

cPa DIXON, WALLER & CO., INC.

LIMON PUBLIC SCHOOLS RE-4J

LIMON, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017



RECEIVED

By the Office of the State Auditor at 3:49 pm, Jan 03, 2018

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

LIMON PUBLIC SCHOOLS RE-4J

FINANCIAL STATEMENTS

June 30, 2017

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report	1-2
Management's Discussion and Analysis.....	i-x
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities.....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	8

Fund Financial Statements (Continued):	<u>Page</u>
Statement of Fiduciary Net Position	9
Notes to Basic Financial Statements	10-34
 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Major Governmental Funds:	
General Fund.....	35-38
Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	39
Schedule of District Contributions:.....	40
 <u>COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:</u>	
Combining Balance Sheet - Nonmajor Governmental Funds.....	41
Combining Statement of Revenues, Expenditures and Changes In Fund Balances - Nonmajor Governmental Funds.....	42
Schedules of Revenues, Expenditures and Changes in Fund Equity - Budget and Actual:	
Food Service - Special Revenue Fund.....	43
Capital Reserve - Capital Projects Fund.....	44
Bond Redemption - Debt Service Fund.....	45
Student Activity - Special Revenue Fund.....	46
Student Activity - Agency Fund	47
 <u>STATE REQUIRED SCHEDULE:</u>	
Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund).....	48
Bolded Balance Sheet.....	49-51

LIMON PUBLIC SCHOOLS RE-4J
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

Troy Jaklich

President

Craig Bailey

Vice - President

Wendy Pottorff

Secretary

Mike Hines

Treasurer

Jason Bandy

Member

SCHOOL OFFICIAL

Dave Marx

Superintendent

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Limon Public Schools RE-4J
Limon, Colorado 80828

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Limon Public Schools RE-4J, 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 Limon Public Schools RE-4J, 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 x and 35 through 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Limon Public Schools RE-4J's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Dixon, Waller & Co., Inc.

Trinidad, Colorado
December 7, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIMON PUBLIC SCHOOLS RE-4J
912 Badger Way
PO Box 249
Limon, CO 80828

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Year Ended June 30, 2017

This Management's Discussion and Analysis (MD&A) of Limon School District RE-4J is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement no. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ended June 30, 2017. The intent of this report is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the District's financial statements following this section.

The District has implement GASB 68. The net pension liability is \$7,056,260 at June 30, 2017. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District.

FINANCIAL HIGHLIGHTS

The District's total combined assets and deferred outflows (for governmental activities) exceeded the total liabilities and deferred inflows by \$13,379,946 at June 30, 2017.

The General Fund reported a fund balance of \$1,780,164 at the close of the fiscal year 2017 which was higher than the previous year balance of \$1,773,944 for an increase of \$6,220. The district strives to limit the spending of the reserves; which will eventually deplete the reserves.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Limon School District RE-4J's basic financial statements. The basic financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

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

The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.

Proprietary fund statements offer short and long-term financial information about the activities that the district operates like businesses. As of July 1, 2014 the Food Service Fund is presented as a special revenue fund in the governmental activities. In accordance with instructions from the Colorado Department of Education the District was also required to change its Food Service Fund from a proprietary fund in 2014 to a special revenue governmental fund in 2015. As a special revenue fund certain assets and liabilities had to be reclassified to fund balance. Prior to this it was presented in the business type activities. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and how they relate to one another.

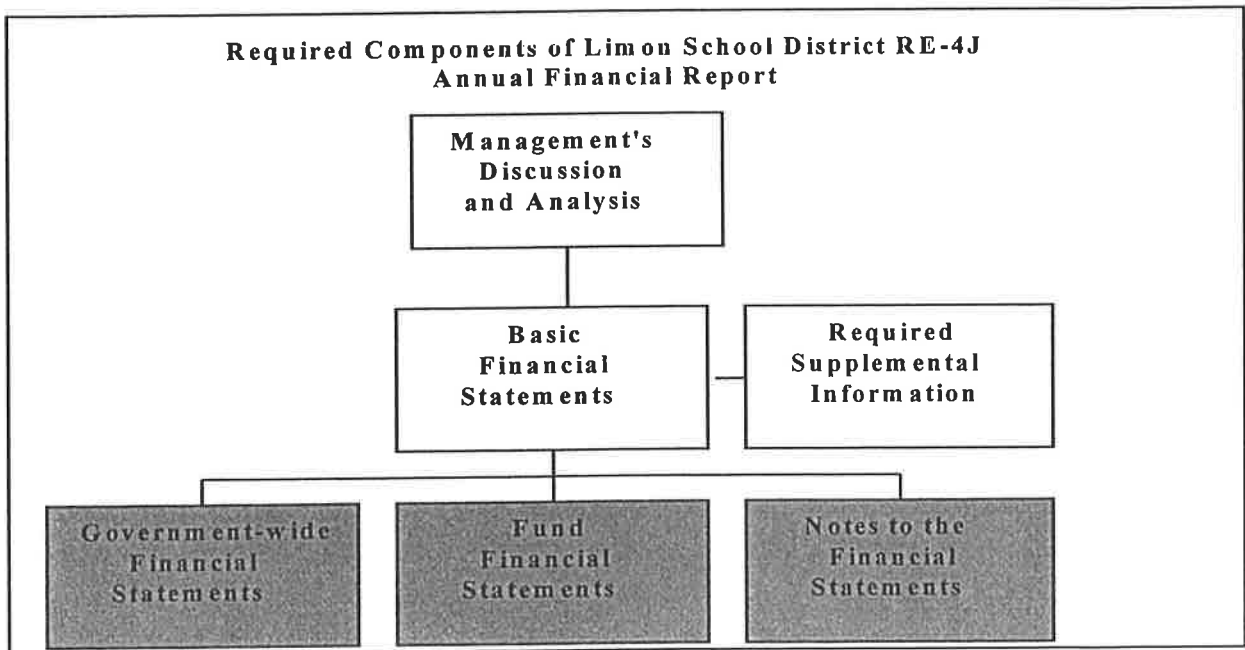


Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of the overview section of the management’s discussion and analysis explains the structure and contents of each of the statements.

Figure A-2
Major Features of Limon Public Schools RE-4J Government-wide and Fund Financial Statements

	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds and the districts component units)	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs	Activities the District operate similar to private businesses	Instances in which the District is the trustee or agent for someone else’s resources.
Required Financial Statements	*Statement of Net Position *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Position *Statement of Revenues, Expenses and Changes in Fund Net Position *Statement of Cash Flows	*Statement of Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets, liabilities and deferred flows, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the Districts funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. They consist of two statements:

The statement of net position presents information on all of the District’s assets, liabilities and deferred flows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District.

The statement of activities presents information reporting how the District’s net position changed during the fiscal year 2015-2016. All changes in net position are reported as soon as the underlying event giving

rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The government-wide financial statements of the District are reported in two categories:

Governmental Activities - This category includes the District's basic instructional services, such as elementary, junior high, and high school educational programs, support services (executive administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities (sports, speech, music, etc.) and capital equipment purchases. Property taxes, state grants, federal grants and interest earnings finance most of these activities.

Business-type Activities - The district currently has no business-type activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Most of the District's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

Limon School District RE-4J maintains five individual governmental funds. Information is presented separately in the governmental fund - balance sheet and in the governmental fund - statement of revenues, expenditures and changes in fund balances for the (1) General Fund (2) Bond Redemption fund (3) Special Revenue funds and (4) Capital Project funds. Also included in the supplementary information section is budget-to-actual information as required by law.

Proprietary Funds – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The district has no proprietary funds maintained by the District.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The district maintains several fiduciary funds for scholarships and one, which is categorized as an agency fund. This is the student activity fund so there will be no statement of changes in fiduciary net assets as it is not required for agency funds.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements. Information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law. A budgetary comparison schedule has been provided for the General, Capital Reserve, Insurance Reserve, Student Activity and Bond Redemption funds to demonstrate compliance.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The statement of net position reports all financial and capital resources. The statement presents the assets, liabilities and deferred flows in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the district, consisting of compensated absences payable, early retirement benefits payable and capital outlay certificates payable have been reported in this manner on the statement of net position. The difference between the district's assets, liabilities and deferred flows is its net position.

Table A-1 on the next page provides a statement of the district's net position as of June 30, 2017 and June 30, 2016. A comparison between the two years highlights a few items:

- The total liabilities increased in 2017 by \$6,997,506 compared to the year 2016.
- The total assets increased by \$452,824 in 2017.
- Ending net position decreased by \$2,047,430 in 2017 from 2016.

Table A-1
Limon Public Schools RE-4J
STATEMENT OF NET POSTITION

	June 30, 2017 Governmental Activities	June 30,2016 Governmental Activities
Assets:		
Cash	3,657,637	3,417,641
Investments		
Accounts receivable	304,437	3,652
Accrued revenue	18,247	40,235
Property taxes receivable	47,500	59,500
Inventories	8,337	
Capital assets	30,150,793	29,564,043
Accumulated depreciation	(3,543,487)	(2,901,405)
	<u>30,643,464</u>	<u>30,190,640</u>
Deferred Outflows of Resources		
Deferred Refunding - Debt	85,074	103,737
Deferred Pension Cost – Plan	5,190,655	693,159
Deferred Pension Cost - Entity	13,278	32,246
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	<u>210,073</u>	<u>190,061</u>
Total Deferred Outflows	<u>5,499,080</u>	<u>1,019,203</u>
Liabilities :		
Accounts payable	465,425	93,380
Accrued salaries and benefits	317,812	294,026
Other-Intergovernmental Payable		
Accrued interest payable	25,153	26,274
Noncurrent liabilities:		
Compensated absences	129,125	130,048
Lease Payments due within one year	49,503	48,442
Bond payments due within one year	394,482	379,053
Leases due in more than one year	25,028	
Bonds payments due in more than one year	7,044,776	7,439,258
Net Pension Liability	<u>14,012,943</u>	<u>7,056,260</u>
Total Liabilities	<u>22,464,247</u>	<u>15,466,741</u>
Deferred Inflow of Resources:		
Deferred Pension Cost - Entity	63,315	100,011
Deferred Pension Cost - Plan	235,036	215,715
Total Deferred Inflows	<u>298,351</u>	<u>315,726</u>
Net Position:		
Invested in capital assets	19,093,517	18,844,327
Restricted for:		
Tabor Reserve	153,000	281,500
Food Service	20,716	
Preschool	7,015	7,024
Debt Service	1,336,736	1,307,941
Unrestricted	<u>(7,231,038)</u>	<u>(5,013,416)</u>
Total Net Position	<u>13,379,946</u>	<u>15,427,376</u>

Changes in Net Position

This section will show condensed financial comparison of revenues and expenses and provide explanations for significant differences.

Some of the highlights comparing the two years are:

Revenues decreased in 2017 from 2016 by \$3,976,702, largely due to capital construction grants. Expenses increased by \$2,033,715 in 2017 due to pension cost.

Financial Comparison of Revenues and Expenses

Table A-3

	June 30, 2017 Governmental Activities	June 30, 2016 Governmental Activities
Revenues		
Charges for Services	231,642	184,069
Operating Grants	573,310	726,032
Property/Ownership Taxes	2,571,397	2,654,124
Capital Grants	448,955	4,518,705
Earnings on investments	8,484	5,342
Other local sources	49,502	149,608
State Equalization	2,169,619	2,052,731
Transfers		
Total Revenues	6,052,909	10,029,611
Expenses		
Instructional Services	3,473,080	3,166,098
Supporting Services	1,664,938	1,617,432
Interest, amortization	304,569	340,861
Food Service	180,435	188,266
Loss on Demolition for New Construction	-	491,586
Amortizations of Pension Cost	2,440,768	261,980
Capital Outlay	36,550	402
Total Expenses	8,100,340	6,066,625
Increase (Decrease) in net position	(2,047,431)	4,233,986
Beginning net position	15,427,376	11,152,176
Total Net Position	13,379,946	15,427,376

The District's revenues totaled \$6,052,909 in 2017 (See Table A-3). Approximately 42 percent of the District's revenue came from property and other taxes, with 39 percent coming from state equalization.

The total cost of all programs and services in 2017 was \$8,100,340, an increase of \$2,033,715 from 2016. The District's expenses cover a range of services, encompassing instruction, support services and food services.

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$8,081.07 per funded student. In fiscal year 2016-2017, the funded pupil count was 474.3. Funding for the School Finance act comes from property taxes, specific ownership taxes and state equalization.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. The School Board approves a budget in June based on enrollment projections for the following school year.

Actual revenues for the General fund totaled \$4,601,681 which was \$157,143 more than the final budget. The actual expenditures of \$4,431,080 were below budget by \$1,600,644. The District increased the General Fund's fund balance from the previous year by \$6,220. The \$1,780,164 fund balance as of June 30, 2017 includes \$153,000 reserved for TABOR. The budgetary basis differs from generally accepted accounting principles (GAAP) in the treatment of accrued salaries, benefits and related liabilities. According to state statutes, the accrued salaries and related benefits do not need to be "funded" and, therefore, are not subtracted from budgetary basis fund balance.

Bond Redemption Fund

A General Obligation Refunding issue in the amount of \$1,575,000 was issued in 2014. The corresponding activity was recorded in this fund as well as the levy and receipt of taxes to pay principal and interest on this debt as well as Matching Money Bonds.

Food Service Fund

This fund is used to account for all activity in the school lunch and breakfast program. Revenues come from meal charges as well as federal and state grants. The ending fund balance was \$29,053.

Capital Reserve Capital Project Fund.

This fund replaces the Capital Reserve Fund. The revenue is primarily from funds allocated from the general fund or from any grants designated specifically for building projects. The ending fund balance was \$36,983.

Insurance Reserve Funds (combined with General Fund)

The Insurance Reserve fund includes revenues and expenses relating to property, general liability, and workers' compensation insurance. Employee insurance programs and unemployment is expensed throughout the General Fund. The District allocated \$91,000 to the Insurance Reserve fund. Insurance policies cost \$90,795 leaving a fund balance of \$1,300. This fund is combined with the General Fund for financial statement reporting.

Student Activity Fund

The Student Activity Fund is established to account for monies related to student clubs, class monies and athletics. The deposits held for this fund for the various clubs at the close of the year was \$212,235.

BUDGETARY HIGHLIGHTS

The final fiscal year 2016-2017 budget adopted by the Board of Education for the District as a whole totaled appropriation of \$10.6 million including: General Fund appropriations of \$5.9 million, Insurance Reserve Fund appropriations of \$92,000, Bond Redemption Fund appropriations of \$2.2 million and Capital Building Project appropriations of \$1.6 million.

CAPITAL ASSET ADMINISTRATION

By the end of 2017, the District had invested \$30 million in a broad range of government-wide capital assets, including, land, buildings, various machinery and equipment. This year's capital activity includes the construction in progress for remodeling of the locker rooms. Assets are shown before accumulated depreciation of \$3,543,487.

Limon School District RE-4J Capital Assets – Governmental Activities

	June 30, 2016	June 30, 2017
Land	90,000	90,000
Buildings	28,063,865	28,070,641
Site Improvements	407,327	577,192
Construction in Progress	0	390,309
Vehicles	733,955	753,755
Equipment	268,896	268,896
Total Funds Capital Assets	<u>29,564,043</u>	<u>30,150,793</u>

GENERAL OBLIGATION DEBT

The District has issued \$1,575,000 in General Obligation Refunding Bonds to defease outstanding Limited Tax Certificates of Participation. Additionally, \$6,973,015 of Matching Money Bonds were issued to provide the District's match in a \$31,992,337 BEST construction project. The remaining debt balances at June 30, 2017 were \$1,320,000 and \$6,498,311, respectively.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

Information from the 2015-2016 student enrollment "October count" shows that Limon School District RE-4J has increased slightly over the last year. The district's enrollment for the last five years has been as follows:

	15/16 FY	14/15 FY	14/15 FY	13/14 FY	12/13 FY
At Risk Count	171	147	133	168	139
Oct. 1 FTE Count	467.5	481	464	449.5	431
Average Funded Pupil Count	474.3	482	464	449.5	432

Based on historical trends, our projections for student enrollment for fall of 2016 will show District enrollment increasing.

The United States and the State of Colorado have experienced slowing economic conditions in the past several years. One impact of this economic slowing is the reduction in the State of Colorado's general fund revenues, which are expected to continue to decline. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues may be adversely impacted. The District may also have to reduce its future expenditures to maintain its fund balance.

Colorado issues School Performance Frame Works for every public school in the state. The report rates each school based upon student performance on the Transitional Colorado Assessment Program (TCAP). The TCAP is administered to all three through tenth grade students. The elementary, middle schools and the high school of the District received the highest performance rating. Schools placed on a turnaround plan for three straight years face a possible state take over and/or conversion to a charter school. The district was accredited by the state.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Limon Public Schools RE-4J, PO Box 249, 912 Badger Way, Limon, CO 80828

Respectfully submitted,

Kimberly Steinhart
Director of Business Services

BASIC FINANCIAL STATEMENTS

LIMON PUBLIC SCHOOLS RE-4J
STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Equivalents	3,657,637	3,657,637
Accounts Receivable	304,437	304,437
Accrued Revenue	18,247	18,247
Property Taxes Receivable	47,500	47,500
Inventories	8,337	8,337
Capital Assets	30,150,793	30,150,793
Accumulated Depreciation	<u>(3,543,487)</u>	<u>(3,543,487)</u>
<u>Total Assets</u>	<u>30,643,464</u>	<u>30,643,464</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred Refunding – Debt	85,074	85,074
Deferred Pension Cost – Plan	5,190,655	5,190,655
Deferred Pension Cost – Entity	13,278	13,278
Deferred Pension Cost – Contributions Subsequent to Pension Measurement Date	<u>210,073</u>	<u>210,073</u>
<u>Total Deferred Outflows of Resources</u>	<u>5,499,080</u>	<u>5,499,080</u>
<u>LIABILITIES</u>		
Accounts Payable	465,425	465,425
Accrued Salaries and Benefits	317,812	317,812
Accrued Interest Payable	25,153	25,153
NonCurrent Liabilities:		
Compensated Absences	129,125	129,125
Lease Payments Due Within One Year	49,503	49,503
Bonds Due Within One Year	394,482	394,482
Leases Due In More Than One Year	25,028	25,028
Bonds Due in More than One Year	7,044,776	7,044,776
Net Pension Liability	<u>14,012,943</u>	<u>14,012,943</u>
<u>Total Liabilities</u>	<u>22,464,247</u>	<u>22,464,247</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Deferred Pension Cost – Plan	63,315	63,315
Deferred Pension Cost – Entity	<u>235,036</u>	<u>235,036</u>
<u>Total Deferred Inflows</u>	<u>298,351</u>	<u>298,351</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	19,093,517	19,093,517
Restricted for:		
TABOR Reserve	153,000	153,000
Preschool	7,015	7,015
Food Service	20,716	20,716
Debt Service	1,336,736	1,336,736
Unrestricted	<u>(7,231,038)</u>	<u>(7,231,038)</u>
<u>TOTAL NET POSITION</u>	<u>13,379,946</u>	<u>13,379,946</u>

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

LIMON PUBLIC SCHOOLS RE-4J
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position	
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total	Primary Government
FUNCTIONS						
Instructional Services	3,473,080	153,878	405,758	-	(2,913,444)	(2,913,444)
Supporting Services:						
Students	202,394	-	-	-	(202,394)	(202,394)
Instructional Staff	75,349	-	-	-	(75,349)	(75,349)
District Administration	171,001	-	-	-	(171,001)	(171,001)
School Administration	271,565	-	-	-	(271,565)	(271,565)
Business	86,612	-	-	-	(86,612)	(86,612)
Operation & Maintenance of Facilities	519,561	-	-	-	(519,561)	(519,561)
Transportation	220,497	44,012	-	-	(176,485)	(176,485)
Central Support	117,480	-	-	-	(117,480)	(117,480)
Community Support	479	-	-	-	(479)	(479)
Food Service	180,435	77,764	123,540	-	20,869	20,869
Capital Outlay	36,550	-	448,955	-	412,405	412,405
Interest on Long Term Debt	304,569	-	-	-	(304,569)	(304,569)
Pension Cost	2,440,768	-	-	-	(2,440,768)	(2,440,768)
Total Governmental Activities	<u>8,100,340</u>	<u>231,642</u>	<u>573,310</u>	<u>448,955</u>	<u>(6,846,433)</u>	<u>(6,846,433)</u>
Total School District	<u>8,100,340</u>	<u>231,642</u>	<u>573,310</u>	<u>448,955</u>	<u>(6,846,433)</u>	<u>(6,846,433)</u>
General Revenues						
Property Taxes Levied for General Purposes				2,341,368	2,341,368	
Specific Ownership Taxes				230,029	230,029	
Equalization				2,169,619	2,169,619	
Earnings on Investments				8,484	8,484	
Other Revenues				49,502	49,502	
Total General Revenues				<u>4,799,002</u>	<u>4,799,002</u>	
Change in Net Position				(2,047,431)	(2,047,431)	
Net Position, Beginning				<u>15,427,377</u>	<u>15,427,377</u>	
Net Position, Ending				<u>13,379,946</u>	<u>13,379,946</u>	

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

LIMON PUBLIC SCHOOLS RE-4J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Equivalents	2,208,519	42,416	1,328,956	77,746	3,657,637
Investments	-	-	-	-	-
Accounts Receivable	37,067	267,370	-	-	304,437
Accrued Revenue	18,247	-	-	-	18,247
Due From Other Funds	-	-	-	-	-
Property Taxes Receivable	33,000	-	14,500	-	47,500
Inventories	-	-	-	8,337	8,337
<u>Total Assets</u>	<u>2,296,833</u>	<u>309,786</u>	<u>1,343,456</u>	<u>86,083</u>	<u>4,036,158</u>
LIABILITIES:					
Accounts Payable	192,621	272,804	-	-	465,425
Accrued Salaries and Benefits	308,519	-	-	9,293	317,812
Due To Other Funds	-	-	-	-	-
<u>Total Liabilities</u>	<u>501,140</u>	<u>272,804</u>	<u>-</u>	<u>9,293</u>	<u>783,237</u>
DEFERRED INFLOW OF RESOURCES					
Property Tax	15,529	-	6,720	-	22,249
FUND BALANCES:					
Nonspendable:					
Inventories	-	-	-	8,337	8,337
Restricted:					
Emergencies	153,000	-	-	-	153,000
Debt Service	-	-	1,336,736	-	1,336,736
Preschool	7,015	-	-	-	7,015
Food Service	-	-	-	20,716	20,716
Committed:					
Capital Outlay	-	36,982	-	-	36,982
Insurance	1,300	-	-	-	1,300
Assigned:					
Student Activities	-	-	-	47,737	47,737
Unassigned	1,618,849	-	-	-	1,618,849
<u>Total Fund Balances</u>	<u>1,780,164</u>	<u>36,982</u>	<u>1,336,736</u>	<u>76,790</u>	<u>3,230,672</u>
<u>Total Liabilities, Deferred Inflows and Fund Balances</u>	<u>2,296,833</u>	<u>309,786</u>	<u>1,343,456</u>	<u>86,083</u>	<u>4,036,158</u>

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

LIMON PUBLIC SCHOOLS RE-4J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2017

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

<u>Total Fund Balance – Governmental Funds</u>	3,230,672
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$30,150,793 and the accumulated depreciation is \$3,543,487.	26,607,306
Property tax revenue is recognized when earned (claim to resources established) rather than when “available” in the entity-wide financial statements.	22,249
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(25,153)
For debt refundings, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This is the unamortized deferred refunding amount.	85,074
Long-term liabilities, including capital leases and general obligation bonds are not due and payable in the current period and therefore are not reported in funds.	(7,513,789)
Compensated absences are not reported as a liability in the funds.	(139,125)
Net pension liability, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(14,012,943)
Deferred Outflows	5,414,006
Deferred Inflows	<u>(298,351)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>13,379,946</u>

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

LIMON PUBLIC SCHOOLS RE-4J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	General	Capital Reserve Capital Projects	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Property Taxes	1,606,539	-	715,156	-	2,321,695
Specific Ownership Taxes	230,028	-	-	-	230,028
Earnings on Investments	5,064	-	3,420	-	8,484
Other Local Sources	140,661	68,404	810	139,674	349,549
State Aid	2,513,644	380,551	-	3,211	2,897,406
Federal Aid	105,745	-	-	120,329	226,074
<u>Total Revenues</u>	<u>4,601,681</u>	<u>448,955</u>	<u>719,386</u>	<u>263,214</u>	<u>6,033,236</u>
<u>EXPENDITURES</u>					
<u>Current:</u>					
Instructional Services	2,790,792	-	-	96,713	2,887,505
Supporting Services:					
Students	202,394	-	-	-	202,394
Instructional Staff	75,349	-	-	-	75,349
District Administration	171,001	-	-	-	171,001
School Administration	271,565	-	-	-	271,565
Business	86,612	-	-	-	86,612
Operation & Maintenance of Facilities	514,502	-	-	-	514,502
Transportation	176,581	-	-	-	176,581
Community	479	-	-	-	479
Central	116,880	-	600	-	117,480
Food Service	-	-	-	173,826	173,826
Debt Service:					
Principal	-	-	379,053	-	379,053
Interest	-	-	310,938	-	310,938
Capital Outlay	24,925	598,375	-	-	623,300
<u>Total Expenditures</u>	<u>4,431,080</u>	<u>598,375</u>	<u>690,591</u>	<u>270,539</u>	<u>5,990,585</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>170,601</u>	<u>(149,420)</u>	<u>28,795</u>	<u>(7,325)</u>	<u>42,651</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers	(164,381)	110,000	-	54,381	-
Proceeds of Capital Lease	-	50,000	-	-	50,000
<u>Total Other Financing Sources (Uses)</u>	<u>(164,381)</u>	<u>160,000</u>	<u>-</u>	<u>54,381</u>	<u>50,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	6,220	10,580	28,795	47,056	92,651
<u>FUND BALANCE – Beginning</u>	<u>1,773,944</u>	<u>26,402</u>	<u>1,307,941</u>	<u>29,734</u>	<u>3,138,021</u>
<u>FUND BALANCES – Ending</u>	<u>1,780,164</u>	<u>36,982</u>	<u>1,336,736</u>	<u>76,790</u>	<u>3,230,672</u>

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

LIMON PUBLIC SCHOOLS RE-4J
 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 92,651

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.

	586,750	
Capital Outlays more than \$5,000		
Depreciation Expense	<u>(642,082)</u>	(55,332)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities.

19,673

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

	402,964	
Repayment of Debt Principal		
Lease Proceeds	(50,000)	
Amortization of Deferred Refunding	(18,663)	
Interest Expense	<u>1,121</u>	335,422

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 changed by this amount.

923

The increase in net pension liability, along with the changes and amortizations of deferred flows associated with the net pension liability are not recorded at the fund level:

		(2,440,768)
Pension Cost		

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (2,047,431)

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

LIMON PUBLIC SCHOOLS RE-4J
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2017

	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	212,235
Due From Other Funds	<u>-</u>
<u>Total Assets</u>	<u>212,235</u>
 <u>LIABILITIES</u>	
Due To Student Groups	212,235
Accounts Payable	<u>-</u>
<u>Total Liabilities</u>	<u>212,235</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Limon Public Schools RE-4J (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Limon Public Schools RE-4J. 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.

LIMON PUBLIC SCHOOLS RE-4J
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.

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.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
 3. Capital Reserve Capital Project Fund – used to account for the acquisition of sites, buildings, equipment and vehicles.

Additionally, the District reports the following fund type: Fiduciary Fund

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

E. Cash and Investments

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

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

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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 (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. 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.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the statement of financial position 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.

J. 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.

K. Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing Limon Public Schools RE-4J to collect, retain and expend all revenues collected during 1995 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2017 the District reserved \$153,000 for this purpose.

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

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. 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 Lincoln 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

M. Use of Estimates

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

N. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

O. 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.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

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.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Bond Redemption Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	-	8,337	8,337
<u>Restricted:</u>						
Emergencies	153,000	-	-	-	-	153,000
Preschool	7,015	-	-	-	-	7,015
Debt Service	-	-	1,336,736	-	-	1,336,736
Capital Outlay	-	-	-	-	-	-
Food Service	-	-	-	-	20,716	20,716
<u>Committed:</u>						
Insurance	1,300	-	-	-	-	1,300
Capital Outlay	-	36,982	-	-	-	36,982
<u>Assigned:</u>						
Pupil Activities	-	-	-	47,737	-	47,737
<u>Unassigned</u>	<u>1,618,849</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,618,849</u>
<u>Total Fund Balances</u>	<u>1,780,164</u>	<u>36,982</u>	<u>1,336,736</u>	<u>47,737</u>	<u>29,053</u>	<u>3,230,672</u>

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO 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.

	Items Eliminated		Items Eliminated	
	Transfers To Other Funds	Transfers From Other Funds	Due To Other Funds	Due From Other Funds
General Fund	164,381	-	-	-
Food Service	-	110,000	-	-
Capital Reserve- Capital Project	-	5,000	-	-
Student Activity - Special Revenue	-	49,381	-	-
	<u>164,381</u>	<u>164,381</u>	<u>-</u>	<u>-</u>

NOTE 3 BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 3 BUDGETARY INFORMATION (Continued)

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, Debt Service, Capital Projects and Special Revenue Funds.
6. Budgets for the General, Debt Service, Capital Projects and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds.

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.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 4 CASH AND INVESTMENTS (Continued)

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	3,579,264	3,601,453
Cash Equivalents	-	-
Cash with County Treasurer	40,608	-
Cash on Hand	-	-
<u>Total Cash and Deposits</u>	<u>3,869,872</u>	<u>3,851,453</u>

As presented above, deposits with a bank balance of \$3,601,453 and a carrying balance of \$3,579,264 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
<u>Non-Depreciable Assets:</u>				
Land	90,000	-	-	90,000
<u>Depreciable Assets:</u>				
Construction in Progress	-	390,309	-	390,309
Buildings	28,063,865	6,776	-	28,070,641
Site Improvements	407,327	169,865	-	577,192
Vehicles	733,955	19,800	-	753,755
Equipment	268,896	-	-	268,896
<u>Total Assets</u>	<u>29,564,043</u>	<u>586,750</u>	<u>-</u>	<u>30,150,793</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Buildings	2,065,600	565,508	-	2,631,108
Site Improvements	184,651	21,075	-	205,726
Vehicles	564,048	38,621	-	602,669
Equipment	87,106	16,878	-	103,984
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>2,901,405</u>	<u>642,082</u>	<u>-</u>	<u>3,543,487</u>
<u>Total Capital Assets, Net</u>	<u>26,662,638</u>	<u>(55,332)</u>	<u>-</u>	<u>26,607,306</u>

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 5 CAPITAL ASSETS (Continued)

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

<u>Governmental Activities:</u>	
Instruction	586,498
Operations and Maintenance	5,059
Transportation	43,916
Food Service	<u>6,609</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>642,082</u>

NOTE 6 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, and June 30, 2017, are estimated to be \$317,812. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 7 INTERFUND TRANSACTIONS

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	-	-	164,381	-
Capital Reserve -				
Capital Project	-	-	-	110,000
Food Service	-	-	-	5,000
Student Activity –				
Special Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,381</u>
	<u>-</u>	<u>-</u>	<u>164,381</u>	<u>164,381</u>

All interfund due to/from amounts were accumulated in the normal course of operations and represent amounts paid or settled between the General Fund and other operating funds of the District. All are expected to be repaid in the upcoming period. Transfers were to support normal operations.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Limon Public Schools RE-4J 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 Limon Public Schools RE-4J 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.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 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 Limon Public Schools RE-4J 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.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 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 Limon Public Schools RE-4J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Limon Public Schools RE-4J were \$402,979 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 Limon Public Schools RE-4J reported a liability of \$14,012,943 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 Limon Public Schools RE-4J proportion of the net pension liability was based on Limon Public Schools RE-4J 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 Limon Public Schools RE-4J proportion was 0.0471 percent, which was 0.0009 percent less than its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the Limon Public Schools RE-4J recognized pension expense of \$2,440,768. At June 30, 2017, the Limon Public Schools RE-4J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	175,183	(124)
Changes of assumptions or other inputs	4,546,908	(63,191)
Net difference between projected and actual earnings on pension plan investments	468,564	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	13,278	(235,036)
Contributions subsequent to the measurement date	210,073	N/A
Total	5,414,006	(298,351)

\$210,073 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2017	
2018	1,942,740
2019	1,959,911
2020	998,258
2021	4,673
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

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 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.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 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.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 **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.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 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.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

Sensitivity of the Limon Public Schools RE-4J proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	17,620,825	14,012,943	11,074,453

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 Limon Public Schools RE-4J 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 \$39,750.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The Limon Public Schools RE-4J 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.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

Funding Policy – The Limon Public Schools RE-4J 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 Limon Public Schools RE-4J 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 Limon Public Schools RE-4J contributions to the HCTF were \$22,354, \$21,001 and \$20,432, respectively equal to their required contributions for each year.

NOTE 9 JOINT VENTURE

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

The District has one member on the Board. This 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 for the year ended June 30, 2016, is as follows:

Assets and Deferred Outflows	<u>3,687,970</u>
Liabilities and Deferred Inflows	9,789,063
Net Position	<u>(6,101,093)</u>
	<u>3,687,970</u>
Revenues	8,398,687
Expenses	<u>8,359,060</u>
Change in Net Position	<u>39,627</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 copy of the audited financial statement with the office of Colorado State Auditor.

NOTE 10 LONG-TERM DEBT – GENERAL OBLIGATION BONDS

General Obligation Refunding Bonds Taxable Series 2013

On November 12, 2013 the District issued \$1,575,000 in General Obligation Refunding Bonds bearing interest rates ranging from .78% to 4.5% to advance refund \$1,700,000 in Limon School District Public Building Authority Limited Tax Certificates of Participation (Series 2004) with an average interest rate of 5.5%. Refunding proceeds and District funds totaling \$1,797,040 were deposited with an escrow agent to provide debt service payments of \$1,700,000 principal and \$439,091 in interest on the 2004 certificates. As a result, the debt was considered to be defeased and the liability for the issue was removed from the financial statements. The remaining unpaid balance of the defeased debt at June 30, 2017 is \$1,195,000.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 10 LONG-TERM DEBT – GENERAL OBLIGATION BONDS (Continued)

General Obligation Refunding Bonds Taxable Series 2013 (Continued)

As a result of the reacquisition price and carrying amount of the old debt, a deferred refunding was recorded in the amount of \$153,511. It is being amortized against interest costs of the refunding issue.

The District completed the advance refunding to reduce the total debt service over the next 11 years by \$47,678 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$52,542.

Following is a schedule of debt service to maturity:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	135,000	41,644
2019	135,000	38,308
2020	140,000	34,286
2021	145,000	29,513
2022	150,000	24,002
2023	155,000	17,869
2024	160,000	11,180
2025	<u>170,000</u>	<u>3,842</u>
	<u>1,190,000</u>	<u>200,644</u>

Series 2013 Matching Money Bonds

These Matching Money Bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 Matching Money Bonds of \$6,973,015 were used to match \$25,019,362 in State of Colorado – BEST Program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2013 Matching Money Bonds were issued at an interest rate of 4.18781%.

Below is a schedule of debt service requirements to maturity:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2018	259,482	256,274
2019	270,349	245,180
2020	281,671	233,621
2021	293,467	221,578
2022	305,757	209,031
2023-2027	1,731,918	837,766
2028-2032	2,126,239	435,190
2033-2034	<u>980,375</u>	<u>41,478</u>
	<u>6,249,258</u>	<u>2,480,118</u>

NOTE 11 LONG-TERM DEBT – COMPENSATED ABSENCES

Compensated Absences

In accordance with generally accepted accounting principles for governmental entities, the District had accrued a liability for future compensated absences (sick leave, vacation allowance, etc.). The amount due as of June 30, 2017 is \$129,125.

LIMON PUBLIC SCHOOLS RE-4J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 12 CAPITAL LEASES

During 2015, the District entered into a capital lease agreement in the amount of \$96,884 to purchase a bus. The District paid \$48,442 in 2016 and will make two annual payments of \$25,166 in 2017 and 2018. The interest rate is 2.59%.

	Year	Future Minimum Payments	Principal	Interest
	2018	25,166	<u>24,531</u>	<u>635</u>
Less: Amount Representing Interest		<u>635</u>		
Present Value of Future Minimum Payments		<u>24,531</u>		

During 2016, the District entered into a capital lease agreement in the amount of \$50,000 to support expenditures for construction of a new track. The District paid \$-0- in 2017 and will make two annual payments of \$25,660 in 2018 and 2019. The interest rate is 2.47%.

	Year	Future Minimum Payments	Principal	Interest
	2018	25,660	24,973	687
	2019	<u>25,660</u>	<u>25,027</u>	<u>633</u>
		51,320	<u>50,000</u>	<u>1,320</u>
Less: Amount Representing Interest		<u>1,320</u>		
Present Value of Future Minimum Payments		<u>50,000</u>		

NOTE 13 SUMMARY OF LONG TERM DEBT

The following is a summary of the changes in Long-Term Debt for the year ended June 30, 2017:

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017	Current Portion
<u>Description</u>					
Compensated Absences	130,048	-	923	129,125	-
GO Refunding Bonds 2013	1,320,000	-	130,000	1,190,000	135,000
Matching Money Bonds 2013	6,498,311	-	249,053	6,249,258	259,482
Bus Lease 2015	48,442	-	23,911	24,531	24,531
Track Lease 2016	-	50,000	-	50,000	24,973
Deferred Refunding	<u>(103,737)</u>	<u>-</u>	<u>(18,663)</u>	<u>(85,074)</u>	<u>(17,657)</u>
<u>Total</u>	<u>7,893,064</u>	<u>50,000</u>	<u>385,224</u>	<u>7,557,840</u>	

NOTE 14 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.

LIMON PUBLIC SCHOOLS RE-4J
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 15 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) in 1981 to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Employment Practices Liability, Automobile Liability, Auto Physical Damage, Real and Personal Property, Crime, and other coverages. The Board of Directors is composed of eight persons. 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, risk exposure and other factors touching on the status of the Pool or an individual participant.

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

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

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

Total Assets	48,036,383
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 (Loss)	<u>2,424,983</u>
Change in Non Admitted Assets	<u>53,761</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>26,803,753</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

REQUIRED SUPPLEMENTARY INFORMATION

GOVERNMENTAL FUNDS

General Fund

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

LIMON PUBLIC SCHOOLS RE-4J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	1,617,860	1,617,860	1,606,539	(11,321)
Specific Ownership Taxes	198,200	198,200	230,028	31,828
Earnings on Investments	2,050	2,050	5,064	3,014
Delinquent Taxes & Interest	800	800	1,901	1,101
Other	162,550	162,550	138,760	(23,790)
<u>State Sources</u>				
Equalization	2,158,975	2,158,975	2,169,619	10,644
Transportation	43,609	43,609	44,012	403
Vocational Education	50,000	50,000	48,361	(1,639)
Other	108,900	108,900	251,652	142,752
<u>Federal Sources</u>				
Designated Purpose Grants	101,594	101,594	-	(101,594)
Other	-	-	105,745	105,745
<u>TOTAL REVENUES</u>	<u>4,444,538</u>	<u>4,444,538</u>	<u>4,601,681</u>	<u>157,143</u>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	1,586,828	1,586,828	1,541,759	45,069
Employee Benefits	605,646	605,646	539,916	65,730
Purchased Services - Professional	56,232	56,232	44,345	11,887
Purchased Services – Property	33,400	33,400	40,296	(6,896)
Purchased Services – Other	383,901	383,901	361,297	22,604
Supplies and Materials	296,176	296,176	258,465	37,711
Property	15,850	15,850	-	15,850
Other Objects	5,000	5,000	4,714	286
<u>Total Instruction</u>	<u>2,983,033</u>	<u>2,983,033</u>	<u>2,790,792</u>	<u>192,241</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	51,250	51,250	49,939	1,311
Employee Benefits	16,935	16,935	16,833	102
Purchased Services – Professional	19,000	19,000	18,495	505
Purchased Services –Property	-	-	-	-
Purchased Services – Other	115,800	115,800	104,816	10,984
Supplies and Materials	14,450	14,450	8,260	6,190
Property	-	-	-	-
Other Objects	4,200	4,200	4,051	149
<u>Total Student Services</u>	<u>221,635</u>	<u>221,635</u>	<u>202,394</u>	<u>19,241</u>

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

LIMON PUBLIC SCHOOLS RE-4J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	26,500	26,500	27,355	(855)
Employee Benefits	12,205	12,205	11,134	1,071
Purchased Services – Professional	5,250	5,250	4,795	455
Purchased Services – Property	700	700	-	700
Purchased Services – Other	3,850	3,850	3,373	477
Supplies and Materials	28,180	28,180	28,692	(512)
Property	<u>1,050</u>	<u>1,050</u>	<u>-</u>	<u>1,050</u>
<u>Total Instructional Staff</u>	<u>77,735</u>	<u>77,735</u>	<u>75,349</u>	<u>2,386</u>
<u>General Administration</u>				
Salaries	82,000	82,000	80,145	1,855
Employee Benefits	42,450	42,450	38,380	4,070
Purchased Services – Professional	21,200	21,200	28,278	(7,078)
Purchased Services – Other	3,500	3,500	3,318	182
Supplies and Materials	19,500	19,500	13,951	5,549
Property	-	-	-	-
Other Objects	<u>7,200</u>	<u>7,200</u>	<u>6,929</u>	<u>271</u>
<u>Total General Administration</u>	<u>175,850</u>	<u>175,850</u>	<u>171,001</u>	<u>4,849</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	193,500	193,500	195,991	(2,491)
Employee Benefits	68,693	68,693	67,466	1,227
Purchased Services – Other	5,500	5,500	5,781	(281)
Supplies and Materials	1,050	1,050	1,261	(211)
Property	1,300	1,300	-	1,300
Other Objects	<u>2,000</u>	<u>2,000</u>	<u>1,066</u>	<u>934</u>
<u>Total School Administration</u>	<u>272,043</u>	<u>272,043</u>	<u>271,565</u>	<u>478</u>
<u>Business Services</u>				
Salaries	50,000	50,000	48,100	1,900
Employee Benefits	17,707	17,707	19,556	(1,849)
Purchased Services – Professional	10,250	10,250	6,464	3,786
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,500	3,500	2,449	1,051
Supplies and Materials	7,500	7,500	5,559	1,941
Property	1,000	1,000	-	1,000
Other Objects	<u>3,000</u>	<u>3,000</u>	<u>4,484</u>	<u>(1,484)</u>
<u>Total Business Services</u>	<u>92,957</u>	<u>92,957</u>	<u>86,612</u>	<u>6,345</u>

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

LIMON PUBLIC SCHOOLS RE-4J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Operations and Maintenance</u>				
Salaries	131,000	131,000	147,298	(16,298)
Employee Benefits	43,500	43,500	41,998	1,502
Purchased Services – Professional	2,000	2,000	-	2,000
Purchased Services – Property	70,000	70,000	66,493	3,507
Purchased Services – Other	76,500	76,500	78,745	(2,245)
Supplies and Materials	181,000	181,000	179,968	1,032
Property	2,000	2,000	-	2,000
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>506,000</u>	<u>506,000</u>	<u>514,502</u>	<u>(8,502)</u>
<u>Student Transportation</u>				
Salaries	88,250	88,250	98,679	(10,429)
Employee Benefits	22,850	22,850	25,955	(3,105)
Purchased Services – Professional	1,200	1,200	428	772
Purchased Services – Property	20,600	20,600	19,338	1,262
Purchased Services – Other	1,500	1,500	375	1,125
Supplies and Materials	41,100	41,100	31,269	9,831
Property	750	750	-	750
Other Objects	-	-	537	(537)
<u>Total Student Transportation</u>	<u>176,250</u>	<u>176,250</u>	<u>176,581</u>	<u>(331)</u>
<u>Central Support</u>				
Salaries	57,000	57,000	56,000	1,000
Employee Benefits	18,957	18,957	18,654	303
Purchased Services – Professional	-	-	225	(225)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	32,345	32,345	31,029	1,316
Supplies and Materials	9,000	9,000	10,972	(1,972)
Property	1,500	1,500	-	1,500
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>118,802</u>	<u>118,802</u>	<u>116,880</u>	<u>1,922</u>
<u>Community Services</u>				
Purchased Services – Other	400	400	479	(79)
<u>Total Community Services</u>	<u>400</u>	<u>400</u>	<u>479</u>	<u>(79)</u>
<u>Facilities Acquisition and Construction</u>				
Property	30,000	30,000	24,925	5,075
<u>Total Facilities Acquisition and Construction</u>	<u>30,000</u>	<u>30,000</u>	<u>24,925</u>	<u>5,075</u>
 <u>TOTAL SUPPORTING SERVICES</u>	 <u>1,671,672</u>	 <u>1,671,672</u>	 <u>1,640,288</u>	 <u>31,384</u>

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

LIMON PUBLIC SCHOOLS RE-4J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Appropriated Reserves</u>	<u>1,377,039</u>	<u>1,377,039</u>	<u>-</u>	<u>1,377,039</u>
<u>TOTAL EXPENDITURES</u>	<u>6,031,744</u>	<u>6,031,744</u>	<u>4,431,080</u>	<u>1,600,664</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(1,587,206)</u>	<u>(1,587,206)</u>	<u>170,601</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>(186,738)</u>	<u>(186,738)</u>	<u>(164,381)</u>	<u>22,357</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(186,738)</u>	<u>(186,738)</u>	<u>(164,381)</u>	<u>22,357</u>
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	<u>(1,773,944)</u>	<u>(1,773,944)</u>	<u>6,220</u>	
<u>FUND BALANCE, July 1</u>	<u>1,773,944</u>	<u>1,773,944</u>	<u>1,773,944</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,780,164</u>	

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

LIMON PUBLIC SCHOOLS RE-4J
 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)	0.0471%	0.0461%	0.0483%	0.0478%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$14,012,943	\$7,056,260	\$6,550,479	\$6,094,429	-	-	-	-	-	-
District's covered-employee payroll	\$2,191,616	\$2,058,864	\$2,003,098	\$1,984,206	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	639%	343%	327%	307%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.2 %	62.80%	64.06%	-	-	-	-	-	-

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

LIMON PUBLIC SCHOOLS RE-4J
 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	\$ 402,979	\$ 365,188	\$ 338,109	\$ 317,344	\$ 288,655	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (402,979)</u>	<u>\$ (365,188)</u>	<u>\$ (338,109)</u>	<u>\$ (317,344)</u>	<u>\$ (288,655)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered-employee payroll	\$2,191,616	\$2,058,864	\$2,003,098	\$1,984,206	\$1,913,750	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.74%	16.88%	15.99%	15.08%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Capital Project Funds

Capital Reserve Capital Project Fund – This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Bond Redemption – Debt Service Fund

Bond Redemption Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

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

Student Activities Fund – This fund is used to account for expenditures made in co-curricular instructional activities. It is funded by local reserves and transfers from the General Fund earmarked for that purpose.

Fiduciary Fund Types

Agency Fund – used to account for assets held for others in a fiduciary capacity.

Student Activity Fund – This fund accounts for activities of student clubs and organizations.

LIMON PUBLIC SCHOOLS RE-4J
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2017

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activities</u>	
<u>ASSETS</u>			
Cash	30,009	47,737	77,746
Investments	-	-	-
Accounts Receivable	-	-	-
Accrued Revenue	-	-	-
Due From Other Funds	-	-	-
Inventories	<u>8,337</u>	-	<u>8,337</u>
<u>Total Assets</u>	<u>38,346</u>	<u>47,737</u>	<u>86,083</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries	9,293	-	9,293
Due To Other Funds	-	-	-
Other Payables	-	-	-
<u>Total Liabilities</u>	<u>9,293</u>	<u>-</u>	<u>9,293</u>
 <u>Fund Balances:</u>			
Nonspendable:			
Inventories	8,337	-	8,337
Restricted:			
Food Service	20,716	-	20,716
Committed			
Capital Outlay	-	-	-
Assigned:			
Student Activities	-	47,737	47,737
Unassigned	-	-	-
<u>Total Fund Balances</u>	<u>29,053</u>	<u>47,737</u>	<u>76,790</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>38,346</u>	 <u>47,737</u>	 <u>86,083</u>

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

LIMON PUBLIC SCHOOLS RE-4J
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2017

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activities</u>	
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local Sources	77,764	61,910	139,674
State Aid	3,211	-	3,211
Federal Aid	<u>120,329</u>	<u>-</u>	<u>120,329</u>
<u>Total Revenues</u>	<u>201,304</u>	<u>61,910</u>	<u>263,214</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	-	96,713	96,713
Supporting Services:			
Students	-	-	-
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation & Maintenance of Facilities	-	-	-
Transportation	-	-	-
Food Service	173,826	-	173,826
Debt Service	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>173,826</u>	<u>96,713</u>	<u>270,539</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	27,478	(34,803)	(7,325)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>5,000</u>	<u>49,381</u>	<u>54,381</u>
<u>Total Other Financing Sources (Uses)</u>	<u>5,000</u>	<u>49,381</u>	<u>54,381</u>
<u>NET CHANGE IN FUND BALANCES</u>	32,478	14,578	47,056
<u>FUND BALANCES, Beginning</u>	<u>(3,425)</u>	<u>33,159</u>	<u>29,734</u>
<u>FUND BALANCES, Ending</u>	<u>29,053</u>	<u>47,737</u>	<u>76,790</u>

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

LIMON PUBLIC SCHOOLS RE-4J
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOOD SERVICE – SPECIAL REVENUE FUND
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	90,850	77,764	(13,086)
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	3,000	3,211	211
<u>Federal Sources</u>			
School Lunches and Breakfast	90,200	103,402	13,202
Commodities	<u>15,000</u>	<u>16,927</u>	<u>1,927</u>
<u>Total Revenues</u>	<u>199,050</u>	<u>201,304</u>	<u>2,254</u>
<u>EXPENDITURES</u>			
Salaries	64,000	67,751	(3,751)
Employee Benefits	28,450	23,167	5,283
Purchased Services – Professional	2,050	8	2,042
Purchased Services – Property	-	-	-
Purchased Services - Other	600	227	373
Food Purchases	65,000	56,390	8,610
Capital Outlay	10,000	-	10,000
Commodities	15,000	16,927	(1,927)
Non-Food Supplies	19,327	8,478	10,849
Other	1,198	878	320
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>205,625</u>	<u>173,826</u>	<u>31,799</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(6,575)	27,478	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>10,000</u>	<u>5,000</u>	<u>(5,000)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	3,425	32,478	
<u>FUND BALANCE, July 1</u>	<u>(3,425)</u>	<u>(3,425)</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>29,053</u>	

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

LIMON PUBLIC SCHOOLS RE-4J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
CAPITAL RESERVE CAPITAL PROJECT FUND
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Earnings on Investments	-	-	-
Other Local Donations	70,800	68,404	(2,396)
State Grants	1,183,660	380,551	(803,109)
Federal Grants	-	-	-
<u>Total Revenues</u>	<u>1,254,460</u>	<u>448,955</u>	<u>(805,505)</u>
<u>Expenditures</u>			
Land and Sites	-	-	-
Buildings and Improvements	1,329,510	553,409	776,101
Equipment:			
Transportation Equipment	96,884	19,800	77,084
Debt Service	77,200	25,166	52,034
Appropriated Reserves	1,509	-	1,509
<u>Total Expenditures</u>	<u>1,505,103</u>	<u>598,375</u>	<u>906,728</u>
<u>Revenues Over (Under) Expenditures</u>	(250,643)	(149,420)	
<u>Other Financing Sources (Uses)</u>			
Proceeds from Capital Lease	-	-	-
Lease Proceeds	96,884	50,000	(46,884)
Transfers	127,357	110,000	(17,357)
<u>Total Other financing Sources (Uses)</u>	<u>224,241</u>	<u>160,000</u>	<u>(64,241)</u>
<u>Revenues and Sources Over (Under) Expenditures and Uses</u>	(26,402)	10,580	
<u>FUND BALANCES, July 1</u>	<u>26,402</u>	<u>26,402</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>36,982</u>	

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

LIMON PUBLIC SCHOOLS RE-4J
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
BOND REDEMPTION DEBT SERVICE FUND
For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	947,000	715,156	(231,844)
Specific Ownership Taxes	-	-	-
Earnings on Investments	2,000	3,420	1,420
Other Local	<u>1,000</u>	<u>810</u>	<u>(190)</u>
<u>Total Revenues</u>	<u>950,000</u>	<u>719,386</u>	<u>(230,614)</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	602,000	379,053	222,947
Interest	340,000	310,938	29,062
Other	1,500	600	900
Appropriated Reserves	<u>1,314,441</u>	<u>-</u>	<u>1,314,441</u>
<u>Total Expenditures</u>	<u>2,257,941</u>	<u>690,591</u>	<u>1,567,350</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (1,307,941)	 28,795	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (1,307,941)	 28,795	
 <u>FUND BALANCES, July 1</u>	 <u>1,307,941</u>	 <u>1,307,941</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>1,336,736</u>	

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

LIMON PUBLIC SCHOOLS RE-4J
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 STUDENT ACTIVITIES SPECIAL REVENUE FUND
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Other Local	<u>72,029</u>	<u>61,910</u>	<u>(10,119)</u>
<u>Total Revenues</u>	<u>72,029</u>	<u>61,910</u>	<u>(10,119)</u>
 <u>EXPENDITURES</u>			
Co – Curricular Instruction	<u>154,569</u>	<u>96,713</u>	<u>57,856</u>
<u>Total Expenditures</u>	<u>154,569</u>	<u>96,713</u>	<u>57,856</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (82,540)	 (34,803)	
 <u>TRANSFERS</u>	 <u>49,381</u>	 <u>49,381</u>	 <u>—</u>
 <u>FUND BALANCE, July 1</u>	 <u>33,159</u>	 <u>33,159</u>	
 <u>FUND BALANCE, June 30</u>	 <u>—</u>	 <u>47,737</u>	

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

LIMON PUBLIC SCHOOLS RE-4J
 SCHEDULE OF RECEIPTS AND EXPENDITURES – BUDGET AND ACTUAL
 STUDENT ACTIVITY – AGENCY FUND
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>RECEIPTS</u>			
Other Local	<u>390,000</u>	<u>284,716</u>	<u>(105,284)</u>
<u>Total Receipts</u>	<u>390,000</u>	<u>284,716</u>	<u>(105,284)</u>
 <u>EXPENDITURES</u>			
Pupil Activities	<u>390,000</u>	<u>299,227</u>	<u>90,773</u>
<u>Total Expenditures</u>	<u>390,000</u>	<u>299,227</u>	<u>90,773</u>
Net Increase (Decrease) in Deposits Held	-	(14,511)	
Deposits Held – Beginning of Year	-	<u>226,746</u>	
Deposits Held – End of Year	-	<u>212,235</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: 1790 - LIMON RE-4J
 Fiscal Year 2016-17
 Colorado School District/BOCES

Fund Type & Number	Revenues, Expenditures, & Fund Balance by Fund	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance	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	1,755,324	4,265,454	4,259,429	1,771,849	
18 Risk Mgmt Sub-Fund of General Fund	1,095	91,000	90,795	1,300	
19 Colorado Preschool Program Fund	7,024	80,847	80,856	7,015	
Sub-Total	1,773,393	4,437,301	4,431,080	1,780,164	
11 Charter School Fund	0	0	0	0	
20,26-29 Special Revenue Fund	0	0	0	0	
06 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0	
21 Food Service Spec Revenue Fund	-3,425	206,304	173,826	29,053	
22 Govt Designated-Purpose Grants Fund	0	0	0	0	
23 Pupil Activity Special Revenue Fund	33,159	111,391	96,713	47,737	
24 Full Day Kindergarten Mill Levy Override	0	0	0	0	
25 Transportation Fund	0	0	0	0	
31 Bond Redemption Fund	1,307,341	719,386	650,591	1,336,736	
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0	
41 Building Fund	0	0	0	0	
42 Special Building Fund	0	0	0	0	
43 Capital Reserve Capital Projects Fund	35,492	608,955	598,375	36,993	
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0	
Total	3,133,070	6,043,230	5,994,585	3,130,672	
Proprietary					
50 Other Enterprise Funds	0	0	0	0	
64 (63) Risk-Related Activity Fund	0	0	0	0	
66,65-69 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	215,746	284,716	299,327	212,335	
79 GASB 34/Permanent Fund	0	0	0	0	
85 Foundations	0	0	0	0	
Total	215,746	284,716	299,327	212,335	

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District: 1790 - LIMON RE-4J
 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)	2,167,731	0	7,015	47,737	0	30,009	1,328,956	42,416	0	0	0	212,235	0	3,836,098	
Cash with Fiscal Agent (8105)	33,774	0	0	0	0	0	0	0	0	0	0	0	0	33,774	
Taxes Receivable (8121,8122)	33,000	0	0	0	0	0	14,500	0	0	0	0	0	0	47,500	
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grants Accounts Receivable (8142)	18,247	0	0	0	0	0	0	267,371	0	0	0	0	0	285,617	
Other Receivables (8151-8154,8161)	37,067	0	0	0	0	0	0	0	0	0	0	0	0	37,067	
Inventories (8171,8172,8173)	0	0	0	0	0	8,337	0	0	0	0	0	0	0	8,337	
Buildings (8231-8234)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	2,289,818	0	7,015	47,737	0	30,346	1,343,456	309,787	0	0	0	212,235	0	4,248,394	

	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 05	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)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	192,621	0	0	0	0	0	0	272,804	0	0	0	0	0	0	465,425
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	308,519	0	0	9,293	0	0	0	0	0	0	0	0	0	0	317,812
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	15,529	0	0	0	0	0	6,720	0	0	0	0	0	0	0	22,249
Total Liabilities	516,669	0	0	9,293	0	0	6,720	272,804	0	0	0	0	0	0	805,486

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental						Proprietary						Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const. Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const. Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
Non-spendable Fund Balance 6710	0	0	0	0	0	8,337	0	0	0	0	0	0	0	0	8,337
Restricted Fund Balance 6720	0	0	0	0	0	20,716	1,336,736	0	0	0	0	0	0	0	1,357,452
TABOR 3% Emergency Reserve 6721	153,000	0	0	0	0	0	0	0	0	0	0	0	0	0	153,000
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	7,015	0	0	0	0	0	0	0	0	0	0	0	7,015
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	1,300	0	0	0	0	0	0	36,983	0	0	0	0	0	0	38,283
Assigned Fund Balance 6760	1,618,849	0	0	47,737	0	0	0	0	0	0	0	212,235	0	1,878,821	
Unassigned Fund Balance 6770	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Fund Equity	1,773,149	0	7,015	47,737	0	29,053	1,336,736	36,983	0	0	0	212,235	0	3,447,907	

Total Liabilities & Fund Equity	Governmental						Proprietary						Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const. Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const. Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
2,289,818	0	0	7,015	47,737	0	38,346	1,343,456	309,787	0	0	0	212,235	0	4,248,393	

Do Assets=Liability+Fund Equity

For Each Fund Type: Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes