



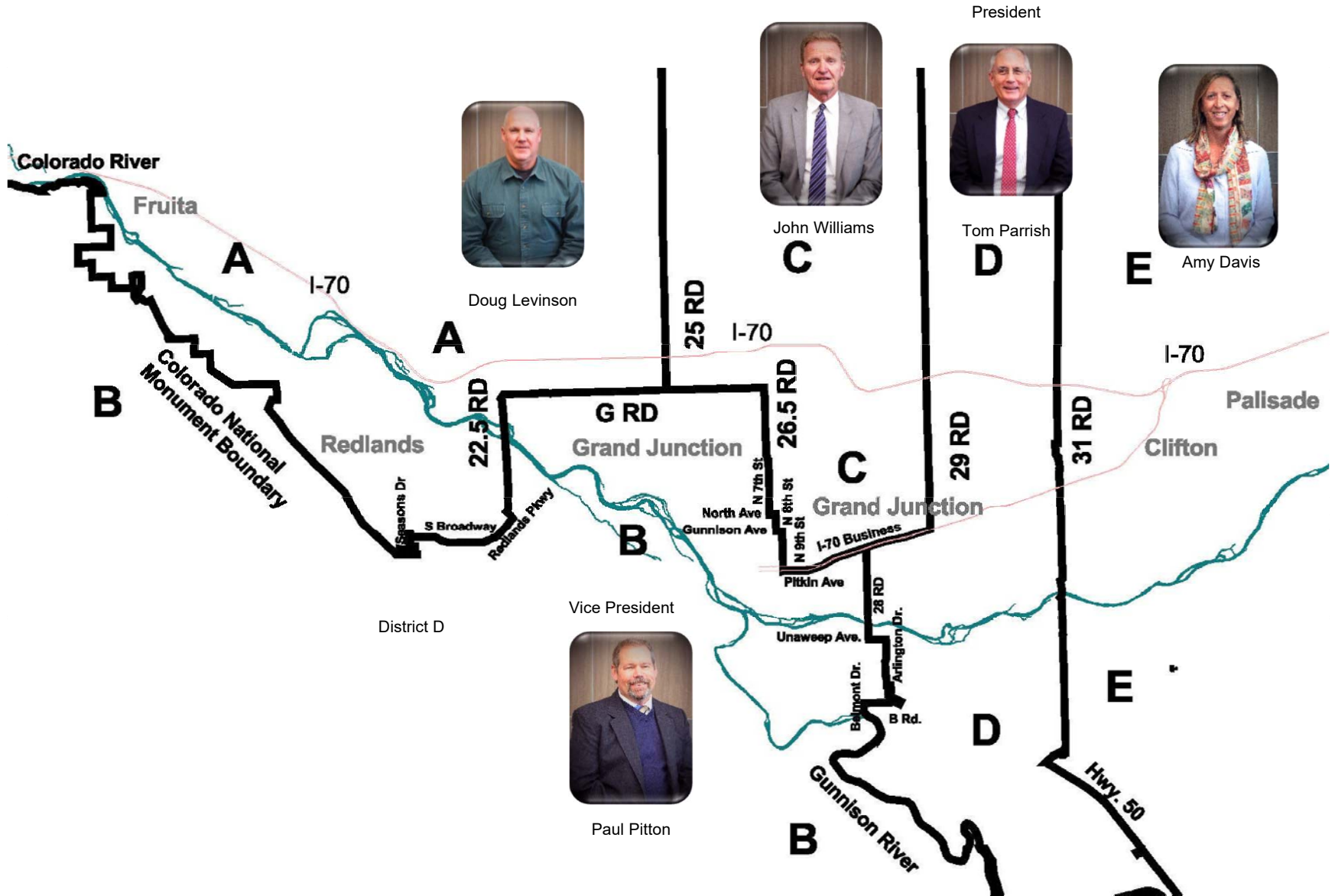
# **2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2018**



**Mesa County Valley School District 51  
Grand Junction, Colorado**

# District 51 ~ School Board Districts



Mesa County Valley School District No. 51  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended June 30, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal .....	1
Certificate of Achievement in Financial Reporting .....	5
Organizational Chart .....	6
List of Elected and Appointed Officials .....	7
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report .....	9
Management's Discussion and Analysis .....	11
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	20
Statement of Activities.....	21
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	22
Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position .....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	28
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund .....	29
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Governmental Designated Purpose Special Revenue Fund .....	32
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nutrition Services Special Revenue Fund .....	33
Statement of Net Position – Proprietary Funds.....	34
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	35
Statement of Cash Flows – Proprietary Funds .....	36
Statement of Fiduciary Net Position – Student Body Activity Agency Fund .....	37
Combining Statement of Net Position – Discretely Presented Component Units.....	38
Combining Statement of Activities – Discretely Presented Component Units .....	39
Notes to the Financial Statements .....	41
Required Supplementary Information:	
Schedule of Activity – Net Pension Liability .....	70
Schedule of Activity – Employer Pension Contributions .....	71
Schedule of Activity – Net OPEB Liability .....	72
Schedule of Activity – Employer OPEB Contributions .....	73
Auditors Integrity Report .....	75
Combining and Individual Fund Statements and Schedules:	
Balance Sheet – Mill Levy Fund .....	79
Statement of Revenues, Expenditures, and Changes in Fund Balances – Mill Levy Fund .....	80
Combining Balance Sheet – Nonmajor Governmental Funds .....	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds .....	82

Schedules of Revenues, Expenditures, and Changes in Fund Balances –  
Budget and Actual:

Career Center Grant Special Revenue Fund .....	83
Physical Activities Special Revenue Fund .....	84
Beverage Special Revenue Fund.....	85
Adult Education/Local Projects Special Revenue Fund .....	86
Capital Projects Building Fund .....	87
Capital Projects Capital Projects Fund.....	88
Bond Redemption Debt Service Fund.....	89
Combining Statement of Net Position – Internal Service Funds.....	91
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Internal Service Funds.....	92
Combining Statement of Cash Flows – Internal Service Funds .....	93
Statement of Changes in Assets and Liabilities – Student Body Activity Agency Fund .....	95
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source .....	97
Schedule of Function and Activity .....	98
Schedule of Changes by Function and Activity.....	99

STATISTICAL SECTION

Schedule 1 – Net Position by Component.....	102
Schedule 2 – Changes in Net Position .....	103
Schedule 3 – Fund Balance, Governmental Funds.....	105
Schedule 4 – Changes in Fund Balances, Governmental Funds.....	106
Schedule 5 – Assessed Value and Estimated Actual Value of Taxable Property.....	107
Schedule 6 – Direct and Overlapping Property Tax Rates.....	108
Schedule 7 – Principal Property Tax Payers .....	109
Schedule 8 – History of Assessed and Statutory “Actual” Valuations for the District.....	110
Schedule 9 – Property Tax Levies and Collections .....	111
Schedule 10 – Property Tax Rates per \$1,000 Assessed Valuation – Direct and Overlapping Governments.....	112
Schedule 11 – Ratios of Outstanding Debt by Type.....	113
Schedule 12 – Ratios of Net General Bonded Debt Outstanding .....	114
Schedule 13 – Direct and Overlapping Governmental Activities Debt .....	115
Schedule 14 – Legal Debt Margin Information .....	116
Schedule 15 – Demographic and Economic Statistics .....	117
Schedule 16 – Principal Employers .....	118
Schedule 17 – District Employees by Type .....	119
Schedule 18 – Operating Statistics.....	120
Schedule 19 – School Building Information.....	121

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards .....	125
Notes to Schedule of Expenditures of Federal Awards .....	126
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards.....	127
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by Uniform Guidance .....	129
Schedule of Findings .....	132
Summary Schedule of Prior Audit Findings.....	133

# INTRODUCTORY SECTION





November 30, 2018

To the President and Members of the Board of Education and the Citizens of Mesa County Valley School District No. 51:

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Mesa County Valley School District No. 51 (the District) for the fiscal year ended June 30, 2018.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Chadwick, Steinkirchner, Davis, & Co., P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the specific rules and regulations of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Single Audit section of this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the District**

The District was formed in 1951 from a number of small, independent school districts in Mesa County, Colorado. The major purpose of the District is to provide K–12 public education for those who reside within the boundaries of the District, which cover about one-half of the county's land area, which is approximately 2,200 square miles, and about 95% of the County's population. To accomplish this purpose, the District operates twenty-four (24) elementary schools, eight (8) middle schools, one (1) 8/9 school, five (5) high schools, one (1) career center, four (4) alternative schools and one (1) remote K-12 mountain school. The District is the largest employer in Mesa County, employing 2,520 full-time and 685 part-time and substitute employees during fiscal year 2018. The District served approximately 22,084 students during the 2017-18 school year.

The District is an independent district governed by a five-member Board of Education (the Board) whose members are elected by the qualified electors within the District's boundaries. Board members serve four year staggered terms, with two or three members elected every two years. General duties which the Board is empowered to perform include the power to employ all personnel necessary to maintain the operations and carry out the educational programs of the District and pay their compensation; to fix attendance boundaries; to establish annual budgets; to determine the educational programs to be carried on in the schools of the District; and to prescribe the curriculum of any course of instruction or study in such educational programs. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources.

The annual budget serves as the foundation for the District's financial planning and control. Budgetary controls ensure compliance with legal requirements, Board of Education policies, and District administration guidelines. All activities of the District are budgeted, as required by state statute. Expenditures may not legally exceed appropriations at the fund level. Detailed line item records provide management the capability to monitor budgets for all funds. Budgetary control is also maintained through the use of an encumbrance/purchase order system for materials and capital purchases. Encumbrances outstanding at year end lapse, but are generally re-appropriated as a part of the following year's budget. A proposed budget must be presented to the Board of Education by May 31. The Board of Education makes final adjustments to the budget, and two budget hearings must be held prior to adoption of the budget and formal close of the District's fiscal year. The law allows a re-adoption to occur before January 31 of the fiscal year for which it was adopted, based on finalized student count. The board may authorize supplemental appropriations during the fiscal year in the event unforeseen revenue becomes available to the District.

### **The District and its Services**

This report includes all of the activities of Mesa County Valley School District No. 51 (the Primary Government) as well as its component units. The District has entered into an agreement with three schools, Independence Academy Charter School, Juniper Ridge Community School and Mesa Valley Community School, as allowed under the Colorado Charter Schools Act. The charter schools are publicly funded schools through the District under the school finance act and under the general supervision of the local Board of Education. The schools meet the requirements under Governmental Accounting Standards to be presented as discrete component units.

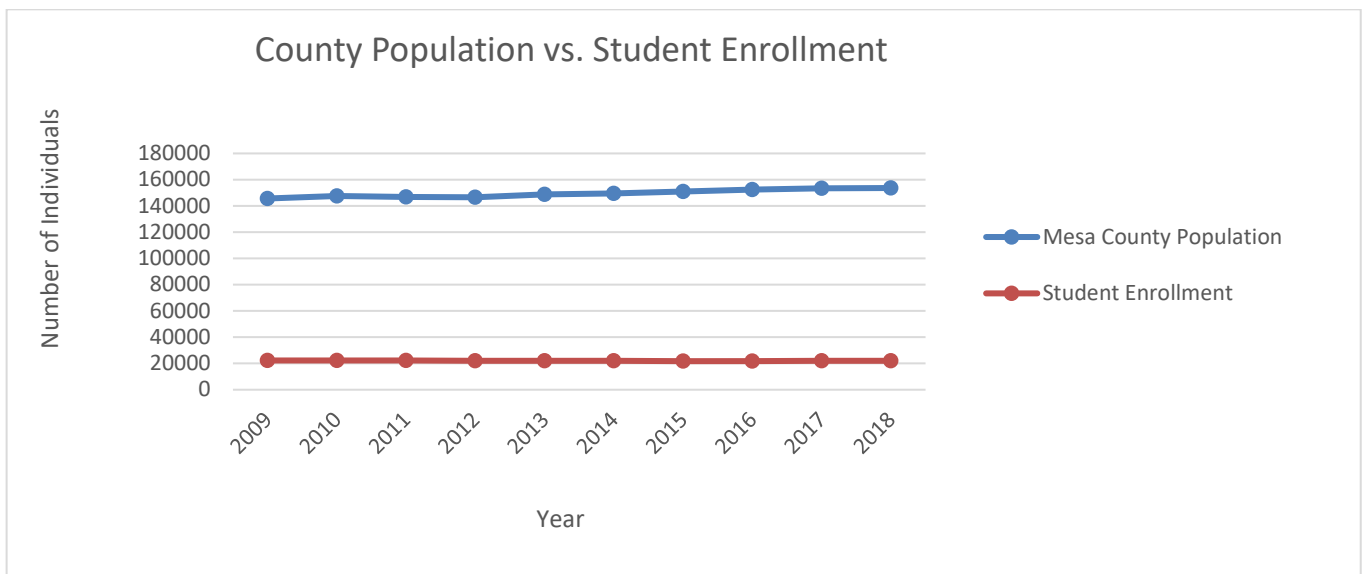
The District 51 Foundation (Foundation) was organized in the fall of 2010, and is a nonprofit, tax-exempt corporation established for the purpose of attracting funding from business, industry and individuals to enhance educational programs and activities for students. The Foundation is not presented as part of the reporting entity for financial reporting purposes because the Foundation's financial operations are not considered to be significant in comparison to the District as a whole.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

**Local Economy.** Population growth in Mesa County has been moderate over the last ten years. Mesa County's population has grown from 140,680 in 2008 to 153,649 in 2018, or 9.2% for the period. This growth was a reflection of the relatively strong economy and job market that tapered down in 2008, coupled with heavy marketing of the community as an attractive place to live and retire. In 2010, for the first time in more than ten years, growth indicators were down. Beginning in 2013, Mesa County began seeing improvement in economic indicators such as property sales and values, unemployment rates, job growth and sales tax collections. Economic growth indicators show the County's unemployment rate at 3.6% compared to the state of Colorado's rate of 2.7% at June 30, 2018. The County unemployment rate has primarily declined every year since 2011 when the rate peaked at 10.8%. The lower unemployment rate state-wide is a result of recent economic activity on the state level that has not affected the local economy as extensively. The 2018 average residential home value in the County has increased to \$227,000 compared to \$211,000 in 2017, a 7.6% increase (Source: Zillow.com). The number of building permits issued in the County increased 31.5% from 2017. The per capita income continues to lag behind other areas in Colorado, a reflection of the lack of high paying industrial and technical jobs, and a concentration of employment in the service and retail sectors. Economic indicators for the state of Colorado indicate a continued recovery, and overall financial indicators in Mesa County appear to be improving, while at a slower rate than the state as a whole.

The growth in the County's population is not always mirrored by the growth in the student count of the District. The graph below illustrates the County population and District enrollment trends since 2009. While growth in County population has averaged approximately 1.11% over the ten years from 2009 to 2018, growth in student enrollment has averaged 3.31% over the same period. Enrollment growth more closely mirrors employment than population growth.



Student enrollment in Mesa County has historically reflected employment growth in the County. The growth in student enrollment was attributable to the influx of working families in response to an increase in oil and gas production and construction employment opportunities. In the ten years following this growth, the October pupil counts have fluctuated with a decrease in one year followed by an increase in the next with a resulting overall decrease for the last ten years of 190 students. The overall decrease is attributed to families moving from the area to find work elsewhere due to the slowdown in oil and gas production coupled with a slower rate of recovery from the nationwide recession than exhibited elsewhere in Colorado.

**Long-term financial planning.** School Districts in the state of Colorado are funded based on a complex “Total Program Funding Formula”, which is set forth by the School Finance Act of 1994. This formula calculates a per pupil revenue amount that is multiplied by an adjusted pupil count as of October 1 of each fiscal year, and determines approximately 94% of the District’s General Fund revenue. The District has historically been one of the lowest funded of the 178 school districts in the state of Colorado. In November 2000, Amendment 23 was passed by Colorado voters. Amendment 23 required the state to increase its funding of school districts each year by the rate of inflation plus 1% for the next ten years, and thereafter at the rate of inflation. The amendment created a State Education Fund to support this level of funding. Due to economic conditions and state constitutional limitations on revenue growth, there were concerns the fund and other State resources would not be adequate to fund the mandates of the amendment in as early as 2006. A state referendum on the November 2005 ballot passed, which allowed the state to increase its tax revenues without increasing tax rates through 2010 in order to regain fiscal stability. For fiscal years 2011 through 2018, the state could not fund the increases mandated by Amendment 23, and applied a negative statewide “Budget Stabilization Factor” to the funding formula. As a result, per pupil funding decreased \$251.12 from 2010 to 2011 and \$326 from 2011 to 2012. Per pupil funding levels were not significantly decreased for fiscal years 2013 and 2014. Funding increased slightly in 2015, 2016 and 2017, again, in 2018 by \$231 to \$7,279 per pupil.

In the spring of 2007, the Colorado state legislature passed Senate Bill 199, which froze local school district property tax mill levies. The freeze was intended to maintain a level effort of tax support for school district funding from local taxpayers, whose mill levies had declined over the years due to rising property valuations coupled with the application of the state’s legal limitations on increasing tax revenues. Unfortunately, the assessed valuation of properties in Mesa County decreased 7.94% in 2013 as compared to 2010, and reflects a statewide decrease in assessed valuation. This will result in a proportionate decrease in property taxes as mill levies are not adjusted. Because per pupil funding is comprised of local property taxes and state funding, the reduction places additional burden on the state to fund the per pupil amounts.

In 1992, Colorado voters approved TABOR (as Article X, Section 20 of the Colorado constitution). In general, TABOR restricts the ability of the State and local governments to increase revenues. Even though the state’s economy has significantly improved this restriction and increased demand from other programs funded by the state have limited revenues available to significantly increase funding to school districts. It is likely, after adjusting for inflation, revenues will decrease in future years.

**Budget.** The District's budget is developed to support the District's strategic plan as well as the priorities that are established annually by the Board of Education. In particular, the budget is focused on allocating limited resources to support student achievement. The budget is the primary tool to communicate the District's financial plan to citizens and staff. An initial budget is adopted by June 30<sup>th</sup> every year based on per pupil funding and estimated student enrollment. Actual student enrollment is counted on October 1 every year, and the budget is adjusted through re-adoption prior to January 31.

**Fiscal Oversight committee.** The District's independent auditor communicates certain matters to upper management and the Board of Education in conjunction with the Fiscal Oversight committee. The Fiscal Oversight committee includes five community members with finance and/or school district expertise, and members of management involved in financial reporting, budget, and investments. Management through the Fiscal Oversight committee and the independent auditor report audit findings and other financial considerations to the Board of Education. The Board is responsible for the oversight of the financial reporting process.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Mesa County Valley School District No. 51 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017. This was the nineteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, the government was required to publish an easily readable and efficiently organized CAFR. The CAFR satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the District also received the Association of School Business Officials International's (ASBO) Meritorious Budget Award for its annual budget document dated January 17, 2017. In order to qualify for the Meritorious Budget Award, the District's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

We would like to express our appreciation to the dedicated staff of the Financial Services Department. The preparation of this report would not have been possible without their professionalism and expertise, not only during the reporting process, but throughout the year.

In closing, we wish to thank the members of the Board of Education for their interest, leadership, and support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Dr. Diana Sirko, Ph.D  
Superintendent of Schools



Phil Onofrio  
Chief Operations Officer

---

*Dr. Diana Sirko, Ph.D. • Superintendent of Schools • 970.254.5193*

Administrative Services Center • 2115 Grand Avenue • Grand Junction, Colorado 81501 • Fax: 970.245.2714 • [www.d51schools.org](http://www.d51schools.org)



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Mesa County Valley  
School District No. 51, Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

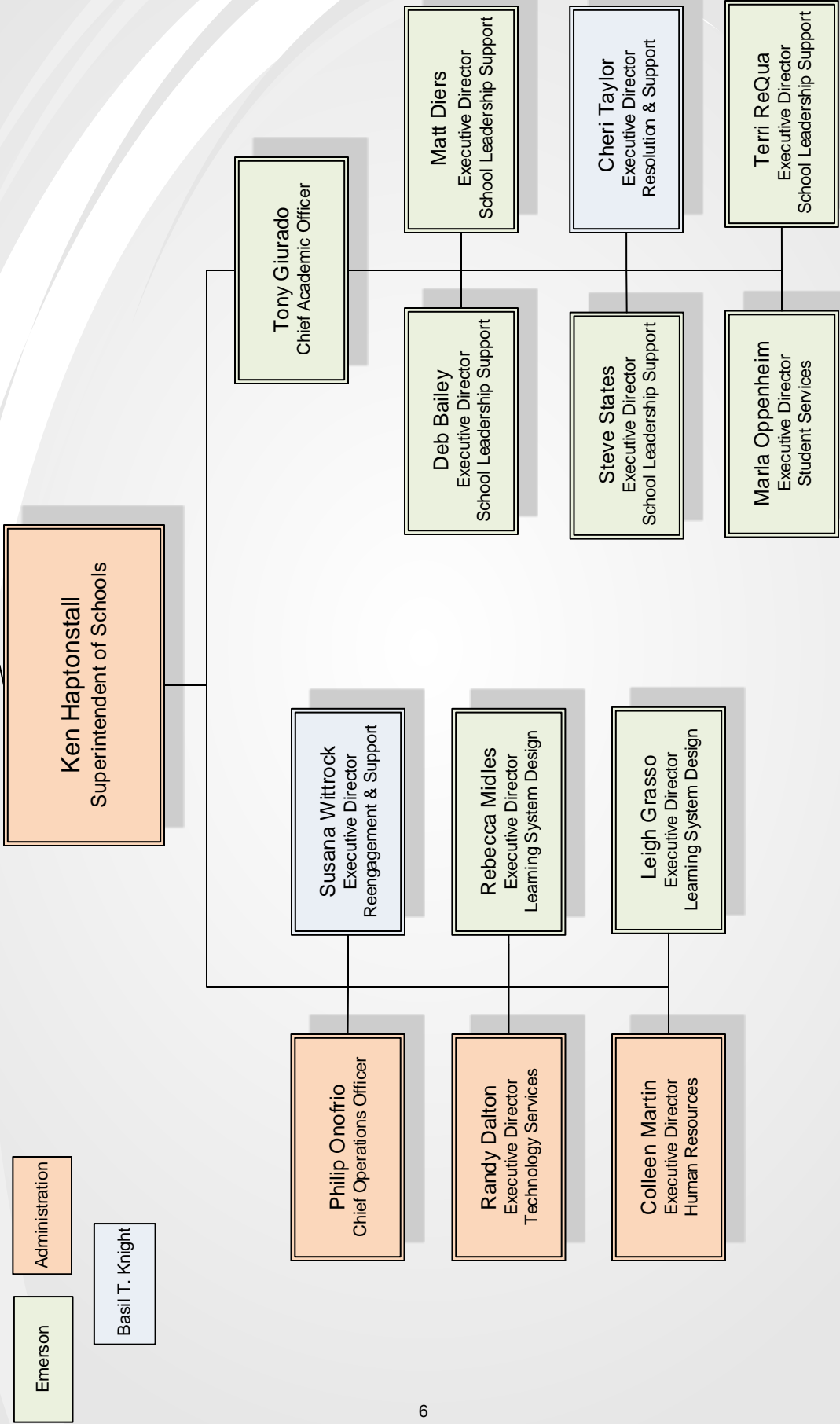
**June 30, 2017**

*Christopher P. Morrill*

Executive Director/CEO

# Mesa County Valley School District 51 Organizational Chart (Executive)

Board of Education



See Org Charts for  
School Leadership Support, Student Services, Technology Services, Human Resources,  
Reengagement & Support, Learning System Design, & Resolution & Support.

Mesa County Valley School District No. 51  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
June 30, 2018

---

ELECTED OFFICIALS

District A ..... Doug Levinson, Board Member  
District B ..... Paul Pitton, Board Vice-President  
District C ..... John Williams, Board Member  
District D ..... Tom Parrish, Board President  
District E ..... Dr. Amy L. Davis, Board Member

APPOINTED OFFICIALS

Superintendent ..... Ken Happenstall  
Executive Director of Human Resources ..... Colleen Martin  
Chief Operations Officer ..... Phil Onofrio  
Chief Academic Officer ..... Tony Giurado  
Executive Director of Academic Achievement & Growth–  
Curriculum & Instructional Support ..... Leigh Grasso  
Executive Director of Advocacy, Outreach,  
& Connections ..... Susanna Wittrock  
Executive Director of Academic Options ..... Ron Roybal  
Executive Director of Performance Based Systems ..... Rebecca Midles  
Executive Director of Student Services ..... Marla Oppenheim  
Executive Director of Technology Services ..... Randy Dalton

*This page intentionally left blank.*



# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

November 30, 2018

The Board of Education  
Mesa County Valley School District No. 51

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mesa County Valley School District No. 51 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 did not audit the financial statements of Independence Academy Charter School, a discretely presented component unit, which represent 72.9 percent, (11.5) percent, and 36.7 percent, respectively of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

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 District'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 District'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mesa County Valley School District No. 51, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Major Special Revenue Funds 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, pension schedules, and OPEB schedules 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 Mesa County Valley School District No.51's basic financial statements. The introductory section; combining and individual nonmajor fund financial schedules and budgetary comparisons; capital asset schedules; the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the Auditors Integrity Report of the Colorado Department of Education (report) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial schedules and budgetary comparisons, capital asset schedules, the schedule of expenditures of federal awards, and the report 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, such information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018 on our consideration of Mesa County Valley School District No. 51's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The District's internal control over financial reporting and compliance.

*Chadwick, Steinhilber, Alavia & Co., P.C.*

## Management's Discussion and Analysis

As management of the Mesa County Valley School District No. 51 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal found on pages 1-4 of this report.

### Financial Highlights

- The assets and deferred outflows of resources of the District were less than its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$447,818,340 (negative net position). Of this amount, \$115,137,562 is net investment in capital assets, \$5,934,299 is restricted for emergencies as required by an amendment to the State of Colorado's constitution, \$14,726,466 is restricted for debt service, \$128,069,782 is restricted for capital projects, and \$473,048 is restricted for nutrition services. The District ended fiscal year 2017-18 with an unrestricted negative net position of \$(712,159,497).
- As of June 30, 2018, fund balance for the general fund was \$13,787,503. The General Fund has recorded a liability of \$14,332,148 for salaries and benefits of school personnel who work ten months of the fiscal year and are paid over twelve months. Colorado state law allows the liability to be budgeted and funded in the year in which it is paid. Therefore, these school personnel costs are recorded in 2017-18 to be paid from 2018-19 funds. The goal of the Board and the District is to maintain a General Fund fund balance of five percent of expenditures. As of fiscal-year-end 2018, the fund balance was 8.19 percent of expenditures.
- In 2017, voters approved a bond and mill levy override. Funds are to be used to add student contact days, build and improve school buildings, and hire positions in technology support. During the fiscal year, the fund balance in the District's general fund was expected to decrease. The fund balance increased by \$4,085,713 for fiscal year 2017-18 largely due to the 2017 mill levy override.
- In 2017-18, the District's first charter school, Independence Academy Charter School, continued into its fourteenth year of operations. The charter school served 381.1 full-time-equivalent (FTE) students which decreased from 386.84 FTE students in the prior year. Juniper Ridge Community School continued its fifth year of operations as a District charter school in 2017-18. Juniper Ridge Community School served 358.48 FTE in 2017-18 compared to 281.42 FTE students in 2016-17. Mesa Valley Community School, the District's third operational charter school, began operations in 2014-15. The pupil count at Mesa Valley Community School on October 1, 2017 was 361.34 compared to 341.76 in the prior year. In accordance with state law, the District passed through funding on a per student basis to the charter schools during fiscal year 2018. The charter schools are component units of the District, and their separate financial information is reported in the Discretely Presented Component Units Statement of Net Position and Statement of Activities on pages 38 and 39.

### Overview of the Financial Statements

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

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

The *Statement of Net Position* presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the remainder reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. There was a significant revision in reporting requirements beginning in 2014-15, when Governmental Accounting Standards Board statement 68 (GASB 68) was required to be implemented by the District. Since the 2014-15 year, the District's has shown a large negative fund balance as a result of implementing GASB 68. In 2017-18 the District adopted the provisions of GASB 75 to account for other postemployment benefits (OPEB). To follow Generally Accepted Accounting Principles (GAAP), the District must report balances related to participation in the cost-sharing defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (COPERA) and the Health Care Trust Fund (HCTF).

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 flows in future fiscal periods (e.g., earned but unused vacation leave payout).

The *governmental activities* of the District include instructional services, pupil services, instructional staff services, general administration services, school administration services, business services, maintenance and capital asset services, transportation services, central administrative services, and community services.

The government-wide financial statements include not only the District but also three legally separate charter schools, Independence Academy Charter School, Juniper Ridge Community School and Mesa Valley Community School, for which the District is financially accountable. Financial information for these component units is reported separately from the financial information presented for the District itself on pages 38 and 39 combined in the government-wide *Statement of Net Position and Statement of Activities* on pages 20 and 21.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances have a reconciliation to aid this comparison between *governmental funds* and *governmental activities*.

As of fiscal year-end 2018, the District maintains ten 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, the Governmental Designated Purpose Grants Special Revenue Fund, the Nutrition Services Special Revenue Fund, the Building Fund Capital Projects Fund, the Capital Projects Capital Projects Fund and the Bond Redemption Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation in the aforementioned statements. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* on pages 81 and 82.

The District adopts an annual appropriated budget for all funds. Budgetary comparison statements or schedules have been provided for all funds to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 22-33 of this report.

**Proprietary funds.** The District maintains one type of proprietary fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for risk management services provided to other departments or employees of the District on a cost reimbursement basis. Because these services benefit governmental activities of the District, they have been included within the *governmental activities* column in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide combined information for the three internal service funds of the District. Individual fund data for the internal service funds is provided in the form of *combining statements* on pages 91-93. The basic proprietary fund financial statements can be found on pages 34-36 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 37 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 41-68 of this report.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets and deferred outflows of resources were less than liabilities and deferred inflows of resources by \$447,818,340 (negative net position) at the close of the most recent fiscal year.

The District’s net investment in capital assets represents a significant portion of the net position (e.g., land and improvements, buildings, and equipment less accumulated depreciation and any debt used to acquire those assets that is still outstanding). The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District’s net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the indebtedness. Property taxes are levied annually for the restricted purpose of debt service on general obligation bonds. The debt service property tax mill and resulting levy must follow statutory limitations on carryover amounts and collection amounts for any debt service funding.

MESA COUNTY VALLEY SCHOOL DISTRICT NO 51's Net Position

	<u>Governmental activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 223,104,204	\$ 74,633,924	\$ 223,104,204	\$ 74,633,924
Capital assets	211,263,736	203,586,978	211,263,736	203,586,978
Total assets	434,367,940	278,220,902	434,367,940	278,220,902
Deferred outflow s of resources	233,404,871	290,764,964	233,404,871	290,764,964
Long-term liabilities	1,039,961,166	829,448,871	1,039,961,166	829,448,871
Other liabilities	35,563,398	23,009,320	35,563,398	23,009,320
Total liabilities	1,075,524,564	852,458,191	1,075,524,564	852,458,191
Deferred inflow s of	40,066,587	18,451,877	40,066,587	18,451,877
Net position:				
Net investment in capital assets	115,137,562	111,140,665	115,137,562	111,140,665
Restricted	149,203,595	24,394,335	149,203,595	24,394,335
Unrestricted	(712,159,497)	(437,459,202)	(712,159,497)	(437,459,202)
Total net position	\$ (447,818,340)	\$ (301,924,202)	\$ (447,818,340)	\$ (301,924,202)

The District’s net position includes \$149,203,595 of resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* is negative.

At the end of the current fiscal year, the District reported a negative balance in unrestricted net position and positive balances in the other portions of net position. Current and other assets comprised about 51% of total assets. The remaining 49% of the District’s total assets are its investment in capital assets net of accumulated depreciation. Deferred outflows of resources decreased 19.7% over 2016-17 due to a decrease in the deferred outflows of resources (costs expected to be expensed in the future) related to pensions and OPEB. A more involved explanation of GASB 68 and 75 are included in this Management’s Discussion and Analysis under the header Capital Asset and Debt Administration. A smaller percent (43.9%) of the District’s current liabilities than in the prior year (64.3%) represent accrued salaries and fringe benefits. This liability occurs when teachers and certain other District employees work ten months of the year, but are paid over twelve months. The liability is recognized in the current year even though it is paid in the next fiscal year. Although the total accrued salaries and benefits increased from the prior year, the decrease in the accrued salaries to current liabilities ratio is attributable to an increase in retainage

payable. The net increase in long-term liabilities of \$210,512,295 is mostly a result in the increase in net pension liability and net OPEB liability. Unrestricted net position decreased \$274,700,295 attributable primarily to changes in items related to the net pension liability and net OPEB liability.

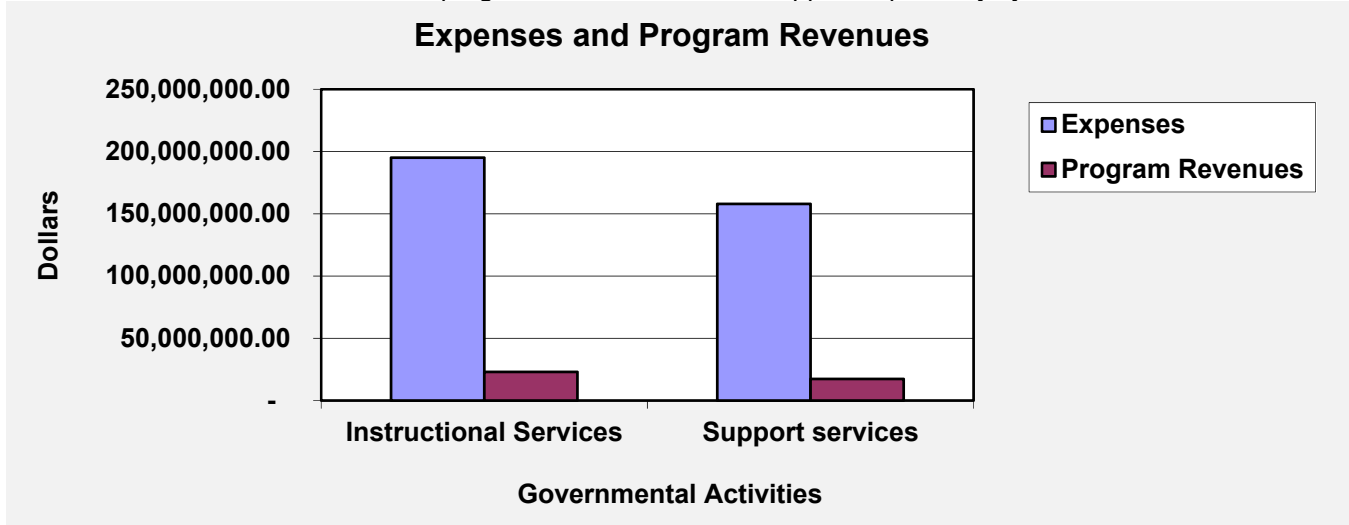
**Governmental activities.** Governmental activities decreased the District's net position by \$145,894,138. Key elements of these changes are as follows:

Revenues				
Charges for services	\$ 9,609,646	\$ 6,315,499	\$ 9,609,646	\$ 6,315,499
Operating grants and contributions	30,382,666	27,043,480	30,382,666	27,043,480
Capital grants and contributions	435,323	-	435,323	-
General revenues				
Property taxes levied for general purposes	54,455,668	50,360,125	54,455,668	50,360,125
Property taxes levied for debt service	16,623,491	11,075,880	16,623,491	11,075,880
State equalization not restricted to specific programs				
	99,148,831	95,725,754	99,148,831	95,725,754
Specific ownership taxes	10,215,553	8,227,547	10,215,553	8,227,547
Investment earnings	1,825,437	401,128	1,825,437	401,128
Gain on sale of capital assets	-	186,675	-	186,675
Miscellaneous unrestricted revenue	1,883,342	2,084,836	1,883,342	2,084,836
<b>Total revenues</b>	<b>224,579,957</b>	<b>201,420,924</b>	<b>224,579,957</b>	<b>201,420,924</b>
Expenses				
Instructional services	195,108,436	176,966,621	195,108,436	176,966,621
Pupil services	24,494,987	27,127,646	24,494,987	27,127,646
Instructional staff services	19,491,191	9,629,866	19,491,191	9,629,866
General administration services	4,173,553	3,843,550	4,173,553	3,843,550
School administration services	26,227,769	22,264,358	26,227,769	22,264,358
Business services	4,242,104	10,019,665	4,242,104	10,019,665
Operations and maintenance	27,812,879	15,733,043	27,812,879	15,733,043
Transportation services	7,475,488	6,075,325	7,475,488	6,075,325
Central services	28,835,936	28,385,565	28,835,936	28,385,565
Community services	9,720,468	9,067,812	9,720,468	9,067,812
Interest on long-term debt	5,475,729	4,189,427	5,475,729	4,189,427
Depreciation - unallocated	-	23,670	-	23,670
<b>Total expenses</b>	<b>353,058,540</b>	<b>313,326,548</b>	<b>353,058,540</b>	<b>313,326,548</b>
Increase (decrease) in net position	(128,478,583)	(111,905,624)	(128,478,583)	(111,905,624)
Net position - beginning	(301,924,202)	(190,018,578)	(301,924,202)	(190,018,578)
Change in accounting principle	(17,415,555)	-	(17,415,555)	-
<b>Net position - ending</b>	<b>\$ (447,818,340)</b>	<b>\$ (301,924,202)</b>	<b>\$ (447,818,340)</b>	<b>\$ (301,924,202)</b>

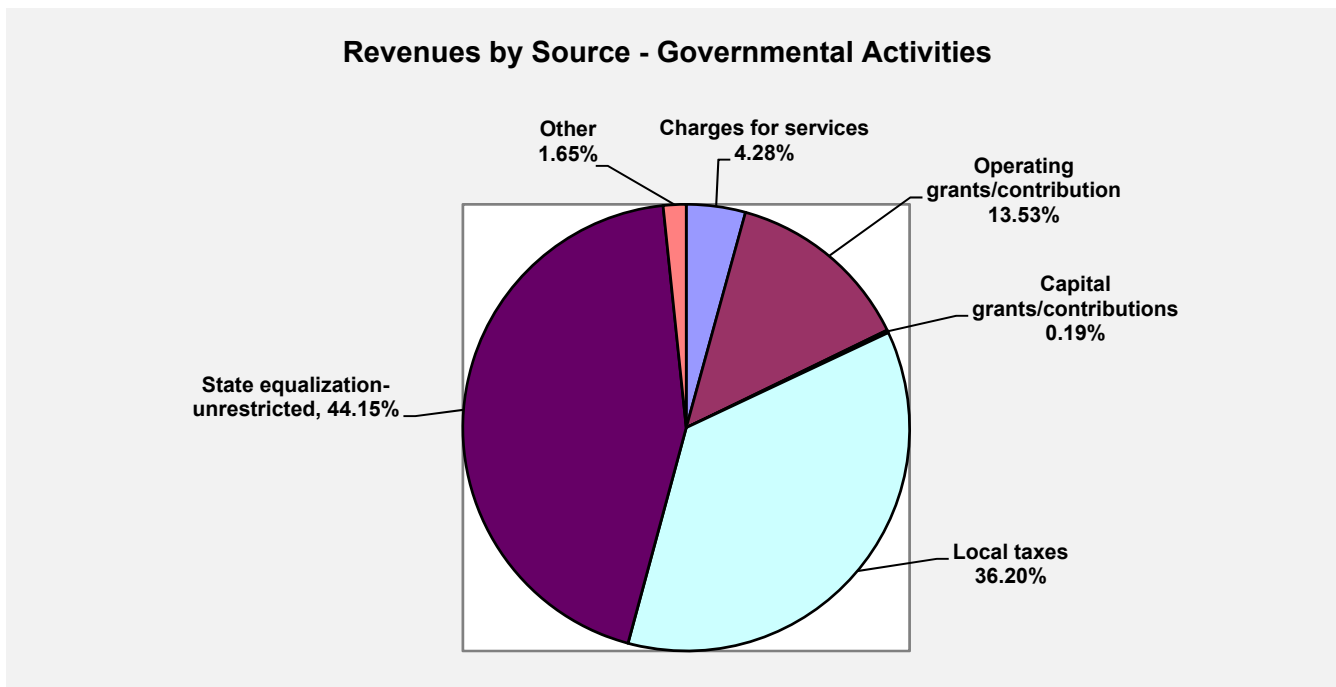
Key elements of the overall decrease in net position are as follows:

- General property tax revenues based on collections increased by \$4,095,543 (8.1%) during the year. Whereas, unrestricted state equalization increased by \$3,423,077 (3.57%) during the year. These factors point to consistent revenues from property tax valuations combined with back fill funding from the state when compared to the prior year.
- In November 2000, Colorado voters passed Amendment 23 to the state constitution. The amendment requires that school funding be increased by the rate of inflation plus an additional 1% for ten years (through 2011) and thereafter at the rate of inflation. For 2018, the State was not able to fund the required increase.
- Along with the two primary sources of general revenues increasing slightly over the prior year, expenses for governmental activities increased \$39,731,992, or 12.68%, which is mostly due to pension and OPEB expenses required to be reported per GASB Statements No. 68 and 75. The decrease in net position as a percent of revenues was 15.13% during fiscal year 2018.
- With over \$137 million of pension and OPEB expenses reported for the current fiscal year, pension expense are obvious factors in the resulting negative change in net position in the past two fiscal years.

The following chart depicts the expenses and program revenues of the governmental activities by category of the District. Governmental activities and programs of the District are supported primarily by state funds and local taxes.



The following chart depicts revenues by source for governmental activities:



## Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$171,289,159, an increase of \$135,938,447 in comparison with the prior year. The increase is primarily due to the passing of the bond measure and mill levy override. Capital projects were initiated during the fiscal year to improve various school sites. This activity is accounted for in the *Capital Projects Building Fund*. *Unassigned fund balance* of the General Fund is \$12,142,902. *Assigned fund balance* must be spent for designated purposes including \$7,402,413 to pay for future capital projects and \$570,349 for purposes within the special revenue (nonmajor governmental) funds. *Restricted fund balance* reflects resources that are subject to externally enforceable legal restrictions, and includes: 1) \$5,934,299 required by Colorado law to fund defined emergencies, 2) \$1,396,561 to operate the preschool program, 3) \$14,726,466 to pay debt service 4) \$473,048 to operate the nutrition services program and 5) \$128,069,782 for capital projects. *Nonspendable fund balance* represents current assets that will never be converted to cash, and is comprised of \$573,339 in inventory.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the total General Fund balance was \$13,787,503, of which \$12,142,902 (88%) was unassigned.

The fund balance of the District's General Fund increased \$4,085,713 during the current fiscal year. Per the budget for the general fund a large increase in fund balance was expected. Key factors in the actual increase are as follows:

- Actual revenues were 0.01% greater than budgeted revenues. Actual expenditures were 6.48% less than budgeted expenditures excluding appropriated contingencies. These small percentages are a big impact on an almost \$180 million budget.
- The Board of Education adopted budget parameters to ensure additional fiscal responsibility of the District. The readopted 2018 budget anticipated General Fund negative net change in fund balance of a little over \$1.5 million, excluding appropriated contingencies.
- Employee benefits were increased with an additional mandated employer contribution to the Public Employee's Retirement Association of Colorado (PERA) of .8 percent of PERA wages. Salaries and benefits comprise approximately 80% of the general fund budget.

The Bond Redemption Debt Service Fund has a total fund balance of \$14,726,466, all of which is restricted for the payment of debt service. Additional debt was incurred from the passing of G.O. Bonds in 2017. The mill levy is adjusted annually to maintain adequate resources to meet scheduled debt payments without accumulating an excessive fund balance. The mill levy was set at 10.140 mills for 2018, an increase of 56.4% from 2017, which resulted in current year property tax revenues of \$16,808,433.

The District has restricted \$5,934,299 of fund balance in its Capital Projects Capital Projects Fund for emergencies. The restriction is required by an amendment to the Colorado Constitution, known as the TABOR Amendment. The amendment requires local government units to set aside three percent of fiscal year eligible expenditures for certain emergencies. The funds may not be used to compensate for economic conditions, revenue shortfalls or salary or benefit increases.

**Proprietary funds.** The District's proprietary funds financial statements act as a summary of the internal service fund financial statements contained elsewhere in this report.

## General Fund Budgetary Highlights

An increased appropriation of \$8,186,188 from the original budget to the final amended budget is attributed to adjustments for the following increases and decreases in anticipated revenue and expenditures:

- The District appropriates for all anticipated revenues and beginning fund balance. The original budget, developed in June 2017, was based on a 15.5% anticipated decrease to 2018 ending fund balance. The budget was prepared prior to fiscal-year-end accruals and final issuance of the 2018 CAFR. The actual ending fund balance for 2018 increased by 42.1% due primarily to the mill levy override and fund balance adjustment. The increase in fund balance was reflected in the 2018 re-adopted budget.
- The District's actual current expenditures were \$11,670,464 less than the 2018 final budgeted expenditures. The positive net change in fund balance resulted from conservative spending on the part of the District.

## Capital Asset and Debt Administration

**Capital assets.** The District's capital assets for its governmental activities as of June 30, 2018 amount to \$211,263,736 (net of accumulated depreciation). These capital assets include land and improvements such as parking lots and sidewalks, buildings and building improvements, construction in progress, and equipment. The total increase in the District's capital assets for the current year was 3.77%, and is primarily attributable to the construction in progress of various school sites.

Additional information on the District's capital assets can be found in the Note 4 – Capital Assets.

**Long-term debt.** At the end of the current fiscal year, the District had total outstanding long-term debt of \$236,147,847, a net pension liability of \$785,867,412, and a net OPEB liability of \$17,945,907. Of the long-term debt amount, \$183,730,000 represents general obligation bonds that are backed by the full faith and credit of the District, \$29,818,493 represents unamortized premiums on general obligation bonds and 2015 Certificates of Participation, \$6,865,000 represents Certificates of Participation collateralized by capital assets, and \$10,242,333 represents capital lease obligations collateralized by computers, photocopiers and phone systems under lease. The remainder consists of compensated absences and claims payable.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limitation for the District is \$394,966,106, which is in excess of the District's outstanding general obligation debt.

Additional information on the District's long-term debt can be found in Note 5 – Long-Term Debt of this report.

*Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68)*, establishes accounting and financial reporting standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses for pensions that are provided to the employees of state and local governmental employers through pension plans. More information on the District's pension related items can be found in Note 8.

*Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. (GASB 75)*, was adopted for the ended June 30, 2018. The District participates in the Health Care Trust Fund (HCTF) and implemented the provisions of GASB 75 in the financial statements including recognition of net OPEB liability, deferred outflows and inflows of resources, and OPEB expense. For more information on the District's OPEB plan see Note 9 in the financial statements.

## Economic Factors and Next Year's Budgets

Colorado economy continues to improve at a faster rate than the national economy. State tax revenues are increasing faster than allowed under TABOR which will require refunds to taxpayers.

- TABOR revenue exceeded the cap in FY 2014-15 by \$167.7 million. The current estimate for FY 2017-18 is for revenue to exceed the cap by \$16.2 million. The economic forecasts for FY 2018-19 and FY 2019-20 indicate TABOR revenues will continue to exceed the cap. The estimates range between \$174.8 million and \$489.4 million based on September forecasts provided by state agencies. The forecasts are updated quarterly.

- The assessed valuation of properties in Mesa County was stable for 2018 for collection in next fiscal year. This results in a proportionate decrease in general fund property taxes as mill levies are not adjusted. Because per pupil funding is comprised of local property taxes and state funding, the reduction places additional burden on the state to fund the per pupil amounts. While the economy is improving, it is expected that the state will increase per pupil funding but not enough to offset inflation due to restrictions of the TABOR amendment on state revenue.

In November 2000 voters in Colorado approved Amendment 23 to the Colorado constitution providing that K-12 funding would increase at pupil growth plus inflation plus one percent for 10 years (through 2011) and thereafter, growth plus inflation. This provision was intended to stabilize and remove funding from the political process. Beginning in 2013, due to continued state budget shortfalls, the state applied a negative “state budget stabilization factor” to the required funding. Funding for schools increased in 2017-18 by the rate of inflation. Due to required increases in program costs at the state level, funding of K-12 education for 2018 and beyond is not expected to increase at the rate of inflation as envisioned in Amendment 23 for the foreseeable future. Funding will increase but not at a level to maintain current programming.

**Component Units**

Only summary information regarding component units appears in the District’s financial statements. The District has three component units, which are charter schools. Their financial information is presented in a separate column in the Government-wide Statement of Net Position and in the Statement of Activities.

Complete financial statements for each charter school are available at each school’s administrative office.

Independence Academy Charter School 675 29 Road Grand Junction, CO 81504 Phone: 970-254-6850	Juniper Ridge Community School 640 24 ½ Road Grand Junction, CO 81505 Phone: 970-986-8219	Mesa Valley Community School 2387 Patterson Road Grand Junction, CO 81505 Phone: 970-254-7202
--	---	---

**Requests for Information**

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Financial Services, 2115 Grand Avenue, Grand Junction, Colorado 81501.

# **BASIC FINANCIAL STATEMENTS**

Mesa County Valley School District No. 51  
**STATEMENT OF NET POSITION**  
June 30, 2018

	Primary Government		Discretely Presented Component Units
	Governmental Activities	Total	
<b>ASSETS</b>			
Cash and investments	\$ 215,049,313	\$ 215,049,313	\$ 6,200,972
Receivables:			
Accounts	1,099,105	1,099,105	94,666
Intergovernmental	3,236,972	3,236,972	61,400
Property taxes	3,145,475	3,145,475	-
Inventories	573,339	573,339	-
Other assets	-	-	84,387
Capital assets (net of accumulated depreciation):			
Land, improvements, and construction in progress	28,131,939	28,131,939	1,798,720
Buildings and improvements	175,914,624	175,914,624	5,704,386
Equipment	7,217,173	7,217,173	63,037
Total assets	434,367,940	434,367,940	14,007,568
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	226,265,334	226,265,334	9,386,735
Related to OPEB	679,668	679,668	82,488
Deferred charge on refunding	6,459,869	6,459,869	-
Total deferred outflows of resources	233,404,871	233,404,871	9,469,223
<b>LIABILITIES</b>			
Accounts payable	12,141,862	12,141,862	340,387
Accrued salaries and benefits	15,612,770	15,612,770	275,429
Accrued interest payable	855,217	855,217	79,651
Unearned revenue	6,953,549	6,953,549	76,608
Noncurrent liabilities:			
Due within one year	17,386,714	17,386,714	1,287,919
Due in more than one year	218,761,133	218,761,133	5,563,859
Net pension liability	785,867,412	785,867,412	24,572,778
Net OPEB liability	17,945,907	17,945,907	561,132
Total liabilities	1,075,524,564	1,075,524,564	32,757,763
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	39,698,479	39,698,479	1,006,929
Related to OPEB	368,108	368,108	9,388
Total deferred outflows of resources	40,066,587	40,066,587	1,016,317
<b>NET POSITION</b>			
Net investment in capital assets	115,137,562	115,137,562	1,427,420
Restricted for:			
Emergencies	5,934,299	5,934,299	279,411
Nutrition services	473,048	473,048	-
Debt service	14,726,466	14,726,466	631,756
Capital projects	128,069,782	128,069,782	-
Unrestricted	(712,159,497)	(712,159,497)	(12,635,876)
Total net position	\$ (447,818,340)	\$ (447,818,340)	\$ (10,297,289)

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Units
<b>Primary government:</b>						
Governmental activities:						
Support services:	\$ 195,108,436	\$ 1,006,960	\$ 21,892,515	\$ 144,934	\$ (172,064,027)	\$ (9,257,957)
Pupil services:	24,494,987	-	1,994,688	-	(22,500,299)	(1,655,948)
Instructional staff services	19,491,191	-	-	-	(19,491,191)	-
General administration services	4,173,553	-	-	-	(4,173,553)	-
School administration services	26,227,769	-	-	-	(26,227,769)	(1,465,587)
Business services	4,242,106	-	339,736	-	(3,902,370)	(201,194)
Operations and maintenance	27,812,879	-	-	290,389	(27,522,490)	(426,530)
Transportation services	7,475,488	-	1,259,114	-	(6,216,374)	-
Central services	28,835,936	7,233,685	-	-	(21,602,251)	-
Community services	9,720,468	1,369,001	4,896,613	-	(3,454,854)	-
Interest on long-term debt	5,475,729	-	-	-	(5,475,729)	(225,663)
Depreciation - unallocated	-	-	-	-	-	-
Total support services	157,950,104	8,602,686	8,490,151	290,389	(140,566,878)	(3,974,922)
Total governmental activities	353,058,540	9,609,646	30,382,666	435,323	(312,630,905)	(13,232,879)
Total primary government	\$ 353,058,540	\$ 9,609,646	\$ 30,382,666	\$ 435,323	\$ (312,630,905)	\$ (13,232,879)
<b>Component units</b>	\$ 14,045,714	\$ 262,473	\$ 198,839	\$ 290,390	\$	\$ (13,294,012)
General revenues:						
Property taxes levied for general purposes					54,455,668	327,656
Property taxes levied for debt service					16,623,491	-
State equalization not restricted to specific programs					99,148,831	8,015,898
Specific ownership taxes					10,215,553	-
Investment earnings					1,825,437	20,303
Miscellaneous unrestricted revenue					1,883,342	45,864
Special item, capital contribution from District					-	154,950
Total general revenues					184,152,322	8,564,671
Change in net position					(128,478,583)	(4,729,341)
Net position - beginning					(301,924,202)	(5,096,307)
Change in accounting principle					(17,415,555)	(471,641)
Net position - beginning, restated					(319,339,757)	(5,567,948)
Net position - ending					(447,818,340)	(10,297,289)

Mesa County Valley School District No. 51  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2018

	General	Governmental Designated Purpose Grants Special Revenue	Nutrition Services Special Revenue
<b>ASSETS</b>			
Cash and investments	\$ 27,098,944	\$ 5,000,187	\$ 200
Due from other funds	254,317	-	-
Receivables:			
Accounts	73,124	-	975,880
Intergovernmental	-	3,236,972	-
Property tax	2,419,224	-	-
Inventories	248,040	-	325,299
Total assets	\$ 30,093,649	\$ 8,237,159	\$ 1,301,379
<b>LIABILITIES</b>			
Accounts payable	\$ 647,208	\$ 251,501	\$ 22,286
Due to other funds	-	-	254,317
Retainage payable	-	-	-
Accrued salaries and benefits	14,332,148	1,041,762	221,719
Unearned revenue	-	6,943,896	4,710
Total liabilities	14,979,356	8,237,159	503,032
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	1,326,790	-	-
<b>FUND BALANCES</b>			
Nonspendable:			
Inventories	248,040	-	325,299
Restricted for:			
TABOR emergency reserve	-	-	-
Preschool	1,396,561	-	-
Debt service	-	-	-
Nutrition services	-	-	473,048
Capital projects	-	-	-
Assigned to:			
Capital projects	-	-	-
Special revenue funds	-	-	-
Unassigned	12,142,902	-	-
Total fund balances	13,787,503	-	798,347
Total liabilities, deferred inflows of resources and fund balances	\$ 30,093,649	\$ 8,237,159	\$ 1,301,379

The notes to the financial statements are an integral part of this statement.

<u>Capital Projects Building Funds</u>	<u>Capital Projects Capital Projects</u>	<u>Bond Redemption Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 138,432,595	\$ 13,447,906	\$ 14,397,374	\$ 531,969	\$ 198,909,176
-	-	-	-	254,317
-	-	-	43,323	1,092,327
-	-	-	-	3,236,972
-	-	726,251	-	3,145,475
-	-	-	-	573,339
<u>\$ 138,432,595</u>	<u>\$ 13,447,906</u>	<u>\$ 15,123,625</u>	<u>\$ 575,292</u>	<u>\$ 207,211,605</u>
\$ 9,891,853	\$ 110,678	\$ -	\$ -	\$ 10,923,526
-	-	-	-	254,317
470,960	-	-	-	470,960
-	516	-	-	15,596,145
-	-	-	4,943	6,953,549
<u>10,362,813</u>	<u>111,194</u>	<u>-</u>	<u>4,943</u>	<u>34,198,497</u>
-	-	397,159	-	1,723,949
-	-	-	-	573,339
-	5,934,299	-	-	5,934,299
-	-	-	-	1,396,561
-	-	14,726,466	-	14,726,466
-	-	-	-	473,048
128,069,782	-	-	-	128,069,782
-	7,402,413	-	-	7,402,413
-	-	-	570,349	570,349
-	-	-	-	12,142,902
<u>128,069,782</u>	<u>13,336,712</u>	<u>14,726,466</u>	<u>570,349</u>	<u>171,289,159</u>
<u>\$ 138,432,595</u>	<u>\$ 13,447,906</u>	<u>\$ 15,123,625</u>	<u>\$ 575,292</u>	<u>\$ 207,211,605</u>

*This page intentionally left blank.*



Mesa County Valley School District No. 51  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF NET POSITION**  
 June 30, 2018

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

Total fund balance - governmental funds	\$	171,289,159
Receivables that are not available soon enough to pay for the current year's expenditures are deferred inflows in the funds and reported as an increase in net position.		1,723,949
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of these assets is \$316,576,509 and the accumulated depreciation is \$105,312,773.		211,263,736
<p>The issuance of long-term debt (e.g., bonds, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences is as follows:</p>		
<u>Long-term debt:</u>	<u>Amount</u>	
Debt premiums	(29,818,493)	
Losses on bond refundings	6,459,869	(23,358,624)
Internal service funds are used by management to account for the costs of employee medical and dental insurance, workman compensation insurance, and other industrial coverage. The assets (\$16,146,916) and liabilities (\$3,930,701) of the internal service funds are included in governmental activities in the statement of net position.		12,216,215
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (see note 5).</p>		
Long-term liabilities	\$ (236,147,847)	
Bond premium payable	29,818,493	
Internal service funds claims payable	3,155,616	
Internal service funds compensated absences	<u>11,084</u>	(203,162,654)
The amount by which deferred outflows of resources are greater than deferred inflows of resources related to pensions and OPEB, both are not recorded in the funds (\$226,945,002 - \$40,066,587).		186,878,415
Net pension and OPEB liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(803,813,319)
Interest accrued on long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(855,217)</u>
Total net position - governmental activities (page 20)	\$	<u><u>(447,818,340)</u></u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended June 30, 2018

	<u>General</u>	<u>Governmental Designated Purpose Grants Special Revenue</u>	<u>Nutrition Services Special Revenue</u>
<b>REVENUES</b>			
Local sources	\$ 68,313,578	\$ 429,421	\$ 1,376,147
State sources	107,456,867	4,456,587	111,384
Federal sources	<u>380,152</u>	<u>11,819,361</u>	<u>4,785,229</u>
Total revenues	<u>176,150,597</u>	<u>16,705,369</u>	<u>6,272,760</u>
<b>EXPENDITURES</b>			
Current:			
Instructional services	102,765,235	7,470,440	-
Instructional support	33,897,804	8,366,361	-
Business support	29,760,116	255,387	-
Community services	169,422	569,401	-
Physical activities	-	-	-
Nutrition services	-	-	6,373,951
Capital outlay:	341,197	43,780	24,894
Debt Service:			
Lease financing principal	987,820	-	-
Lease financing interest and other	287,260	-	-
GO Bond principal	-	-	-
Bond issuance costs	-	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>168,208,854</u>	<u>16,705,369</u>	<u>6,398,846</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,941,743</u>	<u>-</u>	<u>(126,085)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from other funds	-	-	29,667
Transfers out to other funds	(3,856,030)	-	-
Issuance of capital lease debt	-	-	-
Issuance of 2018 Bond	-	-	-
Total other financing sources (uses)	<u>(3,856,030)</u>	<u>-</u>	<u>29,667</u>
Net change in fund balances	4,085,713	-	(96,418)
Fund balances - beginning	<u>9,701,790</u>	<u>-</u>	<u>894,765</u>
Fund balances - ending	<u>\$ 13,787,503</u>	<u>\$ -</u>	<u>\$ 798,347</u>

The notes to the financial statements are an integral part of this statement.

	Capital Projects Building Fund	Capital Projects Capital Projects	Bond Redemption Debt Service	Other Governmental Funds	Total Governmental Funds
\$	1,209,582	\$ 874,718	\$ 16,808,433	\$ 838,324	\$ 89,850,204
	-	-	-	-	112,024,838
	-	-	-	-	16,984,742
	<u>1,209,582</u>	<u>874,718</u>	<u>16,808,433</u>	<u>838,324</u>	<u>218,859,784</u>
	-	-	-	82,064	110,317,739
	-	-	-	2,285	42,266,450
	-	-	-	-	30,015,503
	-	-	-	386	739,209
	-	-	-	698,378	698,378
	-	-	-	-	6,373,951
	15,113,338	4,716,402	-	50,709	20,290,321
	-	422,967	-	-	1,410,787
	-	259,797	-	-	547,057
	-	-	7,980,000	-	7,980,000
	752,897	-	-	-	752,897
	-	-	4,854,106	-	4,854,106
	<u>15,866,235</u>	<u>5,399,166</u>	<u>12,834,106</u>	<u>833,822</u>	<u>226,246,398</u>
	<u>(14,656,653)</u>	<u>(4,524,448)</u>	<u>3,974,327</u>	<u>4,502</u>	<u>(7,386,614)</u>
	-	2,306,173	-	20,190	2,356,030
	-	-	-	-	(3,856,030)
	-	2,098,626	-	-	2,098,626
	142,726,435	-	-	-	142,726,435
	<u>142,726,435</u>	<u>4,404,799</u>	<u>-</u>	<u>20,190</u>	<u>143,325,061</u>
	128,069,782	(119,649)	3,974,327	24,692	135,938,447
	-	13,456,361	10,752,139	545,657	35,350,712
\$	<u><u>128,069,782</u></u>	<u><u>13,336,712</u></u>	<u><u>14,726,466</u></u>	<u><u>570,349</u></u>	<u><u>171,289,159</u></u>

Mesa County Valley School District No. 51  
**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds \$ 135,938,447

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized assets from capital outlay exceeded depreciation.

Capital outlays capitalized	\$ 15,186,863	
Depreciation expense - governmental activities	<u>(6,892,637)</u>	8,294,226

Governmental funds do not report capital assets and, therefore, do not report the net book value of capital assets and any gain or loss on their disposal. (617,468)

The governmental funds report debt issuance proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of long-term debt is as follows:

Debt principal payments	\$ 10,405,062	
Amortization of debt premiums	1,458,852	
Amortization of deferred loss on refunding	(1,005,931)	
Bond issuance proceeds	(118,500,000)	
Bond premium proceeds	(24,226,435)	
Capital lease proceeds	(2,098,626)	
Accrued interest payable - beginning	539,557	
Accrued interest payable - ending	<u>(855,217)</u>	(134,282,738)

In the governmental funds, expenditures for compensated absences are measured by the amount of financial resources used (essentially, the amounts actually paid to employees), whereas, in the statement of activities, they are measured as the benefits are earned by employees during the year. This is the amount compensated absences increased in the current year. (203,896)

Internal service funds are used by management to account for the costs of employee medical and dental insurance, workman compensation insurance, and other industrial coverage. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities plus \$11,904 of changes in compensated absences liability.

Revenues	\$ 21,538,714	
Expenses	<u>19,909,126</u>	1,629,588

Property tax receivables that will not be collected soon enough for reporting as available revenue in the funds and are reported as revenue in the statement of activities. This is the change in current deferred inflow from prior year. (1,448,325)

In the governmental funds, expenditures related to pension and OPEB obligations are measured by the amount of financial resources used (essentially, the amounts actually paid to the plans), whereas, in the statement of activities, they are measured on the full accrual basis. This is the amount of the increase in deferred outflows of resources (\$226,945,002 - \$283,299,164), the increase in net pension and OPEB liabilities (\$803,813,319 - \$743,993,774) and the decrease in deferred inflows of resources (\$40,066,587 - \$18,451,877) during the year and amortization related to prior year amounts. (137,788,417)

Change in net position of governmental activities (page 21) \$ (128,478,583)

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 49,178,889	\$ 55,678,889	\$ 56,015,860	\$ 336,971
Delinquent taxes	140,000	140,000	19,948	(120,052)
Specific ownership tax	8,418,706	8,418,706	10,215,553	1,796,847
Interest and penalties on taxes	160,000	160,000	5,760	(154,240)
Tuition	25,000	25,000	11,225	(13,775)
Investment income	144,225	249,250	235,472	(13,778)
District services to charter school	-	-	365,594	365,594
Miscellaneous	954,885	1,154,885	1,444,166	289,281
	<u>59,021,705</u>	<u>65,826,730</u>	<u>68,313,578</u>	<u>2,486,848</u>
State sources:				
State equalization entitlement	100,806,779	99,673,448	99,211,462	(461,986)
Special education	4,179,528	4,459,781	4,999,682	539,901
Transportation	1,320,170	1,320,170	1,259,114	(61,056)
Vocational education	2,064,398	2,064,398	1,595,360	(469,038)
Small attendance center	79,427	79,427	266,943	187,516
English language proficiency	174,134	174,134	124,306	(49,828)
	<u>108,624,436</u>	<u>107,771,358</u>	<u>107,456,867</u>	<u>(314,491)</u>
Federal sources:				
Mineral leases	345,458	345,458	303,187	(42,271)
Other	90,012	90,012	76,965	(13,047)
	<u>435,470</u>	<u>435,470</u>	<u>380,152</u>	<u>(55,318)</u>
 Total revenues	 <u>168,081,611</u>	 <u>174,033,558</u>	 <u>176,150,597</u>	 <u>2,117,039</u>

(Continued)

Mesa County Valley School District No. 51  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Elementary education	28,771,303	28,794,403	27,505,671	1,288,732
Middle school education	15,431,240	15,431,240	14,939,110	492,130
High school education	18,319,317	18,390,129	17,532,732	857,397
Vocational education/WCCC	2,054,499	2,054,499	2,370,614	(316,115)
High school programs	1,201,188	1,210,188	1,317,830	(107,642)
Integrated educational programs	1,852,995	1,852,995	1,809,804	43,191
Preschool/extended day programs	2,653,575	2,737,625	2,621,911	115,714
Extended enrichment education	1,148,556	1,148,556	1,104,165	44,391
Library	330,410	330,410	325,301	5,109
General instruction	6,575,509	10,156,017	7,992,095	2,163,922
Music activities	3,622,374	3,622,374	3,581,856	40,518
Physical Education	3,606,282	3,606,282	3,489,836	116,446
Special education	17,440,274	17,458,167	16,454,408	1,003,759
Cocurricular activities	1,645,531	1,645,531	1,719,902	(74,371)
Total instructional services	<u>104,653,053</u>	<u>108,438,416</u>	<u>102,765,235</u>	<u>5,673,181</u>
Instructional support:				
Instructional:				
Social work/attendance	956,211	956,211	1,210,842	(254,631)
Counseling	4,764,908	4,828,272	4,636,089	192,183
Nursing/mental health	2,618,557	2,618,557	2,475,012	143,545
Psychologists	2,333,305	2,333,305	2,033,117	300,188
Audiologists/therapists	231,650	231,650	235,505	(3,855)
Assessment/staff development	3,508,479	3,549,164	3,107,705	441,459
Media services	65,473	65,473	64,122	1,351
Instructional technology	394,253	394,253	395,293	(1,040)
Program administration	3,769,111	3,919,767	3,818,565	101,202
	<u>18,641,947</u>	<u>18,896,652</u>	<u>17,976,250</u>	<u>920,402</u>
General administration:				
Board of Education	181,323	132,806	165,290	(32,484)
Legal services	290,000	290,000	302,057	(12,057)
Treasurer's fee	135,000	135,000	183,987	(48,987)
Audit services	32,000	32,000	32,550	(550)
Office of the superintendent	492,062	492,062	543,461	(51,399)
Community relations services	63,929	63,929	51,861	12,068
Other executive administration services	1,047,815	1,097,315	1,204,848	(107,533)
School administration	12,681,189	12,681,189	13,437,500	(756,311)
	<u>14,923,318</u>	<u>14,924,301</u>	<u>15,921,554</u>	<u>(997,253)</u>
Total instructional support	<u>33,565,265</u>	<u>33,820,953</u>	<u>33,897,804</u>	<u>(76,851)</u>

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
Business support:				
Business:				
Business fiscal services	1,222,133	1,222,133	1,398,172	(176,039)
Indirect cost reimbursements	(865,000)	(865,000)	(908,522)	43,522
Purchasing	326,192	326,192	285,375	40,817
Warehouse	452,172	452,172	454,818	(2,646)
Print shop	169,825	169,825	162,001	7,824
Maintenance	903,353	903,353	942,045	(38,692)
Custodial	10,034,290	10,034,290	9,452,312	581,978
Grounds maintenance	1,146,010	1,146,010	1,132,097	13,913
Craftsmen	2,379,228	3,382,056	2,973,736	408,320
Transportation	5,355,325	5,518,611	6,991,460	(1,472,849)
	<u>21,123,528</u>	<u>22,289,642</u>	<u>22,883,494</u>	<u>(593,852)</u>
Central:				
Communication	652,358	652,358	989,434	(337,076)
Human resources	1,855,021	1,855,021	1,635,778	219,243
Information technology	3,768,312	4,068,312	3,866,038	202,274
Other support services	255,191	255,191	385,372	(130,181)
	<u>6,530,882</u>	<u>6,830,882</u>	<u>6,876,622</u>	<u>(45,740)</u>
Total business support	<u>27,654,410</u>	<u>29,120,524</u>	<u>29,760,116</u>	<u>(639,592)</u>
Community Services:	107,307	107,308	169,422	(62,114)
Total current expenditures	<u>165,980,035</u>	<u>171,487,201</u>	<u>166,592,577</u>	<u>4,894,624</u>
Capital Outlay	<u>135,513</u>	<u>187,482</u>	<u>341,197</u>	<u>(153,715)</u>
Contingency	<u>7,637,561</u>	<u>8,202,135</u>	<u>-</u>	<u>8,202,135</u>
Debt Service:				
Principal	-	-	987,820	(987,820)
Interest and fiscal charges	<u>2,500</u>	<u>2,500</u>	<u>287,260</u>	<u>(284,760)</u>
Total debt service expenditures	<u>2,500</u>	<u>2,500</u>	<u>1,275,080</u>	<u>(1,272,580)</u>
Total expenditures	<u>173,755,609</u>	<u>179,879,318</u>	<u>168,208,854</u>	<u>11,670,464</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,673,998)</u>	<u>(5,845,760)</u>	<u>7,941,743</u>	<u>13,787,503</u>
<b>OTHER FINANCE SOURCES (USES)</b>				
Transfers out	<u>(3,826,363)</u>	<u>(3,856,030)</u>	<u>(3,856,030)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,826,363)</u>	<u>(3,856,030)</u>	<u>(3,856,030)</u>	<u>-</u>
Net change in fund balances	(9,500,361)	(9,701,790)	4,085,713	13,787,503
Fund balances - beginning	<u>9,500,361</u>	<u>9,701,790</u>	<u>9,701,790</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,787,503</u>	<u>\$ 13,787,503</u>

(Concluded)

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**GOVERNMENTAL DESIGNATED PURPOSE GRANTS SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 910,790	\$ 788,566	\$ 429,421	\$ (359,145)
State sources	3,972,000	5,160,387	4,456,587	(703,800)
Federal sources	11,430,067	19,102,700	11,819,361	(7,283,339)
Total revenues	<u>16,312,857</u>	<u>25,051,653</u>	<u>16,705,369</u>	<u>(8,346,284)</u>
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Salaries	3,052,318	4,555,595	3,535,206	1,020,389
Fringe benefits	905,076	1,446,101	1,300,666	145,435
Contracted services	1,675,418	2,676,927	2,279,330	397,597
Supplies	475,781	760,187	355,238	404,949
	<u>6,108,593</u>	<u>9,438,810</u>	<u>7,470,440</u>	<u>1,968,370</u>
Instructional support:				
Salaries	6,566,251	9,800,149	4,773,917	5,026,232
Fringe benefits	1,204,573	1,924,626	1,592,688	331,938
Contracted services	1,631,009	2,613,172	1,900,709	712,463
Supplies	103,261	164,987	99,047	65,940
	<u>9,505,094</u>	<u>14,502,934</u>	<u>8,366,361</u>	<u>6,136,573</u>
Business support:				
Salaries	121,707	194,459	198,072	(3,613)
Fringe benefits	45,122	72,094	55,665	16,429
Contracted services	1,000	1,373	1,399	(26)
Supplies	500	1,554	251	1,303
	<u>168,329</u>	<u>269,480</u>	<u>255,387</u>	<u>14,093</u>
Community services:				
Salaries	132,177	211,189	150,183	61,006
Fringe benefits	57,406	91,722	60,421	31,301
Contracted services	276,557	328,031	318,475	9,556
Supplies	64,701	95,644	40,322	55,322
	<u>530,841</u>	<u>726,586</u>	<u>569,401</u>	<u>157,185</u>
Total current	<u>16,312,857</u>	<u>24,937,810</u>	<u>16,661,589</u>	<u>8,276,221</u>
Capital outlay	-	113,843	43,780	70,063
Total expenditures	<u>16,312,857</u>	<u>25,051,653</u>	<u>16,705,369</u>	<u>8,346,284</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**NUTRITION SERVICES SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources	\$ 1,384,247	\$ 1,427,663	\$ 1,369,001	\$ (58,662)
State sources	108,186	111,008	111,384	376
Federal sources	4,809,197	4,798,902	4,785,229	(13,673)
Miscellaneous revenue	1,100	3,900	7,146	3,246
Total revenues	6,302,730	6,341,473	6,272,760	(68,713)
<b>EXPENDITURES</b>				
Current:				
Food service direction:				
Salaries	373,757	380,944	377,371	3,573
Fringe benefits	104,302	108,063	105,649	2,414
Contracted services and supplies	289,600	292,387	332,891	(40,504)
	767,659	781,394	815,911	(34,517)
Food service preparation/serving				
Salaries	1,861,802	1,866,440	1,832,693	33,747
Fringe benefits	761,449	755,579	711,888	43,691
Contracted services and supplies	2,683,285	2,712,254	2,732,133	(19,879)
	5,306,536	5,334,273	5,276,714	57,559
Food delivery				
Salaries	147,601	150,133	153,631	(3,498)
Fringe benefits	37,819	37,988	38,296	(308)
Contracted services and supplies	23,500	20,000	39,537	(19,537)
	208,920	208,121	231,464	(23,343)
Catering				
Salaries	-	1,500	1,654	(154)
Fringe benefits	325	325	277	48
Contracted services and supplies	1,750	1,750	1,675	75
	2,075	3,575	3,606	(31)
Support services:				
Administration	41,000	41,000	46,257	(5,257)
	41,000	41,000	46,257	(5,257)
Contingency	853,744	878,817	-	878,817
Total current expenditures	7,179,934	7,247,180	6,373,951	873,229
Capital Outlay	-	18,725	24,894	(6,169)
Total expenditures	7,179,934	7,265,905	6,398,846	867,059
Excess (deficiency) of revenues over (under) expenditures	(877,204)	(924,432)	(126,085)	798,347
<b>OTHER FINANCE SOURCES (USES)</b>				
Transfer In	-	29,667	29,667	-
Total other financing sources (uses)	-	29,667	29,667	-
Net change in fund balances	(877,204)	(894,765)	(96,418)	798,347
Fund balances - beginning	877,204	894,765	894,765	-
Fund balances - ending	\$ -	\$ -	\$ 798,347	\$ 798,347

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
June 30, 2018

	Governmental Activities-- Internal Service Funds
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 16,140,137
Accounts receivable	6,779
Total current assets	16,146,916
Total assets	16,146,916
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	747,376
Accrued wages and benefits	16,625
Claims payable	2,611,575
Compensated absences payable	8,584
Total current liabilities	3,384,160
Noncurrent liabilities:	
Claims payable	544,041
Future compensated absences payable	2,500
Total noncurrent liabilities	546,541
Total liabilities	3,930,701
<b>NET POSITION</b>	
Unrestricted	12,216,215
Total net position	\$ 12,216,215

Mesa County Valley School District No. 51  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2018

	Governmental Activities-- Internal Service Funds
Operating revenues:	
Charges for sales and services:	
Premiums and copays for employees	\$ 2,984,362
Other professional services	16,869,500
Total operating revenues	19,853,862
Operating expenses:	
Worker compensation	1,208,505
Insurance premiums	429,111
Losses or claims	15,541,072
Other operating expenses	2,718,535
Total operating expenses	19,897,223
Operating income (loss)	(43,361)
Non-operating revenues (expenses):	
Investment income	184,852
Total nonoperating revenues	184,852
Income before other financing sources	141,491
Transfer in (out)	1,500,000
Change in net position	1,641,491
Total net position - beginning	10,574,724
Total net position - ending	\$ 12,216,215

Mesa County Valley School District No. 51  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
For the fiscal year ended June 30, 2018

	<u>Governmental Activities-- Internal Service Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 19,847,083
Payments to employees	(1,219,188)
Payments to vendors	(17,986,765)
Net cash provided (used) by operating activities	<u>641,130</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers from other funds	<u>1,500,000</u>
Net cash provided by investing activities	<u>1,500,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income received	<u>184,852</u>
Net cash provided by investing activities	<u>184,852</u>
Net increase (decrease) in cash and cash equivalents	2,325,982
Cash and cash equivalents, July 1	13,814,155
Cash and cash equivalents, June 30	<u>\$ 16,140,137</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	\$ (43,361)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in accounts receivable	(6,779)
Increase (decrease) in accounts payable	589,800
Increase (decrease) in accrued salaries and benefits	1,221
Increase (decrease) in claims payable	112,153
Increase (decrease) in compensated absences	(11,904)
Total adjustments	<u>684,491</u>
Net cash provided (used) by operating activities	<u>\$ 641,130</u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**STATEMENT OF FIDUCIARY NET POSITON**  
**STUDENT BODY ACTIVITY AGENCY FUND**  
June 30, 2018

---

**ASSETS**

Cash and investments \$ 2,435,612

**LIABILITIES**

Accounts payable \$ 1,177

Due to student groups 2,434,435

Total liabilities \$ 2,435,612

Mesa County Valley School District No. 51  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF NET POSITION**  
June 30, 2018

	Independence Academy Charter School	Juniper Ridge Community School	Mesa Valley Community School	Total Discretely Presented Component Units
<b>ASSETS</b>				
Cash and investments	\$ 3,554,806	\$ 462,029	\$ 1,552,381	\$ 5,569,216
Restricted cash and investments	631,756	-	-	631,756
Due from District	20,305	41,095	-	61,400
Accounts receivable (less allowance)	15,418	54,847	24,401	94,666
Prepaid expenses	-	51,782	10,105	61,887
Other assets	-	7,500	15,000	22,500
Capital assets (net of accumulated depreciation)	5,990,492	1,545,427	30,224	7,566,143
Total assets	<u>10,212,777</u>	<u>2,162,680</u>	<u>1,632,111</u>	<u>14,007,568</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	2,941,820	4,151,783	2,293,132	9,386,735
Related to OPEB	18,718	47,797	15,973	82,488
Total deferred outflows	<u>2,960,538</u>	<u>4,199,580</u>	<u>2,309,105</u>	<u>9,469,223</u>
<b>LIABILITIES</b>				
Accounts payable	27,875	2,059	3,360	33,294
Due to Agency Fund	12,250	-	-	12,250
Due to District	294,843	-	-	294,843
Interest payable	74,509	5,142	-	79,651
Accrued salaries and benefits	114,817	54,283	106,329	275,429
Unearned revenue	6,150	70,458	-	76,608
Current portion of long-term liabilities	120,000	1,167,919	-	1,287,919
Long term liabilities due more than one year:				
Compensated absences payable	-	-	81,299	81,299
Notes payable	5,354,367	128,193	-	5,482,560
Net pension liability	7,849,434	9,918,044	6,805,300	24,572,778
Net OPEB liability	179,242	226,486	155,404	561,132
Total liabilities	<u>14,033,487</u>	<u>11,572,584</u>	<u>7,151,692</u>	<u>32,757,763</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions	320,973	405,562	280,394	1,006,929
Related to OPEB	2,999	3,789	2,600	9,388
Total deferred inflows	<u>323,972</u>	<u>409,351</u>	<u>282,994</u>	<u>1,016,317</u>
<b>NET POSITION</b>				
Net investment in capital assets	1,147,881	249,315	30,224	1,427,420
Restricted for:				
Emergencies	103,000	89,732	86,679	279,411
Debt service	631,756	-	-	631,756
Unrestricted	(3,066,781)	(5,958,722)	(3,610,373)	(12,635,876)
Total net position	<u>\$ (1,184,144)</u>	<u>\$ (5,619,675)</u>	<u>\$ (3,493,470)</u>	<u>\$ (10,297,289)</u>

The notes to the financial statements are an integral part of this statement.

Mesa County Valley School District No. 51  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**COMBINING STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2018

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Independence Academy Charter School	Juniper Ridge Community School	Mesa Valley Community School	Total
<b>Independence Academy Charter School:</b>								
Governmental activities:								
Instructional services:	\$ 2,878,223	\$ 146,738	\$ 73,250	\$ -	\$ (2,658,235)	\$ -	\$ -	\$ (2,658,235)
Interest expense on long-term debt	225,663	-	-	-	(225,663)	-	-	(225,663)
Support services:								
School administration services	1,146,427	-	-	100,523	(1,045,904)	-	-	(1,045,904)
Total support services	1,146,427	-	-	100,523	(1,045,904)	-	-	(1,045,904)
Total - Independence Academy Charter School	4,250,313	146,738	73,250	100,523	(3,929,802)	-	-	(3,929,802)
<b>Juniper Ridge Community School:</b>								
Governmental activities:								
Instructional services:	\$ 3,913,233	\$ 114,148	\$ 72,226	\$ 94,556	\$ -	\$ (3,632,303)	\$ -	\$ (3,632,303)
Interest expense on long-term debt	61,133	-	-	-	-	(61,133)	-	(61,133)
Support services:								
Student support	842,601	-	-	-	-	(842,601)	-	(842,601)
School administration services	334,639	-	-	-	-	(334,639)	-	(334,639)
Business services	94,450	-	-	-	-	(94,450)	-	(94,450)
Operations and maintenance	250,629	-	-	-	-	(250,629)	-	(250,629)
Total support services	1,522,319	-	-	-	-	(1,522,319)	-	(1,522,319)
Total - Juniper Ridge Community School	5,496,685	114,148	72,226	94,556	-	(5,215,755)	-	(5,215,755)
<b>Mesa Valley Community School:</b>								
Governmental activities:								
Instructional services:	\$ 3,117,680	\$ 1,587	\$ 53,363	\$ 95,311	\$ -	\$ -	\$ (2,967,419)	\$ (2,967,419)
Support services:								
Student support	813,347	-	-	-	-	-	(813,347)	(813,347)
School administration services	85,044	-	-	-	-	-	(85,044)	(85,044)
Business services	106,744	-	-	-	-	-	(106,744)	(106,744)
Operations and maintenance	175,901	-	-	-	-	-	(175,901)	(175,901)
Total support services	1,181,036	-	-	-	-	-	(1,181,036)	(1,181,036)
Total - Mesa Valley Community School	4,298,716	1,587	53,363	95,311	-	-	(4,148,455)	(4,148,455)
Total component units	\$ 14,045,714	\$ 262,473	\$ 198,839	\$ 290,390	\$ (3,929,802)	\$ (5,215,755)	\$ (4,148,455)	\$ (13,294,012)
General revenues:								
State equalization not restricted to specific programs					2,777,028	2,608,706	2,630,164	8,015,898
Mill levy					111,644	110,156	105,856	327,656
Investment earnings					4,855	524	14,924	20,303
Miscellaneous unrestricted revenue					45,864	-	-	45,864
Special item, capital contribution from District					154,950	-	-	154,950
Total general revenues					3,094,341	2,719,386	2,750,944	8,564,671
Change in net position					(835,461)	(2,496,369)	(1,397,511)	(4,729,341)
Net position - beginning, restated					(348,683)	(3,123,306)	(2,095,959)	(5,567,948)
Net position - ending					\$ (1,184,144)	\$ (5,619,675)	\$ (3,493,470)	\$ (10,297,289)

The notes to the financial statements are an integral part of this statement.

*This page intentionally left blank.*



Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Mesa County Valley School District No. 51 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles.

The following is a summary of the District's significant accounting policies:

**A. Reporting Entity**

The District is governed by a five member Board of Education and is organized and operates in accordance with Colorado statutes. Board of Education members are elected by the citizens of Mesa County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District independently issues debt for short and long-term financing. The District meets the criteria of a primary government: its' Board is the publicly elected governing body; it is a legally separate entity; and, it is fiscally independent. The District is not included in any other governmental reporting entity.

**Discretely Presented Component Units.** The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-101" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "charter schools." Charter schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter schools have separate governing boards; however, the District's Board of Education must approve all charter school applications and budgets. There are three charter schools in the District: Independence Academy Charter School (IACS), Juniper Ridge Community School (JRCS), and Mesa Valley Community School (MVCS). The charter schools are discretely presented component units because the District is accountable for their financial reporting.

Complete financial statements for each charter school are available at each school's administrative office.

Independence Academy Charter School 675 29 Road Grand Junction, CO 81504 Phone: 970-254-6850	Juniper Ridge Community School 640 24 ½ Road Grand Junction, CO 81505 Phone: 970-986-8219	Mesa Valley Community School 2387 Patterson Road Grand Junction, CO 81505 Phone: 970-254-7202
--	---	---

**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 non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Likewise, the *primary government* is reported separately from its legally separate *component units* for which the primary government is financially accountable.

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 or segment. *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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The agency fund does not have a measurement focus, as it is merely a custodial fund.

Property taxes, interest and expended grants associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Governmental Designated Purpose Grants Special Revenue Fund* accounts for revenue and expenditures of funds as proscribed by various federal, state and local grantors as awarded to the District.

The *Nutrition Services Special Revenue Fund* accounts for revenue and expenditures of nutrition services related funds as proscribed by various federal, state and local grantors as awarded to the District.

The *Building Capital Projects Fund* accounts for revenues and expenditures for acquisition of capital sites, buildings and equipment.

The *Capital Projects Capital Projects Fund* accounts for revenues allocated to fund ongoing capital needs, such as site acquisition, building additions and renovations, and equipment purchases.

The *Bond Redemption Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the government reports the following fund types:

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

*Internal Service Funds* account for insurance provided to other departments or employees of the District on a cost reimbursement basis.

The *Student Body Activity Agency Fund* accounts for assets held by the District for student and teacher clubs and organizations.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Generally, this means that direct expenses for employee benefits are not eliminated from the various functional categories, whereas indirect expenses have been eliminated. Interfund activity is not eliminated in the fund financial statements.

The only proprietary funds at the District are the Internal Service funds. Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service funds are for industrial insurance, workmen's compensation and employee dental and health insurance provided to other funds. Operating expenses for the internal service funds include salaries, employee benefits, purchased services, supplies and insurance premiums and claims. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

1. *Cash and Investments*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government and the District to invest in obligations of the U.S. Treasury, obligations unconditionally guaranteed by U.S. agencies, certain international agency securities, certain types of bonds of U.S. local government entities, bankers acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, and guaranteed investment contracts.

Investments for the District are reported at fair value.

2. *Interfund Receivables and Payables*

Receivables and payables classified as "due from other funds" or "due to other funds" on the balance sheet arise from negative equity in pooled cash and investments. As of June 30, 2018, the Nutrition Services Fund has a due to other funds balance of \$254,317.

3. *Inventories*

Inventories of expendable supplies and materials are valued at cost using the weighted average basis. Inventory items are charged to expenditures when they are consumed. United States Department of Agriculture commodity inventories are valued using Federal guidelines.

4. *Capital Assets*

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., parking lots, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the District is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	75
Modular buildings and improvements	25
Building improvements	20
Land improvements and infrastructure	15
Grounds and shop equipment	12
Instructional equipment and phone systems	10
Vehicles and software	7
Office equipment and computers	5
Leased computers and servers	4

5. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of net position 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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The District has three items that qualify for reporting in this category. The first is the deferred charge on long-term debt refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The other two are the deferred outflow of resources related to the cost-sharing, multiple employer defined benefit pension and OPEB plans that they are affiliated with the Public Employees' Retirement Association. See Note 8 and 9 for additional information.

In addition to liabilities, the statement of net position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The District reports unavailable property taxes in this category. The property tax deferral is recognized as revenues in the period when received or within the subsequent fiscal year. The District also reports deferred inflow of resources related to the cost-sharing, multiple employer defined benefit pension and OPEB plans that they are affiliated with the Public Employees' Retirement Association. See Note 8 and 9 for additional information.

6. *Future Compensated Absences*

Future compensated absences consist of accumulated vacation and sick leave. The District's policy is to permit twelve-month employees to accumulate a limited amount of earned but unused vacation, which will be taken after June 30, 2018 or paid upon separation from District service. All employees will be compensated for unused accumulated leave based on various formulas, depending upon the employee's position.

Compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

example as a result of employee resignations and retirements. There were no such matured compensated absences as of June 30, 2018.

*7. Long-term obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statements of net position. Long-term debt premiums and discounts and loss on defeasance are deferred and amortized over the life of the related debt using the straight-line method, which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

*8. Net Position Flow Assumption*

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.

*9. Fund Balance Policies and Flow Assumptions*

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types.

Fund balances in the fund financial statements are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. In accordance with the statement, fund balances are classified in one of five categories: 1) nonspendable, 2) restricted, 3) committed, 4) assigned and 5) unassigned. Nonspendable fund balance represents assets that will never be converted to cash. Restricted fund balances reflect resources that are subject to externally enforceable legal restrictions. Committed fund balance is the portion that is limited in use by the Board of Education. The Board of Education is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Education. Assigned fund balances represent resources intended for a certain use by the District that do not meet the criteria to be classified as restricted or committed. Only the Board of Education assigns amounts for specific purposes. Unassigned fund balance for the general fund represents the net resource balances in excess of the prior classifications.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has directed otherwise in its commitment or assignment actions.

*10. Property Taxes*

The District's property taxes certified by the Board of Education by December 15 and levied on assessed valuation by the Mesa County Commissioners by December 22 are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28 and the remaining one-half on or before June 15. The Mesa County Treasurer collects all property taxes. The District portion of property

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

taxes collected are received by the 10th of the month following the month of collection, except for the months of March, May and June, when two payments are received.

*11. Pensions*

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

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.

*12. Adoption of GASB 75*

For the year ended June 30, 2018, the District adopted the provisions of Statement of Governmental Accounting Standards (GASB Statement) No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.

*13. Defined Benefit Other Post Employment Benefit Plan (OPEB)*

The District 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 the 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.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted for all funds on a basis consistent with GAAP, with two exceptions. Proceeds and subsequent payment to bond escrow agents of any bond refinancing transaction are not budgeted in the Bond Redemption Debt Service fund, as applicable. The Nutrition Services Special Revenue Fund budget differs from GAAP in that revenue and expenditures for commodities received from the U.S. Department of Agriculture are not budgeted as they are non-cash items.

In June, the Board of Education adopts the budget for the following fiscal year. In accordance with Colorado statutes, the Board makes final changes, if any, when it "readopts" the budget on or before January 31. The Board may amend or adopt supplemental budgets during the budget year.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

**B. Budgeted level of expenditures**

Expenditures may not legally exceed appropriations at the fund level. Administrative control is maintained through the use of detailed line-item budgets. Budgets must be amended at the fund level by the Board of Education. At year-end, all appropriations lapse in accordance with Colorado statutes.

Encumbrance accounting is employed in the governmental funds and proprietary funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. At June 30, 2018, the District had outstanding encumbrances of \$283,169 in General Fund, \$6,943,896 in Governmental Designated Purpose Grants Special Revenue Fund, \$1,115 in Nutrition Services Special Revenue Fund, and \$495,117 in Capital Projects Capital Projects Fund. The Governmental Designated Purpose Grants Special Revenue Fund's encumbrances of \$6,943,896 are included in unearned revenue.

The Capital Projects Capital Projects Fund expenditures are made pursuant to an annual resolution adopted by the Board of Education. Appropriations for capital expenditures are carried forward until such time as the project is completed or terminated. At year end, appropriations for any incomplete projects will be carried into the next year and added to the new year budget. This procedure allows for accurate presentation of budget to actual expenditures.

Appropriations for the Governmental Designated Purpose Grants Special Revenue Fund are made by the Board of Education as new grants are approved during the year. Many of the grants have fiscal year ends that differ from the District. In these circumstances, appropriations for these grants are carried into the next fiscal year and added to the new fiscal year's budget. This allows for accurate presentation of budget to actual expenditures.

**C. Proprietary and fiduciary funds appropriations**

The schedule below is presented to demonstrate compliance with School District Budget Law.

	<u>Appropriations</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Internal Service Funds:			
Insurance Reserve	\$ 5,649,032	\$ 1,908,176	\$ 3,740,856
Dental Insurance	2,428,633	1,158,569	1,270,064
Medical Insurance	21,471,106	16,830,478	4,640,628
Student Body Activity Agency Fun	12,000,000	4,296,393	7,703,607

**NOTE 3 – CASH AND INVESTMENTS**

Cash Deposits

The District's deposits are governed by Colorado statute. 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 maintained by another institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits. All deposits of the District and the component units are insured or collateralized with securities held by or for the entity.

The Colorado Divisions of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

At June 30, 2018, the District's cash deposits had a bank balance and a carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Cash on hand	\$ -	\$ 700
Insured deposits	500,000	500,000
Certificates of deposit	1,045,663	1,045,663
Deposits collateralized in single institution pools	<u>8,415,144</u>	<u>7,340,210</u>
	<u>\$ 9,960,807</u>	<u>\$ 8,886,573</u>

Investments

At June 30, 2017, the District's investments were as follows:

<u>Investment</u>	<u>Fair Value</u>
Local government investment pools	\$206,645,314
Certificates of deposit NR	<u>1,953,038</u>
Total Investments	<u>208,598,352</u>
Total cash and investments	<u>\$217,484,925</u>

*Interest rate risk.* The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Colorado statutes do not allow investment maturities to exceed five years.

The District voluntarily participates in local government investment pools, CSAFE and COLOTRUST, that exist under the laws of the State of Colorado and are registered with the Securities Commissioner of the State of Colorado. The pools are similar to money market funds, with each share valued at \$1. Assets of the pools are limited to those authorized by state statute, have a maximum slated maturity and weighted average maturity in accordance with Federal Securities Regulation 2a-7, and have a rating of AAAM by S&P. The fair value of the position in the investment pools approximates the value of the District's investment in the pools. The weighted average maturity of the pool's investments is less than sixty days which indicates the District's ability to withdraw money based on cash flow needs rather than when investments mature.

*Credit Risk.* Colorado statutes specify investment instruments meeting defined rating and risk criteria in which Colorado school districts may invest, which include:

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

The District's investment policy is to apply the "prudent investor" rule, which states "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculations, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

*Concentration of Credit Risk.* The District places no limit on the amount the District may invest in any one issuer. More than five percent of the District's investments are in public entity investment pools. These investments are 99% of the District's total investments.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 14,141,900	\$ –	\$ –	\$ 14,141,900
Construction in Progress	–	11,815,065	–	11,815,065
Capital assets, being depreciated:				
Buildings and building improvements	258,782,704	487,550	–	259,270,254
Land improvements	11,694,437	57,974	(10,048)	11,742,363
Equipment	<u>18,737,330</u>	<u>2,826,274</u>	<u>(1,956,677)</u>	<u>19,606,926</u>
Total capital assets being depreciated	<u>289,214,471</u>	<u>3,371,798</u>	<u>(1,966,725)</u>	<u>290,619,543</u>
Less accumulated depreciation for:				
Buildings and building improvements	(78,792,361)	(4,564,512)	–	(83,355,630)
Land improvements	(9,280,127)	(297,310)	10,048	(9,567,389)
Equipment	<u>(11,696,905)</u>	<u>(2,032,058)</u>	<u>1,339,210</u>	<u>(12,389,753)</u>
Total accumulated depreciation	<u>(99,769,393)</u>	<u>(6,892,637)</u>	<u>1,349,258</u>	<u>(105,312,773)</u>
Total capital assets being depreciated, net	<u>189,445,078</u>	<u>(3,520,839)</u>	<u>(617,468)</u>	<u>185,306,771</u>
Governmental activities capital assets, net	<u>\$ 203,586,978</u>	<u>\$ 8,294,226</u>	<u>\$ (617,468)</u>	<u>\$ 211,263,736</u>

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

<b>Governmental activities:</b>	
Instructional services	\$ 4,311,435
Pupil services	91,602
Instructional staff services	1,461,496
General administration services	2,899
School administration services	211,499
Business services	170,040
Maintenance and capital asset services	64,558
Transportation services	30,735
Central services	<u>548,373</u>
Total depreciation expense – governmental activities	<u>\$ 6,892,637</u>

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 5 – LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
General obligation bonds	\$73,210,000	\$ 118,500,000	\$ (7,980,000)	\$183,730,000	\$ 8,265,000
Certificates of Participation	7,140,000	–	(275,000)	6,865,000	280,000
Debt issuance premiums	7,050,910	24,226,435	(1,458,852)	29,818,493	2,165,187
Capital leases	10,293,769	2,098,626	(2,150,062)	10,242,333	2,614,953
Claims payable	3,043,463	16,182,266	(16,070,114)	3,155,615	2,661,574
Compensated absences	<u>2,132,510</u>	<u>1,144,424</u>	<u>(940,528)</u>	<u>2,336,406</u>	<u>1,400,000</u>
Governmental activities Long-term liabilities	<u>\$102,870,652</u>	<u>\$162,151,751</u>	<u>\$ (28,874,556)</u>	<u>\$ 236,147,847</u>	<u>\$ 17,386,714</u>

Internal service funds serve the governmental funds. Accordingly, long-term liabilities for them are included as \$3,155,615 of claims payable and \$11,084 of compensated absences in the above amounts. For the governmental activities, compensated absences are generally liquidated by the general fund.

General Obligation Bonds

In January 2018, the district issued \$118,500,000 of General Obligation Refunding Bonds, Series 2018 for priority 1 maintenance projects.

In July 2012, the District issued \$7,560,000 of General Obligation Refunding Bonds, Series 2012 to partially advance refund the Series 2004A General Obligation Bonds.

In September 2011, the District issued \$76,575,000 of General Obligation Refunding Bonds, Series 2011 to advance refund \$76,710,000 of the 2004A General Obligation Bonds.

Debt service for the 2011, 2012 and 2018 series bonds is accounted for in the Bond Redemption fund. The bond registrar and paying agent for the 2011 and 2012 bonds is Wells Fargo Bank, N.A., Denver, Colorado.

Bonds of the 2018 issue are dated February 13, 2018 and bear interest payable semi-annually on June 1 and December 1. Interest rates range from 5.0% to 5.5%, depending on maturity date. The bonds mature on June 1, 2018 through December 1, 2037 and are not subject to redemption prior to their respective maturities.

Bonds of the 2011 issue are dated September 22, 2011 and bear interest payable semi-annually on June 1 and December 1. Interest rates range from 2.0% to 5.0%, depending on maturity date. The bonds mature on December 1, 2012 through December 1, 2024 and are not subject to redemption prior to their respective maturities.

Bonds of the 2012 refunding issue are dated July 25, 2012 and bear interest payable semi-annually on June 1 and December 1. Interest rates range from 2.0% to 4.0%, depending on maturity date. The bonds mature on December 1, 2024 and are not subject to redemption prior to their maturity.

The District participates in the Colorado State Treasurer intercept program, in which the State of Colorado guarantees payment of principal and interest if the District defaults as such payments come due. As a condition of participation in the program, the Mesa County Treasurer is assigned to act as the third party trustee of the cash and investments in the Bond Redemption Debt Service Fund.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

Debt service requirements to maturity for general obligation bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rates</u>
Maturity – June 30,				
2019	\$ 8,265,000	\$ 8,904,176	\$ 17,169,176	2.25 - 5.00%
2020	8,535,000	8,621,463	17,156,463	2.25 - 5.50%
2021	8,825,000	8,265,163	17,090,163	2.25 - 5.00%
2022	9,260,000	7,865,357	17,125,357	2.25 - 5.00%
2023	9,650,000	7,439,563	17,089,563	0.00 - 5.00%
2024-2028	41,700,000	30,356,251	72,056,251	2.50 - 5.00%
2029-2033	42,620,000	20,478,469	63,098,469	5.00 - 5.00%
2034-2038	<u>54,875,000</u>	<u>7,810,013</u>	<u>62,685,013</u>	5.25 - 5.50%
	<u>\$ 183,730,000</u>	<u>\$99,740,455</u>	<u>\$ 283,470,455</u>	

Certificates of Participation

On September 15, 2015, the District issued \$7,355,000 in Certificates of Participation for construction of an alternative secondary school building that replaced existing sites. The Certificates were issued with an interest rate ranging from 2.00% to 4.25% with Nisley Elementary School acting as collateral for the Certificates. The first optional call date for the Certificates is on November 15, 2020 and the initial principal plus interest payment was due November 15, 2016.

Debt service requirements to maturity for certificates of participation are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Interest Rates</u>
Maturity – June 30,				
2019	\$ 280,000	\$ 249,069	\$ 529,069	3.00%
2020	290,000	240,519	530,519	3.00%
2021	300,000	231,669	531,669	3.00%
2022	310,000	225,519	535,519	3.00%
2023	320,000	213,069	533,069	3.00%
2024-2028	1,755,000	886,069	2,641,069	3.00-4.00%
2029-2033	2,125,000	520,228	2,645,228	3.25-4.00%
2034-2036	<u>1,485,000</u>	<u>96,369</u>	<u>1,581,369</u>	3.50-4.25%
	<u>\$ 6,865,000</u>	<u>\$ 2,662,511</u>	<u>\$ 9,527,511</u>	

Capitalized Lease Obligations

During 2009 through 2011, the District entered into leases for energy improvements with a capitalized value of \$9,506,583. Payments on the leases began in August, 2011. The final lease payments are due in May, 2027.

In June, 2015, the District entered into a \$451,170 lease agreement for copiers. Payments on the lease began in July, 2015. The lease term is five years.

In June, 2016, the District entered into a \$1,543,930 lease agreement for telephones. The phones were installed and operational as of June 30, 2016; however, payments on the lease did not begin until July 2016. Lease payments are annual.

In May and June, 2014, the District entered into two lease agreements in the amounts of \$1,029,725 and \$1,111,242, respectively, for desktop computers. Payments on the leases began in August, 2014.

In July, 2014, the District entered into two lease agreements in the amounts of \$141,711 and \$935,472 for additional computers. Payments on the leases began in August, 2014.

In June, 2016, the District entered into two lease agreements in the amounts of \$112,458 and \$290,595 for replacement computers. Payments on the leases commenced August, 2016.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

In June, 2017, the District entered into three lease agreements in the amounts of \$72,058, \$1,224,470, and \$214,470 for replacement computers. Payments on the leases began August 2017.

In September 2017, the District entered into a lease agreement of \$704,438 to lease busses. Payments are biannual starting September 2017.

In June 2018, the District entered into three Dell leases agreement in the amounts of \$281,448, \$18,816 and \$1,093,924 for computers. Payments on the leases began August 2018.

Debt Service payments on all leases are subject to annual appropriation.

The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The original assets acquired through capital leases are as follows:

Asset:	<u>Governmental Activities</u>
Equipment	\$ 9,225,927
Building improvements	<u>9,506,583</u>
Total asset acquisition value	<u>\$18,732,510</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

	<u>Governmental Activities</u>
2019	\$ 2,761,984
2020	2,222,644
2021	2,184,431
2022	1,344,134
2023	923,243
2024-2027	<u>1,967,345</u>
	11,403,781
Less amount representing interest	<u>(1,161,448)</u>
Present value of net minimum lease payments	<u>\$10,242,333</u>

**NOTE 6 – FUND BALANCES**

The Capital Projects Capital Projects Fund has a restricted fund balance for TABOR emergency reserve of \$5,934,299. The reserve is required by an amendment to the State Constitution, Article X, Section 20, known as the Tabor Amendment, which requires local government units to establish emergency reserves. The designation is three percent of fiscal year 2018 eligible expenditures. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 7 – INTERFUND TRANSFERS**

Interfund transfers during fiscal year 2018 were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Physical Activities Special Revenue Fund	\$ 20,190	\$ –
Capital Projects Capital Projects Fund	2,306,173	–
Nutrition Services Special Revenue Fund	29,667	–
General Fund	–	3,856,030
Insurance Reserve Fund	<u>1,500,000</u>	<u>–</u>
	<u>\$3,856,030</u>	<u>\$3,856,030</u>

The \$20,190 transfer from the General Fund to the Physical Activities Special Revenue Fund was made to fund costs in excess of revenues for sports programs of the District.

The \$2,306,173 transfer from the General Fund to the Capital Projects Capital Projects Fund was made to fund capital projects and building maintenance.

The \$1,500,000 transfer from the General Fund to the Insurance Reserve Fund was made to fund risk management services for the District.

The \$29,667 transfer from the General Fund to the Nutrition Services Fund was made to subsidize food service operations.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

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

- 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.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

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.

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

*Contributions provisions as of June 30, 2018:* Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer contribution rate <sup>1</sup>	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) <sup>1</sup>	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%	5.50%
<b>Total employer contribution rate to the SCHDTF<sup>1</sup></b>	<b>18.63%</b>	<b>19.13%</b>

<sup>1</sup>Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$21,641,878 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 District reported a liability of \$785,867,412 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 District proportion of the net pension liability was based on the District 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 District proportion was 2.4303 percent, which was a decrease of .01 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$159,211,504. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$14,448,791	\$-
Changes of assumptions or other inputs	200,661,146	1,273,347
Net difference between projected and actual earnings on pension plan investments	-	30,861,761
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	7,563,371
Contributions subsequent to the measurement date	11,155,397	N/A
Total	\$226,265,334	\$39,698,479

\$11,155,397 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:

<b>Year ended June 30, 2018:</b>	
2019	\$ 117,211,462
2020	69,393,276
2021	417,036
2022	(11,610,316)
2023	-
Thereafter	-

*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.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

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.

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 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 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:

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

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%
<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 4.78 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%.
- 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

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

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.

*Sensitivity of the District 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	\$992,684,199	\$785,867,412	\$617,335,347

*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.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

- 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.

At June 30, 2018, the District reported a liability of \$785,867,412 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 District 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%	\$ 355,048,084

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 \$366,847,817 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**NOTE 9 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the District 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.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

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.

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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$1,168,938 for the year ended June 30, 2018.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 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 District reported a liability of \$17,945,907 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 District proportion of the net OPEB liability was based on District 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 District proportion was 1.3809 percent, which was a decrease of .0063 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$1,387,730. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$84,869	\$-
Net difference between projected and actual earnings on OPEB plan investments	-	300,231
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	67,877
Contributions subsequent to the measurement date	594,799	N/A
Total	\$679,668	\$368,108

\$594,799 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:

<b>Year ended June 30, 2018:</b>	
2019	\$ (71,720)
2020	(71,720)
2021	(71,720)
2022	(71,691)
2023	3,345
Thereafter	267

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

*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 OPEB 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

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.

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%

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

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.

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.
- 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.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

- 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:

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%
<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%.

*Sensitivity of the District 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:

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

	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	\$17,452,146	\$17,945,907	\$18,540,610

*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.
- 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 District 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	\$20,176,841	\$17,945,907	\$16,041,743

*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).

**NOTE 10 – CHANGE IN ACCOUNTING PRINCIPLE**

Effective July 1, 2017, the District retroactively changed its method of accounting for OPEB contributions and related obligations to conform to GASBS No. 75, *Accounting and Financial Reporting for Postemployment*

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

---

*Benefits Other Than Pensions.* Under the new accounting method, the District accrues a net OPEB liability related to its participation in a multiple employer cost sharing OPEB plan. The effect of the change decreased beginning net position for 2018 by \$17,415,555, from (\$301,924,202) to (\$319,339,757).

**NOTE 11 – RISK MANAGEMENT**

The District has established an Insurance Reserve Internal Service Fund to account for insuring against loss or damage to property; payment of premiums on loss insurances; and payment of judgments, administrative and legal claims.

The District is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the District's participation as a member of the Colorado School District Self-Insurance Pool (the Pool), which operates as a risk-sharing public entity risk pool comprised of various school districts and other related public educational entities within the State of Colorado. The Pool provides the District with general, property and vehicle liability insurance. For the year ended June 30, 2018, the District paid \$429,111 in premiums to the Pool. In the event of the impairment or insolvency of the Pool, the District may be assessed such amounts as may be necessary to ensure the solvency of the Pool. The likelihood of an event of this type occurring is remote.

Commercial insurance companies are used to provide coverage for life insurance and other insurance programs maintained by the District. For each of the past three years, no settlements have exceeded the amount of insurance coverage. The District self-insures for vehicle comprehensive and collision coverage and worker's compensation coverage. Health, vision and life employee benefit insurances are not included in this fund and such premiums are recorded as employee benefits in the same funds as the salary expenditure.

The District had established a self-insured employee benefit dental insurance plan in 2002. In January, 2004 the District established a self-insured employee benefit medical insurance plan. Premiums paid by employees and District contributions are remitted to the Medical Insurance Internal Service Fund and the Dental Insurance Internal Service Fund by the fund that pays the salary expenditure. Payments of medical and dental claims and administrative costs are an expense of the internal service funds and these transactions are accounted for in the respective internal service funds.

Claims liabilities of \$1,044,041 in the Insurance Reserve Internal Service Fund, \$2,035,835 in the Medical Insurance Internal Service Fund and \$75,740 in the Dental Insurance Internal Service Fund were recorded at June 30, 2018 for the District's share of estimated ultimate losses for claims made and claims incurred but not reported, where information prior to the issuance of the financial statements and the amount of the loss can be reasonably estimated.

Mesa County Valley School District No. 51  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

Changes in the claims liability amounts in 2018 and 2017 were:

	<u>July 1</u> <u>Claims Payable</u>	<u>Claims</u> <u>and Changes</u> <u>in Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>June 30</u> <u>Claims Payable</u>
Dental coverage:				
<u>Year</u>				
2017	\$ 58,905	\$ 1,000,438	\$ (1,000,164)	\$ 59,179
2018	59,179	1,065,828	(1,049,267)	75,740
Medical coverage:				
<u>Year</u>				
2017	\$ 1,152,555	\$ 13,138,607	\$ (12,799,572)	\$ 1,491,590
2018	1,491,590	15,015,432	(14,471,187)	2,035,835
District coverage:				
<u>Year</u>				
2017	\$ 638,760	\$ 2,442,299	\$ (1,588,365)	\$ 1,492,694
2018	1,492,694	759,852	(1,208,505)	1,044,041

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

**Grants** – The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District’s independent auditors and other governmental auditors. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. Based on prior experience, the District administration believes such disallowance, if any, would be immaterial.

**Litigation** – The District is involved in various litigations. The District’s counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially affect the financial statements of the District.

**Tabor Amendment** – Colorado voters passed an amendment to the State Constitution, Article X, Section 20, known as the Tabor Amendment, which has several limitations including revenue raising, spending abilities, and other specific requirements of state and local governments. In a general election held on November 2, 1999, voters approved a ballot issue which allows the school district to exceed the revenue limitations for the year ended June 30, 1999 and in future years.

# **REQUIRED SUPPLEMENTARY INFORMATION**

Mesa County Valley School District No. 51

**SCHEDULE OF ACTIVITY - NET PENSION LIABILITY**

June 30, 2018

---

<u>Measurement Date</u>	<u>Employer proportion of NPL</u>	<u>Employer proportionate share of NPL</u>	<u>Employer covered payroll</u>	<u>Employer proportionate share of NPL as a percentage of covered payroll</u>	<u>Pension plan's fiduciary net position as a percentage of total pension liability</u>
December 31, 2014	2.6793%	\$ 363,135,378	\$ 104,046,561	349%	63%
December 31, 2015	2.4552%	375,508,406	106,992,550	351%	59%
December 31, 2016	2.4403%	726,578,219	110,846,175	655%	43%
December 31, 2017	2.4303%	785,867,412	112,094,703	701%	44%
December 31, 2018	-	-	-	-	-
December 31, 2019	-	-	-	-	-
December 31, 2020	-	-	-	-	-
December 31, 2021	-	-	-	-	-
December 31, 2022	-	-	-	-	-
December 31, 2023	-	-	-	-	-

Note: The future information will be displayed as it becomes available.

Mesa County Valley School District No. 51

**SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS**

June 30, 2018

---

<u>Measurement Date</u>	<u>Required employer contribution</u>	<u>Employer contributions recognized by the plan</u>	<u>Difference</u>	<u>Employer covered payroll</u>	<u>Contribution as a percentage of employer covered payroll</u>
June 30, 2015	\$ 18,812,548	\$ 18,812,548	\$ -	\$ 105,086,978	17.90%
June 30, 2016	19,376,687	19,376,687	-	109,269,410	17.73%
June 30, 2017	20,282,919	20,282,919	-	110,335,833	18.38%
June 30, 2018	21,641,878	21,641,878	-	114,601,772	18.88%
June 30, 2019	-	-	-	-	-
June 30, 2020	-	-	-	-	-
June 30, 2021	-	-	-	-	-
June 30, 2022	-	-	-	-	-
June 30, 2023	-	-	-	-	-
June 30, 2024	-	-	-	-	-

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

For the measurement period ended December 31, 2016, the discount rate changed from 7.5% to 5.26%. This change significantly affected the total plan net pension liability and the employer share of the net pension liability. There were no other changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.

Mesa County Valley School District No. 51

**SCHEDULE OF ACTIVITY - NET OPEB LIABILITY**

June 30, 2018

---

<u>Measurement Date</u>	<u>Employer proportion of NOPEBL</u>	<u>Employer proportionate share of NOPBL</u>	<u>Employer covered payroll</u>	<u>Employer proportionate share of NOPEBL as a percentage of covered payroll</u>	<u>OPEB plan's fiduciary net position as a percentage of total OPEB liability</u>
December 31, 2017	1.3809%	\$ 17,945,907	\$ 112,094,703	16%	18%
December 31, 2018	-	-	-	-	-
December 31, 2019	-	-	-	-	-
December 31, 2020	-	-	-	-	-
December 31, 2021	-	-	-	-	-
December 31, 2022	-	-	-	-	-
December 31, 2023	-	-	-	-	-
December 31, 2024	-	-	-	-	-
December 31, 2025	-	-	-	-	-
December 31, 2026	-	-	-	-	-

Note: The future information will be displayed as it becomes available.

**SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS**

June 30, 2018

---

<u>Measurement Date</u>	<u>Required employer contribution</u>	<u>Employer contributions recognized by the plan</u>	<u>Difference</u>	<u>Employer covered payroll</u>	<u>Contribution as a percentage of employer covered payroll</u>
June 30, 2018	\$ 1,168,938	\$ 1,168,938	\$ -	\$ 114,601,772	1.02%
June 30, 2019	-	-	-	-	-
June 30, 2020	-	-	-	-	-
June 30, 2021	-	-	-	-	-
June 30, 2022	-	-	-	-	-
June 30, 2023	-	-	-	-	-
June 30, 2024	-	-	-	-	-
June 30, 2025	-	-	-	-	-
June 30, 2026	-	-	-	-	-
June 30, 2027	-	-	-	-	-

Note 1: Factors that Significantly Affect Trends in the Amounts Reported

There were no changes in benefit terms, size or composition of the population covered by the benefit terms, or assumptions used that significantly affect trends in the amounts reported.

*This page intentionally left blank.*





**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2000 - MESA COUNTY VALLEY 51  
 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	8,375,067	169,198,270	165,182,395		12,390,942
18 Risk Mgmt Sub-Fund of General Fund	0	0	0		0
19 Colorado Preschool Program Fund	1,326,724	3,096,297	3,026,460		1,396,561
<b>Sub-Total</b>	<b>9,701,791</b>	<b>172,294,567</b>	<b>168,208,854</b>		<b>13,787,503</b>
11 Charter School Fund	4,278,353	10,850,981	9,380,333		5,749,001
20,26-29 Special Revenue Fund	329,108	216,336	135,442		410,001
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0		0
21 Food Service Spec Revenue Fund	894,766	6,302,427	6,398,846		798,347
22 Govt Designated-Purpose Grants Fund	0	16,705,368	16,705,368		0
23 Pupil Activity Special Revenue Fund	216,548	642,178	698,378		160,348
24 Full Day Kindergarten Mill Levy Override	0	0	0		0
25 Transportation Fund	0	0	0		0
31 Bond Redemption Fund	10,752,139	16,808,433	12,834,106		14,726,466
39 Certificate of Participation (COP) Debt Service Fund	0	0	0		0
41 Building Fund	0	143,936,017	15,866,235		128,069,782
42 Special Building Fund	0	0	0		0
43 Capital Reserve Capital Projects Fund	13,456,360	5,279,517	5,399,165		13,336,712
46 Supplemental Cap Const, Tech, Main Fund	0	0	0		0
<b>Totals</b>	<b>39,629,065</b>	<b>373,035,824</b>	<b>235,626,729</b>		<b>177,038,160</b>
<b>Proprietary</b>					
50 Other Enterprise Funds	0	0	0		0
64 (63) Risk-Related Activity Fund	4,303,885	5,765,659	3,066,746		7,002,798
60,65-69 Other Internal Service Funds	6,270,840	15,773,055	16,830,478		5,213,417
<b>Totals</b>	<b>10,574,725</b>	<b>21,538,714</b>	<b>19,897,223</b>		<b>12,216,215</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	2,272,770	4,455,368	4,293,704		2,434,434
79 GASB 34:Permanent Fund	0	0	0		0
85 Foundations	0	0	0		0
<b>Totals</b>	<b>2,272,770</b>	<b>4,455,368</b>	<b>4,293,704</b>		<b>2,434,434</b>

FINAL

*This page intentionally left blank.*



# **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULE**

## **Component of General fund Component - 2018 Mill Levy**

In November 2017, School District 51 voters approved a mill levy override to raise property taxes within District 51 boundaries by \$6.5 million annually for ten years. The funds are for the purpose of adding additional student counts days, updating instructional materials and educator training, and helping extend the life of buildings and additional positions for technology support. The 2018 Mill Levy fund in part of the General fund.

### **Nonmajor Governmental Funds**

#### **Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Career Center Grant Fund – accounts for the use of donations and revenues generated by the building construction projects of the students in the career center program. Due to the depressed housing market, the program did not construct a house this year.

Physical Activities Fund – accounts for most of the revenue and expenditures associated with the athletic programs at the high schools.

Beverage Fund – accounts for the money received from a “Sponsorship Agreement” entered into with Swire Pacific Holding, Inc. and expenditure of the funds as per management directives.

Adult Education/Local Projects Fund – accounts for the tuition and fees received from students of adult education and online programs and expenditures related to conducting the programs and miscellaneous grant revenues and expenditures from non-government grantors.

### **Major Governmental Funds**

#### **Capital Projects Fund**

Capital Projects Funds are used to account for the financial resources used for the acquisition or construction of major capital equipment or facilities.

Building Fund – accounts for funds from Certificates of Participation proceeds and related expenditures for construction of a new R5/Summit School facility.

Capital Projects – accounts for funds transferred from the General Fund and proceeds of capital leases and related expenditures for capital acquisitions, capital maintenance, and capital projects.

#### **Debt Service Fund**

Debt service funds are used to account for the accumulation of resources and payment of principal and interest related to the District’s general obligation bond debt.

Bond Redemption Fund – accounts for the property taxes received and the payment of principal and interest on the District’s General Obligation bonds: Series 1996 approved by the voters in November, 1996 and the related partial refunding issue Series 2004, and Series 2004A approved by the voters in November, 2004 and the related partial refunding issue Series 2011.

Mesa County Valley School District No. 51  
**BALANCE SHEET**  
**COMPONENT OF GENERAL FUND - MILL LEVY 2018**  
June 30, 2018

---

**ASSETS**

Current assets:

Cash and investments	\$ 4,308,438
Total current assets	<u>\$ 4,308,438</u>

**LIABILITIES**

Current liabilities:

Accounts payable	\$ 30,904
Retainage payable	<u>8,590</u>
Total current liabilities	<u>39,494</u>

Total liabilities	<u>39,494</u>
-------------------	---------------

**NET POSITION**

Unrestricted	<u>4,268,944</u>
Total net position	<u><u>\$ 4,268,944</u></u>

Mesa County Valley School District No. 51  
**COMPONENT OF GENERAL FUND - MILL LEVY 2018**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ -	\$ 6,500,000	\$ 6,351,846	\$ (148,154)
Specific ownership tax	-	-	390,108	390,108
Investment income	-	-	13,108	13,108
	<u>-</u>	<u>6,500,000</u>	<u>6,755,062</u>	<u>255,062</u>
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
General instruction	-	3,580,508	12,833	3,567,675
Instructional support:				
Treasurer's fee	-	-	15,878	(15,878)
Business support:				
Craftsmen	-	1,000,000	717,023	282,977
Information technology	-	300,000	93,460	206,540
Capital Outlay	-	-	44,407	(44,407)
Total expenditures	<u>-</u>	<u>4,880,508</u>	<u>883,601</u>	<u>3,996,907</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>1,619,492</u>	<u>5,871,461</u>	<u>4,251,969</u>
<b>OTHER FINANCE SOURCES (USES)</b>				
Transfers out	-	(1,619,492)	(1,602,517)	16,975
Total other financing sources (uses)	<u>-</u>	<u>(1,619,492)</u>	<u>(1,602,517)</u>	<u>16,975</u>
Net change in fund balances	-	-	4,268,944	4,268,944
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,268,944</u>	<u>\$ 4,268,944</u>

Mesa County Valley School District No. 51  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2018

	Special Revenue				Total Nonmajor Governmental Funds
	Career Center Grant	Physical Activities	Beverage	Adult Education/ Local Projects	
<b>ASSETS</b>					
Cash and investments	\$ 99,719	\$ 160,348	\$ 240,621	\$ 31,281	\$ 531,969
Accounts receivable	<u>43,323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,323</u>
Total assets	<u>\$ 143,042</u>	<u>\$ 160,348</u>	<u>\$ 240,621</u>	<u>\$ 31,281</u>	<u>\$ 575,292</u>
<b>LIABILITIES</b>					
Unearned revenue	\$ -	\$ -	\$ -	\$ 4,943	\$ 4,943
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,943</u>	<u>4,943</u>
<b>FUND BALANCES</b>					
Assigned to:					
Special revenue funds	<u>143,042</u>	<u>160,348</u>	<u>240,621</u>	<u>26,338</u>	<u>570,349</u>
Total fund balances	<u>143,042</u>	<u>160,348</u>	<u>240,621</u>	<u>26,338</u>	<u>570,349</u>
Total liabilities and fund balances	<u>\$ 143,042</u>	<u>\$ 160,348</u>	<u>\$ 240,621</u>	<u>\$ 31,281</u>	<u>\$ 575,292</u>

Mesa County Valley School District No. 51  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the fiscal year ended June 30, 2018

	Special Revenue				Total Nonmajor Governmental Funds
	Career Center Grant	Physical Activities	Beverage	Adult Education/ Local Projects	
<b>REVENUES</b>					
Local sources	\$ 144,934	\$ 621,988	\$ 61,695	\$ 9,707	\$ 838,324
Total revenues	<u>144,934</u>	<u>621,988</u>	<u>61,695</u>	<u>9,707</u>	<u>838,324</u>
<b>EXPENDITURES</b>					
Current:					
Instructional services	38,570	-	22,744	20,750	82,064
Instructional support	-	-	2,285	-	2,285
Community services	-	-	-	386	386
Physical activities	-	698,378	-	-	698,378
Capital outlay	<u>42,239</u>	<u>-</u>	<u>8,470</u>	<u>-</u>	<u>50,709</u>
Total expenditures	<u>80,809</u>	<u>698,378</u>	<u>33,499</u>	<u>21,136</u>	<u>833,822</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,125</u>	<u>(76,390)</u>	<u>28,196</u>	<u>(11,429)</u>	<u>4,502</u>
<b>OTHER FINANCING SOURCES</b>					
Transfer in	<u>-</u>	<u>20,190</u>	<u>-</u>	<u>-</u>	<u>20,190</u>
Net change in fund balances	64,125	(56,200)	28,196	(11,429)	24,692
Fund balances - beginning	<u>78,917</u>	<u>216,548</u>	<u>212,425</u>	<u>37,767</u>	<u>545,657</u>
Fund balances - ending	<u>\$ 143,042</u>	<u>\$ 160,348</u>	<u>\$ 240,621</u>	<u>\$ 26,338</u>	<u>\$ 570,349</u>

Mesa County Valley School District No. 51  
**CAREER CENTER GRANT SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Career Center grant	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Project sales	200,000	223,666	144,934	(78,732)
Investment income	100	100	-	(100)
Total revenues	230,100	253,766	144,934	(108,832)
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Supplies	200,000	272,924	38,570	234,354
Contingency:	110,017	59,759	-	59,759
Total current	310,017	332,683	38,570	294,113
Capital outlay:				
Land Acquisition	-	-	42,239	(42,239)
Total expenditures	310,017	332,683	80,809	251,874
Excess (deficiency) of revenues over (under) expenditures	(79,917)	(78,917)	64,125	143,042
Fund balances - beginning	79,917	78,917	78,917	-
Fund balances - ending	\$ -	\$ -	\$ 143,042	\$ 143,042

Mesa County Valley School District No. 51  
**PHYSICAL ACTIVITIES SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget- Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Athletic fees	\$ 360,000	\$ 360,000	\$ 341,587	\$ (18,413)
Gate receipts	260,000	260,000	243,855	(16,145)
Contributions	35,000	35,000	36,546	1,546
Total revenues	<u>655,000</u>	<u>655,000</u>	<u>621,988</u>	<u>(33,012)</u>
<b>EXPENDITURES</b>				
Current:				
Physical activities:				
Playoffs	155,690	155,690	146,993	8,697
Basketball, girls	46,000	46,000	57,598	(11,598)
Cheerleader/Poms	15,000	15,000	9,459	5,541
Golf, girls	8,000	8,000	4,128	3,872
Soccer, girls	22,500	22,500	20,783	1,717
Softball, girls	32,500	32,500	31,221	1,279
Swimming, girls	12,000	12,000	8,560	3,440
Tennis, girls	6,500	6,500	3,560	2,940
Volleyball	27,000	27,000	14,730	12,270
LaCrosse, girls	37,500	37,500	39,449	(1,949)
Baseball	32,000	32,000	41,345	(9,345)
Basketball, boys	46,000	46,000	48,149	(2,149)
Football	122,000	122,000	120,185	1,815
Golf, boys	8,000	8,000	11,212	(3,212)
Soccer, boys	22,500	22,500	20,945	1,555
Swimming, boys	10,000	10,000	5,309	4,691
Tennis, boys	6,500	6,500	6,339	161
Wrestling	34,000	34,000	42,417	(8,417)
LaCrosse, boys	27,000	27,000	26,281	719
Cross country	12,000	12,000	12,549	(549)
Track	26,500	26,500	25,352	1,148
Schoarships	1,190	1,190	204	986
Athletic Director Travel	3,000	3,000	1,610	1,390
Contingency	197,228	178,358	-	178,358
Total expenditures	<u>910,608</u>	<u>891,738</u>	<u>698,378</u>	<u>193,360</u>
Excess (deficiency) of revenues over (under) expenditures	(255,608)	(236,738)	(76,390)	160,348
<b>Other financing sources:</b>				
Transfer in	20,190	20,190	20,190	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(235,418)	(216,548)	(56,200)	160,348
Fund balances - beginning	235,418	216,548	216,548	-
Fund balances - ending	\$ <u>-</u>	\$ <u>-</u>	\$ <u>160,348</u>	\$ <u>160,348</u>

Mesa County Valley School District No. 51  
**BEVERAGE SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Program revenue	\$ 55,308	\$ 55,308	\$ 57,953	\$ 2,645
Investment income	<u>1,200</u>	<u>1,200</u>	<u>3,742</u>	<u>2,542</u>
Total revenues	<u>56,508</u>	<u>56,508</u>	<u>61,695</u>	<u>5,187</u>
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Student programs	<u>42,200</u>	<u>42,200</u>	<u>22,744</u>	<u>19,456</u>
Instructional support:				
Staff development	<u>14,308</u>	<u>14,308</u>	<u>2,285</u>	<u>12,023</u>
Contingency	<u>214,378</u>	<u>212,426</u>	<u>-</u>	<u>212,426</u>
Total current	<u>270,886</u>	<u>268,934</u>	<u>25,029</u>	<u>243,905</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>8,470</u>	<u>(8,470)</u>
Total expenditures	<u>270,886</u>	<u>268,934</u>	<u>33,499</u>	<u>235,435</u>
Excess (deficiency) of revenues over (under) expenditures	(214,378)	(212,426)	28,196	240,622
Fund balances - beginning	<u>214,378</u>	<u>212,426</u>	<u>212,425</u>	<u>(1)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,621</u>	<u>\$ 240,621</u>

Mesa County Valley School District No. 51  
**ADULT EDUCATION/LOCAL PROJECTS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance With Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Tuition and fees	\$ 8,000	\$ 8,000	\$ 8,625	\$ 625
Donations	6,025	6,025	1,082	(4,943)
	14,025	14,025	9,707	(4,318)
<b>EXPENDITURES</b>				
Current:				
Instructional services:				
Salaries	-	-	952	(952)
Employee benefits	-	-	222	(222)
Supplies	10,025	10,025	19,576	(9,551)
	10,025	10,025	20,750	(10,725)
Instructional support:				
Staff development	2,000	2,000	-	2,000
Community services:				
Supplies	1,000	1,000	386	614
Contingency	47,468	38,768	-	38,768
Total current	60,493	51,793	21,136	30,657
Total expenditures	60,493	51,793	21,136	30,657
Excess (deficiency) of revenues over (under) expenditures	(46,468)	(37,768)	(11,429)	26,339
Fund balances - beginning	46,468	37,768	37,767	(1)
Fund balances - ending	\$ -	\$ -	\$ 26,338	\$ 26,338

Mesa County Valley School District No. 51  
**CAPITAL PROJECTS BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Investment income	\$ -	\$ -	\$ 1,209,582	\$ 1,209,582
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>1,209,582</u>	<u>1,209,582</u>
<b>EXPENDITURES</b>				
Capital outlay:				
New Construction	-	30,000,000	11,923,930	18,076,070
Equipment	-	-	3,042,946	(3,042,946)
Furniture and fixtures	-	-	3,632	(3,632)
Other professional services	-	-	142,830	(142,830)
Contingency	-	109,800,000	-	109,800,000
Total Capital outlay	<u>-</u>	<u>139,800,000</u>	<u>15,113,338</u>	<u>124,686,662</u>
Debt service:				
Bond issuance cost	-	-	752,897	(752,897)
Total expenditures	<u>-</u>	<u>139,800,000</u>	<u>15,866,235</u>	<u>123,933,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(139,800,000)</u>	<u>(14,656,653)</u>	<u>125,143,347</u>
<b>OTHER FINANCE SOURCES (USES)</b>				
Issuance of 2018 Bond	-	118,500,000	118,500,000	-
Premium on 2018 Bond	-	21,300,000	24,226,435	2,926,435
Total other financing sources (uses)	<u>-</u>	<u>139,800,000</u>	<u>142,726,435</u>	<u>2,926,435</u>
Net change in fund balances	-	-	128,069,782	128,069,782
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 128,069,782</u>	<u>\$ 128,069,782</u>

Mesa County Valley School District No. 51  
**CAPITAL PROJECTS CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Local sources:				
Investment income	\$ 110,000	\$ 110,000	\$ 191,317	\$ 81,317
Miscellaneous	450,000	650,000	683,401	33,401
Total revenues	<u>560,000</u>	<u>760,000</u>	<u>874,718</u>	<u>114,718</u>
<b>EXPENDITURES</b>				
Capital outlay:				
Ground improvements/land	153,000	153,000	131,006	21,994
Buildings	1,200,000	1,200,000	325,102	874,898
Equipment	1,214,709	1,214,709	3,387,778	(2,173,069)
Other capital outlay	391,657	391,657	872,516	(480,859)
Contingency	11,329,559	11,850,226	-	11,850,226
Total capital outlay	<u>14,288,925</u>	<u>14,809,592</u>	<u>4,716,402</u>	<u>10,093,190</u>
Debt service:				
Lease financing principal	1,549,080	1,697,048	422,967	1,274,081
Lease financing interest and other	257,394	257,394	259,797	(2,403)
Total debt service	<u>1,806,474</u>	<u>1,954,442</u>	<u>682,764</u>	<u>1,271,678</u>
Total expenditures	<u>16,095,399</u>	<u>16,764,034</u>	<u>5,399,166</u>	<u>11,364,868</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,535,399)</u>	<u>(16,004,034)</u>	<u>(4,524,448)</u>	<u>11,479,586</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	2,306,173	2,306,173	2,306,173	-
Issuance of capital lease debt	241,500	241,500	2,098,626	1,857,126
Total other financing sources (uses)	<u>2,547,673</u>	<u>2,547,673</u>	<u>4,404,799</u>	<u>1,857,126</u>
Net change in fund balances	(12,987,726)	(13,456,361)	(119,649)	13,336,712
Fund balances - beginning	<u>12,987,726</u>	<u>13,456,361</u>	<u>13,456,361</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,336,712</u>	<u>\$ 13,336,712</u>

Mesa County Valley School District No. 51  
**BOND REDEMPTION DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -**  
**BUDGET AND ACTUAL**  
For the fiscal year ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local sources:				
Property taxes	\$ 10,937,120	\$ 16,982,781	\$ 16,802,813	\$ (179,968)
Delinquent taxes	<u>46,000</u>	<u>46,000</u>	<u>5,621</u>	<u>(40,379)</u>
Total revenues	<u>10,983,120</u>	<u>17,028,781</u>	<u>16,808,433</u>	<u>(220,348)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	7,980,000	7,980,000	7,980,000	-
Interest and fiscal charges	3,002,450	4,779,950	4,854,106	(74,156)
Contingency	<u>10,794,342</u>	<u>15,020,970</u>	<u>-</u>	<u>15,020,970</u>
Total expenditures	<u>21,776,792</u>	<u>27,780,920</u>	<u>12,834,106</u>	<u>14,946,814</u>
Net change in fund balances	(10,793,672)	(10,752,139)	3,974,327	14,726,466
Fund balances - beginning	<u>10,793,672</u>	<u>10,752,139</u>	<u>10,752,139</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,726,466</u>	<u>\$ 14,726,466</u>

### **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Insurance Reserve Fund – accounts for the cost of District insurance services provided to schools and departments in the District, including property, liability, and worker's compensation coverage.

Dental Insurance Fund – accounts for the premiums collected from employees and District contributions and costs of administration and dental claims of a self-insured employee benefit dental plan.

Medical Insurance Fund – accounts for the premiums collected from employees and District contributions and costs of administration and medical claims of a self-insured employee benefit medical plan.

Mesa County Valley School District No. 51  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
June 30, 2018

	Insurance Reserve Fund	Dental Insurance Fund	Medical Insurance Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 7,066,888	\$ 1,260,108	\$ 7,813,141	\$ 16,140,137
Accounts receivable	404	-	6,375	6,779
Total current assets	<u>\$ 7,067,292</u>	<u>\$ 1,260,108</u>	<u>\$ 7,819,516</u>	<u>\$ 16,146,916</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 93,444	\$ 89,146	\$ 564,786	\$ 747,376
Accrued wages and benefits	11,147	-	5,478	16,625
Claims payable	500,000	75,740	2,035,835	2,611,575
Compensated absences payable	8,584	-	-	8,584
Total current liabilities	<u>613,175</u>	<u>164,886</u>	<u>2,606,099</u>	<u>3,384,160</u>
Noncurrent liabilities:				
Claims payable	544,041	-	-	544,041
Future compensated absences payable	2,500	-	-	2,500
Total noncurrent liabilities	<u>546,541</u>	<u>-</u>	<u>-</u>	<u>546,541</u>
Total liabilities	<u>1,159,716</u>	<u>164,886</u>	<u>2,606,099</u>	<u>3,930,701</u>
<b>NET POSITION</b>				
Unrestricted	<u>\$ 5,907,576</u>	<u>\$ 1,095,222</u>	<u>\$ 5,213,417</u>	<u>\$ 12,216,215</u>

Mesa County Valley School District No. 51  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
For the fiscal year ended June 30, 2018

	<u>Insurance Reserve Fund</u>	<u>Dental Insurance Fund</u>	<u>Medical Insurance Fund</u>	<u>Total</u>
Operating revenues:				
Premiums and copays for employees	\$ 2,984,362	\$ -	\$ -	\$ 2,984,362
Other professional services	-	1,212,439	15,657,061	16,869,500
Total operating revenues	<u>2,984,362</u>	<u>1,212,439</u>	<u>15,657,061</u>	<u>19,853,862</u>
Operating expenses:				
Worker compensation	1,208,505	-	-	1,208,505
Insurance premiums	429,111	-	-	429,111
Losses or claims	20,618	1,049,267	14,471,187	15,541,072
Other operating expenses	249,942	109,302	2,359,291	2,718,535
Total operating expenses	<u>1,908,176</u>	<u>1,158,569</u>	<u>16,830,478</u>	<u>19,897,223</u>
Operating income (loss)	1,076,186	53,870	(1,173,417)	(43,361)
Non-operating revenues:				
Investment income	68,859	-	115,993	184,852
Transfers in (out)	1,500,000	-	-	1,500,000
Total non-operating revenues	<u>1,568,859</u>	<u>-</u>	<u>115,993</u>	<u>1,684,852</u>
Change in net position	2,645,045	53,870	(1,057,424)	1,641,491
Total net position - beginning	<u>3,262,531</u>	<u>1,041,352</u>	<u>6,270,841</u>	<u>10,574,724</u>
Total net position - ending	<u>\$ 5,907,576</u>	<u>\$ 1,095,222</u>	<u>\$ 5,213,417</u>	<u>\$ 12,216,215</u>

Mesa County Valley School District No. 51  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF CASH FLOWS**  
For the fiscal year ended June 30, 2018

	Insurance Reserve Fund	Dental Insurance Fund	Medical Insurance Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,983,958	\$ 1,212,439	\$ 15,650,686	\$ 19,847,083
Payments to employees	(1,224,666)	-	5,478	(1,219,188)
Payments to vendors	(1,110,121)	(1,121,682)	(15,754,962)	(17,986,765)
Net cash provided (used) by operating activities	<u>649,171</u>	<u>90,757</u>	<u>(98,798)</u>	<u>641,130</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>1,500,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income received	<u>68,859</u>	<u>-</u>	<u>115,993</u>	<u>184,852</u>
Net cash provided by investing activities	<u>68,859</u>	<u>-</u>	<u>115,993</u>	<u>184,852</u>
Net increase (decrease) in cash and cash equivalents	2,218,030	90,757	17,195	2,325,982
Cash and cash equivalents, July 1	4,848,860	1,169,351	7,795,944	13,814,155
Cash and cash equivalents, June 30	<u>\$ 7,066,890</u>	<u>\$ 1,260,108</u>	<u>\$ 7,813,139</u>	<u>\$ 16,140,137</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 1,076,186	\$ 53,870	\$ (1,173,417)	\$ (43,361)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
(Increase) decrease in accounts receivable	(404)	-	(6,375)	(6,779)
Increase (decrease) in accounts payable	38,203	20,326	531,271	589,800
Increase (decrease) in accrued salaries and benefits	(4,257)	-	5,478	1,221
Increase (decrease) in claims payable	(448,653)	16,561	544,245	112,153
Increase (decrease) in liability for future compensated absences	(11,904)	-	-	(11,904)
Total adjustments	<u>(427,015)</u>	<u>36,887</u>	<u>1,074,619</u>	<u>684,491</u>
Net cash provided (used) by operating activities	<u>\$ 649,171</u>	<u>\$ 90,757</u>	<u>\$ (98,798)</u>	<u>\$ 641,130</u>

## **Fiduciary Fund**

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Student Body Activity Agency Fund – accounts for assets held by the District for student and teacher clubs and organizations.

Mesa County Valley School District No. 51  
**STUDENT BODY ACTIVITY AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
For the fiscal year ended June 30, 2018

---

	<u>Balances</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2018</u>
<b>Assets</b>				
Cash and investments	\$ <u>2,276,637</u>	\$ <u>4,455,368</u>	\$ <u>4,296,393</u>	\$ <u>2,435,612</u>
<b>Liabilities</b>				
Accounts payable	\$ 3,866	\$ -	\$ 2,689	\$ 1,177
Due to student groups	<u>2,272,771</u>	<u>4,455,368</u>	<u>4,293,704</u>	<u>2,434,435</u>
Total liabilities	<u>\$ 2,276,637</u>	<u>\$ 4,455,368</u>	<u>\$ 4,296,393</u>	<u>\$ 2,435,612</u>

**CAPITAL ASSETS  
USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

Mesa County Valley School District No. 51  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE**  
June 30, 2018

---

Governmental funds capital assets:	
Land and improvements	\$ 25,899,541
Buildings	270,551,829
Equipment	<u>20,125,139</u>
Total governmental funds capital assets	<u>\$ 316,576,509</u>
Investment in governmental funds capital assets by source:	
Assets acquired prior to January 1, 1988 not categorized by source	\$ 18,931,152
General fund	7,980,187
Special revenue funds	41,885,283
Capital projects funds	244,949,996
Agency funds	749,570
Donations and other	<u>2,080,321</u>
Total governmental funds capital assets	<u>\$ 316,576,509</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Mesa County Valley School District No. 51  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY**

June 30, 2018

<u>Function and Activity</u>	<u>Land and Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Instructional services	\$ 15,230,335	\$ 226,562,170	\$ 8,903,328	\$ 250,695,833
Pupil services	153,651	2,427,656	322,249	2,903,556
Instructional staff services	-	469,888	26,938	496,826
General administration services	-	78,266	-	78,266
School administration services	764,172	16,382,058	446,891	17,593,121
Business services	438,290	282,905	274,333	995,528
Maintenance services	-	300,652	2,004,584	2,305,236
Transportation services	378,287	200,000	633,371	1,211,658
Central services	83,816	227,757	3,461,810	3,773,383
Community services	-	-	3,565,662	3,565,662
Unallocated	8,850,990	23,620,477	485,973	32,957,440
	<u>\$ 25,899,541</u>	<u>\$ 270,551,829</u>	<u>\$ 20,125,139</u>	<u>\$ 316,576,509</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

Mesa County Valley School District No. 51  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**  
For the fiscal year ended June 30, 2018

<u>Function and Activity</u>	Governmental Funds Capital Assets <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	Governmental Funds Capital Assets <u>June 30, 2018</u>
Instructional services	\$ 250,136,660	\$ 2,342,600	\$ (1,783,427)	\$ 250,695,833
Pupil services	2,915,881	-	(12,325)	2,903,556
Instructional staff services	496,826	-	-	496,826
General administration services	78,266	-	-	78,266
School administration services	17,243,734	359,435	(10,048)	17,593,121
Business services	1,011,370	-	(15,842)	995,528
Maintenance services	2,421,240	-	(116,004)	2,305,236
Transportation services	1,240,737	-	(29,079)	1,211,658
Central services	3,103,620	669,763	-	3,773,383
Community services	3,565,662	-	-	3,565,662
Unallocated	<u>21,142,375</u>	<u>11,815,065</u>	<u>-</u>	<u>32,957,440</u>
	<u>\$ 303,356,371</u>	<u>\$ 15,186,863</u>	<u>\$ (1,966,725)</u>	<u>\$ 316,576,509</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

***This page intentionally left blank.***



# STATISTICAL SECTION



## Statistical Section

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	102-106
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	107-112
<b>Debt Capacity</b> assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	113-116
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	117-119
<b>Operating Information</b> These schedules contain staffing, key operating statistics comparisons and capital asset data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	120-123

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

SCHEDULE 1

Mesa County Valley School District No. 51

NET POSITION BY COMPONENT

Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Governmental activities</b>										
Net investment in capital assets	\$ 115,137,562	\$ 111,140,665	\$ 106,908,230	\$ 96,397,273	\$ 100,323,737	\$ 86,566,794	\$ 91,141,569	\$ 87,339,112	\$ 84,253,141	\$ 85,581,070
Restricted	149,203,595	24,394,335	25,700,649	28,818,154	23,049,475	21,852,846	24,842,142	20,586,912	19,206,492	18,573,858
Unrestricted	(712,159,497)	(437,459,202)	(322,627,457)	(309,046,875)	14,969,324	17,282,076	5,261,769	5,425,790	4,045,265	4,962,551
<b>Total governmental activities net position</b>	<b>\$ (447,818,340)</b>	<b>\$ (301,924,202)</b>	<b>\$ (190,018,578)</b>	<b>\$ (183,831,448)</b>	<b>\$ 138,342,536</b>	<b>\$ 125,701,716</b>	<b>\$ 121,245,480</b>	<b>\$ 113,351,814</b>	<b>\$ 107,504,898</b>	<b>\$ 109,117,479</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ -	\$ 1,068,385	\$ 1,045,893	\$ 1,152,578	\$ 1,170,705	\$ 1,204,842	\$ 1,263,517
Restricted	-	-	-	-	468,640	690,476	491,954	364,003	90,422	68,238
<b>Total business-type activities net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,537,025</b>	<b>\$ 1,736,369</b>	<b>\$ 1,644,532</b>	<b>\$ 1,534,708</b>	<b>\$ 1,295,264</b>	<b>\$ 1,331,755</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 115,137,562	\$ 111,140,665	\$ 106,908,230	\$ 96,397,273	\$ 101,392,122	\$ 87,612,687	\$ 92,294,147	\$ 88,509,817	\$ 85,457,983	\$ 86,844,587
Restricted	149,203,595	24,394,335	25,700,649	28,818,154	23,518,115	22,543,322	25,334,096	20,950,915	19,296,914	18,642,096
Unrestricted	(712,159,497)	(437,459,202)	(322,627,457)	(309,046,875)	14,969,324	17,282,076	5,261,769	5,425,790	4,045,265	4,962,551
<b>Total primary government net position</b>	<b>\$ (447,818,340)</b>	<b>\$ (301,924,202)</b>	<b>\$ (190,018,578)</b>	<b>\$ (183,831,448)</b>	<b>\$ 139,879,561</b>	<b>\$ 127,438,085</b>	<b>\$ 122,890,012</b>	<b>\$ 114,886,522</b>	<b>\$ 108,800,162</b>	<b>\$ 110,449,234</b>

SCHEDULE 2

Mesa County Valley School District No. 51

CHANGES IN NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Expenses</b>										
Governmental activities:										
Instructional services	\$ 195,108,436	\$ 176,966,621	\$ 116,995,950	\$ 125,766,049	\$ 103,736,456	\$ 102,104,939	\$ 102,556,880	\$ 109,308,814	\$ 116,471,307	\$ 109,385,090
Support services:										
Pupil services	24,494,987	27,127,646	11,104,927	11,689,141	11,304,103	12,548,235	11,055,506	11,219,069	10,849,093	10,099,341
Instructional staff services	19,491,190	9,629,866	10,357,135	8,558,900	8,791,412	6,219,763	7,758,296	8,869,080	8,871,305	8,843,863
General administration services	4,173,553	3,843,550	2,187,709	2,128,667	1,905,190	1,831,525	1,668,985	1,663,922	1,812,916	2,077,216
School administration services	26,227,769	22,284,358	13,828,255	12,764,674	10,877,332	11,434,213	11,377,157	12,642,438	12,706,008	12,462,718
Business Services	4,242,106	10,019,665	2,289,277	3,169,113	3,012,228	5,965,398	4,827,250	1,131,949	1,360,811	1,479,320
Maintenance and capital asset services	27,812,878	15,733,043	14,408,219	13,241,380	17,459,417	14,651,378	16,478,042	16,516,848	17,799,397	17,063,964
Transportation services	7,475,488	6,075,325	6,016,818	6,037,842	5,948,008	5,641,820	5,799,980	5,732,643	5,389,153	5,366,130
Central services	28,835,936	28,385,565	18,466,052	18,441,764	7,111,686	3,409,459	4,628,731	4,628,731	5,287,452	5,901,430
Community services	9,720,468	9,067,812	7,165,995	7,355,621	621,274	424,227	455,491	415,628	359,432	817,000
Interest on long-term debt	5,475,729	4,189,427	3,459,246	3,667,809	3,296,778	3,289,755	(180,704)	5,616,219	5,496,888	5,643,789
Depreciation - unallocated	-	23,670	6,241	8,055	259,894	261,013	314,650	293,700	302,312	314,467
Total governmental activities expenses	<u>353,058,540</u>	<u>313,326,548</u>	<u>206,285,824</u>	<u>212,829,015</u>	<u>173,923,778</u>	<u>167,781,725</u>	<u>163,930,014</u>	<u>178,039,041</u>	<u>186,706,074</u>	<u>179,454,328</u>
Business-type activities:										
Food services	\$ 353,058,540	\$ 313,326,548	\$ 206,285,824	\$ 212,829,015	\$ 173,923,778	\$ 167,781,725	\$ 163,930,014	\$ 178,039,041	\$ 186,706,074	\$ 179,454,328
Total primary government expenses	<u>\$ 353,058,540</u>	<u>\$ 313,326,548</u>	<u>\$ 206,285,824</u>	<u>\$ 212,829,015</u>	<u>\$ 173,923,778</u>	<u>\$ 167,781,725</u>	<u>\$ 163,930,014</u>	<u>\$ 178,039,041</u>	<u>\$ 186,706,074</u>	<u>\$ 179,454,328</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
Instructional	\$ 1,006,960	\$ 1,044,573	\$ 736,313	\$ 712,469	\$ 658,031	\$ 699,615	\$ 646,441	\$ 507,784	\$ 469,412	\$ 529,017
Business services	-	-	-	-	35,175	319,774	305,062	202,672	289,013	295,152
Central services	7,233,685	3,991,413	117,385	-	46,892	20,918	67,850	158,138	269,575	293,446
Community services	1,369,001	1,279,513	1,307,832	1,346,493	-	-	-	-	-	-
Operating grants and contributions	30,382,666	27,043,480	33,386,472	38,346,832	22,705,890	20,593,476	20,670,557	29,341,309	21,705,000	20,887,739
Capital grants and contributions	435,323	-	68,217	607,855	295,176	321,771	11,074	940,143	338,641	4,621,848
Total governmental activities program revenues	<u>40,427,635</u>	<u>33,358,979</u>	<u>35,616,219</u>	<u>41,013,649</u>	<u>23,741,164</u>	<u>21,955,554</u>	<u>21,700,984</u>	<u>31,150,046</u>	<u>23,071,641</u>	<u>26,627,202</u>
Business-type activities:										
Charges for services:										
Food services	-	-	-	-	1,332,813	1,563,188	1,876,413	2,217,233	2,495,743	2,780,653
Operating grants and contributions	-	-	-	-	4,058,872	4,123,948	4,171,313	4,364,847	4,469,655	3,831,646
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,391,685</u>	<u>5,687,136</u>	<u>6,047,726</u>	<u>6,582,080</u>	<u>6,965,398</u>	<u>6,612,299</u>
Total primary government program revenues	<u>\$ 40,427,635</u>	<u>\$ 33,358,979</u>	<u>\$ 35,616,219</u>	<u>\$ 41,013,649</u>	<u>\$ 29,132,849</u>	<u>\$ 27,642,690</u>	<u>\$ 27,748,710</u>	<u>\$ 37,732,126</u>	<u>\$ 30,037,039</u>	<u>\$ 33,239,501</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (312,630,905)	\$ (279,967,569)	\$ (170,669,605)	\$ (171,815,366)	\$ (150,182,614)	\$ (145,826,171)	\$ (142,229,030)	\$ (146,888,995)	\$ (163,634,433)	\$ (152,827,126)
Business-type activities	-	-	-	-	(200,536)	90,287	108,861	238,963	(36,841)	(469,604)
Total primary government net expense	<u>\$ (312,630,905)</u>	<u>\$ (279,967,569)</u>	<u>\$ (170,669,605)</u>	<u>\$ (171,815,366)</u>	<u>\$ (150,383,150)</u>	<u>\$ (145,735,884)</u>	<u>\$ (142,120,169)</u>	<u>\$ (146,650,032)</u>	<u>\$ (163,671,374)</u>	<u>\$ (153,296,730)</u>
<b>General Revenues and other Changes in Net Position</b>										
Governmental activities:										



SCHEDULE 3

Mesa County Valley School District No. 51

**Fund Balance, Governmental Funds**

Last Ten Fiscal Years  
(modified accrual basis of accounting)

General Fund	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Nonspendable	\$ 248,040	\$ 272,000	\$ 279,559	\$ 287,481	\$ 269,092	\$ 239,452	\$ 260,025	\$ 222,019	\$ 297,501	\$ 274,055
Restricted	1,396,561	1,326,724	1,021,913	809,507	333,669	307,707	260,180	257,269	224,988	181,407
Assigned	-	61,821	680,858	52,113	179,644	-	243,829	548,238	232,891	151,813
Unassigned	12,142,902	8,041,245	7,676,462	8,846,551	8,304,944	8,425,937	8,004,030	7,380,886	7,703,342	7,668,790
<b>Total general fund</b>	<b>\$ 13,787,503</b>	<b>\$ 9,701,790</b>	<b>\$ 9,658,792</b>	<b>\$ 9,995,652</b>	<b>\$ 9,087,349</b>	<b>\$ 8,973,096</b>	<b>\$ 8,768,064</b>	<b>\$ 8,408,412</b>	<b>\$ 8,458,722</b>	<b>\$ 8,276,065</b>
All Other Governmental Funds										
Nonspendable	\$ 325,299	\$ 370,540	\$ 388,820	\$ 340,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	149,203,595	17,087,884	16,835,743	16,127,959	15,459,895	15,290,706	14,842,387	16,277,929	16,694,695	16,098,441
Assigned	7,972,762	8,190,498	9,840,641	8,309,650	8,054,292	7,022,282	5,977,936	4,762,938	2,993,370	3,010,031
<b>Total all other governmental funds</b>	<b>\$ 157,501,656</b>	<b>\$ 25,648,922</b>	<b>\$ 27,065,204</b>	<b>\$ 24,778,261</b>	<b>\$ 23,514,187</b>	<b>\$ 22,312,988</b>	<b>\$ 20,820,323</b>	<b>\$ 21,040,867</b>	<b>\$ 19,688,065</b>	<b>\$ 19,108,472</b>

Note: In fiscal year 2011, the District adopted GASB Statement No. 54, Fund Balance Reporting and Fund Type Definitions, changing the titles and classifications of fund balances.

SCHEDULE 4

Mesa County Valley School District No. 51

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Revenues</b>										
Local sources	\$ 89,850,204	\$ 73,531,140	\$ 72,818,522	\$ 70,695,150	\$ 69,530,584	\$ 71,901,862	\$ 71,372,053	\$ 80,464,592	\$ 78,791,462	\$ 73,576,152
State sources	112,024,838	106,430,245	104,918,780	106,398,938	95,041,524	88,020,683	86,636,336	80,533,133	91,698,390	96,468,824
Federal sources	16,984,742	15,937,757	17,547,688	17,313,559	13,185,496	12,989,367	13,740,234	22,776,343	14,289,286	11,636,071
Total revenues	<u>218,859,784</u>	<u>195,899,142</u>	<u>195,284,990</u>	<u>194,407,647</u>	<u>177,757,604</u>	<u>172,921,912</u>	<u>171,748,623</u>	<u>183,774,068</u>	<u>184,779,138</u>	<u>181,681,047</u>
<b>Expenditures</b>										
Instructional services	110,317,739	104,377,501	104,269,806	100,008,691	99,409,868	98,378,215	97,138,297	104,089,748	105,740,516	102,827,372
Instructional support	42,266,450	38,350,224	38,831,614	33,949,186	33,555,814	31,195,729	31,713,700	34,162,383	33,957,685	33,131,936
Business support	30,015,503	27,873,566	26,231,563	25,371,253	25,566,053	24,891,735	25,711,656	26,332,923	26,467,808	25,930,025
Community services	739,209	969,112	592,327	476,040	386,463	432,899	453,326	415,627	367,314	815,876
Physical activities	698,378	729,238	700,554	659,900	650,108	556,619	640,211	615,667	610,834	617,255
Nutrition services	6,373,951	6,069,977	5,516,887	5,719,817	-	-	-	-	-	-
Capital outlay	20,290,321	6,361,582	11,872,294	7,532,147	5,891,025	3,117,871	4,344,355	11,699,428	8,608,627	8,217,811
Debt service:										
Lease financing principal*	1,410,787	2,103,116	-	-	-	-	-	-	-	-
Lease financing interest*	547,057	872,737	-	-	-	-	-	-	-	-
GO Bond principal	7,980,000	7,625,000	9,357,701	9,331,776	8,595,848	8,292,093	7,593,866	7,297,975	6,917,929	7,353,072
Bond Issuance Costs	752,897	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	4,854,106	3,312,613	3,923,570	4,466,814	4,547,940	4,884,361	4,320,465	6,117,478	6,035,453	6,180,070
Total expenditures	<u>226,246,398</u>	<u>198,644,666</u>	<u>201,296,316</u>	<u>187,515,624</u>	<u>178,603,119</u>	<u>171,749,522</u>	<u>171,915,876</u>	<u>190,681,229</u>	<u>188,706,166</u>	<u>185,073,417</u>
Excess of revenues over (under) expenditures	<u>(7,386,614)</u>	<u>(2,745,524)</u>	<u>(6,011,326)</u>	<u>6,892,023</u>	<u>(845,515)</u>	<u>1,172,390</u>	<u>(167,253)</u>	<u>(6,907,161)</u>	<u>(3,927,028)</u>	<u>(3,392,370)</u>
<b>Other financing sources (uses)</b>										
Proceeds from issuance of bonds/ COPs	142,726,435	-	7,355,000	-	-	7,560,000	76,575,000	-	-	-
Bond/ COPs premium	-	-	257,930	-	-	388,658	11,811,544	-	-	-
Bond issuance costs	-	-	-	-	-	(117,408)	(522,816)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(7,831,250)	(89,142,228)	-	-	-
Proceeds from sale of real property	1,355,137	1,355,137	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	6,105	6,105	351,500	-	20,000	-	-	-	-	-
Issuance of capital lease debt	2,098,626	1,510,998	1,946,982	2,696,875	2,140,967	525,307	1,584,861	14,998,993	4,689,278	377,456
Refinanced capital lease debt payoff	-	-	-	-	-	-	-	(6,789,340)	-	-
Charter school allocations**	-	-	-	(5,585,168)	-	-	-	-	-	-
Transfers in	2,356,030	2,326,363	3,196,363	3,587,829	3,218,890	3,242,021	3,397,166	11,477,122	185,190	194,600
Transfers out	(3,856,030)	(3,826,363)	(5,146,363)	(5,887,832)	(3,218,890)	(3,242,021)	(3,397,166)	(11,477,122)	(185,190)	(194,600)
Total other financing sources (uses)	<u>143,325,061</u>	<u>(1,373,284)</u>	<u>7,961,412</u>	<u>(5,188,286)</u>	<u>2,160,967</u>	<u>525,307</u>	<u>306,361</u>	<u>8,209,653</u>	<u>4,689,278</u>	<u>377,456</u>
Net change in fund balances	<u>\$ 135,938,447</u>	<u>\$ (1,373,284)</u>	<u>\$ 1,950,086</u>	<u>\$ 1,703,737</u>	<u>\$ 1,315,452</u>	<u>\$ 1,697,697</u>	<u>\$ 139,108</u>	<u>\$ 1,302,492</u>	<u>\$ 762,250</u>	<u>\$ (3,014,914)</u>
Debt service as a percentage of noncapital expenditures	5.67%	5.61%	6.98%	7.60%	7.50%	7.77%	7.04%	7.40%	7.09%	7.55%

\* Prior to fiscal year 2017, lease financing principal and interest were not separately categorized from General Obligation bond payments.

\*\* Beginning in fiscal year 2016, charter school allocations are shown as a reduction in state source revenues.

SCHEDULE 5

Mesa County Valley School District No. 51

**Assessed Value and Estimated Actual Value of Taxable Property**

Last Ten Fiscal Years

Fiscal Year	Mesa County-Wide Valuations							Total Assessed Value	District Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual District Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
	Commercial/Industrial Property	Agricultural Property	Residential Property	Total Taxable Assessed Value	Tax-Exempt Property	Total Assessed Value	District Taxable Assessed Value					
2009	\$ 995,028,040	\$ 21,496,170	\$ 864,463,010	\$ 1,880,987,220	\$ 301,079,980	\$ 2,182,067,200	\$ 1,671,286,730	36.171	\$ 13,504,019,270	12.38%		
2010	1,325,381,440	23,332,170	1,046,962,400	2,395,676,010	378,504,710	2,774,180,720	2,028,064,470	34.266	16,108,743,670	12.59%		
2011	1,232,962,680	23,758,270	1,057,712,590	2,314,433,540	390,774,200	2,705,207,740	2,082,515,800	33.549	16,653,885,680	12.50%		
2012	1,160,101,560	25,467,880	846,491,630	2,032,061,070	462,550,440	2,494,611,510	1,737,738,630	34.823	13,564,865,060	12.81%		
2013	1,138,499,380	25,680,910	853,052,530	2,017,232,820	473,074,220	2,490,307,040	1,721,134,040	36.094	13,551,487,970	12.70%		
2014	1,064,212,210	27,249,000	734,716,840	1,826,178,050	381,085,680	2,207,263,730	1,610,605,670	36.693	12,129,218,540	13.28%		
2015	1,032,666,110	27,839,710	744,510,470	1,805,016,290	449,483,850	2,254,500,140	1,584,339,243	36.572	12,119,081,320	13.07%		
2016	1,017,803,470	32,936,330	838,018,250	1,888,758,050	452,929,650	2,341,687,700	1,649,727,000	36.845	13,184,337,400	12.51%		
2017	962,779,190	33,401,450	849,295,690	1,845,476,330	451,552,500	2,297,028,830	1,687,046,060	36.079	13,344,282,620	12.64%		
2018	969,971,530	36,397,010	850,360,870	1,856,729,410	395,583,340	2,252,312,750	1,674,830,529	43.784	14,500,114,390	11.55%		

Source: Mesa County Assessor's Office  
 Summary of Levies published on their website  
 Actual Value per December certification of values

SCHEDULE 6

Mesa County Valley School District No. 51

**Direct and Overlapping Property Tax Rates**

Last Ten Fiscal Years  
(rate per \$1,000 of assessed value)

Levy Year	Collection Year	School District No. 51 Direct Rates				Overlapping Rates		
		General Fund	Debt Service	Special Capital Fund	School District No. 51 Total	Mesa County	Cities and Towns	Other Special Districts
2008	2009	28.956	7.215	0.000	36.171	14.890	35.646	94.783
2009	2010	28.356	5.91	0.000	34.266	11.335	35.646	88.711
2010	2011	28.249	5.30	0.000	33.549	12.202	35.646	115.130
2011	2012	29.183	5.64	0.000	34.823	12.273	35.646	119.740
2012	2013	29.454	6.64	0.000	36.094	12.281	35.646	121.749
2013	2014	29.743	6.95	0.000	36.693	12.272	35.646	120.025
2014	2015	29.582	6.99	0.000	36.572	12.214	35.646	112.600
2015	2016	30.186	6.659	0.000	36.845	12.297	35.646	116.674
2016	2017	29.596	6.483	0.000	36.079	12.214	35.646	117.707
2017	2018	33.644	10.140	0.000	43.784	12.246	35.646	113.255

Source: Mesa County Assessor's Office  
Summary of Levies published on their website

SCHEDULE 7

Mesa County Valley School District No. 51

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2018				2009			
	Type of Business	Taxable Assessed Value	Rank	Percentage of Total District Assessed Taxable Value	Type of Business	Taxable Assessed Value	Rank	Percentage of Total District Assessed Taxable Value
Public Service Co of Colorado- Xcel Energy	Utility	\$ 56,138,800	1	3.35 %	Utility	\$ 36,743,700	3	2.20 %
Laramie Energy, LLC	Oil & Gas	42,970,700	2	2.57	**	**	**	**
Union Pacific Corporation	Railroad	26,632,500	3	1.59	Railroad	12,765,200	5	0.76
Qwest Corporation	Utility	18,742,200	4	1.12	Utility	18,398,800	4	1.10
Grand Valley Power Lines	Utility	13,471,900	6	0.80	**	**	**	**
Helmerich and Payne International Drilling	Oil & Gas	11,307,660	5	0.68	**	**	**	**
Collbran Valley Gas Gathering, LLC	Oil & Gas	10,048,510	7	0.60	**	**	**	**
Caerus Piceance, LLC	Oil & Gas	10,007,420	8	0.60	**	**	**	**
SM Mesa Mall LLC	Shopping Center	9,838,330	9	0.59	Shopping Center	11,055,160	6	0.66
SG Interests, LTD	Oil & Gas	9,398,930	10	0.56	Oil & Gas	**	**	**
Oxy USA Inc	*	*	*	*	Oil & Gas	122,536,210	1	7.33
Delta Petroleum Corporation	*	*	*	*	Oil & Gas	81,087,340	2	4.85
Grand Valley Rural Power	*	*	*	*	Utility	9,357,800	7	0.56
Grand Mesa Center	*	*	*	*	Shopping Center	8,119,150	8	0.49
Total Principal Taxpayers Assessed Valuation		208,556,950			300,063,360			
Total Other Taxpayers Assessed Valuation		1,466,273,579			1,371,223,370			
Total Assessed Valuation		\$ 1,674,830,529			\$ 1,671,286,730			

Source: Mesa County Assessor's Office.  
 \* Not in the Top 10 in 2018  
 \*\* Not in the Top 10 2009

SCHEDULE 8

Mesa County Valley School District No. 51

**History of Assessed and Statutory "Actual" Valuations for the District**

Last Ten Fiscal Years  
(Unaudited)

Levy/ Collection Year	Assessed Valuation	(1) Percentage Change	Statutory "Actual" Valuation	(1) Percentage Change
2008/2009	\$ 1,671,286,730	3.42%	\$ 13,504,019,270	3.88%
2009/2010	2,028,064,470	21.35%	16,108,743,670	19.29%
2010/2011	2,082,515,800	2.68%	16,653,885,680	3.38%
2011/2012	1,737,738,630	-16.56%	13,564,865,060	-18.55%
2012/2013	1,721,134,040	-0.96%	13,551,487,970	-0.10%
2013/2014	1,610,605,670	-6.42%	12,129,218,540	-10.50%
2014/2015	1,584,339,243	-1.63%	12,119,081,320	-0.08%
2015/2016	1,649,727,000	4.13%	13,184,337,400	8.79%
2016/2017	1,687,046,060	2.26%	13,344,282,620	1.21%
2017/2018	1,674,830,529	-0.72%	14,500,114,390	8.66%

(1) Assessed Value and Statutory "Actual" Value are taken from Certification of Values dated December of each year from the Mesa County Assessors Office and used to certify the levies for the following year.

SCHEDULE 9

Mesa County Valley School District No. 51

**Property Tax Levies and Collections**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year <sup>(a)</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years <sup>(c)</sup>	Total Collections to Date	
		Amount <sup>(b)</sup>	Percentage of Levy		Amount	Percentage of Levy
2009	\$ 60,452,112	\$ 59,695,625	98.75 %	\$ 93,456	\$ 59,789,081	98.90 %
2010	69,493,657	67,869,419	97.66	449,078	68,318,497	98.31
2011	69,866,323	69,488,226	99.46	312,986	69,801,212	99.91
2012	60,513,272	60,730,621	100.36	78	60,730,699	100.36
2013	62,871,372	61,915,577	98.48	228	61,915,805	98.48
2014	59,097,954	57,594,080	97.46	9,233	57,603,313	97.47
2015	57,942,632	57,946,869	100.01	-	57,946,869	100.01
2016	60,784,527	60,170,315	98.99	-	60,170,315	98.99
2017	60,866,935	57,694,675	94.79	-	57,694,675	94.79
2018	73,331,524	71,607,575	97.65	-	71,607,575	97.65

Note: The county treasurer provides collection data in "current" and "delinquent" categories. Collections of delinquent taxes are presented as collected for the prior year, which may result in total collections to appear in excess of 100%. Data for reporting delinquent taxes in the year of assessment rather than year of collection is unavailable prior to 2013.

Source:

- <sup>(a)</sup> Mesa County Assessor's Office
- <sup>(b)</sup> Mesa County Treasurer
- <sup>(c)</sup> Mesa County Treasurer

SCHEDULE 10

Mesa County Valley School District No. 51

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years  
(Unaudited)

Levy Year	Collection Year	School District #51					Mesa County	Cities and Towns	Other Special Districts	Totals
		General Fund	Debt Service	Special Capital Fund	School District #51 Total					
2008	2009	28,956	7.22	0.000	36,171	14,890	35,646	94,783	181,490	
2009	2010	28,356	5.91	0.000	34,266	11,335	35,646	88,711	169,958	
2010	2011	28,249	5.30	0.000	33,549	12,202	35,646	115,130	196,527	
2011	2012	29,183	5.64	0.000	34,823	12,273	35,646	119,740	202,482	
2012	2013	29,454	6.64	0.000	36,094	12,281	35,646	121,749	205,770	
2013	2014	29,743	6.95	0.000	36,693	12,272	35,646	120,025	204,636	
2014	2015	29,582	6.99	0.000	36,572	12,214	35,646	112,600	197,032	
2015	2016	30,186	6.659	0.000	36,845	12,297	35,646	116,674	201,462	
2016	2017	29,596	6.483	0.000	36,079	12,214	35,646	117,707	201,646	
2017	2018	33,644	10.14	0.000	43,784	12,246	35,646	113,255	204,931	

PROPERTY TAX LEVY

2008	2009	\$ 48,393,778	\$ 12,058,334	-	\$ 60,452,112	\$ 27,639,939	\$ 8,893,917	\$ 14,211,174	\$ 111,197,142
2009	2010	57,507,796	11,985,861	-	69,493,657	26,831,594	10,897,420	16,578,415	123,801,086
2010	2011	58,828,988	11,037,334	-	69,866,322	27,900,366	11,232,613	16,889,635	125,888,936
2011	2012	50,712,427	9,800,846	-	60,513,273	24,638,833	9,572,878	15,127,485	109,852,469
2012	2013	51,305,297	11,566,075	-	62,871,372	24,646,254	9,434,809	15,252,567	112,205,002
2013	2014	47,904,244	11,193,709	-	59,097,954	22,410,858	9,050,361	15,686,145	106,245,318
2014	2015	46,868,101	11,074,531	-	57,942,632	21,922,758	8,884,212	17,758,672	106,508,274
2015	2016	49,798,995	10,985,532	-	60,784,527	23,226,058	8,978,166	16,046,844	109,035,595
2016	2017	49,929,815	10,937,120	-	60,866,935	22,540,648	9,176,607	16,214,712	108,798,902
2017	2018	56,348,743	16,982,781	-	73,331,524	22,737,509	7,305,712	16,084,880	119,459,625

Source: Mesa County Assessor's Office

SCHEDULE 11

Mesa County Valley School District No. 51

**RATIOS OF OUTSTANDING DEBT BY TYPE**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	Governmental Activities					Estimated Population <sup>(1)</sup>	Debt Per Capita	Per Capita Income <sup>(1)</sup>	Percentage of Personal Income
	General Obligation Bonds	COP	Capital Leases	Total Primary Government					
2009	\$ 125,180,000	\$	\$ 2,005,278	\$ 127,185,278	137,390	926%	\$ 37,600	2.46%	
2010 *	125,692,243	N/A	5,268,297	130,960,540	140,680	931%	34,006	2.74%	
2011 *	119,516,547	N/A	11,844,977	131,361,524	144,795	907%	33,330	2.72%	
2012 *	111,344,936	N/A	11,730,972	123,075,908	146,587	840%	34,681	2.42%	
2013	113,579,488	N/A	10,429,185	124,008,673	148,742	834%	35,726	2.33%	
2014	105,611,443	N/A	10,754,304	116,365,747	149,617	778%	37,222	2.09%	
2015	97,180,588	N/A	11,199,402	108,379,990	150,986	718%	38,074	1.89%	
2016	88,696,497	7,602,183	10,670,887	106,969,567	150,232	712%	38,863	1.83%	
2017	80,260,910	7,140,000	10,293,769	97,694,679	152,357	641%	39,118	1.64%	
2018	213,548,493	6,865,000	10,242,333	230,655,826	153,649	1501%	Not Available	Not Available	

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

\* Restated for comparability to current year required presentation.

Sources:

<sup>(1)</sup> Mesa County, CO 2017 Comprehensive Annual Financial Report

SCHEDULE 12

Mesa County Valley School District No. 51

**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	General Obligation Bonds	Debt Service Monies Available	Net Bonded Debt	(1)	
				Percentage of Actual Taxable Value of Property	(2) Per Capita
2009	\$ 125,180,000	\$ 11,123,468	\$ 114,056,532	0.84 %	\$ 830
2010 *	125,692,243	11,549,532	114,142,711	0.71	811
2011 *	119,516,547	11,362,638	108,153,909	0.65	747
2012 *	111,344,936	10,158,985	101,185,951	0.75	690
2013	113,579,488	10,653,242	102,926,246	0.76	692
2014	105,611,443	10,826,869	94,784,574	0.78	634
2015	97,180,588	10,936,447	86,244,141	0.71	571
2016	88,696,497	10,871,536	77,824,961	0.59	518
2017	80,260,910	10,752,139	69,508,771	0.52	456
2018	213,548,493	14,726,466	198,822,027	1.37	1,294

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

\* Restated for comparability to current year required presentation.

Sources:

(1) See Schedule 5 for property value data

(2) See Schedule 10 for population data

SCHEDULE 13

Mesa County Valley School District No. 51

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

June 30, 2018  
(Unaudited)

Taxing Authority	Debt Outstanding	Estimated Percent Applicable to District	Estimated Overlapping Debt
Direct:			
Mesa County Valley Schools District 51	\$ 230,655,826	100 %	\$ 230,655,826
No overlapping debt			-
Total direct and overlapping debt			<u>\$ 230,655,826</u>

Sources:

- Individual taxing entities
- Mesa County Valley School District No. 51 Finance Department

Note:

Debt that is repaid using tax revenues is included in the calculation. Debt that will be repaid using revenues related to an enterprise operation, such as user chargers for sewer services, is excluded. The percentage of each entity's outstanding general obligation debt chargeable to the District is calculated by comparing the assessed valuation of the portion overlapping the District to the total assessed valuation of the overlapping entity. To the extent the District's assessed valuation changes disproportionately with the assessed valuation of the overlapping entities, the percentage of debt for which property owners within the District are responsible will also change.

SCHEDULE 14

Mesa County Valley School District No. 51

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years  
(Unaudited)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	334,257,346	405,612,894	416,503,160	347,547,726	348,375,752	322,121,134	316,867,849	329,945,400	337,409,212	334,966,106
Total debt applicable to limit	125,160,000	119,725,000	114,060,000	108,030,000	102,060,000	95,260,000	88,200,000	88,696,497	80,260,910	213,548,493
Legal debt margin	209,077,346	285,887,894	302,443,160	239,517,726	246,315,752	226,841,134	228,667,849	241,248,903	257,148,302	121,417,613
Total debt applicable to the limit as a percentage of debt limit	37.45%	29.52%	27.39%	31.08%	29.30%	29.58%	27.83%	26.88%	23.79%	63.75%

2017 assessed valuation for collection year 2018  
 Debt limit (20% of assessed value) \$ 1,674,830,529  
 Debt applicable to limit: 334,966,106  
 Bonded debt outstanding at end of fiscal year 213,548,493  
 Legal debt margin \$ 121,417,613

Note: Under Colorado State Statute, the District's outstanding general obligation debt should not exceed 20 percent of total assessed property value.

SCHEDULE 15

Mesa County Valley School District No. 51

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	(1)	(1)	(1)	(2)	(2)	(3)
	Estimated Population	Personal Income (millions)	Per Capita Personal Income	School Enrollment	Funded FTE Count	Unemployment Rate
2009	145,671	\$ 5,382,580	\$ 36,950	22,272	21,041.8	4.60%
2010	147,524	5,027,868	34,082	22,147	20,996.2	8.00%
2011	146,723	4,881,973	33,273	22,203	21,025.2	10.20%
2012	146,581	5,114,813	34,894	22,012	20,867.7	9.00%
2013	148,742	5,282,090	35,512	21,986	20,912.5	8.60%
2014	149,617	5,492,271	36,709	21,902	21,076.9	6.90%
2015	148,116	5,644,717	38,074	21,746	21,021.2	4.70%
2016	149,794	5,979,808	39,920	21,827	21,005.6	4.80%
2017	151,616	6,292,523	41,503	22,105	21,126.7	3.60%
2018	153,649	Not available	Not available	22,084	21,078.0	3.30%

Sources:

- (1) US Dept of Commerce, Bureau of Economic Analysis ([www.bea.gov/bea/regional](http://www.bea.gov/bea/regional))
- (2) Mesa County Valley School District No. 51 October CDE pupil count.
- (3) Mesa County Workforce Center

SCHEDULE 16

Mesa County Valley School District No. 51

**Principal Employers**

Current Year and Nine Years Ago  
(Unaudited)

Employer	June, 2018			June, 2009		
	Employees	Rank	Percentage of Total 2017	Employees	Rank	Percentage of Total 2008
Mesa County Valley School District No. 51	2,715	1	23.59%	3,000	1	24.68%
St. Mary's Hospital & Medical Center	2,300	2	19.99%	2,191	2	18.02%
Mesa County	1,025	3	8.91%	978	5	8.04%
State of Colorado	1,012	4	8.79%	1,212	4	9.97%
Colorado Mesa University	1,006	5	8.74%	718	7	5.91%
Community Hospital	800	6	6.95%	588	10	4.83%
VA Medical Center	720	7	6.26%	**		0.00%
Star Tek	700	8	6.08%	595	9	4.89%
City of Grand Junction	629	9	5.47%	1,219	3	10.03%
Hilltop Community Resources	600	10	5.22%	**		0.00%
Walmart/Sam's	**		0.00%	980	6	8.06%
City Markets, Inc	**		0.00%	677	8	5.57%
<b>Total</b>	<b><u>11,507</u></b>		<b><u>100.00%</u></b>	<b><u>12,158</u></b>		<b><u>100.00%</u></b>

Source: Grand Junction Economic Partnership

\*\* Employer not in top 10.

SCHEDULE 17

Mesa County Valley School District No. 51

District Employees by Type

Last Ten Fiscal Years  
(Unaudited)

PERSONNEL DATA:	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>FULL-TIME</b>										
<b>CERTIFIED:</b>										
Administrators	95	95	91	86	88	80	80	78	80	81
Deans	2	1	1	1	-	-	-	-	1	1
Teachers:										
Elementary	534	527	539	537	533	533	558	607	614	581
Middle School	308	299	298	295	296	304	320	334	336	302
High School	358	362	357	367	362	346	366	372	380	387
Instructional Coaches, etc.	71	56	51	52	51	31	-	-	-	-
Audiologists	2	1	1	1	1	1	1	1	1	1
Counselors	59	57	62	59	52	49	51	48	55	51
Librarians	13	13	12	12	12	12	12	12	11	11
Nurses	16	16	15	15	14	14	14	12	11	11
Psychologists	21	17	19	20	18	21	21	17	16	15
Occupational therapists	10	9	8	9	9	9	8	7	9	7
Physical therapists	3	2	3	3	3	2	2	2	1	1
Social workers	4	-	-	-	-	-	-	-	-	-
Speech/Language	29	26	26	25	25	27	25	20	22	22
Coordinators	14	16	14	12	12	11	13	18	17	18
<b>CLASSIFIED:</b>										
Administration	12	11	11	12	12	11	11	18	18	18
Clerical	204	205	202	189	190	176	193	232	241	245
Cooks	70	69	69	70	71	76	74	79	88	93
Coordinators	11	11	13	17	18	18	17	10	8	8
Custodians	117	115	120	119	118	120	118	137	138	140
Garage	3	3	3	4	3	4	4	4	4	4
Instructional assistants	415	424	425	438	411	369	355	403	403	405
Interpreters, job coaches and medically fragile attendants	13	11	12	14	11	11	11	13	20	14
Maintenance	53	51	52	53	52	52	53	54	62	59
Nurse assistants	38	37	37	39	38	38	37	36	38	35
Technical computer support	33	28	29	28	27	27	29	32	31	32
Security Guard	4	4	4	4	2	-	-	-	-	-
Warehouse persons	8	8	9	10	10	11	9	8	10	9
<b>Total Full-Time</b>	<b>2,520</b>	<b>2,474</b>	<b>2,483</b>	<b>2,491</b>	<b>2,439</b>	<b>2,353</b>	<b>2,302</b>	<b>2,554</b>	<b>2,615</b>	<b>2,551</b>
<b>PART-TIME</b>										
<b>CERTIFIED:</b>										
Administrators	-	-	-	1	1	-	-	-	-	-
Teachers:										
Elementary	34	44	44	42	40	46	50	42	44	64
Middle School	7	7	9	7	9	9	7	14	9	13
High School	9	14	15	12	10	14	13	11	12	13
Instructional Coaches, etc.	-	-	1	1	-	2	-	-	-	-
Audiologists	-	1	1	1	1	1	1	1	1	1
Counselors	5	5	4	3	6	11	9	11	8	7
Librarians	-	-	2	2	2	2	2	2	2	2
Nurses	1	1	1	1	1	-	1	1	-	-
Psychologists	1	2	2	2	2	-	-	2	2	3
Occupational therapists	2	3	3	3	3	3	2	2	3	4
Physical therapists	-	-	-	-	-	1	-	-	-	-
Speech/Language	2	1	2	4	4	5	4	4	8	8
Coordinators	1	1	1	1	1	1	1	1	2	2
<b>CLASSIFIED:</b>										
Clerical	15	14	11	9	10	18	21	25	19	17
Cooks	39	40	41	40	34	43	57	68	67	81
Coordinators	-	-	1	1	-	-	-	3	1	-
Custodians	1	2	2	4	5	3	3	6	9	9
Garage	-	-	-	-	-	-	-	1	1	1
Instructional assistants	58	64	51	46	45	56	76	118	129	139
Interpreters, job coaches and medically fragile attendants	1	1	-	-	-	-	-	1	1	4
Nurse assistants	1	1	2	1	2	1	-	3	2	3
Volunteer coordinator	-	-	-	-	-	-	-	-	-	-
<b>Total Part-Time</b>	<b>177</b>	<b>201</b>	<b>193</b>	<b>181</b>	<b>176</b>	<b>216</b>	<b>247</b>	<b>316</b>	<b>320</b>	<b>371</b>
<b>SUBSTITUTE EMPLOYEES:</b>										
Clerical and Inst Assistants	114	108	178	97	80	84	82	95	207	240
Cooks	19	25	32	34	30	32	39	36	30	49
Custodians	4	5	5	3	1	2	1	4	5	5
Teachers	371	385	303	369	412	410	416	453	394	431
<b>Total substitute employees</b>	<b>508</b>	<b>523</b>	<b>518</b>	<b>503</b>	<b>523</b>	<b>528</b>	<b>538</b>	<b>588</b>	<b>636</b>	<b>725</b>
<b>Total employees</b>	<b>3,205</b>	<b>3,198</b>	<b>3,194</b>	<b>3,175</b>	<b>3,138</b>	<b>3,097</b>	<b>3,087</b>	<b>3,458</b>	<b>3,571</b>	<b>3,647</b>

Source: Mesa County Valley School District No. 51 Human Resources Department

Note: An employee scheduled to work 6 or more hours per day for 165 days or more per year is considered full-time.

Part-time employees are scheduled to work less than 6 hours per day for 165 days or more per year.

Substitute employees are called in to work as needed, and have no predetermined work schedules.

Note: Instructional Coaches are reported separately within the Teacher categories beginning in 2013. Previously, they were allocated to the grade levels they support.

SCHEDULE 18

Mesa County Valley School District No. 51

**Operating Statistics**

Last Ten Fiscal Years  
(Unaudited)

Fiscal Year	(1) Expenses	(2) Enrollment	Cost per Pupil	Percentage Change	(3) Teaching Staff	Pupil/ Teacher Ratio	(4) Student Attendance Percentage	(5)Percentage of Students on Free/Reduced Lunch Program
2009 \$	186,536,231	22,272	\$ 8,375	% 2.38	1,315.0	16.94	% 91.20	% 37.51
2010	193,708,413	22,147	8,746	4.43	1,362.5	16.25	91.03	43.95
2011	184,382,158	22,203	8,304	(5.05)	1,346.5	16.49	92.99	44.60
2012	169,868,879	22,012	7,717	(7.07)	1,279.0	17.21	92.33	44.32
2013	173,378,574	21,986	7,886	2.19	1,263.8	17.40	93.43	44.45
2014	179,515,999	21,902	8,196	3.94	1,199.9	18.25	93.31	42.48
2015	212,829,015	21,746	9,787	(16.25)	1,313.0	16.56	91.96	42.78
2016	206,285,824	21,827	9,451	3.56	1,258.3	17.35	92.06	47.84
2017	313,326,548	22,105	14,174	(33.32)	1,232.6	17.93	91.09	49.42
2018	353,058,540	22,084	15,987	(11.34)	1,271.0	17.38	90.61	44.47

Sources:

- (1) See Schedule 2 for expense data
- (2) See Schedule 15 for enrollment data
- (3) Mesa County Valley School District No. 51 Human Resources office
- (4) Mesa County Valley School District No. 51 Attendance office
- (5) Mesa County Valley School District No. 51 Nutrition Services office

Note: Teaching staff includes only classroom teachers, not all certified staff.

SCHEDULE 19

Mesa County Valley School District No. 51

School Building Information

Last Ten Fiscal Years  
(Unaudited)

School	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Elementary:</b>										
Appleton (1938)										
Square feet	54,716	54,716	54,716	54,716	54,716	54,716	54,716	54,716	54,716	54,716
Capacity	368	368	368	368	368	368	368	368	368	368
Enrollment	442	414	384	388	380	418	399	422	403	412
Capacity Used	120.11 %	112.50 %	104.35 %	105.43 %	103.26 %	113.59 %	108.42 %	114.67 %	109.51 %	111.96 %
Broadway (1958)										
Square feet	35,295	35,295	35,295	35,295	35,295	35,295	35,295	35,295	35,295	35,295
Capacity	275	275	275	275	275	275	275	275	275	275
Enrollment	276	253	240	234	202	202	213	245	261	273
Capacity Used	100.36 %	92.00 %	87.27 %	85.09 %	73.45 %	73.45 %	77.45 %	89.09 %	94.91 %	99.27 %
Chatfield (1976)										
Square feet	50,238	50,238	50,238	50,238	50,238	50,238	50,238	50,238	50,238	50,238
Capacity	522	522	522	522	522	522	522	522	522	522
Enrollment	398	398	413	384	447	402	376	424	433	441
Capacity Used	76.25 %	76.25 %	79.12 %	73.56 %	85.63 %	77.01 %	72.03 %	81.23 %	82.95 %	84.48 %
Chipeta (2009)										
Square feet	48,320	48,320	48,320	48,320	48,320	48,320	48,320	48,320	48,320	48,320
Capacity	441	441	441	441	441	441	441	441	441	441
Enrollment	430	445	449	422	455	457	472	472	453	407
Capacity Used	97.51 %	100.91 %	101.81 %	95.69 %	103.17 %	103.63 %	107.03 %	107.03 %	102.72 %	92.29 %
Clifton (1968)										
Square feet	52,517	52,517	52,517	52,517	52,517	52,517	52,517	52,517	52,517	52,517
Capacity	551	551	551	551	551	551	551	551	551	551
Enrollment	456	468	485	477	469	480	500	442	493	478
Capacity Used	82.76 %	84.94 %	88.02 %	86.57 %	85.12 %	87.11 %	90.74 %	80.22 %	89.47 %	86.75 %
Columbus (New Emerson) (1949)										
Square feet	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464	28,464
Capacity	248	248	248	248	248	248	248	248	248	248
Enrollment	140	142	144	141	143	150	150	133	129	134
Capacity Used	56.45 %	57.26 %	58.06 %	56.85 %	57.66 %	60.48 %	60.48 %	53.63 %	52.02 %	54.03 %
Dos Rios (1999)										
Square feet	49,380	49,380	49,380	49,380	49,380	49,380	49,380	49,380	49,380	49,380
Capacity	435	435	435	435	435	435	435	435	435	435
Enrollment	345	365	373	402	409	379	372	429	441	462
Capacity Used	79.31 %	83.91 %	85.75 %	92.41 %	94.02 %	87.13 %	85.52 %	98.62 %	101.38 %	106.21 %
Dual Immersion Academy (2006)										
Square feet	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000	17,000
Capacity	214	214	214	214	214	214	214	214	214	214
Enrollment	302	306	303	297	286	292	272	272	267	268
Capacity Used	141.12 %	142.99 %	141.59 %	138.79 %	133.64 %	136.45 %	127.10 %	127.10 %	124.77 %	125.23 %
Fruitvale (1953)										
Square feet	54,413	54,413	54,413	54,413	54,413	54,413	54,413	54,413	54,413	54,413
Capacity	476	476	476	476	476	476	476	476	476	476
Enrollment	446	509	471	482	475	506	488	474	500	529
Capacity Used	93.70 %	106.93 %	98.95 %	101.26 %	99.79 %	106.30 %	102.52 %	99.58 %	105.04 %	111.13 %
Glade Park Community School (closed at June 30, 2013)										
Square feet	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	1,660	-
Capacity	30	30	30	30	30	30	30	30	30	-
Enrollment	-	-	-	-	-	19	22	21	9	-
Capacity Used	- %	- %	- %	- %	- %	63.33 %	73.33 %	70.00 %	30.00 %	- %
Lincoln OM (1955)										
Square feet	43,048	43,048	43,048	43,048	43,048	43,048	43,048	43,048	43,048	43,048
Capacity	409	409	409	409	409	409	409	409	409	409
Enrollment	353	368	391	380	375	382	361	410	409	418
Capacity Used	86.31 %	89.98 %	95.60 %	92.91 %	91.69 %	93.40 %	88.26 %	100.24 %	100.00 %	102.20 %
Loma (1982)										
Square feet	33,530	33,530	33,530	33,530	33,530	33,530	33,530	33,530	33,530	33,530
Capacity	365	365	365	365	365	365	365	365	365	365
Enrollment	277	285	311	326	311	280	260	288	268	290
Capacity Used	75.89 %	78.08 %	85.21 %	89.32 %	85.21 %	76.71 %	71.23 %	78.90 %	73.42 %	79.45 %
Mesa View (1982)										
Square feet	46,123	46,123	46,123	46,123	46,123	46,123	46,123	46,123	46,123	46,123
Capacity	380	380	380	380	380	380	380	380	380	380
Enrollment	420	419	425	404	423	448	454	437	418	412
Capacity Used	110.53 %	110.26 %	111.84 %	106.32 %	111.32 %	117.89 %	119.47 %	115.00 %	110.00 %	108.42 %
Nisley (1958)										
Square feet	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806	52,806
Capacity	467	467	467	467	467	467	467	467	467	467
Enrollment	472	518	523	498	495	443	460	479	464	476
Capacity Used	101.07 %	110.92 %	111.99 %	106.64 %	106.00 %	94.86 %	98.50 %	102.57 %	99.36 %	101.93 %

SCHEDULE 19

Mesa County Valley School District No. 51

School Building Information

Last Ten Fiscal Years  
(Unaudited)

School	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Orchard Avenue (1948)										
Square feet	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800	58,800
Capacity	406	406	406	406	406	406	406	406	406	406
Enrollment	417	391	410	420	449	479	491	488	491	460
Capacity Used	102.71 %	96.31 %	100.99 %	103.45 %	110.59 %	117.98 %	120.94 %	120.20 %	120.94 %	113.30 %
Pear Park (2006)										
Square feet	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980	61,980
Capacity	532	532	532	532	532	532	532	532	532	532
Enrollment	472	491	499	497	492	490	477	458	447	431
Capacity Used	88.72 %	92.29 %	93.80 %	93.42 %	92.48 %	92.11 %	89.66 %	86.09 %	84.02 %	81.02 %
Pomona (1958)										
Square feet	56,427	56,427	56,427	56,427	56,427	56,427	56,427	56,427	56,427	54,867
Capacity	389	389	389	389	389	389	389	389	389	378
Enrollment	377	371	384	394	383	408	416	417	427	465
Capacity Used	96.92 %	95.37 %	98.71 %	101.29 %	98.46 %	104.88 %	106.94 %	107.20 %	109.77 %	123.02 %
Rim Rock (2006)										
Square feet	59,598	59,598	59,598	59,598	59,598	59,598	59,598	59,598	58,158	54,798
Capacity	643	643	643	643	643	643	643	643	595	509
Enrollment	653	629	653	624	645	654	671	654	629	641
Capacity Used	101.56 %	97.82 %	101.56 %	97.05 %	100.31 %	101.71 %	104.35 %	101.71 %	105.71 %	125.93 %
Rocky Mountain (1998)										
Square feet	52,068	52,068	52,068	52,068	52,068	52,068	52,068	52,068	52,068	52,068
Capacity	564	564	564	564	564	564	564	564	564	564
Enrollment	470	511	518	496	547	531	534	573	593	579
Capacity Used	83.33 %	90.60 %	91.84 %	87.94 %	96.99 %	94.15 %	94.68 %	101.60 %	105.14 %	102.66 %
Scenic (1969)										
Square feet	30,144	30,144	30,144	30,144	30,144	30,144	30,144	30,144	30,144	30,144
Capacity	229	229	229	229	229	229	229	229	229	229
Enrollment	267	274	276	297	278	262	232	239	252	276
Capacity Used	116.59 %	119.65 %	120.52 %	129.69 %	121.40 %	114.41 %	101.31 %	104.37 %	110.04 %	120.52 %
Shelley (1958)										
Square feet	56,784	56,784	56,784	56,784	56,784	56,784	56,784	56,784	56,784	56,784
Capacity	519	519	519	519	519	519	519	519	519	519
Enrollment	470	520	531	518	538	547	610	550	550	571
Capacity Used	90.56 %	100.19 %	102.31 %	99.81 %	103.66 %	105.39 %	117.53 %	105.97 %	105.97 %	110.02 %
Taylor (1958)										
Square feet	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460	52,460
Capacity	511	511	511	511	511	511	511	511	511	511
Enrollment	422	415	389	395	424	405	417	422	401	411
Capacity Used	82.58 %	81.21 %	76.13 %	77.30 %	82.97 %	79.26 %	81.60 %	82.58 %	78.47 %	80.43 %
Thunder Mountain (1982)										
Square feet	57,950	57,950	57,950	57,950	57,950	57,950	57,950	57,950	57,950	57,950
Capacity	562	562	562	562	562	562	562	562	562	562
Enrollment	511	521	544	536	551	579	610	624	610	635
Capacity Used	90.93 %	92.70 %	96.80 %	95.37 %	98.04 %	103.02 %	108.54 %	111.03 %	108.54 %	112.99 %
Tope (1940)										
Square feet	53,886	53,886	53,886	53,886	53,886	53,886	53,886	53,886	53,886	53,886
Capacity	410	410	410	410	410	410	410	410	410	410
Enrollment	348	342	337	345	356	337	366	379	389	443
Capacity Used	84.88 %	83.41 %	82.20 %	84.15 %	86.83 %	82.20 %	89.27 %	92.44 %	94.88 %	108.05 %
Wingate (1982)										
Square feet	43,819	43,819	43,819	43,819	43,819	43,819	43,819	43,819	43,819	43,819
Capacity	452	452	452	452	452	452	452	452	452	452
Enrollment	458	460	441	461	476	434	439	460	478	498
Capacity Used	101.33 %	101.77 %	97.57 %	101.99 %	105.31 %	96.02 %	97.12 %	101.77 %	105.75 %	110.18 %
<b>Middle:</b>										
Bookcliff (2006)										
Square feet	116,182	116,182	116,182	116,182	116,182	116,182	116,182	116,182	116,182	106,333
Capacity	643	643	643	643	643	643	643	643	643	531
Enrollment	578	575	580	569	569	563	600	575	547	527
Capacity Used	89.89 %	89.42 %	90.20 %	88.49 %	88.49 %	87.56 %	93.31 %	89.42 %	85.07 %	99.25 %
East (1970)										
Square feet	54,486	54,486	54,486	54,486	54,486	54,486	54,486	54,486	54,486	54,486
Capacity	484	484	484	484	484	484	484	484	484	484
Enrollment	441	477	477	474	475	479	469	444	446	461
Capacity Used	91.12 %	98.55 %	98.55 %	97.93 %	98.14 %	98.97 %	96.90 %	91.74 %	92.15 %	95.25 %
Fruita (1936)										
Square feet	85,286	85,286	85,286	85,286	85,286	85,286	85,286	85,286	85,286	85,286
Capacity	733	733	733	733	733	733	733	733	733	733
Enrollment	630	606	554	546	577	549	518	566	586	583
Capacity Used	85.95 %	82.67 %	75.58 %	74.49 %	78.72 %	74.90 %	70.67 %	77.22 %	79.95 %	79.54 %

School	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<b>Grand Mesa (1998)</b>										
Square feet	99,663	99,663	99,663	99,663	99,663	99,663	99,663	99,663	99,663	99,663
Capacity	625	625	625	625	625	625	625	625	625	625
Enrollment	608	629	607	581	622	618	647	657	664	711
Capacity Used	97.28	100.64 %	97.12 %	92.96 %	99.52 %	98.88 %	103.52 %	105.12 %	106.24 %	113.76 %
<b>Mt. Garfield (1982)</b>										
Square feet	85,658	85,658	85,658	85,658	85,658	85,658	85,658	85,658	85,658	85,658
Capacity	596	596	596	596	596	596	596	596	596	596
Enrollment	657	639	617	602	568	594	618	635	646	665
Capacity Used	110.23	107.21 %	103.52 %	101.01 %	95.30 %	99.66 %	103.69 %	106.54 %	108.39 %	111.58 %
<b>Orchard Mesa (1960)</b>										
Square feet	55,661	55,661	55,661	55,661	55,661	55,661	55,661	55,661	55,661	55,661
Capacity	598	598	598	598	598	598	598	598	598	598
Enrollment	494	486	502	515	505	532	530	537	508	526
Capacity Used	82.61	81.27 %	83.95 %	86.12 %	84.45 %	88.96 %	88.63 %	89.80 %	84.95 %	87.96 %
<b>Redlands (1991)</b>										
Square feet	97,318	97,318	97,318	97,318	97,318	97,318	97,318	97,318	97,318	97,318
Capacity	643	643	643	643	643	643	643	643	643	643
Enrollment	556	550	565	572	583	547	568	582	612	585
Capacity Used	86.47	85.54 %	87.87 %	88.96 %	90.67 %	85.07 %	88.34 %	90.51 %	95.18 %	90.98 %
<b>West (1971)</b>										
Square feet	55,830	55,830	55,830	55,830	55,830	55,830	55,830	55,830	55,830	55,830
Capacity	466	466	466	466	466	466	466	466	466	466
Enrollment	385	382	389	404	400	432	416	427	425	418
Capacity Used	82.62	81.97 %	83.48 %	86.70 %	85.84 %	92.70 %	89.27 %	91.63 %	91.20 %	89.70 %
<b>8/9:</b>										
<b>Fruita 8/9</b>										
Square feet	103,784	103,784	103,784	103,784	103,784	103,784	103,784	103,784	103,784	103,784
Capacity	681	681	681	681	681	668	668	668	668	668
Enrollment	802	741	752	721	711	711	743	776	720	739
Capacity Used	117.77	108.81 %	110.43 %	105.87 %	104.41 %	106.44 %	111.23 %	116.17 %	107.78 %	110.63 %
<b>High:</b>										
<b>Career Center (2006)</b>										
Square feet	37,852	37,852	37,852	37,852	37,852	37,852	37,852	37,852	34,912	34,912
Capacity	265	265	265	265	265	265	265	265	196	196
Enrollment	School has no enrollment records because students enrolled at other schools are bussed in during the day for special programs									
<b>Central (1960)</b>										
Square feet	179,132	179,132	179,132	179,132	179,132	179,132	179,132	179,132	179,132	179,132
Capacity	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495	1,495
Enrollment	1,520	1,536	1,515	1,473	1,463	1,486	1,572	1,599	1,664	1,670
Capacity Used	101.67	102.74 %	101.34 %	98.53 %	97.86 %	99.40 %	105.15 %	106.96 %	111.30 %	111.71 %
<b>Fruita Monument (1969)</b>										
Square feet	192,134	192,134	192,134	192,134	192,134	192,134	192,134	192,134	192,134	192,134
Capacity	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618	1,618
Enrollment	1,275	1,257	1,229	1,253	1,304	1,262	1,284	1,278	1,323	1,335
Capacity Used	78.80	77.69 %	75.96 %	77.44 %	80.59 %	78.00 %	79.36 %	78.99 %	81.77 %	82.51 %
<b>Grand Junction (1956)</b>										
Square feet	168,329	168,329	168,329	168,329	168,329	168,329	168,329	168,329	168,329	168,329
Capacity	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786	1,786
Enrollment	1,573	1,684	1,742	1,741	1,715	1,676	1,760	1,774	1,757	1,739
Capacity Used	88.07	94.29 %	97.54 %	97.48 %	96.02 %	93.84 %	98.54 %	99.33 %	98.38 %	97.37 %
<b>Palisade (1991)</b>										
Square feet	125,412	125,412	125,412	125,412	125,412	125,412	125,412	125,412	125,412	125,412
Capacity	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084	1,084
Enrollment	1,053	1,011	1,006	1,048	1,054	1,021	1,010	1,003	1,028	1,001
Capacity Used	97.14	93.27 %	92.80 %	96.68 %	97.23 %	94.19 %	93.17 %	92.53 %	94.83 %	92.34 %
<b>R-5 Complex (2016)</b>										
Square feet	29,133	29,133	17,684	17,684	17,684	17,684	17,684	17,684	17,684	17,684
Capacity	420	420	257	257	257	257	257	257	257	257
Enrollment	289	304	210	221	190	224	255	355	270	266
Capacity Used	68.81	72.38 %	81.71 %	85.99 %	73.93 %	87.16 %	99.22 %	138.13 %	105.06 %	103.50 %
<b>K - 12:</b>										
<b>Gateway (1946)</b>										
Square feet	18,470	18,470	18,470	18,470	18,470	18,470	18,470	18,470	18,470	18,470
Capacity	90	90	90	90	90	90	90	90	90	90
Enrollment	33	25	25	29	34	40	45	51	46	33
Capacity Used	36.67	27.78 %	27.78 %	32.22 %	37.78 %	44.44 %	50.00 %	56.67 %	51.11 %	36.67 %
<b>Grand River Academy (previously Independence Academy Charter School and Lincoln Park Elementary) (1925)</b>										
Square feet	23,378	23,378	23,378	23,378	23,378	23,378	23,378	23,378	23,378	23,378
Capacity	284	284	284	284	284	284	284	284	284	284
Enrollment	280	259	245	346	308	294	257	233	206	211
Capacity Used	98.59	91.20 %	86.27 %	121.83 %	108.45 %	103.52 %	90.49 %	82.04 %	72.54 %	74.30 %
Non-school enrollment	1,288	1,129	918	77	815	815	658	499	484	392
Total District enrollment	22,084	22,105	21,827	21,746	21,902	21,827	22,012	22,203	22,147	22,272

Source: Mesa County Valley School District No. 51 Maintenance Department

Note: Building capacity may not change when additions to buildings are constructed because modular units are often removed

*This page intentionally left blank.*



# SINGLE AUDIT



Mesa County Valley School District No. 51  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
June 30, 2018

CFDA PROGRAM TITLE	CFDA PROGRAM NUMBER	PASSTHRU ID NUMBER	AMOUNT OF EXPENDITURES
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
Passed through state Department of Education:			
School Breakfast Program	10.553	4553	\$ 919,528
National School Lunch Program	10.555	4555	3,285,726
Summer Food Service Program for Children	10.559	4559	131,500
Donated Commodities			<u>445,122</u>
Total U.S. Department of Agriculture			4,781,877
<b>U.S. DEPARTMENT OF EDUCATION</b>			
Passed through state Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4010,5010 6010,7010 8010	4,305,748
Special Education - Grants to States	84.027	4027,5027 6027	3,751,670
Special Education - Preschool Grants	84.173	4173,5173	178,060
Education for Homeless Children and Youth	84.196	5196	37,000
Migrant Education - State Grant Program	84.011	4011	509,963
English Language Acquisition Grants	84.365	22-4365,7365	60,152
Supporting Effective Instruction State Grants	84.367	22-4367	697,595
Special Education – State Personnel Development	84.323	5323	11,299
Migrant Education - Coordination Program	84.144G	4144	2,754
Title IV Every Student Succeeds Act (ESSA)	84.424A	4424	48,937
21st Century Community Learning Center	84.287	5287	138
Passed through State Community College System:			
Career and Technical Education - Basic Grants to States	84.048	22-4048	<u>155,194</u>
Total U.S. Department of Education			9,758,509
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<b>INTERNAL REVENUE SERVICE</b>			
Build America Bonds and QECB Subsidy	21.XXX	10-9016	12,264
<b>U.S. DEPARTMENT OF DEFENSE</b>			
Junior ROTC Program	12.XXX	10-9001	64,701
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Environmental Education Grant	66.951	7951	4,972
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Project Aware	93.243	7243	36,549
Passed through State of Colorado:			
Child Care Development Fund – CCDF Cluster	93.596	22-396-7596	29,497
Child Care Development Fund – Readiness Grant	93.596	606-7596	116
Child and adult Care food Program	10.558	4558	2,524
Passed through other government:			
CDC Investigations and Technical Assistance	93.283	7283	54
Early head start	93.600	8600	18,008
Total U.S. Department of Health and Human Services			<u>86,749</u>
Total Federal Financial Assistance Expenditure			\$ <u>14,709,072</u>

Mesa County Valley School District No. 51  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
June 30, 2018

---

**NOTE A – GENERAL**

The accompanying schedule of expenditures of federal awards includes the amount of federal grants expended by Mesa County Valley School District No. 51, during the year ended June 30, 2018. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in the schedule may differ from amounts presented in, or used in, the preparation of the basic financial statements.

**NOTE B – BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of federal awards is presented using the modified accrual basis of accounting. Non-cash expenditures are included in the schedule.

**NOTE C – INDIRECT COST RATE**

The District did not elect to use the 10 percent de minimus indirect cost rate.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

November 30, 2018

The Board of Education  
Mesa County Valley School District No.51

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Mesa County Valley School District No. 51 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, and have issued our report thereon dated November 30, 2018. Our report includes reference to other auditors who audited the financial statements of Independence Academy Charter School, as described in our report on the District's financial statements. The financial statements of Independence Academy, as well as the other discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mesa County Valley School District No.51's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Education  
Mesa County Valley School District No. 51  
November 30, 2018  
Page Two

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Chadwick, Steinkirchner, Glavin & Co., P.C.*



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

November 30, 2018

The Board of Education  
Mesa County Valley School District No. 51

**Report on Compliance for Each Major Federal Program**

We have audited Mesa County Valley School District No. 51's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mesa County Valley School District No. 51's major federal programs for the year ended June 30, 2018. Mesa County Valley School District No. 51's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Mesa County Valley School District No. 51's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Mesa County Valley School District's No. 51's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Mesa County Valley School District No. 51's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Mesa County Valley School District No. 51 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

### Report on Internal Control Over Compliance

Management of Mesa County Valley School District No. 51 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Mesa County Valley School District No. 51's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Mesa County Valley School District No. 51  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
 June 30, 2018

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:		<u>Unmodified Opinion</u>		
Internal control over financial reporting:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported
Noncompliance material to financial statements noted?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?	_____	yes	_____ <input checked="" type="checkbox"/>	no
Significant deficiency(ies) identified not considered to be material weaknesses?	_____	yes	_____ <input checked="" type="checkbox"/>	none reported

Type of auditor's report issued on compliance for major programs:		<u>Unmodified Opinion</u>		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	yes	_____ <input checked="" type="checkbox"/>	no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553/10.555/10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:		\$ 750,000		
Auditee qualified as low-risk auditee?	_____ <input checked="" type="checkbox"/>	yes	_____	no

Mesa County Valley School District No. 51  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
June 30, 2018

---

SECTION II - FINANCIAL STATEMENT FINDINGS

There are no finding required to be reported under Generally Accepted Government Auditing Standards.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs for federal awards as defined in the Uniform Guidance.

Mesa County Valley School District No. 51  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
June 30, 2018

---

There were no prior year findings.