

LONE STAR SCHOOL DISTRICT 101
(WASHINGTON COUNTY)
OTIS, COLORADO

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORTS

FOR THE YEAR ENDED
JUNE 30, 2017



RECEIVED

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2017

The discussion and analysis of Lone Star School District 101's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

The District's budget continues to remain fairly constant. Any increases in revenue are generally used to offset the cost of salary and benefits for additional staff and/or programs. The District continues to maintain a healthy fund balance in the General Fund. The District budgets sufficient contingencies greater than required by law to cover any unanticipated operational needs.

Using the Basic Financial Statements

The basic financial statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

The District's total net position was -\$591,476 as of June 30, 2017.

The District's governmental net position decreased by \$758,906 from 2016. The District's governmental net position decrease is primarily due to the inclusion of PERA liability and purchase of new assets.

Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statements of net position include all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and require educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

A condensed summary of the District's Net Position is as follows:

Table 1 - Condensed Statement of Net Position

| | Governmental Activities | |
|--|--------------------------------|--------------------------|
| | 2017 | 2016 |
| Current Assets | \$ 1,503,479 | \$ 1,386,523 |
| Capital Assets - Net | 1,684,430 | 1,661,800 |
| Total Assets | <u>3,187,909</u> | <u>3,048,323</u> |
| Deferred Outflows of Financial Resources | <u>2,235,833</u> | <u>357,522</u> |
| Current Liabilities | 149,949 | 141,241 |
| Long-Term Liabilities | <u>5,816,191</u> | <u>2,821,027</u> |
| Total Liabilities | <u>5,966,140</u> | <u>2,962,268</u> |
| Deferred Inflows of Financial Resources | <u>49,078</u> | <u>276,148</u> |
| Net Position | | |
| Net Investment in Capital Assets | 1,684,430 | 1,661,800 |
| Restricted Net Assets | 52,000 | 50,000 |
| Unrestricted Net Position | <u>(2,327,906)</u> | <u>(1,544,371)</u> |
| Total Net Position | <u>\$ (591,476)</u> | <u>\$ 167,429</u> |

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are amounts legally restricted for State required emergency reserves.

A condensed Statement of Activities and Changes in Net Position is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

| | Governmental Activities | |
|---------------------------------|-------------------------|-------------------|
| | 2017 | 2016 |
| Program Revenues: | | |
| Charges for Services | \$ 21,659 | \$ 21,821 |
| Operating Grants | 158,165 | 190,428 |
| Total Program Revenues | <u>179,824</u> | <u>212,249</u> |
| General Revenues: | | |
| Taxes | 237,018 | 232,286 |
| State Equalization | 1,343,171 | 1,251,527 |
| Investment Income | 6,062 | 2,154 |
| Miscellaneous | 20,978 | 20,853 |
| Total General Revenues | <u>1,607,229</u> | <u>1,506,820</u> |
| Total Revenues | <u>1,787,053</u> | <u>1,719,069</u> |
| Expenses | | |
| Instruction | 1,686,253 | 981,477 |
| Supporting Services | 859,706 | 585,057 |
| Total Expenses | <u>2,545,959</u> | <u>1,566,534</u> |
| Change in Net Position | (758,906) | 152,535 |
| Net Position - Beginning | <u>167,429</u> | <u>14,894</u> |
| Net Position - Ending | <u>\$ (591,477)</u> | <u>\$ 167,429</u> |

The District's governmental net position decrease is primarily due to the inclusion of PERA liability and purchase of new assets.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major fund. The District's major fund is the General.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short - term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General Fund and nonmajor Food Service Fund. The General Fund accounts for the majority of the District's instruction and support operations, as well as, the district's statutorily required allocation of per pupil funding for capital needs. The Food Service Fund accounts for the District's food service operation.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary funds are the Pupil Activity and Scholarship Agency Funds. The Pupil Activity Fund generally accounts for student generated revenues and expenditures related to non-classroom activities. The Scholarship Fund provides resources for student education after graduation.

Fund Financial Statements

As of June 30, 2017 the District's governmental funds reported a combined fund balance of \$1,350,663 which is an increase of \$111,043.00 from the June 30, 2016 balance.

Capital Assets

As of June 30, 2017 the District had \$1,684,430 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase of \$22,630.00 from the prior year due to interest on current assets.

A summary of the District's Governmental Activity Capital Assets is as follows:

| | Balance 6/30/16 | Additions | Deletions | Balance 6/30/17 |
|--|----------------------------|-------------------------|------------------------|----------------------------|
| <u>Governmental Activities</u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 4,725 | \$ - | \$ - | \$ 4,725 |
| Capital assets being depreciated | | | | |
| Land Improvements | 175,365 | - | - | 175,365 |
| Buildings | 2,207,209 | - | 16,344 | 2,190,865 |
| Transportation Equipment | 237,744 | 90,335 | 63,503 | 264,576 |
| Food Service Equipment | 13,834 | - | - | 13,834 |
| Other Equipment | 122,513 | - | - | 122,513 |
| Total Capital Assets being depreciated | <u>2,756,665</u> | <u>90,335</u> | <u>79,847</u> | <u>2,767,153</u> |
| Accumulated Depreciation | | | | |
| Land Improvements | (73,787) | (3,902) | - | (77,689) |
| Buildings | (680,202) | (52,116) | (13,724) | (718,594) |
| Transportation Equipment | (226,786) | (3,258) | (63,503) | (166,541) |
| Food Service Equipment | (11,690) | (1,072) | - | (12,762) |
| Other Equipment | (107,125) | (4,737) | - | (111,862) |
| Total Accumulated Depreciation | <u>(1,099,590)</u> | <u>(65,085)</u> | <u>(77,227)</u> | <u>(1,087,448)</u> |
| Net Capital Assets | <u>\$ 1,661,800</u> | <u>\$ 25,250</u> | <u>\$ 2,620</u> | <u>\$ 1,684,430</u> |

Debt Administration

As of June 30, 2017 the District had total outstanding long-term obligations as follows:

| | <u>Balance 7/1/16</u> | <u>Advances</u> | <u>Net Payments</u> | <u>Balance 6/30/17</u> | <u>Current Portion</u> |
|------------------------------|---------------------------|---------------------|-------------------------|----------------------------|----------------------------|
| Accrued Compensated Absences | \$ 13,980 | \$ - | \$ 5,270 | \$ 8,710 | \$ 1,960 |
| PERA Net Pension Liability | <u>2,807,047</u> | <u>2,998,474</u> | <u>-</u> | <u>5,805,521</u> | <u>-</u> |
| | <u>\$ 2,821,027</u> | <u>\$ 2,998,474</u> | <u>\$ 5,270</u> | <u>\$ 5,814,231</u> | <u>\$ 1,960</u> |

The accrued compensated absences represent the amounts to be funded for earned but unused vacation and sick leave. Additional information related to the District's long-term obligations can be found in Note 6 to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in October when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received. The majority of changes to the General Fund budget are in the area of salary and benefits due to staff changes. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization and Specific Ownership Tax. General Fund revenues were 4% higher than budgeted. Expenditures were 9% under budget after adjusting for contingency reserves. The greatest savings occurred in instruction and operations.

Economic Factors and Next Year's Budget

The Lone Star School District has long term capital needs including updating the heating system, boiler, and fire alarm system.

The negative factor has caused Lone Star School District to lose funding of more than one million dollars from 2010 to 2017. Although we have received minimum relief with the negative factor, we are still not receiving all monies from the state that were appropriated.

Requests for Information

This financial report is designed to provide a general overview of the Lone Star School District 101's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent, 44940 County Road 54, Otis, Colorado 80743.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Lone Star School District 101
Otis, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lone Star School District 101, Colorado, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 of 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 auditors' 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 controls. 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.

Opinion

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 Lone Star School District 101, Colorado, as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Lone Star School District 101's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 13, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M5 and pension schedules on pages 30 - 31 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 32 - 35 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. In addition, the budgetary comparison schedules on pages 36 - 38 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 39 - 42 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayberry + Company, LLC

Englewood, CO
September 15, 2017

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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2017.

LONE STAR SCHOOL DISTRICT 101
Statement of Net Position
June 30, 2017

| | <u>Governmental</u> <u>Activities</u> |
|---|--|
| ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES | |
| ASSETS | |
| Current Assets | |
| Cash and Investments | \$ 1,476,429 |
| Cash with Fiscal Agent | 2,713 |
| Taxes Receivable | 5,486 |
| Grants Receivable | 16,788 |
| Other Accounts Receivable | 443 |
| Inventory | 1,620 |
| Total Current Assets | <u>1,503,479</u> |
| Noncurrent Assets | |
| Capital Assets, not being depreciated | 4,725 |
| Capital Assets, being depreciated | 1,679,705 |
| Total Noncurrent Assets | <u>1,684,430</u> |
| TOTAL ASSETS | <u>3,187,909</u> |
| DEFERRED OUTFLOWS OF FINANCIAL RESOURCES | |
| Contributions Subsequent to Measurement Date | 85,360 |
| Difference Between Actual and Expected Experience - net | 72,578 |
| Difference Between Projected and Actual Returns on Pension Plan Investments - net | 194,124 |
| Changes of Assumptions - net | 1,883,771 |
| TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES | <u>2,235,833</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS | <u>\$ 5,423,742</u> |
| LIABILITIES, DEFERRED INFLOWS OF FINANCIAL RESOURCES AND FUND BALANCE | |
| LIABILITIES | |
| Current Liabilities | |
| Interfund Accounts Payable | \$ 1,135 |
| Accounts Payable | 16,523 |
| Accrued Salaries & Benefits | 132,291 |
| Payroll Taxes & Deductions Payable | - |
| Total Current Liabilities | <u>149,949</u> |
| Non-Current Liabilities | |
| Due Within One Year | 1,960 |
| Due In More Than One Year | 5,814,231 |
| Total Noncurrent Liabilities | <u>5,816,191</u> |
| TOTAL LIABILITIES | <u>5,966,140</u> |
| DEFERRED INFLOWS OF FINANCIAL RESOURCES | |
| Difference Between Projected and Actual Pension Plan Experience - net | 51 |
| Changes of Assumptions - net | 26,180 |
| Change in District's Proportionate Share of Net Pension Liability - net | 21,940 |
| Deferred Inflows of Financial Resources - Other | 907 |
| TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES | <u>49,078</u> |
| NET POSITION | |
| Net Investment in Capital Assets | 1,684,430 |
| Restricted Net Assets | 52,000 |
| Unrestricted Net Position | (2,327,906) |
| TOTAL NET POSITION | <u>(591,476)</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS, AND NET POSITION | <u>\$ 5,423,742</u> |

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

LONE STAR SCHOOL DISTRICT 101
 Balance Sheet
 Governmental Funds
 June 30, 2017
 (With Comparative Totals for June 30, 2016)

| | Nonmajor | | Total | |
|---|---------------------|------------------|---------------------|---------------------|
| | Special Revenue | Food Service | 2017 | 2016 |
| | General Fund | Fund | | |
| ASSETS | | | | |
| Cash and Investments | \$ 1,439,912 | \$ 36,517 | \$ 1,476,429 | \$ 1,348,868 |
| Cash with Fiscal Agent | 2,713 | - | 2,713 | 2,690 |
| Taxes Receivable | 5,486 | - | 5,486 | 12,412 |
| Grants Receivable | 13,761 | 3,027 | 16,788 | 17,103 |
| Other Accounts Receivable | - | 443 | 443 | 1,625 |
| Inventory | - | 1,620 | 1,620 | 2,085 |
| Prepaid Expenses | - | - | - | 1,740 |
| TOTAL ASSETS | \$ 1,461,872 | \$ 41,607 | \$ 1,503,479 | \$ 1,386,523 |
| LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | | | | |
| Liabilities | | | | |
| Interfund Accounts Payable | \$ 1,135 | \$ - | \$ 1,135 | \$ 1,135 |
| Accounts Payable | 16,053 | 470 | 16,523 | 8,023 |
| Accrued Salaries & Benefits | 128,532 | 3,759 | 132,291 | 132,083 |
| Accrued Compensated Absences | 1,960 | - | 1,960 | 5,000 |
| Total Liabilities | 147,680 | 4,229 | 151,909 | 146,241 |
| Deferred Inflows of Financial Resources | | | | |
| Deferred Inflows | - | 907 | 907 | 662 |
| Fund Balance | | | | |
| Nonspendable Fund Balance | - | 1,620 | 1,620 | 3,825 |
| Restricted Fund Balance | | | | |
| Restricted for TABOR Emergencies | 52,000 | - | 52,000 | 50,000 |
| Committed for Food Service | - | 34,851 | 34,851 | 14,073 |
| Assigned Fund Balance | | | | |
| Unassigned Fund Balance | 1,262,192 | - | 1,262,192 | 1,171,722 |
| Total Fund Balance | 1,314,192 | 36,471 | 1,350,663 | 1,239,620 |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | \$ 1,461,872 | \$ 41,607 | \$ 1,503,479 | \$ 1,386,523 |

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

LONE STAR SCHOOL DISTRICT 101
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2017

| | | | |
|---|--|----|--------------------|
| Fund Balance - Governmental Funds | | \$ | 1,350,663 |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds | | | |
| Capital assets, not being depreciated | | | 4,725 |
| Capital assets, being depreciated | | | 2,767,153 |
| Accumulated depreciation | | | <u>(1,087,448)</u> |
| | | | 1,684,430 |
| Certain long-term pension related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds | | | |
| Contributions subsequent to measurement date | | | 85,360 |
| Difference between actual and expected experience (outflow) | | | 121,891 |
| Amortization of experience difference (outflow) | | | (49,313) |
| Difference between projected and actual investment returns on the pension plan | | | 345,636 |
| Amortization of investment return difference | | | (151,512) |
| Change of pension assumptions | | | 2,646,431 |
| Amortization of change in assumptions | | | (762,660) |
| Net pension liability | | | (5,805,521) |
| Difference between projected and actual pension plan experience (inflow) | | | (270) |
| Amortization of experience difference (inflow) | | | 219 |
| Change of pension assumptions | | | (58,107) |
| Amortization of change in assumptions | | | 31,927 |
| Change in District's proportionate share of net pension liability | | | (249,259) |
| Amortization of change in proportion | | | <u>227,319</u> |
| | | | (3,617,859) |
| Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds. | | | |
| Accrued compensated absences | | | <u>(8,710)</u> |
| Total Net Position - Governmental Activities | | \$ | <u>(591,476)</u> |

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

LONE STAR SCHOOL DISTRICT 101
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | Nonmajor | | Total | |
|--|---------------------|----------------------|---------------------|---------------------|
| | Special Revenue | | | |
| | General Fund | Food Service Fund | 2017 | 2016 |
| REVENUES | | | | |
| Local Sources | \$ 270,029 | \$ 18,077 | \$ 288,106 | \$ 292,115 |
| Intermediate Sources | 83 | - | 83 | 119 |
| State Sources | 1,437,517 | 1,295 | 1,438,812 | 1,366,889 |
| Federal Sources | 30,045 | 32,628 | 62,673 | 59,946 |
| TOTAL REVENUES | <u>1,737,674</u> | <u>52,000</u> | <u>1,789,674</u> | <u>1,719,069</u> |
| EXPENDITURES | | | | |
| Instruction | 985,542 | - | 985,542 | 946,612 |
| Pupil Support | 2,403 | - | 2,403 | 4,176 |
| Staff Support | 760 | - | 760 | - |
| General Administration | 139,809 | - | 139,809 | 134,256 |
| School Administration | 88,673 | - | 88,673 | 86,238 |
| Business Services | 54,516 | - | 54,516 | 55,987 |
| Operations and Maintenance | 154,739 | - | 154,739 | 121,694 |
| Transportation | 157,467 | - | 157,467 | 60,895 |
| Risk Management | 38,035 | - | 38,035 | 41,474 |
| Food Service | - | 56,687 | 56,687 | 56,640 |
| TOTAL EXPENDITURES | <u>1,621,944</u> | <u>56,687</u> | <u>1,678,631</u> | <u>1,507,972</u> |
| REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES | <u>115,730</u> | <u>(4,687)</u> | <u>111,043</u> | <u>211,097</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfer In (Out) - net | (25,000) | 25,000 | - | - |
| CHANGE IN FUND BALANCE | <u>90,730</u> | <u>20,313</u> | <u>111,043</u> | <u>211,097</u> |
| BEGINNING FUND BALANCE | <u>1,223,462</u> | <u>16,158</u> | <u>1,239,620</u> | <u>1,028,523</u> |
| ENDING FUND BALANCE | <u>\$ 1,314,192</u> | <u>\$ 36,471</u> | <u>\$ 1,350,663</u> | <u>\$ 1,239,620</u> |

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

LONE STAR SCHOOL DISTRICT 101
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2017

| | | |
|---|----------------|-------------------------|
| Change in Fund Balance - Governmental Funds | \$ | 111,043 |
| Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level | | |
| Capitalized Asset Purchases | 90,335 | |
| Depreciation Expense | (65,085) | |
| Gain (Loss) on Asset Disposals | <u>(2,620)</u> | 22,630 |
| Pension expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year. | | |
| Change in contributions subsequent to measurement date | 3,583 | |
| Change in the difference between actual and expected experience | 70,783 | |
| Change in the amortization of experience difference | (35,272) | |
| Current year projected to actual investment return difference | 29,412 | |
| Current year amortization of overall investment return differences | (73,966) | |
| Change in the changes of assumptions | 2,646,431 | |
| Change in the amortization of Change in Assumptions | (762,660) | |
| Change in net pension liability | (2,998,474) | |
| Current year projected to actual pension plan experience difference | (15) | |
| Current year amortization of overall pension plan experience differences | 81 | |
| Change in the changes of assumptions | (3,412) | |
| Change in the amortization of Change in Assumptions | 16,901 | |
| Current year change in proportionate share of cost-sharing plan liability | 148,156 | |
| Current year amortization of overall proportionate share differences | <u>65,604</u> | (892,848) |
| Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level | | |
| Change in accrued compensated absences | | <u>270</u> |
| Total Net Position - Governmental Activities | \$ | <u><u>(758,905)</u></u> |

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

LONE STAR SCHOOL DISTRICT 101
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017
(With Comparative Totals for June 30, 2016)

| | Rhodes Scholarship Agency Fund | | Pupil Activity Agency Fund | | Totals | |
|---|--------------------------------------|------------------|-------------------------------|------------------|--------|------|
| | | | | | 2017 | 2016 |
| ASSETS | | | | | | |
| Cash and Investments | \$ 32,080 | \$ 64,537 | \$ 96,617 | \$ 91,074 | | |
| Interfund Accounts Receivable | - | 1,135 | 1,135 | 1,135 | | |
| TOTAL ASSETS | <u>\$ 32,080</u> | <u>\$ 65,672</u> | <u>\$ 97,752</u> | <u>\$ 92,209</u> | | |
| NET POSITION | | | | | | |
| Restricted Net Position - Held for Others | <u>\$ 32,080</u> | <u>\$ 65,672</u> | <u>\$ 97,752</u> | <u>\$ 92,209</u> | | |

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

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Lone Star School District 101 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, The Financial Reporting Entity.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following major governmental fund:

General Fund - This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity and Scholarship Funds) - These funds account for funds held by and for the benefit of students. These funds are custodial in nature. There are no formal trust agreements for the scholarship funds.

Measurement Focus and Basis of Accounting

Government-Wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

Cash - Cash is kept in interest bearing accounts that are comprised of checking and money market accounts that are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory - Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

Capital Assets - Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure, and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

The District's policy is to capitalize and inventory annually all capital assets with a unit value of or greater than \$5,000 and an estimated useful life of or greater than one year.

Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the proprietary funds balance sheets.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

| | |
|---------------------------------|-------------|
| Buildings and Site Improvements | 10-75 years |
| Vehicles | 8-25 years |
| Other Equipment | 5-15 years |

Vacation, Sick Leave, and Other Compensated Absences - District employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. Vacation can be carried over upon the superintendent's approval.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance (Continued)

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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. The government only has two items that qualify for reporting in this category. Both are related to pension liabilities as further described in Note 8.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The District reports deferred inflows related to pension liabilities as further described in Note 8, as well as prepaid student balance.

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

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

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

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

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

All other remaining governmental balances are reported as unassigned.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses - Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues - Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Due to the nature of Colorado school district funding, all uncollected property taxes levied in 2016 for collection in 2017 are identified as property taxes receivable at June 30.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2017, all the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

| | Bank Balance | Carrying Balance |
|-----------------------------------|----------------------------|-----------------------------|
| FDIC Insured | \$ 250,000 | \$ 250,000 |
| PDPA Collateralized* | 1,330,097 | 1,322,946 |
| Petty Cash | - | 100 |
| Total Cash and Investments | <u>\$ 1,580,097</u> | <u>\$ 1,573,046</u> |

* - Not in District's name

These balances are presented in the financial statements as follows:

| | |
|-----------------------------------|----------------------------|
| Government-wide | \$ 1,476,429 |
| Fiduciary | 96,617 |
| Total Cash and Investments | <u>\$ 1,573,046</u> |

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. local government entities
- Bankers' acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. As of June 30, 2017, the District did not hold any investments.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2017, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2017 of \$1,620, consisted of purchased and donated commodities amounting to \$778 and \$842, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 4: CAPITAL ASSETS

Activity for the District’s governmental activity capital assets is as follows:

| | Balance 6/30/16 | Additions | Deletions | Balance 6/30/17 |
|--|----------------------------|-------------------------|------------------------|----------------------------|
| <u>Governmental Activities</u> | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 4,725 | \$ - | \$ - | \$ 4,725 |
| Capital assets being depreciated | | | | |
| Land Improvements | 175,365 | - | - | 175,365 |
| Buildings | 2,207,209 | - | 16,344 | 2,190,865 |
| Transportation Equipment | 237,744 | 90,335 | 63,503 | 264,576 |
| Food Service Equipment | 13,834 | - | - | 13,834 |
| Other Equipment | 122,513 | - | - | 122,513 |
| Total Capital Assets being depreciated | <u>2,756,665</u> | <u>90,335</u> | <u>79,847</u> | <u>2,767,153</u> |
| Accumulated Depreciation | | | | |
| Land Improvements | (73,787) | (3,902) | - | (77,689) |
| Buildings | (680,202) | (52,116) | (13,724) | (718,594) |
| Transportation Equipment | (226,786) | (3,258) | (63,503) | (166,541) |
| Food Service Equipment | (11,690) | (1,072) | - | (12,762) |
| Other Equipment | (107,125) | (4,737) | - | (111,862) |
| Total Accumulated Depreciation | <u>(1,099,590)</u> | <u>(65,085)</u> | <u>(77,227)</u> | <u>(1,087,448)</u> |
| Net Capital Assets | <u>\$ 1,661,800</u> | <u>\$ 25,250</u> | <u>\$ 2,620</u> | <u>\$ 1,684,430</u> |

Depreciation is allocated to the District’s governmental activities as follows:

| | |
|--------------------------------|-------------------------|
| Instruction | \$ 38,886 |
| Supporting Services | 26,199 |
| Depreciation Allocation | <u>\$ 65,085</u> |

NOTE 5: 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, as of June 30, 2017, are \$128,532 in the General Fund and \$3,759 in the Food Service Fund. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 6: LONG-TERM OBLIGATIONS

At June 30, 2017, the District included accrued compensated absences and pension liabilities in its long-term obligations. Changes in long-term obligations for the year ended June 30, 2017 is as follows:

| | <u>Balance 7/1/16</u> | <u>Advances</u> | <u>Net Payments</u> | <u>Balance 6/30/17</u> | <u>Current Portion</u> |
|------------------------------|---------------------------|---------------------|-------------------------|----------------------------|----------------------------|
| Accrued Compensated Absences | \$ 13,980 | \$ - | \$ 5,270 | \$ 8,710 | \$ 1,960 |
| PERA Net Pension Liability | <u>2,807,047</u> | <u>2,998,474</u> | <u>-</u> | <u>5,805,521</u> | <u>-</u> |
| | <u>\$ 2,821,027</u> | <u>\$ 2,998,474</u> | <u>\$ 5,270</u> | <u>\$ 5,814,231</u> | <u>\$ 1,960</u> |

NOTE 7: JOINTLY GOVERNED ORGANIZATION

The District in conjunction with other surrounding districts created the Northeast Colorado 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 BOCES board is comprised of one member from each participating district. During the fiscal year ended June 30, 2017, the District paid \$45,859 for assessments and other services to the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative office at: P O Box 98, Haxtun, CO 80731.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

| January 1st through December 31st | 2014¹ | 2015¹ | 2016¹ |
|--|-------------------------|-------------------------|-------------------------|
| Employer contribution rate | 10.15% | 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% | -1.02% |
| Amount apportioned to the SCHDTF | 9.13% | 9.13% | 9.13% |
| Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411 | 3.80% | 4.20% | 4.50% |
| Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411 | 3.50% | 4.00% | 4.50% |
| Total employer contribution rate to the SCHDTF | 16.43% | 17.33% | 18.13% |

¹ 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 District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$158,662 for the plan year ended December 31, 2016 and \$223,741 for the fiscal year ended June 30, 2017.

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2017, the District reported a liability of \$5,805,521 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016. The District's proportion of the net pension liability was based on District's contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2016, the District's proportion was .019499%, which was a decrease of .001913% from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017 the District recognized pension expense of \$1,108,245. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows | Deferred Inflows |
|--|---------------------|--------------------|
| Difference between expected and actual experience | \$ 72,577 | \$ (51) |
| Changes of assumptions or other inputs | \$ 1,883,771 | \$ (26,180) |
| Net difference between projected and actual earnings on pension plan investments | \$ 194,124 | \$ - |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis | \$ - | \$ (21,940) |
| Contributions subsequent to the measurement date | \$ 85,360 | \$ - |
| Total | \$ 2,235,832 | \$ (48,171) |

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

\$107,285 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: | |
| 2018 | \$ (800,591) |
| 2019 | \$ (858,165) |
| 2020 | \$ (441,608) |
| 2021 | \$ (1,937) |
| Total | \$ (2,102,301) |

Actuarial assumptions. The total pension liability as of December 31, 2016 was determined based on the December 31, 2015 actuarial valuation using the following roll-forward assumptions and other inputs:

| | |
|---|---|
| Actuarial cost method | Entry Age |
| Price inflation | 2.40% |
| Real wage growth | 1.10% |
| Wage inflation | 3.50% |
| Salary increase, including wage inflation | 3.90-9.70% |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25% |
| Discount rate | 5.26% |
| Post retirement benefit increases: | |
| PERA benefit structure hired prior to 1/1//07 and DPS benefit structure (automatic) | 2.00% |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) | Financed by the Annual Increase Reserve (AIR) |

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Mortality rates 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.

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

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

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

| Asset Class | Target Allocation | 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%.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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 method and assumptions described 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 16, 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 3.5%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent 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 on 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 increase 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Based on the above assumptions and methods, the GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond 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 or after 2014 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 GASB Statement No. 67 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 pension plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate and the discount rate was 7.50 percent.

Sensitivity of the BOCES' 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%, 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%) or 1-percentage-point higher (6.26%) than the current rate:

| | 1% Decrease (4.26%) | Current Discount Rate (5.26%) | 1% Increase (6.26%) |
|--|------------------------|-------------------------------------|------------------------|
| Proportionate share of the net pension asset (liability) | \$ (7,300,257) | \$ (5,805,521) | \$ (4,588,231) |

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

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 9: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description - Employees of the District 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, employer contributions, if any, and investment earnings. For the year ended June 30, 2017 program members contributed \$30,000 to the plan.

NOTE 10: POSTEMPLOYMENT HEALTHCARE BENEFITS

Health Care Trust Fund

Plan Description – The District 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.

Funding Policy – The District is required to contribute at a rate of 1.02% of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District 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 District contributions to the HCTF were \$8,320, \$8,629, and \$7,970, respectively, equal to their required contributions for each year.

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 11: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2017.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District’s financial statements.

Workers Compensation

The District carries commercial insurance for worker’s compensation coverage. Risk of loss transfers to the carrier.

NOTE 12: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

LONE STAR SCHOOL DISTRICT 101

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 12: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS
(Continued)

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate vote to retain the revenue. In November of 1996, the voters of the District approved a ballot measure which allows the District to retain, appropriate, and utilize the full revenues received from every source whatever, without limitation, in 1996 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the District feels it is in substantial compliance with the Amendment. The District is required to set aside 3% of "fiscal year spending" as defined in the Amendment for an emergency reserve. At June 30, 2017, the District has reserved \$52,000 of fund balance in the General Fund to satisfy this requirement.

NOTE 13: INTERNAL ACTIVITY

The District is reporting a balance owed between the Pupil Activity Fund and the General Fund of \$1,135 representing receipts that were incorrectly deposited during prior fiscal years. The General Fund had cash resources available as of the end of the year to cover these amounts.

The District transferred \$25,000 from the General Fund to the Food Service Fund as a routine operating subsidy.

NOTE 14: DEFICIT NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$2,327,906 primarily due to the PERA net pension liability of \$5,805,521 as further described in Note 8. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 15: BUDGET VIOLATION

The District's expenditures exceeded appropriations in the Food Service Fund by \$(6,878). This may be a violations of state statutes.

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REQUIRED SUPPLEMENTARY INFORMATION
(Pension Schedules - Unaudited)

LONE STAR SCHOOL DISTRICT 101

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

| | <u>6/30/17</u> | <u>6/30/16</u> | <u>6/30/15</u> | <u>6/30/14</u> |
|---|----------------|----------------|----------------|----------------|
| District's proportion of the net pension asset (liability) | 0.019499% | 0.018354% | 0.019862% | 0.021412% |
| District's proportionate share of the net pension asset (liability) | \$ (5,805,521) | \$ (2,807,047) | \$ (2,691,990) | \$ (2,731,049) |
| District's covered-employee payroll | \$ 875,137 | \$ 799,844 | \$ 832,082 | \$ 863,171 |
| District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll | 663.38% | 350.95% | 323.52% | 316.40% |
| Plan fiduciary net position as a percentage of the total pension liability | 43.13% | 59.16% | 62.84% | 64.07% |

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

LONE STAR SCHOOL DISTRICT 101

**SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

| | <u>6/30/17</u> | <u>6/30/16</u> | <u>6/30/15</u> | <u>6/30/14</u> |
|---|------------------|------------------|------------------|------------------|
| Contractually required contributions | \$ 158,662 | \$ 138,613 | \$ 136,711 | \$ 134,051 |
| Actual contributions | <u>(158,662)</u> | <u>(138,613)</u> | <u>(136,711)</u> | <u>(134,051)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered-employee payroll | \$ 875,137 | \$ 799,844 | \$ 832,082 | \$ 863,171 |
| Contributions as a percentage of covered-employee payroll | 18.13% | 17.33% | 16.43% | 15.53% |

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION
(Budgetary Comparison Schedules)

LONE STAR SCHOOL DISTRICT 101
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | | | | 2016 Actual |
|--|--------------------|------------------|------------------|----------------------------------|------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | |
| REVENUES | | | | | |
| Local Sources | | | | | |
| Property Taxes | \$ 200,069 | \$ 200,069 | \$ 210,646 | \$ 10,577 | \$ 207,598 |
| Specific Ownership Taxes | 38,724 | 38,724 | 25,796 | (12,928) | 24,346 |
| Delinquent Taxes | - | - | 576 | 576 | 342 |
| Investment Earnings | 1,950 | 1,950 | 6,062 | 4,112 | 2,154 |
| Rent Revenue | 3,600 | 3,600 | 3,600 | - | 3,600 |
| Donations | - | - | - | - | 15,000 |
| Local BOCES Passthrough | 11,000 | 11,000 | - | (11,000) | - |
| Other Local | 48,108 | 48,108 | 23,348 | (24,760) | 20,823 |
| Total Local Sources | <u>303,451</u> | <u>303,451</u> | <u>270,028</u> | <u>(33,423)</u> | <u>273,863</u> |
| Intermediate Sources | | | | | |
| Mineral Leases | 125 | 125 | 83 | (42) | 119 |
| State Sources | | | | | |
| State Equalization | 1,286,599 | 1,286,599 | 1,343,171 | 56,572 | 1,251,525 |
| Transportation | 13,700 | 13,700 | 13,878 | 178 | 13,588 |
| State Grants from CDE | | | | | |
| State ELPA | 1,180 | 1,180 | 1,652 | 472 | 1,804 |
| Read Act | 5,435 | 5,435 | 847 | (4,588) | 5,435 |
| Library Grant | 3,500 | 3,500 | 3,500 | - | 3,500 |
| Small Rural Schools Funding | - | - | - | - | 28,109 |
| Additional At-Risk Funding | 543 | 543 | 592 | 49 | 544 |
| State Vocational Education | 25,000 | 25,000 | 45,731 | 20,731 | 34,057 |
| State Grants Provided through BOCES | 18,020 | 18,020 | 28,146 | 10,126 | 27,492 |
| Total State Sources | <u>1,353,977</u> | <u>1,353,977</u> | <u>1,437,517</u> | <u>83,540</u> | <u>1,366,054</u> |
| Federal Sources | | | | | |
| Federal Grants from CDE | | | | | |
| RTTT Early Childhood | - | - | 231 | 231 | - |
| NCLB Title VI, Part B - REAP/Rural Education | 16,000 | 16,000 | 18,522 | 2,522 | 16,993 |
| Federal Provided through BOCES | 5,453 | 5,453 | 11,292 | 5,839 | 16,041 |
| Total Federal Sources | <u>21,453</u> | <u>21,453</u> | <u>30,045</u> | <u>8,592</u> | <u>33,034</u> |
| TOTAL REVENUES | <u>1,679,006</u> | <u>1,679,006</u> | <u>1,737,673</u> | <u>58,667</u> | <u>1,673,070</u> |

See the accompanying Independent Auditors' Report

(Continued)

LONE STAR SCHOOL DISTRICT 101
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2017
 (With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | | | | 2016 Actual |
|-------------------------------|--------------------|------------------|----------------|----------------------------------|----------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | |
| (Continued) | | | | | 32 |
| EXPENDITURES | | | | | |
| Instruction | | | | | |
| Salaries | 627,332 | 627,333 | 628,417 | (1,084) | 619,099 |
| Benefits | 235,070 | 235,919 | 216,741 | 19,178 | 209,199 |
| PS - Professional | 49,450 | 53,350 | 53,933 | (583) | 48,275 |
| PS - Property | 10,820 | 8,320 | 6,317 | 2,003 | 4,635 |
| PS - Other | 20,950 | 18,550 | 15,441 | 3,109 | 11,885 |
| Supplies | 33,400 | 33,950 | 33,425 | 525 | 34,700 |
| Property | 19,702 | 34,452 | 28,967 | 5,485 | 16,519 |
| Other Expenses | 3,300 | 3,300 | 2,300 | 1,000 | 2,300 |
| Total Instruction | <u>1,000,024</u> | <u>1,015,174</u> | <u>985,541</u> | <u>29,633</u> | <u>946,612</u> |
| Supporting Services | | | | | |
| Pupil Support | | | | | |
| Salaries | - | - | 2,125 | (2,125) | 2,436 |
| PS - Professional | 2,600 | 2,600 | 278 | 2,322 | 1,740 |
| Total Pupil Support | <u>2,600</u> | <u>2,600</u> | <u>2,403</u> | <u>197</u> | <u>4,176</u> |
| Staff Support | | | | | |
| Salaries | 1,125 | 1,125 | 450 | 675 | - |
| Benefits | - | - | 30 | (30) | - |
| PS - Professional | 292 | 292 | - | 292 | - |
| PS - Other | 300 | 300 | 280 | 20 | - |
| Total Staff Support | <u>1,717</u> | <u>1,717</u> | <u>760</u> | <u>957</u> | <u>-</u> |
| General Administration | | | | | |
| Salaries | 57,727 | 57,727 | 47,149 | 10,578 | 39,487 |
| Benefits | 19,403 | 19,403 | 18,920 | 483 | 21,473 |
| PS - Professional | 54,859 | 54,859 | 8,846 | 46,013 | 51,889 |
| PS - Other | 15,500 | 13,700 | 58,540 | (44,840) | 14,270 |
| Supplies | 250 | 250 | 250 | - | 250 |
| Property | 1,000 | 1,000 | 1,000 | - | 951 |
| Other Expenses | 6,000 | 6,000 | 5,104 | 896 | 5,936 |
| Total General Administration | <u>154,739</u> | <u>152,939</u> | <u>139,809</u> | <u>13,130</u> | <u>134,256</u> |
| School Administration | | | | | |
| Salaries | 80,124 | 80,124 | 59,895 | 20,229 | 58,342 |
| Benefits | 26,361 | 26,361 | 26,881 | (520) | 25,773 |
| PS - Other | 2,000 | 2,000 | 1,647 | 353 | 2,011 |
| Supplies | 250 | 250 | 250 | - | 112 |
| Total School Administration | <u>108,735</u> | <u>108,735</u> | <u>88,673</u> | <u>20,062</u> | <u>86,238</u> |

See the accompanying Independent Auditors' Report

(Continued)

LONE STAR SCHOOL DISTRICT 101
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | | | | 2016 Actual |
|--|--------------------|------------------|---------------------|----------------------------------|---------------------|
| | Original Budget | Final Budget | Actual | Variance with Final Budget | |
| (Continued) | | | | | |
| EXPENDITURES (Continued) | | | | | |
| Supporting Services (Continued) | | | | | |
| Business Services | | | | | |
| Salaries | 34,315 | 34,315 | 28,958 | 5,357 | 30,402 |
| Benefits | 14,314 | 15,849 | 14,657 | 1,192 | 12,526 |
| PS - Professional | 15,000 | 15,000 | 8,059 | 6,941 | 11,669 |
| PS - Other | 1,000 | 1,000 | 842 | 158 | 936 |
| Supplies | 1,000 | 1,000 | 1,000 | - | 444 |
| Property | 500 | 500 | 1,000 | (500) | 10 |
| Total Business Services | <u>66,129</u> | <u>67,664</u> | <u>54,516</u> | <u>13,148</u> | <u>55,987</u> |
| Operations and Maintenance | | | | | |
| Salaries | 31,228 | 37,063 | 33,126 | 3,937 | 27,501 |
| Benefits | 11,389 | 11,389 | 12,396 | (1,007) | 10,709 |
| PS - Property | 29,500 | 29,500 | 45,994 | (16,494) | 24,203 |
| PS - Other | 4,105 | 4,020 | 4,324 | (304) | 4,028 |
| Supplies | 78,700 | 75,700 | 56,970 | 18,730 | 52,752 |
| Property | 2,000 | 1,000 | 1,109 | (109) | 1,000 |
| Other Expenses | 1,500 | 1,500 | 820 | 680 | 1,500 |
| Total Operations and Maintenance | <u>158,422</u> | <u>160,172</u> | <u>154,739</u> | <u>5,433</u> | <u>121,693</u> |
| Transportation | | | | | |
| Salaries | 30,629 | 33,379 | 29,772 | 3,607 | 27,594 |
| Benefits | 6,470 | 6,470 | 6,036 | 434 | 5,318 |
| PS - Professional | 649 | 649 | 608 | 41 | 106 |
| PS - Property | 15,200 | 15,200 | 12,543 | 2,657 | 14,725 |
| PS - Other | 250 | 250 | 250 | - | 47 |
| Supplies | 22,200 | 21,200 | 17,924 | 3,276 | 13,104 |
| Property | - | 93,000 | 90,335 | 2,665 | - |
| Total Transportation | <u>75,398</u> | <u>170,148</u> | <u>157,468</u> | <u>12,680</u> | <u>60,894</u> |
| Risk Management | | | | | |
| PS - Other | <u>54,000</u> | <u>54,000</u> | <u>38,035</u> | <u>15,965</u> | <u>41,474</u> |
| Contingency | <u>50,000</u> | <u>284,526</u> | <u>-</u> | <u>284,526</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u>1,671,764</u> | <u>2,017,675</u> | <u>1,621,944</u> | <u>395,731</u> | <u>1,451,330</u> |
| REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES | 7,242 | (338,669) | 115,729 | 454,398 | 221,740 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers | <u>(25,000)</u> | <u>(25,000)</u> | <u>(25,000)</u> | <u>-</u> | <u>(25,000)</u> |
| CHANGE IN FUND BALANCE | <u>(17,758)</u> | <u>(363,669)</u> | <u>90,729</u> | <u>454,398</u> | <u>196,740</u> |
| BEGINNING FUND BALANCE | <u>17,758</u> | <u>363,669</u> | <u>1,223,463</u> | <u>859,794</u> | <u>1,026,723</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,314,192</u> | <u>\$ 1,314,192</u> | <u>\$ 1,223,463</u> |

See accompanying Independent Auditors' Report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT BUDGETARY POLICIES

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on the cash basis). Annual appropriated budgets are adopted for all funds except the Trust and Agency Funds. All annual appropriations lapse at fiscal year-end. The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- The District has until January 31st of each year to adjust its final budget.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those that will remain canceled and those that will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of Fund balance at fiscal year-end because they have lapsed and are pending reinstatement.

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OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUND

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

The District has one special revenue funds as follows:

Food Service Fund

The Food Service Fund accounts for all financial activities associated with the District's school lunch program.

LONE STAR SCHOOL DISTRICT 101
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | | | |
|--|-------------------------|---------------|---|------------------------|
| | Final Budget | Actual | Variance with Final Budget | 2016 Actual |
| REVENUES | | | | |
| Local Sources | | | | |
| Food Service Revenue | \$ 12,800 | \$ 18,059 | \$ 5,259 | \$ 18,221 |
| Other Local | - | 18 | 18 | 31 |
| Total Local Sources | <u>12,800</u> | <u>18,077</u> | <u>5,277</u> | <u>18,252</u> |
| State Sources | | | | |
| State Grants from CDE | | | | |
| State Match - Child Nutrition | 10,000 | 419 | (9,581) | 446 |
| Smart Start Nutrition | 150 | 333 | 183 | 148 |
| State K-2 Reduced Lunch | 250 | 543 | 293 | 241 |
| Total State Sources | <u>10,400</u> | <u>1,295</u> | <u>(9,105)</u> | <u>835</u> |
| Federal Sources | | | | |
| Federal Grants from CDE | | | | |
| School Breakfast Program | 7,101 | 6,108 | (993) | 6,052 |
| National School Lunch Program | 7,005 | 22,394 | 15,389 | 17,186 |
| Federal Grants from Other State Agencies | | | | |
| Commodities | - | 4,126 | 4,126 | 3,674 |
| Total Federal Sources | <u>14,106</u> | <u>32,628</u> | <u>18,522</u> | <u>26,912</u> |
| TOTAL REVENUES | <u>37,306</u> | <u>52,000</u> | <u>14,694</u> | <u>45,999</u> |
| EXPENDITURES | | | | |
| Supporting Services | | | | |
| Food Service | | | | |
| Salaries | 19,248 | 19,411 | (163) | 22,574 |
| Benefits | 8,861 | 9,017 | (156) | 8,500 |
| PS - Property | 1,200 | 869 | 331 | - |
| Supplies | 1,000 | 1,243 | (243) | 421 |
| Food | 19,000 | 21,870 | (2,870) | 22,224 |
| Commodities | - | 4,277 | (4,277) | 3,258 |
| Property | 500 | - | 500 | (336) |
| TOTAL EXPENDITURES | <u>49,809</u> | <u>56,687</u> | <u>(6,878)</u> | <u>56,641</u> |
| REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES | (12,503) | (4,687) | 7,816 | (10,642) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers | 25,000 | 25,000 | - | 25,000 |
| CHANGE IN FUND BALANCE | 12,497 | 20,313 | 7,816 | 14,358 |
| BEGINNING FUND BALANCE | (12,497) | 16,158 | 28,655 | 1,800 |
| ENDING FUND BALANCE | \$ - | \$ 36,471 | \$ 36,471 | \$ 16,158 |

See accompanying Independent Auditors' Report.

FIDUCIARY FUNDS

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established agency funds to account for various student activity groups and contributions from private organizations as well as its scholarship activity. The agency funds are custodial in nature and do not involve measurement of results of operations.

LONE STAR SCHOOL DISTRICT 101
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Rhodes Scholarship Agency Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | | | 2016 |
|-------------------------------|-------------------------|------------------|---|------------------|
| | Final Budget | Actual | Variance with Final Budget | |
| ADDITIONS | | | | |
| Local Sources | \$ - | \$ 3,031 | \$ 3,031 | \$ 2,659 |
| DEDUCTIONS | | | | |
| Instruction | 1,000 | - | 1,000 | 629 |
| CHANGE IN NET POSITION | (1,000) | 3,031 | 4,031 | 2,030 |
| BEGINNING NET POSITION | 1,000 | 29,049 | 28,049 | 27,019 |
| ENDING NET POSITION | \$ - | \$ 32,080 | \$ 32,080 | \$ 29,049 |

See accompanying Independent Auditors' Report.

LONE STAR SCHOOL DISTRICT 101
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Pupil Activity Agency Fund
For the Year Ended June 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)

| | 2017 | | Variance with Final Budget | 2016 | |
|-------------------------------|-----------------|-----------|----------------------------------|-----------|--------|
| | Final Budget | Actual | | Budget | Actual |
| ADDITIONS | | | | | |
| Local Sources | \$ 100,000 | \$ 72,616 | \$ (27,384) | \$ 81,711 | |
| DEDUCTIONS | | | | | |
| Instruction | 100,000 | 70,104 | 29,896 | 74,846 | |
| CHANGE IN NET POSITION | - | 2,512 | 2,512 | 6,865 | |
| BEGINNING NET POSITION | - | 63,160 | 63,160 | 56,295 | |
| ENDING NET POSITION | \$ - | \$ 65,672 | \$ 65,672 | \$ 63,160 | |

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 3060 - LONE STAR 101
 Fiscal Year 2016-17
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

| Fund Type & Number | Beg Fund Balance & Prior Per Adj (6880*) | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|--|---|---|
| | + | | - | = |
| Governmental | | | | |
| 10 General Fund | 1,223,462 | 1,712,673 | 1,621,943 | 1,314,192 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | 0 | 0 | 0 |
| 19 Colorado Preschool Program Fund | 0 | 0 | 0 | 0 |
| Sub- Total | 1,223,462 | 1,712,673 | 1,621,943 | 1,314,192 |
| 11 Charter School Fund | 0 | 0 | 0 | 0 |
| 20,26-29 Special Revenue Fund | 0 | 0 | 0 | 0 |
| 06 Supplemental Cap Const, Tech, Main, Fund | 0 | 0 | 0 | 0 |
| 21 Food Service Spec Revenue Fund | 16,158 | 77,000 | 56,687 | 36,471 |
| 22 Govt Designated-Purpose Grants Fund | 0 | 0 | 0 | 0 |
| 23 Pupil Activity Special Revenue Fund | 0 | 0 | 0 | 0 |
| 24 Full Day Kindergarten Mill Levy Override | 0 | 0 | 0 | 0 |
| 25 Transportation Fund | 0 | 0 | 0 | 0 |
| 31 Bond Redemption Fund | 0 | 0 | 0 | 0 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0 | 0 | 0 | 0 |
| 41 Building Fund | 0 | 0 | 0 | 0 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 0 | 0 | 0 | 0 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | 1,239,620 | 1,789,673 | 1,678,630 | 1,350,663 |
| Proprietary | | | | |
| 50 Other Enterprise Funds | 0 | 0 | 0 | 0 |
| 64 (63) Risk-Related Activity Fund | 0 | 0 | 0 | 0 |
| 60,65-69 Other Internal Service Funds | 0 | 0 | 0 | 0 |
| Totals | 0 | 0 | 0 | 0 |
| Fiduciary | | | | |
| 70 Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 Private Purpose Trust Fund | 0 | 0 | 0 | 0 |
| 73 Agency Fund | 29,049 | 3,031 | 0 | 32,080 |
| 74 Pupil Activity Agency Fund | 63,160 | 72,616 | 70,104 | 65,672 |
| 79 GASB 34:Permanent Fund | 0 | 0 | 0 | 0 |
| 85 Foundations | 0 | 0 | 0 | 0 |
| Totals | 92,209 | 75,648 | 70,104 | 97,752 |

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 3060 - LONE STAR 101

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) | 1,439,912 | 0 | 0 | 0 | 0 | 36,517 | 0 | 0 | 0 | 0 | 0 | 96,617 | 0 | 1,573,046 | |
| Cash with Fiscal Agent (8105) | 2,713 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,713 | |
| Taxes Receivable (8121,8122) | 5,486 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,486 | |
| Interfund Loans Receivable (8131,8132) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,135 | 0 | 1,135 | |
| Grants Accounts Receivable (8142) | 13,761 | 0 | 0 | 0 | 0 | 3,027 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,789 | |
| Other Receivables (8151-8154,8161) | 0 | 0 | 0 | 0 | 0 | 442 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 442 | |
| Inventories (8171,8172,8173) | 0 | 0 | 0 | 0 | 0 | 1,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,620 | |
| Prepaid Expenses 8181,8182) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Machinery and Equipment (8241,8242,8251) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total Assets | 1,461,873 | 0 | 0 | 0 | 0 | 41,607 | 0 | 0 | 0 | 0 | 0 | 97,752 | 0 | 1,601,231 | |

See accompanying Independent Auditor's Report.

Governmental

Proprietary

Fiduciary

| | Governmental | | | | | | | | | | Proprietary | | | | Fiduciary | |
|---|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|----------------|--|
| | General Funds 10,12-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals | |
| LIABILITIES & FUND EQUITY | | | | | | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | | | | | |
| Interfund Payables (7401,7402) | 1,135 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,135 | |
| Other Payables (7421-7423) | 16,053 | 0 | 0 | 0 | 0 | 470 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,523 | |
| Accrued Expenses (7461) | 128,532 | 0 | 0 | 0 | 0 | 3,759 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 132,291 | |
| Payroll Ded. and Withholdings (7471-7473) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Unearned Revenue (7481) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Grants Deferred Revenue (7482) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Compensated Absences (7541) | 1,960 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,960 | |
| Deferred Inflow (7800) | 0 | 0 | 0 | 0 | 0 | 907 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 907 | |
| Total Liabilities | 147,681 | 0 | 0 | 0 | 0 | 5,136 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 152,817 | |

See accompanying Independent Auditor's Report.

Governmental

Proprietary

Fiduciary

| FUND EQUITY | General Funds 10,12-18 | Charter School Fund 11 | Preschool Fund 19 | Special Revenue Funds 20, 22-29 | Supplemental Cap Const Fund 06 | Food Service Special Revenue Fund 21 | Debt Service Funds 30-39 | Capital Projects Funds 40-45, 47-49 | Supplemental Cap Const Fund 46 | Other Enterprise Funds 50, 52-59 | Risk-Related Activity Funds 63-64 | Other Internal Service Funds 60 | Trust & Agency Funds 70-79 | Foundations Fund 85 | Totals |
|---|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|------------------|
| Non-spendable Fund Balance 6710 | 0 | 0 | 0 | 0 | 0 | 1,620 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,620 |
| Restricted Fund Balance 6720 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TABOR 3% Emergency Reserve 6721 | 52,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 52,000 |
| TABOR Multi-Year 6722 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| District Emergency Reserve (letter of credit or real estate) 6723 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Colorado Preschool Program (CPP) Reserve 6724 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Full-Day Kindergarten Reserve 6725 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Risk-Related / Restricted Capital Reserve 6726 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| BEST Capital Reserve 6727 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Committed Fund Balance 6750 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Assigned Fund Balance 6760 | 0 | 0 | 0 | 0 | 0 | 34,850 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 34,850 |
| Unassigned Fund Balance 6770 | 1,262,192 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 97,752 | 0 | 1,359,944 |
| Invested in Capital Assets, Net of Related Debt 6790 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Restricted Net Assets 6791 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unrestricted Net Assets 6792 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Prior Period Adjustment 6880 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Fund Equity | 1,314,192 | 0 | 0 | 0 | 0 | 36,471 | 0 | 0 | 0 | 0 | 0 | 0 | 97,752 | 0 | 1,448,414 |

| | 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 |
|--|------------------------|------------------------|-------------------|---------------------------------|--------------------------------|--------------------------------------|--------------------------|-------------------------------------|--------------------------------|----------------------------------|-----------------------------------|---------------------------------|----------------------------|---------------------|------------------|
| Total Liabilities & Fund Equity | 1,461,873 | 0 | 0 | 0 | 0 | 41,607 | 0 | 0 | 0 | 0 | 0 | 0 | 97,752 | 0 | 1,601,231 |
| Do Assets=Liability+Fund Equity | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

See accompanying Independent Auditor's Report.