

cPa DIXON, WALLER & CO., INC.

McCLAVE SCHOOL DISTRICT

NUMBER RE-2

McCLAVE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2017

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DIXON, WALLER & CO., INC.

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McCLAVE SCHOOL DISTRICT
NUMBER RE-2

FINANCIAL STATEMENTS

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McCLAVE SCHOOL DISTRICT NUMBER RE-2
ROSTER OF SCHOOL OFFICIALS
June 30, 2017

BOARD OF EDUCATION

Kelly Roesch	President
Teale Hemphill	Vice-President
Stephanie Malone	Secretary
Peggy Branom	Treasurer
Scott Curley	BOCES Director

SCHOOL OFFICIALS

Terry Weber	Superintendent
Mary Cass	Business Manager

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
McClave School District Number RE-2
McClave, Colorado 81057

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the McClave School District Number RE-2, 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 McClave School District Number RE-2, 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 vi and 36 through 42 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 McClave School District Number RE-2's basic financial statements. The 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 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 other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.



Trinidad, Colorado
November 29, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

As management of the **McClave School District Re-2**, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the twelve month period ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with and the District's financial statements, which follow this section.

Financial Highlights

- * The liabilities of the District exceeded its assets at the close of the most recent period \$6,216,567 (*total assets*) compared to \$9,983,865 (*total liabilities*.) The District participates in the Public Employee Retirement Association and has pension obligations with the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. The District's share of these obligations is \$9,078,713 and the District is required to record a portion of that share, which shows a change in Net Position of (\$1,326,237). In addition, the District is carrying an accrual for salaries and benefits of \$203,006.
- * As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,839,954. Approximately 92 percent of this total amount, \$1,686,039 is *available for spending* at the government's discretion (*unassigned, fund balance*).
- * At the end of the current fiscal year, the unassigned fund balance for the general fund was \$1,686,039 or 54 percent of the total general fund expenditures of \$3,099,015.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*).

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives: The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

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

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains two governmental funds, *the capital reserve fund and the general fund*. 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 general fund and debt service fund, both of which are considered to be major funds. The District adopts an annual appropriated budget for its general fund and capital reserve fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.
- **Special Revenue funds.** *Special revenue funds* are used by state and local governments, earmarked for a specific purpose (other than business-like activities). The District uses the *special revenue fund* to report activities for its *food service* program.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separated statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the District's

government-wide financial statements because the District cannot use these assets to finance its operations.

Note to the financial statements. The notes provide additional information that is essential to a complete 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.

Other information. Due to the District's implementation of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, data from preceding fiscal year(s) has been omitted. A comparative analysis of government-wide data will be presented in future years when the information is comparable and available.

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities exceeded assets by \$499,692 as of June 30, 2017.

Table 1:

NET POSITION

	2017			2016		
	Govern	Business Type	Total	Govern	Business Type	Total
	Activities	Activities		Activities	Activities	
ASSETS						
Current and Other Assets	2,160,969		2,160,969	2,082,451		2,082,451
Capital Assets-Net	4,055,598		4,055,598	4,051,067		4,051,067
Deferred Outflows	3,497,070		3,497,070	599,480		599,480
Total Assets and Flows	<u>9,713,637</u>		<u>9,713,637</u>	<u>6,732,998</u>		<u>6,732,998</u>
LIABILITIES						
Current and Other Liabilities	9,453,865		9,453,865	5,118,834		5,118,834
Long Term Liabilities	530,000		530,000	580,000		580,000
Deferred Inflows	229,464		229,464	207,619		207,619
Total Liabilities and Flows	<u>10,213,329</u>		<u>10,213,329</u>	<u>5,906,453</u>		<u>5,906,453</u>
NET POSITION						
Net Investment in Capital Assets	3,461,002		3,461,002	3,404,047		3,404,047
Restricted for:						
Tabor Reserve	93,000		93,000	93,300		93,300
Multi Year Obligations			-			-
Preschool	46,321		46,321	46,488		46,488
Food Service			-			-
Debt			-			-
Unrestricted	<u>(4,100,015)</u>		<u>(4,100,015)</u>	<u>(2,717,290)</u>		<u>(2,717,290)</u>
	<u>(499,692)</u>		<u>(499,692)</u>	<u>826,545</u>		<u>826,545</u>

Investment in governmental fund capital assets (e.g., land, buildings, furniture, and equipment) less any related debt used to acquire those assets that is still outstanding is 2,881,002. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the District's net assets represents resources that are subject to external restrictions on how they may be used. A surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having *long-term* commitments that are less than currently available resources.

Governmental activities. The District's total net position decreased by \$326,853. The total cost of all *governmental activities* this year was \$4,627,171. The amount that our taxpayers paid for these activities through property taxes was \$536,443 or 12%.

Table 2:
Changes in Net Position

	2017			2016		
	Gov Activities	Business Type Activities	Total	Gov Activities	Business Type Activities	Total
Revenues						
Charges for Services	91,338		91,338	121,199		121,199
Operating Grants and Contributions	371,419		371,419	388,997		388,997
Capital Grants and Contributions	142,000		142,000	14,745		14,745
Property taxes	536,443		536,443	526,187		526,187
Specific Ownership Taxes	45,089		45,089	47,235		47,235
Equalization	2,053,538		2,053,538	2,049,537		2,049,537
Earnings on investments	5,935		5,935	5,341		5,341
Gain on Sale of Assets						
Other Revenues	55,172		55,172	129,403		129,403
Transfers	-		-	-		-
TOTAL REVENUES	3,300,934		3,300,934	3,282,644		3,282,644
Expenses						
Instructional services	1,845,206		1,845,206	1,891,961		1,891,961
Students	82,862		82,862	65,050		65,050
Instructional staff	3,597		3,597	4,423		4,423
District administration	90,266		90,266	151,527		151,527
School administration	178,008		178,008	173,915		173,915
Business	114,686		114,686	121,932		121,932
Operation and maintenance of facilities	404,259		404,259	388,156		388,156
Transportation	174,182		174,182	161,234		161,234
Other	22,305		22,305	18,484		18,484
Community	5,678		5,678	5,095		5,095
Facility	106,745		106,745	-		-
Capital outlay						
Interest on Long Term Liabilities	18,488		18,488	19,886		19,886
Food Service	187,941		187,941	178,538		178,538
Issue Costs						
Pension Expense	1,392,948		1,392,948	191,193		191,193
TOTAL EXPENSES	4,627,171		4,627,171	3,371,394		3,371,394
Increase (Decrease in Net Position)	(1,326,237)		(1,326,237)	(88,750)		(88,750)

Table - 3 Governmental Activities by Major Function

	2017		2016			
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service		
Instructional services	1,845,206	252,521	(1,592,685)	1,891,961	(1,579,280)	
Students	82,862		(82,862)	65,050	(65,050)	
Instructional staff	3,597		(3,597)	4,423	(4,423)	
District administration	90,266		(90,266)	151,527	(151,527)	
School administration	178,008		(178,008)	173,915	(173,915)	
Business	114,686		(114,686)	121,932	(121,932)	
Operation and maintenance of facilities	404,259	23,689	(380,570)	388,156	20,575	(367,581)
Transportation	174,182	31,514	(142,668)	161,234	31,551	(129,683)
Other	22,305		(22,305)	18,484		(18,484)
Community/Facility	5,678	142,000	136,322	5,095		(5,095)
Facility	106,745		(106,745)	-		-
Food Service	187,941	155,033	(32,908)	178,538	160,134	(18,404)
Capital outlay	-			-		
Interest on Long Term Debt	18,488		(18,488)	19,886		(19,886)
Issue Costs						
Pension Amortization	1,392,948		(1,392,948)	191,193		(191,193)
Total	4,627,171	604,757	(4,022,414)	3,371,394		(2,846,453)

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance – related legal requirements, bond covenants, and segregation for particular purposes.

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, undesignated fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

At the end of the 2017 fiscal year, the District reported combined ending fund balances of \$1,839,954, an increase of \$5,324. Approximately 92% of this total amount was *unreserved, undesignated fund* balance. The remainder of fund balance is *restricted* or *designated* to indicate that it is not available for new spending because it has already been committed for emergencies \$93,300 and reserve expenditures, \$46,488 for preschool grant and \$100,000 for retirement obligations.

The general fund is the primary operating fund of the District. In 2017, the unreserved, undesignated fund balance of the General Fund was 1,686,639, while the total fund balance was 1,839,954. As a measure of the general fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to the total fund expenditures.

The fund balance of the District's General Fund increased by \$5,324 during the 2017 fiscal year.

Special Revenue funds. As mentioned earlier, the District's special revenue funds provide the same type of information found in the government-wide financial statements, but in more detail. The ending net assets on June 30, 2017 were \$14,594.

Budgetary Highlights

Capital Asset and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2017, amounted to \$8,491,801 with an accumulated depreciation of \$4,450,799 on capital assets including land, buildings and improvements, and furniture and equipment.

	Governmental <u>2016-2017</u>		Total <u>2016-2017</u>	Governmental <u>2015-2016</u>	Total <u>2015-2016</u>
Land	120,772	49,904	170,676	120,772	120,772
Buildings & Site Improvements	3,642,033	(67,343)	3,574,690	3,642,033	3,642,033
Equipment and Vehicles	258,254	20,640	278,894	258,254	258,254
Food Service	12,988	3,754	16,742	12,988	12,988
Total Capital Assets	<u>4,034,047</u>		<u>4,041,002</u>	<u>4,034,047</u>	<u>4,034,047</u>

Long-term debt. At the end of June 30, 2017, the District had no bonded debt. But a ten year Certificate of Participation was begun on July 1, 2015, with a principal payment of \$50,000 and interest of \$178,200.00 due for 17-18.

Changes in Long Term Debt

	Balance 7/1/2016	Additions	Deletions	Balance 6/30/2017
Certificates Of Participation Series 2015	630,000.00	-	50000	580,000
Deferred Refunding				-
Compensated Absences	25,363	588	-	25,951
	<u>655,363</u>	<u>588</u>	<u>50,000</u>	<u>605,951</u>

Information for the McClave School District regarding this report is listed below.

Primary Contact: Terry Weber, Superintendent
 Address: P.O. Box 1
 McClave, CO 81057
 Phone Number: (719) 829-4517

BASIC FINANCIAL STATEMENTS

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF NET POSITION
June 30, 2017

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	2,096,125	2,096,125
Accounts Receivable	14,995	14,995
Grants Receivable	149	149
Property Taxes Receivable	49,700	49,700
Prepaid Assets	-	-
Inventories	14,596	14,596
Capital Assets	8,491,801	8,491,801
Accumulated Depreciation	<u>(4,450,799)</u>	<u>(4,450,799)</u>
<u>Total Assets</u>	<u>6,216,567</u>	<u>6,216,567</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
District Contributions Subsequent to Pension Measurement Date	134,146	134,146
Pension Outflows – Plan Level	3,362,924	3,362,924
Pension Outflows – Employer Level	-	-
<u>Total Deferred Outflow of Resources</u>	<u>3,497,070</u>	<u>3,497,070</u>
<u>LIABILITIES</u>		
Accounts Payable	94,705	94,705
Accrued Salaries and Benefits	203,006	203,006
Accrued Interest Payable	1,490	1,490
Compensated Absences	25,951	25,951
Net Pension Obligation	9,078,713	9,078,713
Debt – Current	50,000	50,000
Debt – Long Term	<u>530,000</u>	<u>530,000</u>
<u>Total Liabilities</u>	<u>9,983,865</u>	<u>9,983,865</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension Inflows – Plan Level	41,020	41,020
Pension Inflows – Employer Level	<u>188,444</u>	<u>188,444</u>
<u>Total Deferred Inflow of Resources</u>	<u>229,464</u>	<u>229,464</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,461,002	3,461,002
Restricted for:		
TABOR Reserve	93,000	93,000
Preschool	46,321	46,321
Unrestricted	<u>(4,100,015)</u>	<u>(4,100,015)</u>
<u>TOTAL NET POSITION</u>	<u>(499,692)</u>	<u>(499,692)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash	2,010,704	85,421	2,096,125
Accounts Receivable	10,297	8,991	19,288
Allowance for Doubtful Accounts	-	(4,293)	(4,293)
Grants Receivable	149	-	149
Due From Other Funds	78,993	-	78,993
Prepaid Assets	-	-	-
Property Taxes Receivable	49,700	-	49,700
Inventories	-	14,596	14,596
<u>Total Assets</u>	<u>2,149,843</u>	<u>104,715</u>	<u>2,254,558</u>
<u>LIABILITIES</u>			
Accounts Payable	94,705	-	94,705
Accrued Salaries	191,878	11,128	203,006
Due To Other Funds	-	78,993	78,993
Other Payables	-	-	-
<u>Total Liabilities</u>	<u>286,583</u>	<u>90,121</u>	<u>376,704</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Property Taxes	<u>37,900</u>	-	<u>37,900</u>
<u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	14,596	14,596
Restricted:			
Emergencies	93,000	-	93,000
Preschool	46,321	-	46,321
Assigned	-	(2)	(2)
Unassigned	<u>1,686,039</u>	-	<u>1,686,039</u>
<u>Total Fund Balances</u>	<u>1,825,360</u>	<u>14,594</u>	<u>1,839,954</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>2,149,843</u>	<u>104,715</u>	<u>2,254,558</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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>	1,839,954
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$8,491,801 and the accumulated depreciation is \$4,450,799.	4,041,002
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	37,900
Compensated absences are not reported as a liability in the funds.	(25,951)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(580,000)
Accrued interest on long term debt is not reported in the funds.	(1,490)
The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(9,078,713)
Deferred flows for contributions made toward the net pension obligation from December 31, 2015 until June 30, 2017 is not reported in the funds.	134,146
Deferred pension flows for differences in projected and actual activity are not reported in the funds.	<u>3,133,460</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(499,692)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	<u>General</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Property Taxes	531,543	-	531,543
Specific Ownership Taxes	45,089	-	45,089
Earnings on Investments	5,825	110	5,935
Other Local Sources	257,990	54,209	312,199
State Aid	2,232,688	2,499	2,235,187
Federal Aid	67,756	98,325	166,081
Allocation to Reserves	-	-	-
<u>Total Revenues</u>	<u>3,140,891</u>	<u>155,143</u>	<u>3,296,034</u>
<u>EXPENDITURES</u>			
<u>Current:</u>			
Instructional Services	1,645,905	-	1,645,905
Supporting Services:			
Students	82,862	-	82,862
Instructional Staff	3,597	-	3,597
District Administration	90,266	-	90,266
School Administration	178,008	-	178,008
Business	114,686	-	114,686
Operation & Maintenance of Facilities	422,759	-	422,759
Transportation	175,655	-	175,655
Other	22,305	-	22,305
Community Service	137,715	-	137,715
Facilities	156,649	-	156,649
Food Service	-	191,695	191,695
Debt Service:			
Principal Retirement	50,000	-	50,000
Interest and Fiscal Charges	18,608	-	18,608
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>3,099,015</u>	<u>191,695</u>	<u>3,290,710</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>41,876</u>	<u>(36,552)</u>	<u>5,324</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(35,000)	35,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(35,000)</u>	<u>35,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>6,876</u>	<u>(1,552)</u>	<u>5,324</u>
<u>FUND BALANCE – Beginning</u>	<u>1,818,484</u>	<u>16,146</u>	<u>1,834,630</u>
<u>FUND BALANCES – Ending</u>	<u>1,825,360</u>	<u>14,594</u>	<u>1,839,954</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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 5,324

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

Capital Outlays more than \$5,000	317,410	
Depreciation Expense	(310,455)	6,955

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

4,900

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

(588)

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

Debt Payments	50,000	
Accrued Interest	120	

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

Change in Net Pension Obligation	(4,268,693)	
Deferred Flows from Net Pension Obligation	<u>2,875,745</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (1,326,237)

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
June 30, 2017

	<u>Scholarship Trust Fund</u>	<u>Student Activities Fund</u>
<u>ASSETS</u>		
Cash	<u>4,502</u>	<u>124,369</u>
<u>Total Assets</u>	<u>4,502</u>	<u>124,369</u>
<u>LIABILITIES</u>		
Due To Student Groups	<u>-</u>	<u>124,369</u>
<u>Total Liabilities</u>	<u>-</u>	<u>124,369</u>
<u>NET POSITION</u>		
Reserved for Scholarship	<u>4,502</u>	

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2017

	<u>Budget</u>	<u>Scholarship Trust Fund</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS</u>			
Other Local	-	4,500	4,500
Earnings on Investments	<u>-</u>	<u>2</u>	<u>2</u>
<u>Total Additions</u>	<u>-</u>	<u>4,502</u>	<u>4,502</u>
<u>DEDUCTIONS</u>			
Scholarships	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Deductions</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET INCREASE</u>	-	4,502	
<u>NET POSITION – BEGINNING OF YEAR</u>	<u>-</u>	<u>-</u>	
<u>NET POSITION – END OF YEAR</u>	<u>-</u>	<u>4,502</u>	

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

NOTES TO BASIC FINANCIAL STATEMENTS

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the McClave School District Number RE-2 (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 McClave School District Number RE-2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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 unrestricted fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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. Food Service – this fund accounts for all financial activities associated with the District's school breakfast and lunch programs

Additionally, the District reports the following fund type:

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

The Scholarship Trust Fund – this fund is used to account for contributions for the payment of scholarships.

E. Cash and Investments

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

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

F. Receivables

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment

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

In November of 1997 the registered voters approved a ballot resolution authorizing McClave School District Number RE-2 to collect, retain and expend all revenues collected during 1996 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 \$93,000 for this purpose.

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

K. Property Taxes

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

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

L. 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Interest Expense

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

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>	-	14,596	14,596
<u>Restricted:</u>			
Emergencies	93,000	-	93,000
Preschool	46,321	-	46,321
<u>Assigned:</u>			
Food Service	-	(2)	(2)
<u>Unassigned:</u>	<u>1,686,039</u>	<u>-</u>	<u>1,686,039</u>
<u>Total Fund Balances</u>	<u>1,825,360</u>	<u>14,594</u>	<u>1,839,954</u>

O. Deferred Outflows / Inflows of Resources

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

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

<u>Items Eliminated</u>	
Interfund Loans	78,993
Transfers	<u>35,000</u>
	<u>113,993</u>

NOTE 3 BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.
6. Budgets for the General 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 although measurement of operations is not required in the financial statements.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 3 BUDGETARY INFORMATION (Continued)

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,959,505	2,120,851
Cash with County Treasurer	14,791	-
Cash on Hand	700	-
<u>Total Cash and Deposits</u>	<u>2,224,996</u>	<u>2,370,851</u>

As presented above, deposits with a bank balance of \$2,120,851 and a carrying balance of \$1,959,505 as of June 30, 2017 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Governmental Activities</u>				
<u>Capital Assets Not Being</u>				
<u>Depreciated</u>				
Land	120,772	49,904	-	170,676
<u>Capital Assets Being</u>				
<u>Depreciated</u>				
Buildings & Site Improvements	6,797,225	150,537	-	6,947,762
Equipment & Vehicles	1,171,734	109,572	-	1,281,306
Food Service	84,660	7,397	-	92,057
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	8,053,619	267,506	-	8,321,125
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
<u>Building &</u>				
Site Improvements	3,155,192	217,880	-	3,373,072
Equipment & Vehicles	913,480	88,932	-	1,002,412
Food Service	71,672	3,643	-	75,315
<u>Total Accumulated</u>				
<u>Depreciation</u>	4,140,344	310,455	-	4,450,799
<u>Total Capital Assets Being</u>				
<u>Depreciated, Net</u>	3,913,275	(42,949)	-	3,870,326
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	4,034,047	6,955	-	4,041,002

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

<u>Governmental Activities:</u>	
Instruction	245,997
Transportation	60,815
Food Service	3,643
<u>Total Depreciation Expense --Governmental Activities</u>	<u>310,455</u>

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

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 \$203,006. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 7 ACCUMULATED SICK LEAVE

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2017 the District has recorded an estimated liability of \$25,951 relating to accrued sick leave payable.

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
Accumulated Sick Leave	<u>25,363</u>	<u>588</u>	<u>-</u>	<u>25,951</u>

McCLAVE SCHOOL DISTRICT NUMBER RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2017

NOTE 8 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. McClave School District Number RE-2 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 McClave School District Number RE-2 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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 McClave School District Number RE-2 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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 McClave School District Number RE-2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from McClave School District Number RE-2 were \$249,470 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 McClave School District Number RE-2 reported a liability of \$9,078,713 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 McClave School District Number RE-2 proportion of the net pension liability was based on McClave School District Number RE-2 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 McClave School District Number RE-2 proportion was 0.0305 percent, which was a decrease of 0.001 its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the McClave School District Number RE-2 recognized pension expense of \$1,392,948. At June 30, 2017, the McClave School District Number RE-2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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	113,498	(80)
Changes of assumptions or other inputs	2,945,853	(40,940)
Net difference between projected and actual earnings on pension plan investments	303,573	0
Changes in proportion and differences between contributions recognized and proportionate share of contributions	0	(188,444)
Contributions subsequent to the measurement date	134,146	N/A
Total	3,497,070	229,464

\$134,146 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	1,329,500
2019	1,234,762
2020	586,006
2021	(16,808)
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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 **PENSION PLAN (Continued)**

Sensitivity of the McClave School District Number RE-2 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	11,416,190	9,078,713	7,174,923

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 McClave School District Number RE-2 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 \$42,362 and McClave School District Number RE-2 contributed \$25,451.

Other Post-Employment Benefits

Health Care Trust Fund

Plan Description – The McClave School District Number RE-2 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.

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 8 PENSION PLAN (Continued)

Funding Policy – The McClave School District Number RE-2 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 McClave School District Number RE-2 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 McClave School District Number RE-2 contributions to the HCTF were \$13,843, \$14,195 and \$14,229, 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 Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgetary and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rate basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2016, the latest year for which complete information is available, is as follows:

Assets	967,468
Deferred Outflows	408,352
Liabilities	3,593,607
Deferred Inflows	<u>193,428</u>
Net Position	<u>(2,411,215)</u>
Revenues	2,518,565
Expenses	<u>2,504,933</u>
Change in Net Position	<u>13,632</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the fund from which they are paid.

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

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

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 11 RISK MANAGEMENT

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

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

NOTE 12 INTERFUND RECEIVABLES AND TRANSFERS

	<u>Due To</u>	<u>Due From</u>
General Fund	-	78,993
Food Service Fund	<u>78,993</u>	-
<u>Total</u>	<u>78,993</u>	<u>78,993</u>

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

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

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	35,000
Food Service Fund	<u>35,000</u>	-
<u>Total</u>	<u>35,000</u>	<u>35,000</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations.

NOTE 13 INVENTORIES

Food Service Fund inventories at June 30, 2017, amounted to \$14,596. Purchased inventories are state at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 14 LONG TERM DEBT

Changes in Long-Term Debt

	<u>Balance</u>		<u>Balance</u>	<u>Current</u>
	<u>7-1-2016</u>	<u>Additions</u>	<u>6-30-2017</u>	<u>Portion</u>
Certificates of Participation				
Series 2015	630,000	-	580,000	50,000
Compensated Absences	<u>25,363</u>	<u>588</u>	<u>25,951</u>	
	<u>655,363</u>	<u>588</u>	<u>605,951</u>	

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2017

NOTE 14 LONG TERM DEBT (Continued)

Certificates of Participation Refunding Series 2015

On June 1, 2015, the District issued \$680,000 of Certificates of Participation Series 2015 with an average interest rate of 3.03% and paid addition principal of \$615,000 to advance refund \$1,295,000 of outstanding 2007 Certificates of Participation bearing interest rates ranging from 4.09% to 5.00%.

The District completed the advance refunding to reduce the total debt service payments over the next 12 years by \$257,208 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$106,252.

Below is a schedule of debt service requirements to maturity.

Certificates of Participation Series 2015

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	50,000	17,200	67,200
2019	50,000	15,763	65,763
2020	55,000	14,226	69,226
2021	55,000	12,590	67,590
2022	55,000	10,926	65,926
2023	60,000	9,157	69,157
2024	60,000	7,283	67,283
2025	65,000	5,297	70,297
2026	65,000	3,201	68,201
2027	<u>65,000</u>	<u>1,073</u>	<u>66,073</u>
	<u>580,000</u>	<u>96,716</u>	<u>676,716</u>

NOTE 15 COMPLIANCE WITH BUDGET LAWS

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

There was no budget adopted for the Scholarship Trust Fund.

REQUIRED SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

General Fund

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

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

Pension Trend Data

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	400,231	400,231	531,543	131,312
Specific Ownership Taxes	52,347	52,347	45,089	(7,258)
Earnings on Investments	25,600	25,600	5,825	(19,775)
Delinquent Taxes & Interest	1,513	1,513	1,983	470
Other	268,492	268,492	256,007	(12,485)
<u>State Sources</u>				
Equalization	1,915,954	1,915,954	2,053,538	137,584
Transportation	30,314	30,314	31,514	1,200
Vocational Education	38,481	38,481	41,189	2,708
Other	75,197	75,197	106,447	31,250
<u>Federal Sources</u>				
Other	81,850	81,850	67,756	(14,094)
<u>Allocation</u>	-	-	-	-
<u>TOTAL REVENUES</u>	<u>2,889,979</u>	<u>2,889,979</u>	<u>3,140,891</u>	<u>250,912</u>
 <u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,168,600	1,168,600	997,904	170,696
Employee Benefits	424,200	424,200	391,525	32,675
Purchased Services - Professional	45,700	45,700	111,142	(65,442)
Purchased Services – Property	2,500	2,500	66	2,434
Purchased Services – Other	13,300	13,300	23,708	(10,408)
Supplies and Materials	95,900	95,900	74,276	21,624
Property	5,500	5,500	47,284	(41,784)
Other Objects	5,000	5,000	-	5,000
<u>Total Instruction</u>	<u>1,760,700</u>	<u>1,760,700</u>	<u>1,645,905</u>	<u>114,795</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	26,000	26,000	43,246	(17,246)
Employee Benefits	10,000	10,000	16,656	(6,656)
Purchased Services – Professional	11,000	11,000	15,366	(4,366)
Purchased Services –Property	-	-	-	-
Purchased Services – Other	1,200	1,200	1,753	(553)
Supplies and Materials	1,000	1,000	5,841	(4,841)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Services</u>	<u>49,200</u>	<u>49,200</u>	<u>82,862</u>	<u>(33,662)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	1,500	1,500	80	1,420
Employee Benefits	500	500	17	483
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	4,000	4,000	3,500	500
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>6,000</u>	<u>6,000</u>	<u>3,597</u>	<u>2,403</u>
<u>General Administration</u>				
Salaries	55,000	55,000	53,400	1,600
Employee Benefits	21,000	21,000	17,852	3,148
Purchased Services – Professional	300	300	5,794	(5,494)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,000	1,000	9,383	(8,383)
Supplies and Materials	1,000	1,000	3,837	(2,837)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total General Administration</u>	<u>78,300</u>	<u>78,300</u>	<u>90,266</u>	<u>(11,966)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	119,000	119,000	125,507	(6,507)
Employee Benefits	45,000	45,000	46,482	(1,482)
Purchased Services – Professional	-	-	1,222	(1,222)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,200	1,200	1,208	(8)
Supplies and Materials	4,000	4,000	3,589	411
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>169,200</u>	<u>169,200</u>	<u>178,008</u>	<u>(8,808)</u>
<u>Business Services</u>				
Salaries	43,500	43,500	50,498	(6,998)
Employee Benefits	17,000	17,000	18,222	(1,222)
Purchased Services – Professional	16,000	16,000	30,459	(14,459)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	27,000	27,000	12,893	14,107
Supplies and Materials	1,500	1,500	2,614	(1,114)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Business Services</u>	<u>105,000</u>	<u>105,000</u>	<u>114,686</u>	<u>(9,686)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2017

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Operations and Maintenance</u>				
Salaries	99,000	99,000	91,746	7,254
Employee Benefits	40,000	40,000	42,616	(2,616)
Purchased Services – Professional	35,000	35,000	43,863	(8,863)
Purchased Services – Property	11,000	11,000	15,693	(4,693)
Purchased Services – Other	26,000	26,000	24,422	1,578
Supplies and Materials	160,000	160,000	167,130	(7,130)
Property	10,000	10,000	37,289	(27,289)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>381,000</u>	<u>381,000</u>	<u>422,759</u>	<u>(41,759)</u>
<u>Student Transportation</u>				
Salaries	39,000	39,000	42,707	(3,707)
Employee Benefits	18,500	18,500	19,868	(1,368)
Purchased Services – Professional	13,000	13,000	12,411	589
Purchased Services – Property	2,000	2,000	414	1,586
Purchased Services – Other	10,000	10,000	7,845	2,155
Supplies and Materials	35,000	35,000	30,123	4,877
Property	-	-	62,287	(62,287)
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>117,500</u>	<u>117,500</u>	<u>175,655</u>	<u>(58,155)</u>
<u>Other Support</u>				
Salaries	23,000	23,000	17,590	5,410
Employee Benefits	6,000	6,000	4,703	1,297
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	12	(12)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Other Support</u>	<u>29,000</u>	<u>29,000</u>	<u>22,305</u>	<u>6,695</u>
<u>Community Services</u>				
Salaries	3,000	3,000	-	3,000
Employee Benefits	1,200	1,200	-	1,200
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	5,678	(5,678)
Property	-	-	132,037	(132,037)
Other Objects	-	-	-	-
<u>Total Community Services</u>	<u>4,200</u>	<u>4,200</u>	<u>137,715</u>	<u>(133,515)</u>

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
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</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Facilities</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	-	-	106,744	(106,744)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	49,905	(49,905)
Other Objects	-	-	-	-
<u>Total Facilities</u>	-	-	<u>156,649</u>	<u>(156,649)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>939,400</u>	<u>939,400</u>	<u>1,384,502</u>	<u>(445,102)</u>
<u>Debt Service:</u>				
Principal Retirement	50,000	50,000	50,000	-
Interest and fiscal charges	<u>10,000</u>	<u>10,000</u>	<u>18,608</u>	<u>(8,608)</u>
	<u>60,000</u>	<u>60,000</u>	<u>68,608</u>	<u>(8,608)</u>
<u>Appropriated Reserves</u>	<u>1,694,879</u>	<u>1,694,879</u>	-	<u>1,694,879</u>
<u>TOTAL EXPENDITURES</u>	<u>4,454,979</u>	<u>4,454,979</u>	<u>3,099,015</u>	<u>1,355,964</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(1,565,000)</u>	<u>(1,565,000)</u>	<u>41,876</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>(40,000)</u>	<u>(40,000)</u>	<u>(35,000)</u>	<u>5,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>(35,000)</u>	<u>5,000</u>
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	<u>(1,605,000)</u>	<u>(1,605,000)</u>	<u>6,876</u>	
<u>FUND BALANCE, July 1</u>	-	<u>1,605,000</u>	<u>1,818,484</u>	
<u>FUND BALANCE, June 30</u>	<u>(1,605,000)</u>	-	<u>1,825,360</u>	

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE – SPECIAL REVENUE FUND
For the Year Ended June 30, 2017

	Budget		Actual	Variance- Favorable (Unfavorable)
	Original	Final		
<u>REVENUES</u>				
<u>Local Sources</u>				
Food Sales	47,000	47,000	47,134	134
Earnings on Investments	75	75	110	35
Other	-	-	7,075	7,075
<u>State Sources</u>				
School Lunches	14,000	14,000	2,499	(11,501)
<u>Federal Sources</u>				
School Lunches	99,000	99,000	87,812	(11,188)
Commodities	-	-	10,513	10,513
<u>Total Revenues</u>	<u>160,075</u>	<u>160,075</u>	<u>155,143</u>	<u>(4,932)</u>
<u>EXPENSES</u>				
Salaries	57,000	57,000	59,388	(2,388)
Employee Benefits	21,000	21,000	21,851	(851)
Purchased Services – Professional	-	-	510	(510)
Purchased Services – Property	-	-	-	-
Purchased Services - Other	1,900	1,900	-	1,900
Supplies and Materials	93,000	93,000	92,036	964
Capital Outlay	-	-	7,397	(7,397)
Other	27,175	27,175	-	27,175
Commodities	-	-	10,513	(10,513)
Appropriated Reserves	-	-	-	-
<u>Total Expenses</u>	<u>200,075</u>	<u>200,075</u>	<u>191,695</u>	<u>8,380</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	(40,000)	(40,000)	(36,552)	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	40,000	40,000	35,000	(5,000)
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>				
	-	-	(1,552)	
<u>FUND BALANCE, Beginning</u>				
	-	-	16,146	
<u>FUND BALANCE, Ending</u>				
	-	-	14,594	

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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)	0.0304%	0.0314%	0.0328%	0.0330%	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$9,078,713	\$4,810,020	\$4,438,790	\$4,202,533	-	-	-	-	-	-
District's covered-employee payroll	\$1,357,178	\$1,391,648	\$1,395,014	\$1,356,364	-	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	669%	346%	318%	310%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.1%	59.2%	62.80%	64.06%	-	-	-	-	-	-

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 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	\$ 249,470	\$ 246,776	\$ 235,577	\$ 216,812	\$ 196,709	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (249,470)</u>	<u>\$ (246,776)</u>	<u>\$ (235,577)</u>	<u>\$ (216,812)</u>	<u>\$ (196,709)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered-employee payroll	\$1,357,178	\$1,391,648	\$1,395,014	\$1,356,364	\$1,304,122	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.38%	17.73%	16.89%	15.98%	15.08%	-	-	-	-	-

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

OTHER SCHEDULES

Fiduciary Fund Types

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

McCLAVE SCHOOL DISTRICT NUMBER RE-2
 SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
 PUPIL ACTIVITY AGENCY FUND
 For the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>ADDITIONS</u>			
Earnings on Investments	-	434	434
Other Local Sources	<u>110,000</u>	<u>127,519</u>	<u>17,519</u>
<u>Total Additions</u>	<u>110,000</u>	<u>127,953</u>	<u>17,953</u>
<u>DEDUCTIONS</u>			
Activity Expenditures	113,000	135,464	(22,464)
Contingency	<u>135,000</u>	-	<u>135,000</u>
<u>Total Deductions</u>	<u>248,000</u>	<u>135,464</u>	<u>112,536</u>
Net Increase (Decrease) in Deposits Held	(138,000)	(7,511)	
Deposits Held – Beginning of Year	<u>138,000</u>	<u>131,880</u>	
Deposits Held – End of Year	<u>-</u>	<u>124,369</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 0310 - MC CLAVE RE-2
 Fiscal Year 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	1000-5999 Total Revenues & Other Sources	1000-5999 Total Expenditures & Other Uses	5700-5799 & Prior Per Adj (68807) Ending Fund Balance
Governmental			
10 General Fund	1,812,036	3,009,251	1,819,038
18 Risk Mgmt Sub-Fund of General Fund	0	0	0
19 Colorado Preschool Program Fund	6,448	89,765	6,321
Sub-Total	1,818,484	3,099,016	1,825,360
11 Charter School Fund	0	0	0
20-26-29 Special Revenue Fund	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0
21 Food Service Spec Revenue Fund	16,146	191,695	14,594
22 Govt Designated-Purpose Grants Fund	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0
25 Transportation Fund	0	0	0
31 Bond Redemption Fund	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0
41 Building Fund	0	0	0
42 Special Building Fund	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0
45 Supplemental Cap Const, Tech, Main Fund	0	0	0
Total	1,834,630	3,298,032	1,839,954
Proprietary			
50 Other Enterprise Funds	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0
60-65-69 Other Internal Service Funds	0	0	0
Total	0	0	0
Fiduciary			
70 Other Trust and Agency Funds	0	0	0
72 Private Purpose Trust Fund	0	4,502	4,502
73 Agency Fund	0	0	0
74 Pupil Activity Agency Fund	131,879	135,463	124,369
79 FASB 34-Permanent Fund	0	0	0
85 Foundations	0	0	0
Total	131,879	139,965	128,871
FINAL	1,966,509	3,437,997	1,968,825



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0310 - MC CLAVE RE-2
 Fiscal Year 2016-17
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary							Fiduciary		
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50-52,59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	1,995,913	0	0	0	0	85,421	0	0	0	0	0	0	0	0	2,210,204		
Cash with Fiscal Agent (8105)	14,791	0	0	0	0	0	0	0	0	0	0	0	0	0	14,791		
Taxes Receivable (8121,8122)	49,700	0	0	0	0	0	0	0	0	0	0	0	0	0	49,700		
Interfund Loans Receivable (8131,8132)	78,993	0	6,321	0	0	0	0	0	0	0	0	0	0	0	85,315		
Grants Accounts Receivable (8142)	149	0	0	0	0	0	0	0	0	0	0	0	0	0	149		
Other Receivables (8151-8154,8161)	10,297	0	0	0	0	4,698	0	0	0	0	0	0	0	0	14,995		
Inventories (8171,8172,8173)	0	0	0	0	0	14,597	0	0	0	0	0	0	0	0	14,597		
Prepaid Expenses 8181,8182)	0	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	0		
Total Assets	2,149,843	0	6,321	0	0	104,715	0	0	0	0	0	0	128,871	0	2,389,750		

	Governmental							Proprietary					Fiduciary		
	General Funds 1012-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
Interfund Payables (7401,7402)	6,321	0	0	0	0	78,993	0	0	0	0	0	0	0	0	85,315
Other Payables (7421-7423)	94,705	0	0	0	0	0	0	0	0	0	0	0	0	0	94,705
Accrued Expenses (7461)	191,878	0	0	0	0	11,128	0	0	0	0	0	0	0	0	203,006
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	37,900	0	0	0	0	0	0	0	0	0	0	0	0	0	37,900
Total Liabilities	330,805	0	0	0	0	90,121	0	0	0	0	0	0	0	0	420,926

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	14,596	0	0	0	0	0	0	0	0	0	0	0	14,596	
Restricted Fund Balance 6720	40,000	0	6,321	0	0	0	0	0	0	0	0	4,502	0	0	0	0	0	50,823	
TABOR 3% Emergency Reserve 6721	93,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	93,000	
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unassigned Fund Balance 6770	1,686,038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-2	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,810,407	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Fund Equity	1,819,038	0	6,321	0	0	14,594	0	0	0	0	0	0	0	0	0	0	0	1,988,824	

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	104,715	0	0	0	0	0	0	0	0	0	0	0	104,715	
Restricted Fund Balance 6720	2,149,843	0	6,321	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,389,750	
TABOR 3% Emergency Reserve 6721	93,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	93,000	
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unassigned Fund Balance 6770	1,686,038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,686,038	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Fund Equity	2,149,843	0	6,321	0	0	104,715	0	0	0	0	0	0	0	0	0	0	0	2,389,750	

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	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Fund Balance 6720	40,000	0	6,321	0	0	0	0	0	0	0	0	4,502	0	0	0	0	0	50,823	
TABOR 3% Emergency Reserve 6721	93,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	93,000	
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unassigned Fund Balance 6770	1,686,038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,686,038	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Fund Equity	1,819,038	0	6,321	0	0	14,594	0	0	0	0	0	0	0	0	0	0	0	1,988,824	

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