

*This financial discussion of the Kim School District RE-88 will continue on pages v-vii. Additional information will be found in Table 1 (Net Assets), Table 2 (Changes in Net Assets), Table 3 (Governmental Activities-Net of Depreciation), Table 4 (Capital Assets-Net of Depreciation), and Table 5 (Long-Term Debt).

June 30, 2017

Financial Analysis of the District as a whole

The District's total net position on June 30, 2017 was \$10,625,496. Of the District's \$15,062,343 in assets, \$13,419,261 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The district currently has negative unrestricted net position of (\$585,284). The district was awarded a BEST grant in the amount of \$7,923,336. The grant was matched with a local 20 year bond initiative in the amount of \$2,717,118. This maximizes the bonding capacity of the district. The bond long term debt on June 30, 2017 was \$2,333,987 current debt \$101,110.

Table 1:
NET POSITION

	2017			2016		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
ASSETS						
Current and Other Assets	1,643,082	-	1,643,082	1,604,395	-	1,604,395
Capital Assets - Net	13,419,261	-	13,419,261	13,833,836	-	13,833,836
Deferred Outflows	1,238,327	-	1,238,327	201,213	-	201,213
Total Assets and Flows	16,300,670	-	16,300,670	15,639,444	-	15,639,444
LIABILITIES						
Current and Other Liabilities	3,295,046	-	3,295,046	1,727,358	-	1,727,358
Long Term Liabilities	2,333,987	-	2,333,987	2,435,097	-	2,435,097
Deferred Inflows	46,141	-	46,141	73,634	-	73,634
Total Liabilities and Flows	5,675,174	-	5,675,174	4,236,089	-	4,236,089
NET POSITION						
Net Investment in Capital Assets	10,984,164	-	10,984,164	11,301,693	-	11,301,693
Restricted for:						
Tabor Reserve	29,800	-	29,800	33,400	-	33,400
Preschool	3,859	-	3,859	3,426	-	3,426
Food Service	8,726	-	8,726	4,263	-	4,263
Debt	176,368	-	176,368	61,068	-	61,068
Capital Outlay	7,863	-	7,863	-	-	-
Unrestricted	(585,284)	-	(585,284)	(495)	-	(495)
	10,625,496	-	10,625,496	11,403,355	-	11,403,355

Kim School District RE-88 – Management Discussion and Analysis

June 30, 2017

Governmental Activities

**Table 2:
Changes in Net Position**

	2017			2016		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenues						
Charges for Services	23,293	-	23,293	19,851	-	19,851
Operating Grants and Contributions	83,626	-	83,626	130,151	-	130,151
Capital Grants and Contributions	-	-	-	6,555,950	-	6,555,950
Property taxes	598,988	-	598,988	592,633	-	592,633
Specific Ownership Taxes	60,607	-	60,607	54,606	-	54,606
Equalization	502,204	-	502,204	494,384	-	494,384
Earnings on investments	2,296	-	2,296	2,245	-	2,245
Other Revenues	4,845	-	4,845	70,438	-	70,438
Transfers	-	-	-	-	-	-
TOTAL REVENUES	1,275,859	-	1,275,859	7,920,258	-	7,920,258
Expenses						
Instructional services	874,744	-	874,744	888,385	-	888,385
Students	-	-	-	-	-	-
Instructional staff	14,054	-	14,054	26,702	-	26,702
District administration	189,068	-	189,068	189,410	-	189,410
School administration	-	-	-	-	-	-
Business	-	-	-	-	-	-
Operation and maintenance of facilities	159,005	-	159,005	149,007	-	149,007
Transportation	71,750	-	71,750	80,540	-	80,540
Central	59,681	-	59,681	52,303	-	52,303
Capital outlay	-	-	-	-	-	-
Interest on Long Term Liabilities	104,419	-	104,419	108,421	-	108,421
Food Service	76,056	-	76,056	73,316	-	73,316
Pension Expense	504,941	-	504,941	47,451	-	47,451
TOTAL EXPENSES	2,053,718	-	2,053,718	1,615,535	-	1,615,535
Increase (Decrease in Net Position)	(777,859)	-	(777,859)	6,304,723	-	6,304,723

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

June 30, 2017

Table - 3 Governmental Activities by Major Function

	2017		2016	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	874744	(825,637)	888385	(795,528)
Students	0	-	0	-
Instructional staff	14054	(14,054)	26702	(26,702)
District administration	189068	(189,068)	189410	(189,410)
School administration	0	-	0	-
Business	0	-	0	-
Operation and maintenance of facilities	159005	(145,598)	149007	6,420,336
Transportation	71750	(53,551)	80540	(58,410)
Central	59681	(59,681)	52303	(52,303)
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	104,419	(104,419)	108,421	(108,421)
Food Service	76056	(49,850)	73316	-51694
Pension Expense	504941	(504,941)	47451	(47,451)
Total	<u>2,053,718</u>	<u>(1,946,799)</u>	<u>1,615,535</u>	<u>5,090,417</u>

- The cost of all governmental activities this year was \$2,053,718.
- Some of the cost was financed by the users of the District's programs: \$23,293.
- The federal and state governments subsidized certain programs with grants and contributions of \$18199.
- Most of the District's costs, however, were financed by District and State taxpayers with \$502,204 in state equalization from the school finance act, \$659,595 in taxes and \$7,141 in investment earnings and other miscellaneous revenue.

The food service program had revenue of \$55,695 (including a transfer of \$40,000 from the General Fund) and expenses of \$76,056.

Financial Analysis of the District's Funds

General Fund Budgetary Highlights

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

- Total revenues in the General Fund were \$105,319 lower than the preceding year.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). On June 30, 2017 District's TABOR reserve amounted to \$29,800.

Capital Assets and Debt Administration

Capital Assets

The District's net investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$13,419,261.

Table 4: Capital Assets (Net of Depreciation)

	Governmental <u>2016-2017</u>	Governmental <u>2015-2016</u>
Land & Sites	10,030	10,030
Buildings & Improvements	12,975,343	13,294,107
Equipment & Vehicles	433,888	529,699
Total Capital Assets	<u>13,419,261</u>	<u>13,833,836</u>

Economic Factors

As a result of the stewardship of the BOE and Administration the district enjoys an above average fund balance. The district has experienced declining enrollment, however, due to the 50 student floor in funding the revenue from state general funds will stay consistent, and not decline due to enrollment. Occasionally, enrollment peaks above the 50 student mark and the district enjoys additional revenue from the state.

The Board of Education and Administration has governed the district with great care and focus on maintaining the integrity of the district in the long run.

General obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$2,717,119 were used to match \$7,923,336 in State of Colorado – BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817%

Kim School District RE-88 – Management Discussion and Analysis

June 30, 2017

CHANGES IN LONG TERM DEBT

	<u>Balance</u> <u>7/1/2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2017</u>
2013 General Obligation Matching Bonds	2,532,143	-	97,046	2,435,097
Totals	<u>2,532,143</u>	<u>-</u>	<u>97,046</u>	<u>2,435,097</u>

Contacting the District's Financial Management

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

Blake Byall

Superintendent of Schools
Kim School District
425 State Street
Kim, Colorado 81049

BASIC FINANCIAL STATEMENTS

KIM SCHOOL DISTRICT RE-88
STATEMENT OF NET POSITION
June 30, 2017

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	1,596,209	1,596,209
Accounts Receivable	4,891	4,891
Grants Receivables	-	-
Accrued Revenue	-	-
Property Taxes Receivable	39,800	39,800
Inventories	2,182	2,182
Capital Assets	15,251,083	15,251,083
Accumulated Depreciation	<u>(1,831,822)</u>	<u>(1,831,822)</u>
<u>Total Assets</u>	<u>15,062,343</u>	<u>15,062,343</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
District Contributions Subsequent to Pension Measurement Date	43,128	43,128
Pension Outflows – Plan Level	1,159,755	1,159,755
Pension Outflows – Employer Level	<u>35,444</u>	<u>35,444</u>
<u>Total Deferred Outflow of Resources</u>	<u>1,238,327</u>	<u>1,238,327</u>
<u>LIABILITIES</u>		
Accounts Payable	6,652	6,652
Accrued Salaries	46,765	46,765
Accrued Interest	8,500	8,500
Compensated Absences	1,089	1,089
Net Pension Liability	3,130,930	3,130,930
Debt – Current	101,110	101,110
Debt – Long Term	<u>2,333,987</u>	<u>2,333,987</u>
<u>Total Liabilities</u>	<u>5,629,033</u>	<u>5,629,033</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Inflows – Plan Level	14,146	14,146
Pension Inflows – Employer Level	<u>31,995</u>	<u>31,995</u>
<u>Total Deferred Inflow of Resources</u>	<u>46,141</u>	<u>46,141</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	10,984,164	10,984,164
Restricted for:		
TABOR Reserve	29,800	29,800
Preschool	3,859	3,859
Debt Service	176,368	176,368
Capital Outlay	7,863	7,863
Food Service	8,726	8,726
Unrestricted	<u>(585,284)</u>	<u>(585,284)</u>
<u>TOTAL NET POSITION</u>	<u>10,625,496</u>	<u>10,625,496</u>

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

KIM SCHOOL DISTRICT RE-88
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	1,417,436	170,047	8,726	1,596,209
Accounts Receivable	4,891	-	-	4,891
Accrued Revenue	-	-	-	-
Due From Other Funds	-	2,321	7,863	10,184
Property Taxes Receivable	27,500	12,300	-	39,800
Inventories	-	-	<u>2,182</u>	<u>2,182</u>
<u>Total Assets</u>	<u>1,449,827</u>	<u>184,668</u>	<u>18,771</u>	<u>1,653,266</u>
<u>LIABILITIES</u>				
Accounts Payable	6,652	-	-	6,652
Accrued Salaries	46,765	-	-	46,765
Due To Other Funds	10,184	-	-	10,184
Other Payables	-	-	-	-
<u>Total Liabilities</u>	<u>63,601</u>	<u>-</u>	<u>-</u>	<u>63,601</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	<u>10,500</u>	<u>8,300</u>	<u>-</u>	<u>18,800</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventories	-	-	2,182	2,182
Restricted				
Emergencies	29,800	-	-	29,800
Preschool	3,859	-	-	3,859
Capital Outlay	-	-	7,863	7,863
Debt Service	-	176,368	-	176,368
Food Service	-	-	8,726	8,726
Unassigned	<u>1,342,067</u>	<u>-</u>	<u>-</u>	<u>1,342,067</u>
<u>Total Fund Balances</u>	<u>1,375,726</u>	<u>176,368</u>	<u>18,771</u>	<u>1,570,865</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>1,449,827</u>	<u>184,668</u>	<u>18,771</u>	<u>1,653,266</u>

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

KIM SCHOOL DISTRICT RE-88
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2017

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

<u>Total Fund Balance – Governmental Funds</u>	1,570,865
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$15,251,083 and the accumulated depreciation is \$1,831,822.	13,419,261
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.	18,800
Compensated absences are not reported as a liability in the funds.	(1,089)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(2,435,097)
Accrued interest on long term debt is not reported in the funds.	(8,500)
The Districts 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.	(3,130,930)
Deferred flows for contributions made toward the net pension obligation from December 31, 2016 until June 20, 2017 is not reported in the funds.	43,128
Deferred employer and plan level pension flows are not reported in the funds.	<u>1,149,058</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>10,625,496</u>

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

KIM SCHOOL DISTRICT RE-88
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2017

	General Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	380,283	218,515	-	598,798
Specific Ownership Taxes	60,607	-	-	60,607
Earnings on Investments	2,158	130	8	2,296
Other Local Sources	17,398	514	10,226	28,138
State Aid	544,740	-	625	545,365
Federal Aid	24,770	-	15,695	40,465
<u>Total Revenues</u>	<u>1,029,956</u>	<u>219,159</u>	<u>26,554</u>	<u>1,275,669</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	475,917	-	-	475,917
Supporting Services:				
Students	-	-	-	-
Instructional Staff	9,142	-	-	9,142
District Administration	189,068	-	-	189,068
School Administration	-	-	-	-
Business	-	-	-	-
Operation & Maintenance of Facilities	124,672	-	-	124,672
Transportation	56,654	-	-	56,654
Central	59,681	-	-	59,681
Food Service	-	-	61,539	61,539
Facility	-	-	-	-
Debt Service:				
Principal Retirement	-	97,046	-	97,046
Interest and Fiscal Charges	-	104,759	-	104,759
Capital Outlay	-	-	53,205	53,205
<u>Total Expenditures</u>	<u>915,134</u>	<u>201,805</u>	<u>114,744</u>	<u>1,231,683</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>114,822</u>	<u>17,354</u>	<u>(88,190)</u>	<u>43,986</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(40,000)	-	40,000	-
Proceeds From Debt	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	74,822	17,354	(48,190)	43,986
<u>FUND BALANCES – Beginning</u>	<u>1,300,904</u>	<u>159,014</u>	<u>66,961</u>	<u>1,526,879</u>
<u>FUND BALANCES – Ending</u>	<u>1,375,726</u>	<u>176,368</u>	<u>18,771</u>	<u>1,570,865</u>

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

KIM SCHOOL DISTRICT RE-88
 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 43,986

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

Capital Outlays more than \$5,000	53,205	
Disposition of Assets	-	
Depreciation Expense	<u>(467,780)</u>	(414,575)

Property tax revenues received prior to the year for which the are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred property tax revenues increased this year. 190

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. 95

The governmental funds report debt proceeds as another 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:

Principal Payment		97,046
Accrued Interest		340

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

Change in net pension obligation		(1,569,548)
Deferred flows from net pension obligations		<u>1,064,607</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (777,859)

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

KIM SCHOOL DISTRICT RE-88
STATEMENT OF FIDUCIARY NET POSITION
PUPIL ACTIVITY TRUST AND AGENCY FUND
June 30, 2017

	<u>Pupil Activity Fund</u>
<u>ASSETS</u>	
Cash and Investments	48,187
Due From Other Funds	-
<u>Total Assets</u>	<u>48,187</u>
<u>LIABILITIES</u>	
Accounts Payable	1,000
Deposits Held for Others	47,187
<u>Total Liabilities</u>	<u>48,187</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kim School District RE-88 (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 six 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 Kim School District RE-88. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

KIM SCHOOL DISTRICT RE-88
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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major 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.

KIM SCHOOL DISTRICT RE-88
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)

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

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

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

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

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

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

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

KIM SCHOOL DISTRICT RE-88
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)

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.

D. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Bond Fund – used to account for the activities associated with the payment of debt obligations.

Additionally, the District reports the following fund type:

The Pupil Activity Agency Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E. Cash and Investments

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments (Continued)

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.

H. Capital Assets

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

On November 4, 1997 the registered voters approved a ballot resolution authorizing Kim School District RE-88 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.

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 \$29,800 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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Las Animas 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 Sick 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 \$1,089 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>1,184</u>	<u>-</u>	<u>95</u>	<u>1,089</u>

M. Use of Estimates

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	General Fund	Building Fund	Bond Fund	Food Service Fund	Total Governmental Funds
<u>Nonspendable:</u>	-	-	-	2,182	2,182
<u>Restricted:</u>					
Emergencies	29,800	-	-	-	29,800
Preschool	3,859	-	-	-	3,859
Capital Outlay	-	7,863	-	-	7,863
Debt Service	-	-	176,368	-	176,368
Food Service	-	-	-	8,726	8,726
<u>Unassigned:</u>	<u>1,342,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,342,067</u>
<u>Total Fund Balances</u>	<u>1,375,726</u>	<u>7,863</u>	<u>176,368</u>	<u>10,908</u>	<u>1,570,865</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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

<u>Items Eliminated</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	10,184	-	40,000
Bond Fund	2,321	-	-	-
Building Fund	7,863	-	-	-
Food Service Fund	-	-	40,000	-

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, Capital Projects Fund, Bond Fund and Special Revenue Fund.
6. Budgets for the General Fund, Capital Projects Fund, Bond Fund and Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 BUDGETARY INFORMATION (continued)

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,216,025	1,227,829
Cash with County Treasurer	12,342	-
Cash with Fiscal Agent	165,779	-
Cash on Hand	<u>250</u>	<u>-</u>
 <u>Total Cash and Deposits</u>	 <u>1,644,396</u>	 <u>1,477,829</u>

As presented above, deposits with a bank balance of \$1,227,829 and a carrying balance of \$1,216,025 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Capital Assets Not Being Depreciated</u>					
Land	10,030	-	-	-	10,030
<u>Capital Assets Being Depreciated:</u>					
Buildings & Site Improvements	14,230,264	53,205	-	-	14,283,469
Equipment & Vehicles	957,584	-	-	-	957,584
Construction in Progress	-	-	-	-	-
<u>Total Capital Assets Being Depreciated</u>	<u>15,187,848</u>	<u>53,205</u>	<u>-</u>	<u>-</u>	<u>15,241,053</u>
<u>Less Accumulated Depreciation for:</u>					
Buildings & Site Improvements	936,157	371,969	-	-	1,308,126
Equipment & Vehicles	427,885	95,811	-	-	523,696
<u>Total Accumulated Depreciation</u>	<u>1,364,042</u>	<u>467,780</u>	<u>-</u>	<u>-</u>	<u>1,831,822</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>13,823,806</u>	<u>(414,575)</u>	<u>-</u>	<u>-</u>	<u>13,409,231</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>13,833,836</u>	<u>(414,575)</u>	<u>-</u>	<u>-</u>	<u>13,419,261</u>

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

Governmental Activities:

Instruction	398,922
Student Support	-
Instructional Support	4,912
General Administration Support	-
School Administration Support	-
Business Services Support	-
Operations and Maintenance	34,333
Transportation	15,096
Food Service	14,517
<u>Total Depreciation Expense –Governmental Activities</u>	<u>467,780</u>

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6

PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Kim School District RE-88 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 Kim School District RE-88 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

KIM SCHOOL DISTRICT RE-88
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 Kim School District RE-88 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.

KIM SCHOOL DISTRICT RE-88
 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 Kim School District RE-88 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Kim School District RE-88 were \$85,828 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 Kim School District RE-88 reported a liability of \$3,130,930 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 Kim School District RE-88 proportion of the net pension liability was based on Kim School District RE-88 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 Kim School District RE-88 proportion was 0.0105 percent, which was an increase of 0.0003 to its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Kim School District RE-88 recognized pension expense of \$504,941. At June 30, 2017, the Kim School District RE-88 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

KIM SCHOOL DISTRICT RE-88
 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	39,141	(28)
Changes of assumptions or other inputs	1,015,922	(14,118)
Net difference between projected and actual earnings on pension plan investments	104,692	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	35,444	(31,995)
Contributions subsequent to the measurement date	43,128	N/A
Total	1,238,327	(46,141)

\$43,128 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	458,498
2019	454,787
2020	228,374
2021	7,399
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

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
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.

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the Kim School District RE-88 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	3,937,044	3,130,930	2,474,380

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 Kim School District RE-88 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 \$445.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Kim School District RE-88 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 6 PENSION PLAN (Continued)

Funding Policy – The Kim School District RE-88 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 Kim School District RE-88 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 Kim School District RE-88 contributions to the HCTF were \$4,764, \$4,646 and \$4,595, 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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 General Fund.

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

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

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

NOTE 9 FOOD INVENTORIES

Food Service Fund inventories at June 30, 2017, consisted of purchased, non-food and donated commodities amounting to \$2,182. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 10 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 \$46,765. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 11 LITIGATION

None.

NOTE 12 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

NOTE 13 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the Southeastern 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:

Assets and Deferred Outflows	<u>1,375,820</u>
Liabilities and Deferred Inflows	<u>3,787,035</u>
Net Position	<u>(2,411,215)</u>
Revenues	2,518,565
Expenditures	<u>2,504,933</u>
Change In Net Position	<u>13,632</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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 14 INTERFUND BALANCES AND TRANSFERS

<u>INTERFUND BALANCES</u>	<u>Due To</u>	<u>Due From</u>
Major Funds	10,184	2,321
<u>Nonmajor Funds</u>	<u>-</u>	<u>7,863</u>
	<u>10,184</u>	<u>10,184</u>
<u>TRANSFERS</u>	<u>Trans In</u>	<u>Trans Out</u>
General Fund	-	40,000
Food Service Fund	40,000	-
	<u>40,000</u>	<u>40,000</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations. Due To and Due From are to be repaid within three months of year end.

NOTE 15 LONG-TERM DEBT – GENERAL OBLIGATION BONDS

	<u>Balance</u> <u>7/1/2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2017</u>	<u>Current</u> <u>Portion</u>
G.O. Matching Money Bonds 2013	2,532,143	-	97,046	2,435,097	101,110

Series 2013 General Obligation Matching Money Bonds

These general obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$2,717,118 were used to match \$7,923,336 in State of Colorado – BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817%.

Below is a schedule of debt service to maturity:

<u>Year Ended</u> <u>6-30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	101,110	99,860	200,970
2019	105,345	95,537	200,882
2020	109,756	91,033	200,789
2021	114,353	86,341	200,694
2022	119,142	81,451	200,593
2023-2027	674,862	326,446	1,001,308
2028-2032	828,514	169,577	998,091
2033-2034	382,015	16,163	398,178
	<u>2,435,097</u>	<u>966,408</u>	<u>3,401,505</u>

NOTE 16 COMPLIANCE WITH BUDGET LAWS

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

Expenditures in the building fund exceeded budgeted amounts by \$53,205.

Expenditures in the food service fund exceeded budgeted amounts by \$2,347.

REQUIRED SUPPLEMENTAL INFORMATION

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	370,000	370,000	380,283	10,283
Specific Ownership Taxes	55,000	55,000	60,607	5,607
Earnings on Investments	2,209	2,209	2,158	(51)
Delinquent Taxes and Interest	1,500	1,500	942	(558)
Other	22,425	22,425	16,456	(5,969)
<u>State Sources</u>				
Equalization	500,241	500,241	502,204	1,963
Transportation	21,000	21,000	18,199	(2,801)
Vocational Education	25,000	25,000	16,210	(8,790)
Special Education	-	-	-	-
Other	7,100	7,100	8,127	1,027
<u>Federal Sources</u>				
Other	21,205	21,205	24,770	3,565
<u>TOTAL REVENUES</u>	<u>1,025,680</u>	<u>1,025,680</u>	<u>1,029,956</u>	<u>4,276</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	295,075	295,075	286,285	8,790
Employees Benefits	132,224	132,224	118,374	13,850
Purchased Services-Professional	1,250	1,250	661	589
Purchased Services-Property	-	-	-	-
Purchased Services-Other	39,157	39,157	34,442	4,715
Supplies and Materials	33,153	33,153	32,030	1,123
Property	-	-	8	(8)
Other Objects	8,200	8,200	4,117	4,083
<u>Total Instruction</u>	<u>509,059</u>	<u>509,059</u>	<u>475,917</u>	<u>33,142</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	5,000	5,000	4,547	453
Employee Benefits	770	770	1,095	(325)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	4,500	4,500	3,500	1,000
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>10,270</u>	<u>10,270</u>	<u>9,142</u>	<u>1,128</u>
<u>General Administration</u>				
Salaries	111,220	111,220	116,931	(5,711)
Employee Benefits	40,158	40,158	40,937	(779)
Purchased Services-Professional	21,600	21,600	22,266	(666)
Purchased Services-Property	-	-	-	-
Purchased Services-Other	4,200	4,200	1,916	2,284
Supplies and Materials	4,000	4,000	5,829	(1,829)
Property	-	-	-	-
Other Objects	14,761	14,761	1,189	13,572
<u>Total General Administration</u>	<u>195,939</u>	<u>195,939</u>	<u>189,068</u>	<u>6,871</u>
<u>Operations and Maintenance</u>				
Salaries	40,000	40,000	39,763	237
Employees Benefits	15,000	15,000	15,172	(172)
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	16,000	16,000	14,048	1,952
Purchased Services-Other	4,500	4,500	5,111	(611)
Supplies and Materials	65,500	65,500	50,578	14,922
Property	-	-	-	-
Other Objects	5,000	5,000	-	5,000
<u>Total Operations and Maintenance</u>	<u>146,000</u>	<u>146,000</u>	<u>124,672</u>	<u>21,328</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

<u>Supporting Services (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	26,000	26,000	16,723	9,277
Employee Benefits	5,200	5,200	5,999	(799)
Purchased Services-Other	11,000	11,000	11,745	(745)
Supplies and Materials	33,696	33,696	22,187	11,509
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>75,896</u>	<u>75,896</u>	<u>56,654</u>	<u>19,242</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services-Other	68,620	68,620	59,681	8,939
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>68,620</u>	<u>68,620</u>	<u>59,681</u>	<u>8,939</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>496,725</u>	<u>496,725</u>	<u>439,217</u>	<u>57,508</u>
<u>APPROPRIATED RESERVES</u>	<u>1,027,737</u>	<u>1,027,737</u>	-	<u>1,027,737</u>
<u>TOTAL EXPENDITURES</u>	<u>2,033,521</u>	<u>2,033,521</u>	<u>915,134</u>	<u>1,118,387</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(1,007,841)	(1,007,841)	114,822	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(40,000)	(40,000)	(40,000)	-
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(1,047,841)	(1,047,841)	74,822	
<u>FUND BALANCE, Beginning</u>	<u>1,047,841</u>	<u>1,047,841</u>	<u>1,300,904</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>1,375,726</u>	

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

KIM SCHOOL DISTRICT RE-88
 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)	0.0105%	0.0102%	0.0107%	0.0106%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,130,930	\$1,561,381	\$1,454,664	\$1,358,164	-	-	-	-	-	-
District's covered-employee payroll	\$467,021	\$455,545	\$450,519	\$424,049	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	670%	343%	353%	320%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.1%	59.2%	62.80%	64.06%	-	-	-	-	-	-

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

KIM SCHOOL DISTRICT RE-88
 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	\$ 85,828	\$ 80,837	\$ 76,052	\$ 74,813	\$ 70,134	-	-	-	-	-
Contributions in relation to the contractually required contributions	\$ <u>(85,828)</u>	\$ <u>(80,837)</u>	\$ <u>(76,052)</u>	\$ <u>(74,813)</u>	\$ <u>(70,134)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered-employee payroll	\$467,021	\$455,545	\$450,519	\$424,049	\$398,838	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.74%	16.88%	17.64%	17.58%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption Fund – Used to account for the collections of taxes and payment of bonds.

Building – Capital Project Fund – Used to account for the activities associated with major construction projects.

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

Fiduciary Fund

Pupil Activity Agency Fund – This fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

KIM SCHOOL DISTRICT RE-88
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2017

	<u>Food Service</u>	<u>Building Fund</u>	<u>Total Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash and Investments	8,726	-	8,726
Accounts Receivable	-	-	-
Due from Other Funds	-	7,863	7,863
Property Taxes Receivable	-	-	-
Inventories	<u>2,182</u>	<u>-</u>	<u>2,182</u>
<u>Total Assets</u>	<u>10,908</u>	<u>7,863</u>	<u>18,771</u>
<u>LIABILITIES</u>			
Accounts Payable	-	-	-
Accrued Salaries	-	-	-
Due To Other Funds	-	-	-
Other Payables	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Taxes	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	2,182	-	2,182
Restricted:			
Emergencies	-	-	-
Preschool	-	-	-
Capital Outlay	-	7,863	7,863
Debt Service	-	-	-
Food Service	8,726	-	8,726
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>10,908</u>	<u>7,863</u>	<u>18,771</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>10,908</u>	<u>7,863</u>	<u>18,771</u>

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

KIM SCHOOL DISTRICT RE-88
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2017

	<u>Food Service</u>	<u>Building Fund</u>	<u>Total Non-Major Governmental Fund</u>
<u>REVENUES:</u>			
Property Taxes	-	-	-
Specific Ownership Taxes	-	-	-
Earnings on Investments	8	-	8
Other Local Sources	10,226	-	10,226
State Aid	625	-	625
Federal Aid	15,695	-	15,695
Allocation to Reserves	-	-	-
<u>Total Revenues</u>	<u>26,554</u>	<u>-</u>	<u>26,554</u>
<u>EXPENDITURES:</u>			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	-	-	-
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation & Maintenance of Facilities	-	-	-
Transportation	-	-	-
Central	-	-	-
Food Service	61,539	-	61,539
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Capital Outlay	-	53,205	53,205
<u>Total Expenditures</u>	<u>61,539</u>	<u>53,205</u>	<u>114,744</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(34,985)</u>	<u>(53,205)</u>	<u>(88,190)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	40,000	-	40,000
<u>NET CHANGE IN FUND BALANCES</u>	<u>5,015</u>	<u>(53,205)</u>	<u>(48,190)</u>
<u>FUND BALANCES, Beginning</u>	<u>5,893</u>	<u>61,068</u>	<u>66,961</u>
<u>FUND BALANCES, Ending</u>	<u>10,908</u>	<u>7,863</u>	<u>18,771</u>

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

KIM SCHOOL DISTRICT RE-88
 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>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	210,000	218,515	8,515
Specific Ownership Taxes	-	-	-
Earnings on Investments	-	130	130
Other Local Sources	-	514	514
<u>Total Revenues</u>	<u>210,000</u>	<u>219,159</u>	<u>9,159</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal Retirement	-	97,046	(97,046)
Interest and Fiscal Charges	201,138	104,759	96,379
Other	-	-	-
Contingency	<u>159,624</u>	<u>-</u>	<u>159,624</u>
<u>Total Expenditures</u>	<u>360,762</u>	<u>201,805</u>	<u>158,957</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>(150,762)</u>	 <u>17,354</u>	
 <u>FUND BALANCE, July 1</u>	 <u>150,762</u>	 <u>159,014</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>176,368</u>	

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

KIM SCHOOL DISTRICT RE-88
 FOOD SERVICE – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>OPERATING REVENUES</u>			
<u>Local Sources</u>			
Food Sales	5,800	9,886	4,086
Earnings on Investments	12	8	(4)
Other	-	340	340
<u>State Sources</u>			
School Lunches	580	625	45
<u>Federal Sources</u>			
School Lunches	12,800	14,599	1,799
Commodities	-	1,096	1,096
<u>Total Operating Revenues</u>	<u>19,192</u>	<u>26,554</u>	<u>7,362</u>
<u>OPERATING EXPENDITURES</u>			
Salaries	22,250	23,676	(1,426)
Employee Benefits	12,000	11,820	180
Purchased Services – Professional	-	-	-
Purchased Services – Property	-	-	-
Purchased Services - Other	-	-	-
Supplies and Materials	23,100	20,868	2,232
Capital Outlay	-	-	-
Other	1,842	4,079	(2,237)
Commodities	-	1,096	(1,096)
<u>Total Expenditures</u>	<u>59,192</u>	<u>61,539</u>	<u>(2,347)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(40,000)	(34,985)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers from General Fund	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	5,015	
<u>FUND BALANCE, July 1</u>	<u>-</u>	<u>5,893</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>10,908</u>	

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

KIM SCHOOL DISTRICT RE-88
 BUILDING – MAJOR CAPITAL PROJECT 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	-	-	-
Other Local	-	-	-
Grant Revenue	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>			
Land and Land Sites	-	-	-
Building and Improvements	-	53,205	(53,205)
Equipment	-	-	-
Vehicles	-	-	-
Other	-	-	-
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>-</u>	<u>53,205</u>	<u>(53,205)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>(53,205)</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	-	-	-
Proceeds from Debt	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>-</u>	<u>(53,205)</u>	
<u>FUND BALANCE, July 1</u>	<u>-</u>	<u>61,068</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>7,863</u>	

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

KIM SCHOOL DISTRICT RE-88
PUPIL ACTIVITY - AGENCY FUND
SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS</u>			
Local Sources	35,040	45,665	10,625
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Additions</u>	<u>35,040</u>	<u>45,665</u>	<u>10,625</u>
 <u>DEDUCTIONS</u>			
Student Activities	74,040	43,104	30,936
<u>Total Deductions</u>	<u>74,040</u>	<u>43,104</u>	<u>30,936</u>
 <u>Net Increase (Decrease) in Deposits Held for Others</u>	(39,000)	2,561	
 <u>Deposits Held for Others – Beginning of Year</u>	39,000	44,626	
 <u>Deposits Held for Others – End of Year</u>	-	<u>47,187</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 1760 - KIM REORGANIZED 88
 Fiscal Year 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	1000-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	1,297,478	968,825	884,436	1,371,867
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	3,426	21,131	20,698	3,859
Sub-Total	1,300,904	989,956	915,134	1,375,726
11 Charter School Fund	0	0	0	0
20,2E-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	5,893	66,354	61,539	10,908
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	159,015	219,158	201,805	176,367
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	61,068	0	53,205	7,863
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Total	1,576,879	1,275,668	1,231,643	1,570,864
Proprietary				
50 Other Enterprise Funds	0	0	0	0
GA (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Total	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	44,526	45,665	43,104	47,187
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Total	44,526	45,665	43,104	47,187
FINAL				
Total	1,621,405	1,321,333	1,274,747	1,618,051



Colorado Department of Education
Bolded Balance Sheet Report
 District: 1760 - KIM REORGANIZED 88
 Fiscal Year 2016-17
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	1,404,674	0	4,688	0	0	8,726	0	0	0	0	0	48,187	0	1,466,275	
Cash with Fiscal Agent (8105)	8,074	0	0	0	0	0	170,047	0	0	0	0	0	0	178,121	
Taxes Receivable (8121,8122)	27,500	0	0	0	0	0	12,300	0	0	0	0	0	0	39,800	
Interfund Loans Receivable (8131,8132)	0	0	1,018	0	0	0	2,321	7,863	0	0	0	0	0	11,202	
Grants Accounts Receivable (8142)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Receivables (8151-8154,8161)	4,891	0	0	0	0	0	0	0	0	0	0	0	0	4,891	
Inventories (8171,8172,8173)	0	0	0	0	0	2,182	0	0	0	0	0	0	0	2,182	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	1,445,139	0	5,706	0	0	10,908	184,667	7,863	0	0	0	48,187	0	1,702,470	

Governmental

Proprietary

Fiduciary

	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															
LIABILITIES															
Interfund Payables (7401,7402)	11,202	0	0	0	0	0	0	0	0	0	0	0	0	0	11,202
Other Payables (7421-7423)	6,652	0	0	0	0	0	0	0	0	0	0	1,000	0	0	7,652
Accrued Expenses (7461)	44,918	0	1,647	0	0	0	0	0	0	0	0	0	0	0	46,765
Unearned Revenue (7481)	10,500	0	0	0	0	0	8,300	0	0	0	0	0	0	0	18,800
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	73,272	0	1,647	0	0	0	8,300	0	0	0	0	1,000	0	0	84,419

Governmental Proprietary Fiduciary

FUND EQUITY	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		
Non-spendable Fund Balance 6710	0	0	0	0	0	2,182	0	0	0	0	0	0	0	0	2,182		
Restricted Fund Balance 6720	0	0	0	0	0	8,776	176,367	7,863	0	0	0	0	0	0	192,956		
TABOR 3% Emergency Reserve 6721	29,800	0	0	0	0	0	0	0	0	0	0	0	0	0	29,800		
TABOR Multi-Year 6722	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		
Colorado Preschool Program (CPP) Reserve 6724	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		
Risk-Related / Restricted Capital Reserve 6726	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		
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unassigned Fund Balance 6770	1,342,067	0	3,859	0	0	0	0	0	0	0	0	0	0	47,187	1,393,113		
Invested in Capital Assets, Net of Related Debt 6790	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		
Unrestricted Net Assets 6792	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		
Total Fund Equity	1,371,867	0	3,859	0	0	10,908	176,367	7,863	0	0	0	0	47,187	0	1,618,051		

Total Liabilities & Fund Equity	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		
1,445,139	0	0	5,706	0	0	10,908	184,667	7,863	0	0	0	0	48,187	0	1,701,470		

Do Assets=Liability+Fund Equity	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		
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

For Each Fund Type:
Do Assets=Liability+Fund Equity