

cPa DIXON, WALLER & CO., INC.

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BRANSON SCHOOL DISTRICT RE-82

BRANSON, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

**DIXON, WALLER & CO., INC.**

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BRANSON SCHOOL DISTRICT RE-82

FINANCIAL STATEMENTS

JUNE 30, 2018

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BRANSON SCHOOL DISTRICT NUMBER RE-82  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2018

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BOARD OF EDUCATION

Jerry Winford	President
Carlyn Pickard	Vice-President
Allen Winford	Secretary
Dick Louden	Treasurer
Brian Brown	Director

SCHOOL OFFICIALS

Dr. Brad Caldwell	Superintendent
Marlene Brown	Business Manager

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Branson School District Number RE-82  
Branson, Colorado 81027

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Branson School District Number RE-82, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Branson School District Number RE-82, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information and pension and post employment benefits trend data on pages i through xi and 43 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Branson School District Number RE-82's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Dyan, Walker & Co., P.C.*

Trinidad, Colorado  
November 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

This section of the Branson School District RE-82's annual financial report offers readers of the District's financial statements its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

***Financial Highlights***

The District's financial position increased over the course of the 2018 fiscal year. The assets of the District were less than its liabilities at the close of the fiscal year by \$7,892,382. The district decreased the ending net position by \$2,086,143.

State equalization payments account for 79% of all revenue. Local property taxes, specific ownership taxes, investments and other local and federal sources account for 21%.

The District had \$5,882,336 in expenses related to governmental activities; only \$274,774 of these expenses was offset by program specific charges for services, grants and contributions. General revenues of \$3,521,419 were adequate to provide for these programs.

The general fund had \$3,685,445 in revenues and \$3,556,977 in expenditures and transfers. The fund balance increased by \$128,468 from July 1, 2017 to June 30, 2018.

***Overview of the Financial Statements***

This discussion and analysis serves as an introduction to Branson School District RE-82's basic financial statements. The basic financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information.

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

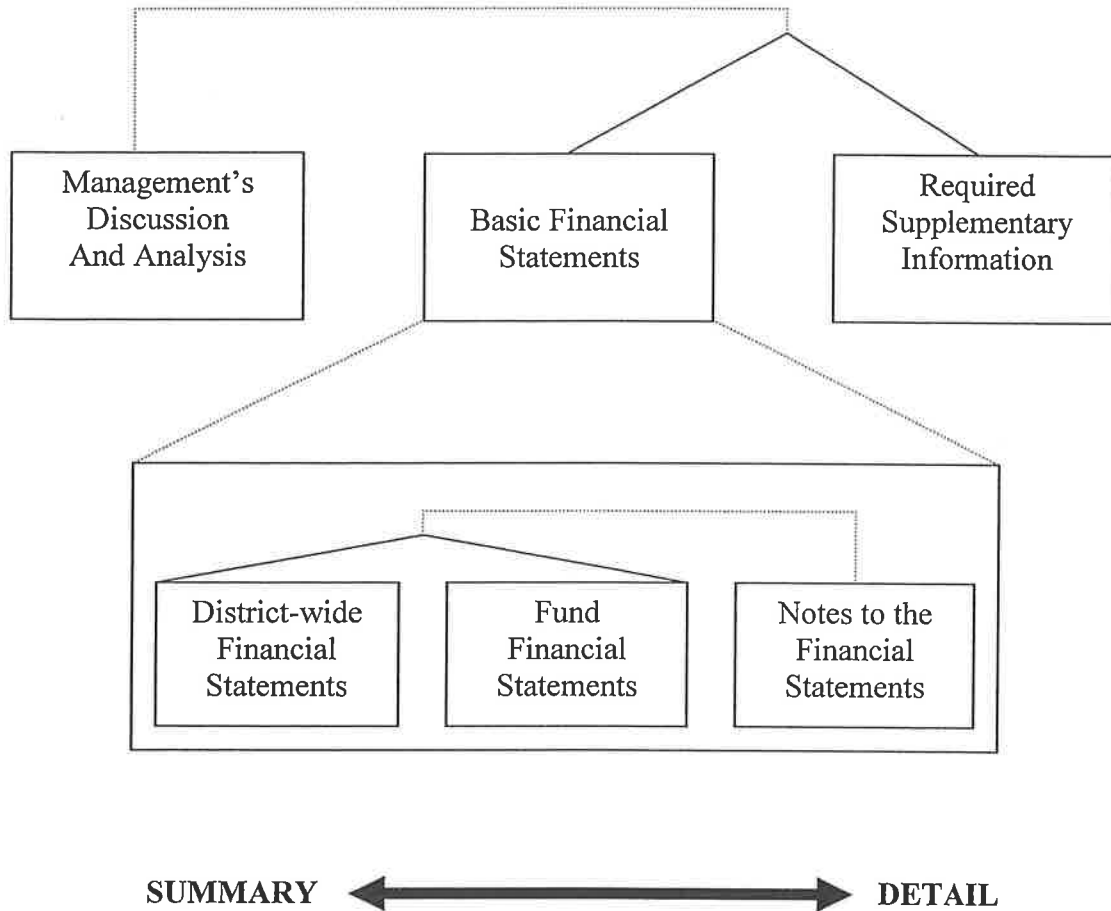
The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary fund statements offer short and long term financial information about the activities that the district operates like businesses, i.e. food service.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements. Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Table 1**  
**Organization of Branson School District RE-82's Annual Financial Report**



Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

Table 2 displayed on the following page summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, district-wide and fund, found in the basic financial statements.

**Table 2**  
**Major Features of the District-Wide and Fund Financial Statements**

	District-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: nutritional services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required Financial Statements	Statement of net position Statement of Activities	Balance Sheet  Statement of revenues, expenditures, and changes in fund balances	Statement of net position Statement of revenues, expenses and changes in fund net position  Statement of cash flows	Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

***Government-wide Statements***

The government-wide statements are designed to provide readers a broad overview of Branson School District RE-82's finances, in a manner similar to a private-sector business.

The *statement of net position* includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of Branson School District RE-82 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of school building and other facilities.

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

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, maintenance and operations, and administration. The only services accounted for as business-type activities are the District's nutritional services.

The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$287,919. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased (\$268,080) to (\$5,806,239) from (\$5,538,159) at the end of the previous fiscal year. Fiscal year 2017 financial information has not been restated because some of the comparable information is not available

The basic district-wide financial statements can be found on pages 3 and 4 of this report.

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

***Fund Financial Statements***

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



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

Branson School District RE-82 maintains four governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund. Capital reserve capital projects fund, the grants special revenue fund and the food services special revenue fund are included in the combining and individual fund statements and other schedule section of the report. Included in the required supplementary information section is budget-to-actual information for all governmental funds as required by state law.

The basic governmental fund financial statements can be found on pages 5-8 of this report..

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

The District currently has one fiduciary fund - the student activity fund used to account for student activities.

The basic fiduciary fund statements can be found on pages 9 of this report.

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

*Notes to the Financial Statements*

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 10-42 of this report.

*Other Information*

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

This section will explain the differences between the current and prior year's assets, liabilities, and changes in net position.

Table 3 provides a summary of the District's net position as of June 30, 2017 and 2018.

**Table 3**  
**Branson School District RE-82**  
**Condensed Statement of Net Position as of June 30, 2014**

	Governmental Activities <u>2016-2017</u>	Business- Type Activities <u>2016-17</u>	<u>Total</u>	Governmental Activities <u>2017-2018</u>	Business- Type Activities <u>2017-18</u>	<u>Total</u>
<b>Assets</b>						
Current and						
Other Assets	5,511,399		5,511,399	5,478,818		5,478,818
Capital Assets	<u>963,073</u>		<u>963,073</u>	<u>929,638</u>		<u>929,638</u>
<b>Total Assets</b>	6,474,472		6,474,472	6,408,456		6,408,456
<b>Liabilities</b>	<u>12,012,631</u>		<u>12,012,631</u>	<u>13,435,571</u>		<u>13,435,571</u>
<b>Net Position</b>						
Invested in Cap Assets	<u>963,073</u>		<u>963,073</u>	<u>929,638</u>		<u>929,638</u>
Food Service	3,070		3,070	(3,720)		(3,720)
Tabor	106,215		106,215	110,774		110,774
Unrestricted	<u>(6,610,517)</u>		<u>(6,610,517)</u>	<u>(8,929,074)</u>		<u>(8,929,074)</u>
<b>Total Net Position</b>	(5,538,159)		(5,538,159)	(7,892,382)		(7,892,382)

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

The *statement of net position* reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2017 consisting of accounts payable and accrued salaries and benefits. The difference between the district's assets and liabilities is its net **position**.

***Changes in Net Position***

This section shows a condensed financial comparison of revenue and expenses. Readers will note that the greatest change in this statement is accumulated depreciation

**Table 4**  
**Branson School District RE-82**

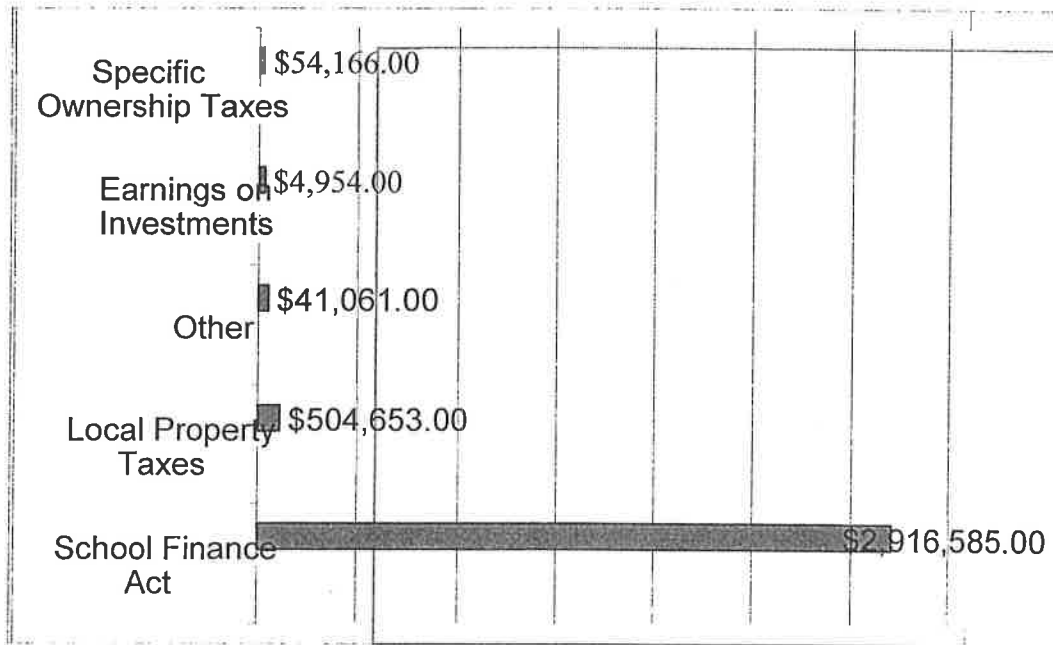
	Governmental Activities <u>2016-17</u>	<u>Total</u>	Governmental Activities <u>2017-18</u>	<u>Total</u>
<b>Revenues</b>				
Charges for:				
Services	25,025	25,025	23,611	23,611
Operating Grants and Contributions	171,142	171,142	251,163	251,163
Capital Grants and Contributions				
<b>General Revenues</b>				
Taxes	505,734	505,734	504,653	504,653
State Equalization	2,838,184	2,838,184	2,916,585	2,916,585
Other	41,673	41,673	46,015	46,015
Specific Ownership	46,325	46,325	54,166	54,166
<b>Total Revenues</b>	<u>3,628,353</u>	<u>3,628,353</u>	<u>3,796,193</u>	<u>3,796,193</u>
<b>Expenses</b>				
Instruction	2,320,136	2,320,136	2,547,730	2,547,730
Instructional Staff	59,744	59,744	61,300	61,300
Administration	396,306	396,306	424,606	424,606
Business and Central Support	297,112	297,112	260,126	260,126
Operations and Maintenance	172,112	172,112	188,032	188,032

Branson School District RE-82  
 Management's Discussion and Analysis  
 For The Fiscal Year Ended June 30, 2018

Student Transportation	92,679	92,679	113,274	113,274
Capital Outlay			3,350	3,350
Food Services	99,849	99,849	107,882	107,882
Facilities/Pension	1,730,009	1,730,009	2,166,472	2,166,472
OPEB			9,564	9,564
<b>Total Expenses</b>	<u>5,167,947</u>	<u>5,167,947</u>	<u>5,882,336</u>	<u>5,882,336</u>
<b>Contributed Capital</b>				
<b>Increase(Decrease) in Net Position</b>	(1,539,594)	(1,539,594)	(2,086,143)	(2,086,143)
<b>Beginning Net Position (July 1)</b>	<u>(3,998,565)</u>	<u>(3,998,565)</u>	<u>(5,806,239)</u>	<u>(5,806,239)</u>
<b>Total Net Position</b>	<u>(5,538,159)</u>	<u>(5,538,159)</u>	<u>(7,892,382)</u>	<u>(7,892,382)</u>

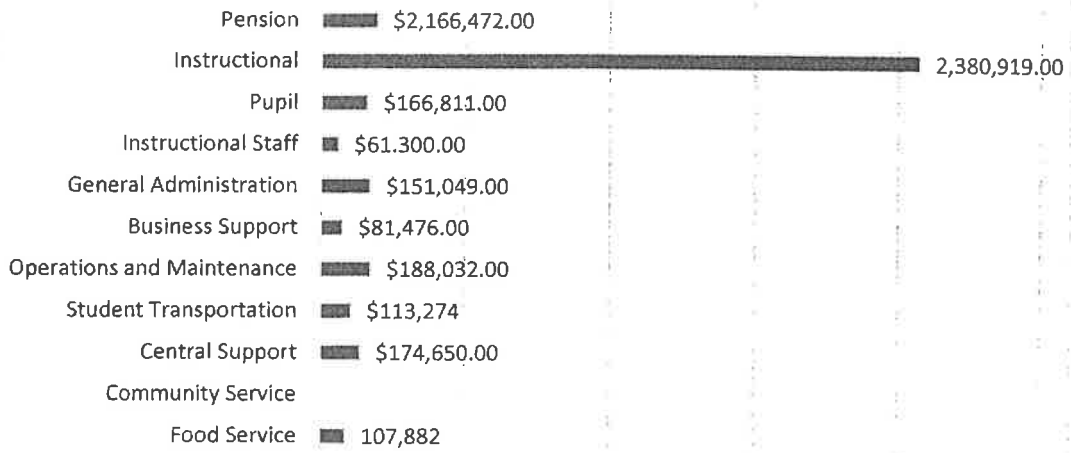
**Condensed Statement of Changes in Net Position as of June 30, 2018**

**Table 5  
 Branson School District RE-82  
 Total Revenues FYE 2017**



**Table 6  
 Branson School District RE-82  
 Total Expenditures FYE 2018**

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018



Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

**Governmental Activities**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District receives \$8,268.86 per funded student and \$7,022.42 per online student. In FY 2017-2018, the funded pupil count was 75.5 FTE. The online pupil count was 365.5. Funding for the School Finance Act comes from property taxes, specific ownership taxes and state equalization. The District received approximately 79 percent of its funding from state equalization and 214 percent from local property taxes and specific ownership taxes.

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

**Table 7**  
**Branson School District RE-82**  
**Net Cost of Governmental Activities FY 2017-2018**

	2016-2017 Total Cost of Services	2016-2017 Net Cost of Services	2017-2018 Total Cost of Services	2017-2018 Net Cost of Services
Instructional	2,320,136	2,204,088	2,547,730	2,350,205
Instructional Staff	59,744	59,744	61,300	61,300
General Administration	182,638	182,638	151,049	151,049
School Administration	213,668	213,668	273,557	273,557
Business Support	76,266	76,266	82,476	82,476
Operations & Maintenance	172,112	161,901	188,032	179,180
Student Transportation	92,679	70,594	113,274	90,965
Central Support & Capital Outlay	220,846	220,846	180,000	181,000
Community Services				
Facilities				
Food Services	99,849	51,756	107,882	61,974
Pension Amortization/OPEB	<u>1,730,009</u>	<u>1,730,009</u>	<u>2,176,036</u>	<u>2,176,036</u>
Total	5,167,947	4,971,510	5,882,336	5,607,562

**Table 8**  
**Branson School District RE-82**  
**Condensed Statement of Changes in Capital Assets**  
**Governmental Activities**

	Balance 1-Jul-16	Additions	Deletions	Balance 30-Jun-17	Balance 1-Jul-17	Additions	Deletions	Balance 30-Jun-18
Non-Depreciable Assets	40,800			40,800	40,800			40,800
Depreciable Assets	2,508,347	42,450		2,550,797	2,550,797	55,000		2,605,797
Less Accumulated Depreciation	(1,545,900)	(82,624)		(1,628,524)	(1,628,524)	(88,435)		(1,716,659)
<b>Total Capital Assets</b>	<u>1,003,247</u>	<u>(40,174)</u>		<u>963,073</u>	<u>963,073</u>	<u>(33,435)</u>		<u>929,638</u>

Business Activities – Food Service Proprietary Fund

Branson School District RE-82  
Management's Discussion and Analysis  
For The Fiscal Year Ended June 30, 2018

***FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS***

***Governmental Funds***

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

**General Fund**

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. The Board of Education approves a budget in June based on enrollment projections for the following school year. In January of 2018, the Board of Education approved a revised issuance of the budget. The primary reasons for the revision were a more precise student enrollment count and an updated beginning fund balance figure.

Actual revenues for the General Fund totaled \$3,685,445 which was \$124,979 less than the final budget primarily due to a decrease of revenue from state equalization, local sources and specific ownership taxes. The actual expenditures of \$3,496,977 were below budget by \$1,080,068 primarily due to tightened expenditures overall. The fund balance as of June 30, 2018 is \$895,089.00.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

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

- Lower enrollment in the district will result in dramatically lower revenues.
- Increased investment in instruction per student will increase expenditures.

***CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT***

This financial report is designed to provide the District's citizens, taxpayers, customer, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent or Business Manager, Branson RE-82, 101 Saddlerock Drive, Branson, CO 81027

Respectfully submitted,

Brad Caldwell, Superintendent

BASIC FINANCIAL STATEMENTS

BRANSON SCHOOL DISTRICT NUMBER RE-82  
STATEMENT OF NET POSITION  
June 30, 2018

	<u>Governmental</u>	<u>Total</u>
<u>ASSETS</u>	<u>Activities</u>	
<u>Current Assets</u>		
Cash	1,295,676	1,295,676
Investments	94,540	94,540
Property Taxes Receivable	14,318	14,318
Accounts Receivable	31,337	31,337
Inventories	1,531	1,531
<u>Total Current Assets</u>	<u>1,437,402</u>	<u>1,437,402</u>
<u>Capital Assets:</u>		
Land	40,800	40,800
Depreciable Assets	2,605,797	2,605,797
Accumulated Depreciation	(1,716,959)	(1,716,959)
<u>Capital Assets Net of Depreciation</u>	<u>929,638</u>	<u>929,638</u>
<u>TOTAL ASSETS</u>	<u>2,367,040</u>	<u>2,367,040</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	4,026,324	4,026,324
Other Post Employment Benefits	15,092	15,092
<u>Total Deferred Outflow of Resources</u>	<u>4,041,416</u>	<u>4,041,416</u>
 <u>LIABILITIES</u>		
<u>Current Liabilities:</u>		
Accounts Payable	30,979	30,979
Accrued Salaries and Benefits	290,848	290,848
Unearned Grant Payments	217,551	217,551
<u>Total Current Liabilities</u>	<u>539,378</u>	<u>539,378</u>
<u>Long-Term Liabilities</u>		
Net Pension Liability	12,608,274	12,608,274
Net Other Post Employment Benefits Liability	287,919	287,919
<u>Total Long-Term Liabilities</u>	<u>12,896,193</u>	<u>12,896,193</u>
<u>TOTAL LIABILITIES</u>	<u>13,435,571</u>	<u>13,435,571</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	860,450	860,450
Other Post Employment Benefits	4,817	4,817
<u>Total Deferred Inflow of Resources</u>	<u>865,267</u>	<u>865,267</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	929,638	929,638
Restricted for:		
Food Services	-	-
TABOR (Emergencies)	110,774	110,774
Preschool	-	-
Unrestricted	(8,932,794)	(8,932,794)
<u>TOTAL NET POSITION</u>	<u>(7,892,382)</u>	<u>(7,892,382)</u>

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
STATEMENT OF ACTIVITIES  
Fiscal Year Ended June 30, 2018

	Net (Expenses) Revenue and Changes in Net Position			
	Primary Government			Total
	Expenses	Charges for Services	Program Revenues Operating Grants & Contributions	
<b><u>FUNCTIONS/PROGRAMS</u></b>				
<b><u>Primary Government:</u></b>				
<b><u>Governmental Activities</u></b>				
Instruction	2,380,919	-	197,525	-
Pupil	166,811	-	-	-
Instructional Staff	61,300	-	-	-
General Administration	151,049	-	-	-
School Administration	273,557	-	-	-
Business Support	82,476	-	-	-
Operation & Maintenance	188,032	8,852	-	-
Student Transportation	113,274	-	22,309	-
Central Support	177,650	-	-	-
Food Services	107,882	14,759	31,329	-
Community Services	-	-	-	-
Capital Outlay	3,350	-	-	-
Net Pension Costs	2,166,472	-	-	-
Net OPEB Costs	9,564	-	-	-
<b>Total Governmental Activities</b>	<b><u>5,882,336</u></b>	<b><u>23,611</u></b>	<b><u>251,163</u></b>	<b><u>-</u></b>
<b>Total Primary Government</b>	<b><u>5,882,336</u></b>	<b><u>23,611</u></b>	<b><u>251,163</u></b>	<b><u>-</u></b>
<b><u>General Revenues</u></b>				
Local Property Taxes				504,653
Specific Ownership Taxes				54,166
State Equalization				2,916,585
Earnings on Investments				4,954
Other				<u>41,061</u>
<b>Total General Revenues &amp; Transfers</b>				<b><u>3,521,419</u></b>
<b>Change in Net Position</b>				<b><u>(2,086,143)</u></b>
<b>Net Position, Beginning (as Restated)</b>				<b><u>(5,806,239)</u></b>
<b>Net Position, Ending</b>				<b><u>(7,892,382)</u></b>

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

	General	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>			
Cash	1,284,122	11,554	1,295,676
Investments	94,540	-	94,540
Property Taxes Receivable	14,318	-	14,318
Accounts Receivable	23,006	8,331	31,337
Inventory	-	1,531	1,531
Due From Other Funds	-	-	-
<u>Total Assets</u>	<u>1,415,986</u>	<u>21,416</u>	<u>1,437,402</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>			
	-	-	-
 <u>LIABILITIES:</u>			
Accounts Payable	30,979	-	30,979
Intergovernmental Payable	-	-	-
Accrued Salaries Payable	272,367	18,481	290,848
Unearned Grant Payments	217,551	-	217,551
Due To Other Funds	-	-	-
<u>Total Liabilities</u>	<u>520,897</u>	<u>18,481</u>	<u>539,378</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>			
	-	-	-
 <u>FUND BALANCES:</u>			
Nonspendable:			
Inventories	-	1,531	1,531
Restricted for:			
TABOR (Emergencies)	110,774	-	110,774
Food Services	-	-	-
Preschool	-	-	-
Committed for:			
Capital Outlay	-	6,655	6,655
Unassigned	784,315	(5,251)	779,064
<u>Total Fund Balances</u>	<u>895,089</u>	<u>2,935</u>	<u>898,024</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>1,415,986</u>	<u>21,416</u>	<u>1,437,402</u>

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	898,024
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,646,597 and the accumulated depreciation is \$1,716,959.	929,638
Net pension and other post employment benefits liabilities, along with associated deferred flow, are not recorded at the fund level:	
Net Pension Liability	(12,608,274)
Net Other Post Employment Benefits Liability	(287,919)
Deferred Outflows	4,041,416
Deferred Inflows	<u>(865,267)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(7,892,382)</u>

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES -- GOVERNMENTAL FUNDS  
Fiscal Year Ended June 30, 2018

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES:</u>			
Taxes	558,819	-	558,819
Intergovernmental	3,075,235	95,989	3,171,224
Interest	4,954	-	4,954
Other	<u>46,437</u>	<u>14,759</u>	<u>61,196</u>
<u>Total Revenues</u>	<u>3,685,445</u>	<u>110,748</u>	<u>3,796,193</u>
 <u>EXPENDITURES:</u>			
Current:			
Instruction	2,267,967	64,660	2,332,627
Students	166,811	-	166,811
Instructional Staff	61,300	-	61,300
General Administration	141,170	-	141,170
School Administration	273,557	-	273,557
Business Services	82,476	-	82,476
Operations & Maintenance	188,032	-	188,032
Student Transportation	138,014	-	138,014
Central Support	177,650	-	177,650
Community Service	-	-	-
Food Services	-	107,878	107,878
Capital Outlay	-	<u>3,350</u>	<u>3,350</u>
<u>Total Expenditures</u>	<u>3,496,977</u>	<u>175,888</u>	<u>3,672,865</u>
 <u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>188,468</u>	 <u>(65,140)</u>	 <u>123,328</u>
 <u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In(Out)	<u>(60,000)</u>	<u>60,000</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(60,000)</u>	<u>60,000</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	 128,468	 (5,140)	 123,328
 <u>FUND BALANCES, Beginning</u>	 <u>766,621</u>	 <u>8,075</u>	 <u>774,696</u>
 <u>FUND BALANCES, Ending</u>	 <u>895,089</u>	 <u>2,935</u>	 <u>898,024</u>

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 Fiscal Year Ended June 30, 2018

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

Net Change in Fund Balances – Total Governmental Funds 123,328

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

	Capital Outlays more than \$5,000	55,000	
	Depreciation Expense	<u>(88,435)</u>	(33,435)

The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

	Pension Cost		(2,166,472)
	Other Post Employment Benefits Cost		<u>(9,564)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (2,086,143)

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

BRANSON SCHOOL DISTRICT RE-82  
STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2018

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	<u>Agency Funds</u> <u>Student Activity</u>
<u>ASSETS</u>	
Cash	13,885
<u>LIABILITIES</u>	
Accounts Payable	-
Due To Student Groups	13,885
<u>Total Liabilities</u>	<u>13,885</u>
<u>NET POSITION</u>	
Unrestricted	<u>    -</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Branson School District Number RE-82 of Las Animas County was reorganized by a vote of qualified electorate in 1958, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with five members and provides educational services to approximately 448.4 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Branson School District Number RE-82. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental fund (General Fund) is reported as separate column in the fund financial statements.

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

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

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

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

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

*Fiduciary funds* are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the Districts own programs.

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.    Fund Accounting

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

- Major Governmental Fund

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

- Fiduciary Funds

1. Trust and Agency Funds – Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Student Activity Fund – The Student Activity Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. This fund accounts for the transaction of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body.

E.    Cash and Investments

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

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

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.    Receivables

Property taxes levied in 2017 but not yet available in 2018 are identified as property taxes receivable and deferred inflows at June 30, 2018, and are presented net of an allowance for uncollectible taxes.

G.    Inventories

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

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

H.    Capital Assets

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

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

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities. The District records long-term debt of governmental funds at the face value. The District does not have a material liability for compensated absences payable at June 30, 2018.

J.      Constitutional Amendment

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

On November 4, 1997 the registered voters approved a ballot resolution authorizing Branson School District Number RE-82 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2018 the District's required TABOR Reserve was \$110,774.

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

K.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2017 property tax calendar for Las Animas County was as follows:

Levy Date	December 15, 2017
Lien Date	January 1, 2018
Tax Bills Mailed	January 1, 2018
First Installment Due	February 28, 2018
Second Installment Due	June 15, 2018
If Paid in Full, Due	April 30, 2018

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.        Use of Estimates

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

M.        GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

BRANSON SCHOOL DISTRICT NUMBER RE  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M.     GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Services Fund</u>	<u>Designated Purpose Grant</u>	<u>Capital Projects Funds Capital Reserve</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>					
Inventories	-	1,531	-	-	1,531
<u>Restricted</u>					
Emergencies	110,774	-	-	-	110,774
Preschool	-	-	-	-	-
Food Services	-	-	-	-	-
<u>Committed</u>					
Capital Outlay	-	-	-	6,655	6,655
<u>Unassigned</u>	<u>784,315</u>	<u>(5,251)</u>	<u>-</u>	<u>-</u>	<u>779,064</u>
<u>Total Fund Balances</u>	<u>895,089</u>	<u>(3,720)</u>	<u>-</u>	<u>6,655</u>	<u>898,024</u>

N.     Deferred Outflows/Inflows of Resources

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

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

Certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities. The items which we eliminated are as follows:

Governmental Funds – Interfund Transfers	\$ 60,000
Governmental Funds – Interfund Receivables/Payables	\$ -

NOTE 3      BUDGETARY INFORMATION

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

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

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 3      BUDGETARY INFORMATION (Continued)

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

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

At June 30, 2018, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,035,894	1,042,971
Cash with County Treasurer	23,459	-
Cash on Hand	208	-
<u>Total Cash and Deposits</u>	<u>1,309,561</u>	<u>1,292,971</u>

Deposits with bank balances of \$1,042,971 and a carrying balance of \$1,035,894 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 4      CASH AND INVESTMENTS (Continued)

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of 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

Investments

At June 30, 2018, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Value</u>	<u>Credit Risk Rating</u>
COLOTRUST	Under 60 Day Average	<u>94,540</u>	AAAm

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

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST is rated by Standard and Poor's.

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

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

The District has no recurring fair value measurements as of June 30, 2018:

- COLOTRUST – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<u>Non-Depreciable Assets:</u>				
Land	40,800	-	-	40,800
<u>Total Non-Depreciable Assets</u>	<u>40,800</u>	<u>-</u>	<u>-</u>	<u>40,800</u>
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	1,709,138	-	-	1,709,138
Equipment & Vehicles	811,213	55,000	-	866,213
Food Services Equipment	30,446	-	-	30,446
<u>Total Depreciable Assets</u>	<u>2,550,797</u>	<u>55,000</u>	<u>-</u>	<u>2,605,797</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	933,719	58,171	-	991,890
Equipment & Vehicles	664,363	30,260	-	694,623
Food Services Equipment	30,442	4	-	30,446
<u>Total Accumulated Depreciation</u>	<u>1,628,524</u>	<u>88,435</u>	<u>-</u>	<u>1,716,959</u>
<u>Total Capital Assets, Net</u>	<u>963,073</u>	<u>(33,435)</u>	<u>-</u>	<u>929,638</u>

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

Governmental Activities:

Instruction	48,292
General Administration	9,879
Transportation	30,260
Food Services	4
<u>Total Depreciation Expense –Governmental Activities</u>	<u>88,435</u>

NOTE 6

PENSION PLAN

**Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

Pensions. Branson School District Number RE-82 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.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*.

General Information about the Pension Plan

Plan description. Eligible employees of the Branson School District Number RE-82 are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

Benefits provided as of December 31, 2017. 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:

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 6      PENSION PLAN (Continued)

- 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.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, 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 (AIR) for the SCHDTF.

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 6**      **PENSION PLAN (Continued)**

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.

*Contribution provisions as of June 30, 2018.* Eligible employees and Branson School District Number RE-82 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.

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	5.000%	5.50%
<b>Total Employer Contribution Rate to the SCHDTF</b>	<b>18.63%</b>	<b>19.13%</b>

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 Branson School District Number RE-82 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Branson School District Number RE-82 were \$347,191 for the year ended June 30, 2018.

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

At June 30, 2018, the Branson School District Number RE-82 reported a liability of \$12,608,274 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Branson School District Number RE-82 proportion of the net pension liability was based on Branson School District Number RE-82 contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the Branson School District Number RE-82 proportion was 0.03899 percent, which was an increase of 0.0007 from its proportion measured as of December 31, 2016.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 6      PENSION PLAN (Continued)

For the year ended June 30, 2018, the Branson School District Number RE-82 recognized pension expense of \$2,166,472. At June 30, 2018, the Branson School District Number RE-82 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	231,813	-
Changes of assumptions or other inputs	3,219,361	(20,429)
Net difference between projected and actual earnings on pension plan investments	249,953	(745,092)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	146,290	(94,929)
Contributions subsequent to the measurement date	178,907	N/A
Total	4,026,324	(860,450)

\$178,907 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, 2019. 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,	
2019	1,967,398
2020	1,172,614
2021	33,228
2022	(186,273)
2023	-
Thereafter	-

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 6      PENSION PLAN (Continued)

*Actuarial assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

A discount rate of 4.78 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

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

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

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

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 6**      **PENSION PLAN (Continued)**

The long-term expected return on pension plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
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%
<b>Total</b>	<b>100.00%</b>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 6      PENSION PLAN (Continued)

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

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 percent.

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 6**      **PENSION PLAN (Continued)**

*Sensitivity of the Branson School District Number RE-82 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 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	15,926,394	12,608,274	9,904,384

*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](http://www.copera.org/investments/pera-financial-reports).

**Changes between the measurement date of the net pension liability and June 30, 2018.**

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 6**      **PENSION PLAN (Continued)**

At June 30 2018, the Branson School District Number RE-82 reported a liability of \$12,608,274 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the Branson School District Number RE-82's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	5,696,176

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$6,912,098 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Branson School District Number RE-82 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 which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2018, program members contributed \$12,600.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS

**Defined Benefit And Other Post Employment Benefit (OPEB) Plan**

Summary of Significant Accounting Policies

*OPEB.* Branson School District Number RE-82 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

*Plan Plan description.* Eligible employees of the Branson School District Number RE-82 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, 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 the premium subsidies. 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](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided.* The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

*DPS Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Branson School District Number RE-82 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Branson School District Number RE-82 were \$18,753 for the year ended June 30, 2018.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, the Branson School District Number RE-82 reported a liability of \$287,919 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Branson School District Number RE-82 proportion of the net OPEB liability was based on Branson School District Number RE-82 contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Branson School District Number RE-82 proportion was 0.0222 percent, which was an increase of 0.0004 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Branson School District Number RE-82 recognized OPEB expense of \$9,564. At June 30, 2018, the Branson School District Number RE-82 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,362	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(4,817)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,191	-
Contributions subsequent to the measurement date	9,539	N/A
Total	15,092	(4,817)

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

\$9,539 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	(114)
2020	(114)
2021	(113)
2022	(114)
2023	1,093
Thereafter	98

*Actuarial assumptions.* The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

The Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

Healthy, post-retirement mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

Healthy, post-retirement mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

The actuarial assumptions used in the December 31, 2016, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as needed.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed 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 adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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%.

Sensitivity of the Branson School District Number RE-82 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	279,998	287,919	297,461

*Discount rate.* The discount rate used to measure the total OPEB liability was 7.25 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

*Sensitivity of the Branson School District Number RE-82 proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	323,712	287,919	257,370

*OPEB plan fiduciary net position.* Detailed information about the HCTF'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](http://www.copera.org/investments/pera-financial-reports).

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 8      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2018.

An audited summary of the Colorado School District's Pool financial information at June 30, 2017 and for the six months then ended (latest information available) follows:

Total Assets	<u>42,273,940</u>
Total Liabilities	<u>11,655,251</u>
Total Equity	<u>30,618,689</u>
Revenue	7,429,394
Underwriting Expenses	4,126,717
Underwriting Gain (Loss)	3,302,677
Net Investment Income	276,653
Other Income	-
Net Income (Loss) Before Dividend	<u>3,579,330</u>
Dividend	-
Net Income	<u>3,579,330</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>235,606</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>30,618,689</u>

BRANSON SCHOOL DISTRICT NUMBER RE-82  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 9      LITIGATION

None.

NOTE 10      SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 11      JOINT VENTURES

South Central Board of Cooperative Educational Services (BOCES)

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2018. The joint venture summary audited financial information as of June 30, 2017 is as follows:

Total Assets	2,179,082
Deferred Outflows	6,381,414
Current Liabilities	14,504,876
Deferred Inflows	<u>783,965</u>
Net Position	<u>(6,728,345)</u>
Total Revenues (GAAP Basis)	4,056,258
Total Expenditures (GAAP Basis)	<u>5,961,309</u>
Excess (Deficiency)	<u>(1,905,051)</u>

The B.O.C.E.S. has no long term debt.

The equity interest of each member District is not known, nor is the change in such interest. The equity interest will be determined only at the disbanding of the B.O.C.E.S.

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

BRANSON SCHOOL DISTRICT NUMBER RE-82  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 12 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Purpose</u>	<u>Repayment Period</u>
General Fund	-	-	-	60,000	Operations	Within 3 Months
Capital Reserve- Capital Project Fund	-	-	5,000	-	Operations	Within 3 Months
Food Services Fund	-	-	55,000	-	Operations	Within 3 Months
	<u>-</u>	<u>-</u>	<u>60,000</u>	<u>60,000</u>		

NOTE 13 COMPLIANCE WITH BUDGET LAWS

The actual expense/expenditures of the following fund exceeded their budget and may be in violation of Colorado Budget Law:

Governmental Designated – Purpose Grant – Special Revenue Fund      \$3,681

NOTE 14 RESTATEMENT OF BEGINNING NET POSITION

The net position of the governmental activities has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$(5,538,159) has been changed by the net OPEB liability at June 30, 2017 of \$(282,226) and related deferred flows of \$14,146, resulting in a restated beginning net position of \$(5,806,239).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB TREND DATA

## MAJOR GOVERNMENTAL FUNDS

### General Fund

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

BRANSON SCHOOL DISTRICT RE-82  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		Variance with
	<u>Original &amp; Final</u>	<u>Actual</u>	Final Budget- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Property Taxes	505,562	504,153	(1,409)
Specific Ownership Taxes	24,677	54,166	29,489
Delinquent Taxes & Interest	600	500	(100)
E-Rate	-	3,022	3,022
Earnings on Investments	3,000	4,954	1,954
Other Local	<u>50,000</u>	<u>43,415</u>	<u>(6,585)</u>
<u>Total Local Revenues</u>	<u>583,839</u>	<u>610,210</u>	<u>26,371</u>
<u>County Sources</u>			
Mineral Leasing	<u>1,766</u>	<u>1,767</u>	<u>1</u>
<u>Total County Sources</u>	<u>1,766</u>	<u>1,767</u>	<u>1</u>
<u>State Sources</u>			
Equalization	3,002,410	2,916,585	(85,825)
Vocational Education	14,896	14,896	-
Read Act	3,256	-	(3,256)
Gifted & Talented – Pass Thru BOCES	5,500	7,178	1,678
Transportation	22,257	22,309	52
Small Rural School	163,000	95,390	(67,610)
Computer Science Grant	-	3,796	3,796
Additional At Risk Funding	-	1,222	1,222
Library Grant	<u>3,500</u>	<u>3,500</u>	<u>-</u>
<u>Total State Sources</u>	<u>3,214,819</u>	<u>3,064,876</u>	<u>(149,943)</u>
<u>Federal Sources</u>			
Vocational Education Local Pass Thru - Carl Perkins	10,000	6,883	(3,117)
Forest Reserve	<u>-</u>	<u>1,709</u>	<u>1,709</u>
<u>Total Federal Sources</u>	<u>10,000</u>	<u>8,592</u>	<u>(1,408)</u>
<u>TOTAL REVENUES</u>	<u>3,810,424</u>	<u>3,685,445</u>	<u>(124,979)</u>
<u>EXPENDITURES</u>			
<u>Instruction</u>			
Salaries	1,408,362	1,358,395	49,967
Employee Benefits	367,631	307,755	59,876
Purchase Services-Professional	17,000	11,288	5,712
Purchase Services – Property	5,000	3,483	1,517
Purchase Services – Other	215,600	174,520	41,080
Supplies & Materials	298,288	256,414	41,874
Property	160,000	153,819	6,181
Other	<u>2,800</u>	<u>2,293</u>	<u>507</u>
<u>Total Instruction</u>	<u>2,474,681</u>	<u>2,267,967</u>	<u>206,714</u>

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

BRANSON SCHOOL DISTRICT RE-82  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>	<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original &amp; Final</u>		
<u>Support Services</u>			
<u>Students</u>			
Salaries	116,672	115,752	920
Employee Benefits	44,625	44,281	344
Purchased Services-Other	1,900	1,425	475
Supplies and Materials	<u>7,000</u>	<u>5,353</u>	<u>1,647</u>
<u>Total Pupil Services</u>	<u>170,197</u>	<u>166,811</u>	<u>3,386</u>
<u>Instructional Staff</u>			
Salaries	46,000	46,000	-
Employee Benefits	9,586	9,871	(285)
Purchased Services – Professional	1,000	893	107
Purchased Services-Other	3,000	950	2,050
Supplies and Materials	<u>3,850</u>	<u>3,586</u>	<u>264</u>
<u>Total Instructional Staff</u>	<u>63,436</u>	<u>61,300</u>	<u>2,136</u>
<u>General Administration</u>			
Salaries	110,000	102,644	7,356
Employee Benefits	19,662	18,722	940
Purchased Services – Professional	5,000	1,225	3,775
Purchased Services – Property	5,000	4,065	935
Purchased Services – Other	13,500	13,467	33
Supplies and Materials	<u>1,500</u>	<u>1,047</u>	<u>453</u>
<u>Total General Administration</u>	<u>154,662</u>	<u>141,170</u>	<u>13,492</u>
<u>School Administration</u>			
Salaries	154,442	146,000	8,442
Employee Benefits	49,140	45,206	3,934
Purchased Services-Professional	13,200	10,466	2,734
Purchased Services-Property	4,000	2,675	1,325
Purchased Services-Other	71,000	62,601	8,399
Supplies and Materials	15,000	5,705	9,295
Property	2,000	-	2,000
Other Objects	<u>6,000</u>	<u>904</u>	<u>5,096</u>
<u>Total School Administration</u>	<u>314,782</u>	<u>273,557</u>	<u>41,225</u>

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

BRANSON SCHOOL DISTRICT RE-82  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Fiscal Year Ended June 30, 2018

<u>Supporting Services (Continued)</u>	<u>Budgeted Amounts</u>		Variance with
	<u>Original &amp; Final</u>	<u>Actual</u>	Final Budget- Favorable (Unfavorable)
<u>Business Services</u>			
Salaries	53,000	52,903	97
Employee Benefits	29,446	29,573	(127)
Purchased Services – Professional	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<u>Total Business Services</u>	<u>83,446</u>	<u>82,476</u>	<u>970</u>
<u>Operations and Maintenance</u>			
Salaries	41,000	43,260	(2,260)
Employee Benefits	24,900	26,301	(1,401)
Purchased Services-Professional	12,500	4,633	7,867
Purchased Services-Property	32,860	22,173	10,687
Purchased Services-Other	35,000	29,909	5,091
Supplies and Materials	<u>72,386</u>	<u>61,756</u>	<u>10,630</u>
<u>Total Operations and Maintenance</u>	<u>218,646</u>	<u>188,032</u>	<u>30,614</u>
<u>Pupil Transportation Services</u>			
Salaries	17,000	13,762	3,238
Employee Benefits	5,200	4,223	977
Purchased Services-Other	35,300	45,092	(9,792)
Supplies and Materials	25,000	19,937	5,063
Property	<u>40,000</u>	<u>55,000</u>	<u>(15,000)</u>
<u>Total Pupil Transportation Service</u>	<u>122,500</u>	<u>138,014</u>	<u>(15,514)</u>
<u>Central Support</u>			
Salaries	72,000	66,800	5,200
Employee Benefits	45,644	46,063	(419)
Purchased Services-Other	<u>78,170</u>	<u>64,787</u>	<u>13,383</u>
<u>Total Central Support</u>	<u>195,814</u>	<u>177,650</u>	<u>18,164</u>
<u>Total Support Services</u>	<u>1,323,483</u>	<u>1,229,010</u>	<u>94,473</u>
<u>Appropriated Reserve</u>	<u>778,881</u>	<u>-</u>	<u>778,881</u>
<u>TOTAL EXPENDITURES</u>	<u>4,577,045</u>	<u>3,496,977</u>	<u>1,080,068</u>

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

BRANSON SCHOOL DISTRICT RE-82  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Fiscal Year Ended June 30, 2018

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	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>Revenues Over (Under) Expenditures</u>	<u>(766,621)</u>	<u>188,468</u>	
<u>Other Financing Sources (Uses)</u>			
Operating Transfers Out	-	<u>(60,000)</u>	<u>(60,000)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>(60,000)</u>	<u>(60,000)</u>
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	<u>(766,621)</u>	<u>128,468</u>	
<u>Fund Balance, Beginning</u>	<u>766,621</u>	<u>766,621</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>895,089</u>	

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

BRANSON SCHOOL DISTRICT RE-82  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	0.0390%	0.0383%	0.0391%	0.0410%	0.0416%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$12,608,274	\$11,402,110	\$5,974,140	\$5,551,919	\$5,308,026	-	-	-	-	-
District's covered-employee payroll	\$1,838,513	\$1,779,964	\$1,677,697	\$1,710,570	\$1,696,375	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	686%	641%	356%	325%	313%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.2%	62.80%	64.06%	-	-	-	-	-

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

BRANSON SCHOOL DISTRICT RE-82  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 347,191	\$ 327,184	\$ 297,725	\$ 288,778	\$ 273,157	\$ 246,595	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (347,191)</u>	<u>\$ (327,184)</u>	<u>\$ (297,725)</u>	<u>\$ (288,778)</u>	<u>\$ (273,157)</u>	<u>\$ (246,595)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered-employee payroll	\$1,838,513	\$1,779,964	\$1,677,697	\$1,710,570	\$1,696,375	\$1,634,251	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.88%	18.38%	17.75%	16.88%	16.10%	15.09%	-	-	-	-

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

BRANSON SCHOOL DISTRICT RE-82  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.02222%	0.0218%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$287,919	\$282,226	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,838,513	\$1,779,964	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	15.66%	15.86%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%	-	-	-	-	-	-	-	-

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

BRANSON SCHOOL DISTRICT RE-82  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 18,753	\$ 18,156	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	\$ <u>(18,753)</u>	\$ <u>(18,156)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,838,513	\$1,779,964	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Special Revenue Fund

The Special Revenue Fund accounts for revenues that are legally restricted to expenditure for specific purposes.

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

Designated Purpose Grant Fund – This fund is provided to maintain a separate accounting for federal and state grant funded programs.

### Capital Project Funds

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

### Fiduciary Fund Types

Agency Fund – Student Activity Fund – This fund is used to account for amounts held in a fiduciary capacity for student clubs and organizations.

BRANSON SCHOOL DISTRICT RE-82  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2018

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Services</u>	<u>Designated Purpose Grant</u>	<u>Capital Reserve Capital Projects</u>	
<b><u>ASSETS</u></b>				
Cash	4,263	636	6,655	11,554
Due From Other Funds	-	-	-	-
Accounts Receivable	-	8,331	-	8,331
Inventory	<u>1,531</u>	<u>-</u>	<u>-</u>	<u>1,531</u>
<u>Total Assets</u>	<u>5,794</u>	<u>8,967</u>	<u>6,655</u>	<u>21,416</u>
<b><u>LIABILITIES</u></b>				
Accounts Payable	-	-	-	-
Accrued Salaries Payable	9,514	8,967	-	18,481
Due To Other Funds	-	-	-	-
Deferred Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>9,514</u>	<u>8,967</u>	<u>-</u>	<u>18,481</u>
<b><u>FUND BALANCES:</u></b>				
Nonspendable:				
Inventories	1,531	-	-	1,531
Restricted for:				
Food Services	-	-	-	-
Committed for:				
Capital Outlay	-	-	6,655	6,655
Unassigned	<u>(5,251)</u>	<u>-</u>	<u>-</u>	<u>(5,251)</u>
<u>Total Fund Balances</u>	<u>(3,720)</u>	<u>-</u>	<u>6,655</u>	<u>2,935</u>
 <b><u>TOTAL LIABILITIES &amp; FUND BALANCES</u></b>	 <u>5,794</u>	 <u>8,967</u>	 <u>6,655</u>	 <u>21,416</u>

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

BRANSON SCHOOL DISTRICT RE-82  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Fiscal Year Ended June 30, 2018

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Services</u>	<u>Designated Purpose Grant</u>	<u>Capital Reserve Capital Projects</u>	
<u>REVENUES</u>				
Earnings on Investments	-	-	-	-
Local Sources	14,759	-	-	14,759
State Sources	673	197	-	870
Federal Sources	<u>30,656</u>	<u>64,463</u>	-	<u>95,119</u>
<u>Total Revenues</u>	<u>46,088</u>	<u>64,660</u>	-	<u>110,748</u>
<u>EXPENDITURES</u>				
Current:				
Instruction	-	64,660	-	64,660
Pupil Support Services	-	-	-	-
Food Services	107,878	-	-	107,878
Capital Outlay	-	-	<u>3,350</u>	<u>3,350</u>
<u>Total Expenditures</u>	<u>107,878</u>	<u>64,660</u>	<u>3,350</u>	<u>175,888</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(61,790)	-	(3,350)	(65,140)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer In (Out)	<u>55,000</u>	-	<u>5,000</u>	<u>60,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>55,000</u>	-	<u>5,000</u>	<u>60,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	(6,790)	-	1,650	(5,140)
<u>FUND BALANCES, Beginning</u>	<u>3,070</u>	-	<u>5,005</u>	<u>8,075</u>
<u>FUND BALANCES, Ending</u>	<u>(3,720)</u>	-	<u>6,655</u>	<u>2,935</u>

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

BRANSON SCHOOL DISTRICT RE-82  
 FOOD SERVICES – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	15,000	14,759	(241)
<u>Total Local Sources</u>	<u>15,000</u>	<u>14,759</u>	<u>(241)</u>
<u>State Sources</u>			
State Match	392	392	-
Breakfast Expansion	-	142	142
PK Reduced Lunches	-	139	139
<u>Total State Sources</u>	<u>392</u>	<u>673</u>	<u>281</u>
<u>Federal Sources</u>			
School Lunches	34,000	27,895	(6,105)
Commodities	2,500	2,761	261
<u>Total Federal Sources</u>	<u>36,500</u>	<u>30,656</u>	<u>(5,844)</u>
<u>TOTAL REVENUES</u>	<u>51,892</u>	<u>46,088</u>	<u>(5,804)</u>
 <u>EXPENDITURES</u>			
<u>Food Services</u>			
Salaries	36,000	36,122	122
Employee Benefits	26,577	25,226	(1,351)
Purchased Services - Other	200	-	(200)
Food and Milk	46,185	44,953	(1,232)
Supplies and Materials	1,000	1,577	577
<u>TOTAL EXPENDITURES</u>	<u>109,962</u>	<u>107,878</u>	<u>2,084</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (58,070)	 (61,790)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	55,000	55,000	-
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
 <u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u>	 (3,070)	 (6,790)	
 <u>FUND BALANCE, BEGINNING</u>	 <u>3,070</u>	 <u>3,070</u>	
 <u>FUND BALANCE, ENDING</u>	 <u>-</u>	 <u>(3,720)</u>	

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

BRANSON SCHOOL DISTRICT RE-82  
GOVERNMENTAL DESIGNATED – PURPOSE GRANTS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUES</u>			
State Source	-	197	197
Federal Source	<u>60,979</u>	<u>64,463</u>	<u>3,484</u>
<u>Total Revenues</u>	<u>60,979</u>	<u>64,660</u>	<u>3,681</u>
<u>EXPENDITURES</u>			
<u>Instruction</u>			
Salaries	28,979	44,300	(15,321)
Employee Benefits	10,500	13,161	(2,661)
Purchased Services - Other	10,000	-	10,000
Supplies and Materials	<u>11,500</u>	<u>7,199</u>	<u>4,301</u>
<u>Total Instruction</u>	<u>60,979</u>	<u>64,660</u>	<u>(3,681)</u>
<u>Support Services</u>			
<u>Pupil Support Services</u>			
Supplies and Materials	-	-	-
<u>Total Pupil Support Services</u>	-	-	-
<u>Total Support Services</u>	-	-	-
<u>Total Expenditures</u>	<u>60,979</u>	<u>64,660</u>	<u>(3,681)</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	
<u>FUND BALANCE, Beginning</u>	-	-	
<u>FUND BALANCE, Ending</u>	-	-	

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

BRANSON SCHOOL DISTRICT RE-82  
 CAPITAL RESERVE CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original &amp; Final</u>		
<u>REVENUES</u>			
<u>Total Revenues</u>	<u>—</u> -	<u>—</u> -	<u>—</u> -
<u>EXPENDITURES</u>			
Building Improvements	<u>10,005</u>	<u>3,350</u>	<u>6,655</u>
<u>Total Expenditures</u>	<u>10,005</u>	<u>3,350</u>	<u>6,655</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(10,005)</u>	<u>(3,350)</u>	
<u>Other Financing Sources (Uses)</u>			
Operating Transfers	<u>5,000</u>	<u>5,000</u>	<u>—</u> -
<u>Total Other Financing Sources (Uses)</u>	<u>5,000</u>	<u>5,000</u>	<u>—</u> -
<u>Revenues Over (Under) Other Financing</u> <u>Sources (Uses) and Expenditures</u>	<u>(5,005)</u>	<u>1,650</u>	
<u>FUND BALANCE, Beginning</u>	<u>5,005</u>	<u>5,005</u>	
<u>FUND BALANCE, Ending</u>	<u>—</u> -	<u>6,655</u>	

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

BRANSON SCHOOL DISTRICT RE-82  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 FIDUCIARY FUND  
 Fiscal Year Ended June 30, 2018

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	Balance	<u>Agency Funds</u>		Balance
	<u>7-1-2017</u>	<u>Student Activity</u>	<u>Student Activity</u>	<u>6-30-2018</u>
		<u>Additions</u>	<u>Deductions</u>	
<u>ASSETS</u>				
Cash	<u>18,069</u>	<u>33,624</u>	<u>37,808</u>	<u>13,885</u>
<u>LIABILITIES</u>				
Deposits Held for Others	<u>18,069</u>	<u>33,624</u>	<u>37,808</u>	<u>13,885</u>

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

BRANSON SCHOOL DISTRICT RE-82  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
BUDGET (GAAP BASIS) AND ACTUAL  
FIDUCIARY FUNDS  
Fiscal Year Ended June 30, 2018

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	Agency Funds		Variance with Final Budget- Favorable (Unfavorable)
	Student Activity		
	<u>Budgeted Amounts</u> Original & Final	<u>Actual</u>	
<u>ADDITIONS</u>			
Local Receipts	30,000	33,624	3,624
<u>DEDUCTIONS</u>			
Disbursements	48,069	37,808	10,261
 <u>CHANGES IN DUE TO STUDENT GROUPS</u>	 (18,069)	 (4,184)	
<u>DUE TO STUDENT GROUPS, Beginning</u>	<u>18,069</u>	<u>18,069</u>	
<u>DUE TO STUDENT GROUPS, Ending</u>	<u>—</u>	<u>13,885</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1750 - BRANSON REORGANIZED 82  
 Fiscal Year 2017-18  
 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
<b>Governmental</b>							
10 General Fund	766,621		3,625,445		3,496,978		895,089
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
<b>Sub-Total</b>	<b>766,621</b>		<b>3,625,445</b>		<b>3,496,978</b>		<b>895,089</b>
11 Charter-School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	3,070		101,088		107,878		-3,770
22 Govt Designated-Purpose Grants Fund	0		64,660		64,660		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	5,003		5,000		3,350		6,655
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
<b>Totals</b>			<b>3,726,533</b>		<b>3,726,533</b>		<b>895,089</b>
<b>Proprietary</b>							
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
<b>Totals</b>			<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	18,069		33,624		37,808		13,885
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>18,069</b>		<b>33,624</b>		<b>37,808</b>		<b>13,885</b>
<b>FINAL</b>			<b>3,760,157</b>		<b>3,760,157</b>		<b>908,974</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 1750 - BRANSON REORGANIZED 82  
 Fiscal Year 2017-18  
 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
Cash and Investments (8100-8104,8111)	1,355,203	0	0	636	0	4,263	0	6,655	0	0	0	0	0	1,380,643
Cash with Fiscal Agent (8105)	23,459	0	0	0	0	0	0	0	0	0	0	0	0	23,459
Taxes Receivable (8121,8122)	14,318	0	0	0	0	0	0	0	0	0	0	0	0	14,318
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	0	0	8,331	0	0	0	0	0	0	0	0	0	8,331
Other Receivables (8151-8154,8161)	23,006	0	0	0	0	0	0	0	0	0	0	0	0	23,006
Inventories (8171,8172,8173)	0	0	0	0	0	1,531	0	0	0	0	0	0	0	1,531
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>1,415,986</b>	<b>0</b>	<b>0</b>	<b>8,967</b>	<b>0</b>	<b>5,795</b>	<b>0</b>	<b>6,655</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,885</b>	<b>0</b>	<b>1,451,288</b>

	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
<b>LIABILITIES &amp; FUND EQUITY</b>														
<b>LIABILITIES</b>														
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	30,978	0	0	0	0	0	0	0	0	0	0	0	0	30,978
Accrued Expenses (7461)	272,367	0	0	8,967	0	9,514	0	0	0	0	0	0	0	290,849
Grants Deferred Revenue (7482)	217,551	0	0	0	0	0	0	0	0	0	0	0	0	217,551
<b>Total Liabilities</b>	<b>520,897</b>	<b>0</b>	<b>0</b>	<b>8,967</b>	<b>0</b>	<b>9,514</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>539,378</b>

Fiduciary

Proprietary

Governmental

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	1,531	0	0	0	0	0	0	0	0	1,531
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	110,774	0	0	0	0	0	0	0	0	0	0	0	0	0	110,774
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	0	0	0	0	6,655	0	0	0	0	13,885	0	13,885
Unassigned Fund Balance 6770	784,315	0	0	0	0	-5,251	0	0	0	0	0	0	0	0	779,064
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
<b>Total Fund Equity</b>	<b>895,089</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,720</b>	<b>0</b>	<b>6,655</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,885</b>	<b>0</b>	<b>911,910</b>

	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	1,415,986	0	0	8,967	0	5,795	0	6,655	0	0	0	0	13,885	0	1,451,268
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes