

# Colorado Springs School District 11

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT



Fiscal Year End June 30, 2017

Colorado Springs, CO

Colorado Springs School District 11 ("D11") seeks to comply with applicable laws prohibiting discrimination in relation to disability, race, creed, color, sex, sexual orientation (as defined by state law), national origin, religion, ancestry, age, and protected activity in its programs and activities. D11 also provides equal access to the Boy Scouts and other designated youth groups.

Any harassment/ discrimination of students and/or staff, based on the aforementioned protected areas, is prohibited and must be brought to the immediate attention of the school principal, the D11 administrator/supervisor, or the D11 nondiscrimination compliance/grievance coordinator. The following person has been designated to handle inquiries regarding D11's non-discrimination policies: The District 11 NONDISCRIMINATION COMPLIANCE COORDINATOR, Alvin N. Brown, Jr., JD, designated to coordinate compliance with: 1) Equal Pay Act of 1963, 2) Civil Rights Act of 1964, as Amended, 3) Age Discrimination in Employment Act of 1967, 4) Title IX – Education Amendments Act of 1972, 5) Section 504 of Rehabilitation Act of 1973, 6) Pregnancy Discrimination Act of 1978, 7) Americans with Disabilities Act of 1990, and 8) Colorado Anti-Discrimination Act. 9) School District 11 Board of Education Policy AC. Nondiscrimination/Equal Opportunity, 711 East San Rafael Street, Colorado Springs, CO 80903, e-mail: [alvin.brown2@d11.org](mailto:alvin.brown2@d11.org), Phone: (719) 520-2271, Fax: (719) 520-2442. Se habla Español.

# Colorado Springs School District 11

Colorado Springs, Colorado

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

**For the Fiscal Year Ended June 30, 2017**

### BOARD OF EDUCATION

**LuAnn Long**

*President*

**Jim Mason**

*Vice President*

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*Secretary*

**Nora Brown**

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**Shawn Gullixson**

*Director*

**Elaine Naleski**

*Director*

### SUPERINTENDENT

**Dr. Nicholas Gledich**

### DEPUTY SUPERINTENDENT/CHIEF FINANCIAL OFFICER

**Glenn E. Gustafson, CPA**

**Prepared By:**

**DEPARTMENT OF FISCAL SERVICES**

**Laura Hronik, MBA**

*Director*

**JerrieAnn LaLond**

*Accounting/Payroll Manager*

**Desire Smith**

*Senior Internal Accountant*

**Al Johnson, MBA**

*Senior Accountant*

**Mark Capps, MBA**

*Accounts Payable Coordinator/Senior Charter*

*School Accountant*

Artwork: Andrea M. Burrows

**BOARD OF EDUCATION**  
Colorado Springs School District 11



**LUANN LONG, President**  
Term: 2013-2017



**JIM MASON, Vice-President**  
Term: 2013-2017



**THERESA NULL, Secretary**  
Term: 2015-2019



**NORA BROWN, Treasurer**  
Term: 2015-2019



**MARY COLEMAN, Director**  
Term: 2016-2017



**SHAWN GULLIXSON, Director**  
Term: 2016-2017



**ELAINE NALESKI, Director**  
Term: 2015-2019



# Colorado Springs School District 11

## COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2017

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# Introductory Section





THE WORLD IS CHANGING.  
MEET THE FUTURE.



The world is changing.  
Meet the future.

**Laura Hronik, MBA**

Director, Fiscal Services

1115 N. El Paso Street

Colorado Springs, CO 80903

Phone: (719) 520-2050 FAX: (719) 633-9347

E-mail: laura.hronik@d11.org

**Nicholas M. Gledich, Ed.D., Superintendent of Schools**

**Glenn E. Gustafson, Deputy Superintendent, CFO**

October 27, 2017

To the Citizens and Members of the Board of Education of Colorado Springs School District 11:

It is our pleasure to submit to you the Colorado Springs School District 11 (the District) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. State law requires that school districts 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.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of 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 government'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.

Colorado Springs School District 11's financial statements have been audited by *RSM US LLP*, a firm of licensed certified public accountants. The independent audit firm concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for fiscal year 2017 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 District's financial statements also includes the federally mandated "Single Audit," designed to meet the special needs 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 involving the administration of federal awards. The results of the District's single audit for the period ending June 30, 2017 provided no instances of material weaknesses in internal controls over compliance or material violations of applicable laws, regulations, contracts and grants.

Generally accepted accounting principles 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 the 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**

Colorado Springs School District 11 was established in 1872. The District's boundaries have changed numerous times since its formation. Today, the District is the largest and oldest school district in the Pikes Peak Region and the tenth largest in the State. The District encompasses approximately 70.5 square miles and includes a substantial portion of the City of Colorado Springs and portions of unincorporated El Paso County. According to the 2010 census (latest information available), the District's population was 227,196.

The District provides a full range of school programs and services authorized by Colorado state statute. This includes pre-kindergarten through twelfth grade education in elementary, middle and senior high schools, special education for disabled students, gifted and talented programs, vocational and adult education, alternative education and other educational programs. The District provides services for over 26,000 students and employs just over 3,600 teachers, education support professionals and administrators.

The District is governed by a seven-member Board of Education (the Board) whose members are elected by the registered electors of the District for staggered four-year terms of office. Biennial school district elections are held in November of odd-numbered years. The Board is a policy-making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and oversee the property, facilities and financial affairs of the District. Members of the Board serve without compensation. The Board holds regular meetings generally scheduled for the second and fourth Wednesday of each month, with special meetings held as needed. The Board elects its officers following each biennial election.

The District includes as discretely presented component units six (6) charter schools; GLOBE, Roosevelt Charter Academy, Community Preparation School, CIVA, Life Skills Center and Academy for Advanced and Creative Learning. Charter schools are public schools approved by the Board and authorized by the State of Colorado to provide alternatives for parents, pupils and teachers. These schools have separate governing boards and are funded by the State of Colorado and local property tax funds, with revenues passing through the District. Though fiscally independent, the District provides many supports and services for these charter schools.

The annual budget serves as the foundation for the District's financial planning and control. A proposed budget is developed based on budget requests of the individual departments of the District. The Administration presents the proposed budget to the Board of Education for review. Public hearings are held on the proposed budget, and a final budget is adopted no later than June 30, the close of the District's fiscal year. The appropriated budget is prepared by fund, function and department. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the District's Board of Education, in accordance with Board Policy.

## **ECONOMIC 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***

The City of Colorado Springs is a Home Rule Municipality; it is the county seat and most populous city in El Paso County. With a population of 416,427 as of the 2010 Census, it is the second most populous city in the state, behind Denver. The city covers 194.7 square miles making it Colorado's largest city by area. The economy is driven primarily by the military, the high-tech industry and tourism.

Job growth in El Paso County slowed somewhat last year from 2015, likely as a result of a dwindling number of available workers to fill a growing number of job openings. The county's employers added 7,742 jobs in 2016 after a 3.2 percent growth rate in 2015. 2015 was the county's best job growth in the past 15 years. El Paso County has experienced a 24 percent hike in the number of resident Millennials between 2006 and 2016. Every month nearly 2,000 high-paid IT job openings, such as software and systems engineers, project managers and system administrators, have been listed in the Colorado Springs market. Tourism numbers keep rising as well, although hotel occupancy rates fell from 2016. The previous year experienced a 65 percent hike in occupancy. Strong performing indicators over the past year include new single family residence permits, new vehicle registrations, consumer sentiment, and Colorado Springs sales and use tax collections. Improvements were also seen in the employment rate and foreclosures



At the state level, economic indicators are robust but confusing. State revenues included an increase in general School Finance Act revenues for the 2015/2016 and 2016/2017 school years but the “negative factor” continues to withhold approximately \$1,000 per pupil from the Constitutional Amendment 23 prescribed levels. In addition, pressures on the state budget continue; Health care, transportation and other state agency requirements will continue to outpace state resource availability in its constitutionally constrained budget and TABOR refunds loom ahead for the State budget. The state does not have a proven or consistent on-going revenue source to fund the increase in K-12 funding or to even significantly decrease the negative factor. K-12 represents approximately 45 percent of the state’s budget and the state is still working through sizeable budget challenges.

After nearly a decade of declining enrollment, the district is starting to see a stabilization of enrollment and projections for school year 17-18 appear to be relatively flat. This matches the District’s long-term demographic study that indicated that the district enrollment would stabilize and then eventually start to grow again, albeit at a gentle rate.

The district is particularly proud of its efforts in re-purposing schools. At this point in time, all closed school facilities have either been sold or re-purposed into viable uses. The school optimization appears to be working as the district enrollment as a percentage of capacity is very close to the target of 85%. The age of some of our schools is of some concern, however, the district continues to work aggressively on maintaining these facilities and addressing structural concerns. The district is proposing a \$42 million Mill Levy Override to the voters in November of 2017 in hope of rebuilding and renewing the district’s capital infrastructure and improving our ability to compete with neighboring school districts.

### ***Long-term Financial Planning***

Looking to the future, the State’s K-12 funding remains uncertain. Without voter approval of new school finance funds, long-term estimates of state funding of K-12 education will be predicated on a renewal of economic growth within the state that is sufficient to cover inflation and student growth, while at the same time being able to meet other resource demands such as Medicaid, social programs, prisons, roads and higher education. Ultimately, the State will be hard pressed to provide its existing service requirements within its constrained resources.

### ***Financial Policies***

Detailed descriptions of the District’s accounting policies are contained in the Notes to the Financial Statements on pages 40 to 62 of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for investments, capital assets and other significant accounting information.

The District maintains a number of budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all funds are included in the annual appropriated budget. Budgetary control is established at the fund level. The District maintains an encumbrance accounting system as one method of accomplishing budgetary control. Unencumbered budgets lapse at the end of the fiscal year, with the exception of school budgets where unencumbered budget allocations are available for use in future years, and are reported as assignments of fund balance in the current year.

### ***Major Initiatives***

Looking forward to 2017, the District adopted a budget that almost entirely was weighted towards compensation increases to all employee groups. The increase averaged out to almost 5% with 1% of the increase for employees being a one-time increase.

## AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Colorado Springs School District 11 for its comprehensive annual financial report for the year ended June 30, 2016. To receive this honor, a governmental unit must publish an easily readable and efficiently organized CAFR, with content conforming to program standards. Such reports must satisfy generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for one year. The District's June 30, 2017 CAFR will also be submitted to ASBO for review.

We express our gratitude to those who assisted in the preparation of this report, which would not have been possible without the dedicated service of District staff. We commend Superintendent Dr. Nicholas Gledich and the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

We thank our independent auditors from the certified public accounting firm of *RSM US LLP*, for their professional approach in the performance of the audit and their careful review of this document. Their assistance was invaluable in finalizing the report.

Finally, we would like to offer special thanks to the accounting and payroll staff, as well as the business managers and administrative assistants, who play a key role in the financial reporting of the District year round.

Respectfully Submitted,



Glenn E Gustafson, CPA  
Deputy Superintendent/Chief Financial Officer



Laura Hronik, MBA  
Director of Fiscal Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Colorado Springs School District 11**

**for its Comprehensive Annual Financial Report (CAFR)  
for the Fiscal Year Ended June 30, 2016.**

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards.



A handwritten signature in black ink, appearing to read 'Anthony N. Dragona', written over a horizontal line.

Anthony N. Dragona, Ed.D., RSBA  
President

A handwritten signature in black ink, appearing to read 'John D. Musso', written over a horizontal line.

John D. Musso, CAE, RSBA  
Executive Director



# COLORADO SPRINGS SCHOOL DISTRICT 11

## 2016-2017 SUPERINTENDENT'S DISTRICT PLAN

**DISTRICT COMMITMENT:** The staff and school community is committed to the graduate—one who is:

Academically prepared  
Culturally competent  
Highly skilled team member  
Innovative thinker and problem solver  
Effective, efficient user of information technology  
Vital participant in civic responsibility  
Effective communicator

**DISTRICT VISION:** Every student prepared for a world yet to be imagined.

**DISTRICT MISSION:** Provide excellent, distinctive educational experiences that equip students for success today and in the future

**DISTRICT GOALS:** Colorado Springs School District 11 will:

1. Demonstrate improvement of student achievement
2. Demonstrate a high-performing team
3. Embrace a culture of constant innovation
4. Communicate and engage frequently with our customers
5. Provide a safe learning and working environment
6. Demonstrate operational efficiencies
7. Demonstrate fiscal prudence and financial responsibility

**VALUES:** The District and Board of Education value:

- Respect
- Learning Transparency
- Safety
- Collaboration
- Effectiveness
- Efficiency

**BOARD OF EDUCATION'S PURPOSE:** A unified team of elected leaders providing effective governance

**ESSENTIAL BOARD OF EDUCATION GOALS:**

- Guide the District through the Superintendent
- Engage students, families, staff and community
- Ensure alignment of policy, resources and structure
- Measure and celebrate achievement
- Model excellence

**Board of Education Focus Areas:**

- Increase student achievement
- Ensure financial integrity, with transparency
- Enhance effective leadership
- Build strong communities





# COLORADO SPRINGS SCHOOL DISTRICT 11

## 2016-2017 SUPERINTENDENT'S DISTRICT PLAN

### **SUPERINTENDENT'S PRIORITIES**

- ✚ Culture of Performance-- a positive learning environment that engages
- ✚ Academic Systems-- rigorous, aligned and engaging academic program with a specific focus on data-driven instruction.
- ✚ Talent-- systems and strategies to recruit, develop, evaluate and retain excellent teachers and support staff

### **PRINCIPLES: FOR RELATIONSHIPS THAT LEAD TO SUCCESS**

We value and use these principles for accomplishing the *Mission* and our working relationships. We value and use these principles for accomplishing the *District Mission*.

### **THINK WIN/WIN -- CREATE THE CONDITION FOR UNDERSTANDING MUTUAL GOALS**

- ✚ Work together to understand each other's needs, and offer solutions that help each other do a better job.

### **LISTEN FIRST, TALK SECOND, MANAGE BY FACTS -- CREATE THE CONDITION FOR MAKING GOOD DECISIONS**

- ✚ Admit to the brutal facts, and work toward success.
- ✚ Build trust with the truth, and work together through the good times and the challenges.

### **TRUST BUT VERIFY -- CREATE THE CONDITION FOR VALUING AND ADDRESSING SUCCESS CRITERIA**

- ✚ Expect success. Expect high quality deliverables. Demonstrate high standards for performance. Know the result.
- ✚ Celebrate success. Appreciate the conclusion of each event.

### **REMEMBER: "A DOLLAR IS A DOLLAR" -- CREATE THE CONDITION FOR SOUND FISCAL MANAGEMENT**

- ✚ Work to set realistic expectations for costs and what exactly demonstrates business value.
- ✚ Demonstrate fiscal prudence and financial responsibility with each other's money.

### **FIRST DO NO DAMAGE -- CREATE THE CONDITION TO BALANCE INNOVATION WITH MINDING THE STORE**

- ✚ Don't turn the business process upside down without a very good reason – but don't leave it broken if it's clearly yours to fix.

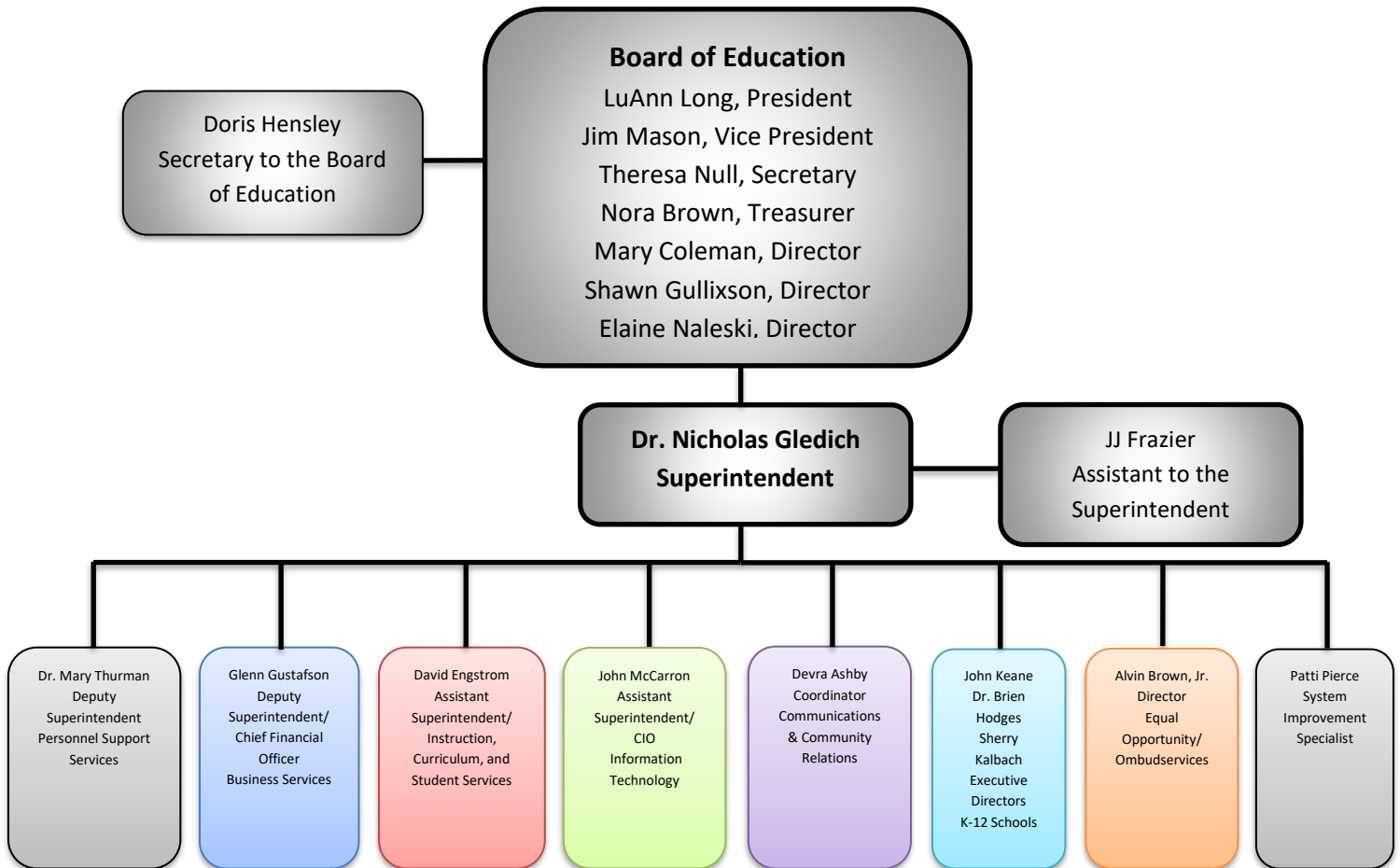
### **WHATEVER IT TAKES -- CREATE THE CONDITION WHERE WE EACH BELIEVE NOTHING IS IMPOSSIBLE**

- ✚ Never say never. Avoid "can't." Look for ways to say "yes" instead of "no."
- ✚ Work with a sense of urgency to ensure we meet our needs.

# Colorado Springs School District 11

## Division Organizational Chart

### 2016-2017



# Colorado Springs School District 11

## Superintendent's Cabinet

### 2016-2017

Dr. Nicholas M. Gledich  
Superintendent of Schools

Dr. Mary Thurman  
*Deputy Superintendent  
Personnel Support Services*

David Ensstrom  
*Assistant Superintendent  
Instruction, Curriculum & Student Services*

Glenn E. Gustafson, CPA  
*Deputy Superintendent, Chief Financial Officer  
Business Services*

Danniella Ewen  
*Executive Director, Human Resources*

John McCarron  
*Assistant Superintendent/CIO  
Information Technology*

Dr. Gerry Olvey  
*Executive Director, Student Support Services*

Dr. Janeen Demi-Smith  
*Executive Director, AERO*

Kris Odom  
*Executive Director, Procurement and Contracting*

Devra Ashby  
*Public Information Officer*

Dr. Alvin N. Brown, Jr.  
*Director, Equal Opportunity Programs  
Ombudservices*

Scott Lewis  
*Executive Director, Facilities, Operations,  
Transportation Center (FOTC)*

#### **Executive Directors for K-12 Schools**

Brien Hodges  
Sherry Kalbach  
John Keane

#### **Executive Director, Non-traditional and Alternative Education**

David Engstrom

#### **Employee Group Leadership**

Marilyn Eggleston  
*Educational Support Professionals (ESP)*

Kevin Vick  
*Colorado Springs Education Association (CSEA)*

Cynthia Matinez  
*Colorado Springs Association of  
School Executives (CSASE)*



THE WORLD IS CHANGING.  
MEET THE FUTURE.



# Financial Section



## **Independent Auditor's Report**

RSM US LLP

Board of Education  
Colorado Springs School District 11

### **Report on the Financial Statements**

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 the Colorado Springs School District 11 (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of the District's Charter Schools, discretely presented component units of the District, which represent all of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's Charter Schools, is based solely on the report of the other auditors. We conducted our audits 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 District's Charter Schools, aggregate 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 17 through 25, the Budgetary Comparison Information on pages 64 through 67 and the pension schedules on pages 68 through 70 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance, and is not a required part of the basic financial statements.

The combining individual nonmajor fund financial statements and other schedules and the schedule of expenditures of federal awards 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying introductory and statistical sections, as listed in the table of contents, 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 October 24, 2017 on our consideration of the District'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.

*RSM US LLP*

Denver, Colorado  
October 24, 2017

# Colorado Springs School District 11

## Management's Discussion and Analysis

### As of and for the fiscal year ended June 30, 2017

As management of Colorado Springs School District 11, we offer readers of the District's comprehensive annual financial report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal.

#### FINANCIAL HIGHLIGHTS

- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2017 by \$460,440,209. The change in net position was (\$144,115,623), which increased the negative balance from \$316,324,586 at the beginning of the year.
- At the close of the current fiscal year, the District's *governmental funds* reported combined ending fund balances of \$63,908,171 compared to \$66,635,699 at the close of the prior fiscal year.
- Total ending fund balances, for the *governmental funds* at June 30, 2017 included \$32,354,691 for the General Fund; \$8,970,045 for the Capital Reserve Capital Projects Fund; \$641,858 for the Mill Levy Override Fund; \$18,857,822 for the Bond Redemption Fund and \$3,083,755 for non-major governmental funds.
- At June 30, 2017, the *governmental funds* reported total unassigned fund balance of \$17,847,770 in the General Fund.
- At June 30, 2017, the *governmental fund* assigned fund balance was \$17,347,857, including \$2,364,108 for Risk Management; \$540,886 for Preschool; \$600,000 for the District 11 cohort program; \$457,008 for future Energy lease obligations; \$1,000,000 for Emergency contingency; \$5,231,126 for Capital projects; \$2,558,468 for Food Services funds; \$341,560 for IT programs; \$626,000 for Possible teacher positions; \$2,194,795 for instructional supply carry over; and \$1,433,906 for non-instructional supply carryover.
- At June 30, 2017, the *governmental fund* restricted fund balance was \$27,796,500 including: \$250,000 for multi-year obligations; \$5,148,026 for the emergency contingency required by Article X, Section 20 of the Colorado state constitution; \$21,756,616 for debt service; and \$641,858 for the Mill Levy Override.
- At June 30, 2017, the *governmental fund* nonspendable fund balance was \$916,044, \$12,500 for Risk Management Prepaids and \$903,544 for Inventories.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Colorado Springs School District 11's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

#### 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 consist of two statements:

The *statement of net position* presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District. Current and previous year information is presented for comparison.

The *statement of activities* presents information reporting how the District's net position changed during fiscal year 2017. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, and transportation. Production Printing and Risk Related activities, reported in the Internal Service Funds, are also considered governmental activities in the government-wide financial statements.

The government-wide financial statements for fiscal year 2017 include not only the District itself (known as the *primary government*), but also six charter schools for which the district is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Government-wide financial statements can be found on pages 29-31 of this report.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* 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 the District's near-term financing requirements.

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

The District maintained six individual governmental funds for fiscal year 2017. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Capital Reserve Capital Projects Fund, the Mill Levy Override Fund and the Bond Redemption Debt Service Fund, all of which are considered *major funds*. Combined information is presented for the Food Services Fund and the Designated Purpose Grants Fund, which are considered *non-major funds*. The basic governmental fund financial statements can be found on pages 32-35 of this report.

**Proprietary funds.** The District maintains two proprietary funds both of which are *Internal Service funds*. Internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its Production Printing and Risk Related activities. Because both of these services predominately benefit governmental functions, they have been included within *governmental activities* 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 two Internal Service funds are combined into a single, aggregated presentation. Individual fund data for the Internal Service funds are provided in the form of *combining and individual statements* as other supplementary information in this report. The basic proprietary fund financial statements can be found on pages 36-38 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefits of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the District's own programs. The basic fiduciary fund financial statements can be found on page 39 of this report.

## Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information 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 40-62 of this report.

### Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the District. The District adopts an annual appropriated budget for all funds, except Agency funds. A budgetary comparison schedule has been provided for the General Fund, only major special revenue funds reported in the RSI, and the Mill Levy Override Special Revenue Fund, to demonstrate compliance with this budget.

### Other Supplementary Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. This section also includes budgetary comparison schedules for the funds not included in the RSI.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

During fiscal year 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement 68, which requires the inclusion of unfunded pension liabilities and other pension related items. Because of this, the net position was significantly reduced and may not serve as a useful indicator of the District's financial position. For the District's primary government, excluding its component units (charter schools), liabilities and deferred inflows exceeded assets and deferred outflows by \$460,440,209 at June 30, 2017.

By far the largest liabilities on the government-wide statements are the net pension liability of \$994,729,027. Other pension related amounts include deferred outflows of resources of \$388,300,872 and deferred inflows of resources of \$26,623,941. More information on the benefit plans and the pension related items can be found in notes 10 and 11 on pages 54-59 of this report.

A portion of the District's net position reflects its \$105,995,551 investment in capital assets net of accumulated depreciation and related debt. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restriction on how they may be used. At June 30, 2017 net position totaling \$35,476,769 was restricted, with \$21,756,616 restricted for debt service; \$641,858 for mill levy override; \$7,680,269 for claims; \$5,148,026 for the TABOR emergency contingency and \$250,000 for multiple year obligations.

For fiscal year 2017, the District's negative net position was increased by \$144,115,623 resulting from expenses exceeding revenues.

**Colorado Springs School District 11**  
**Condensed Statement of Net Position**  
**For June 30, 2017 and 2016**

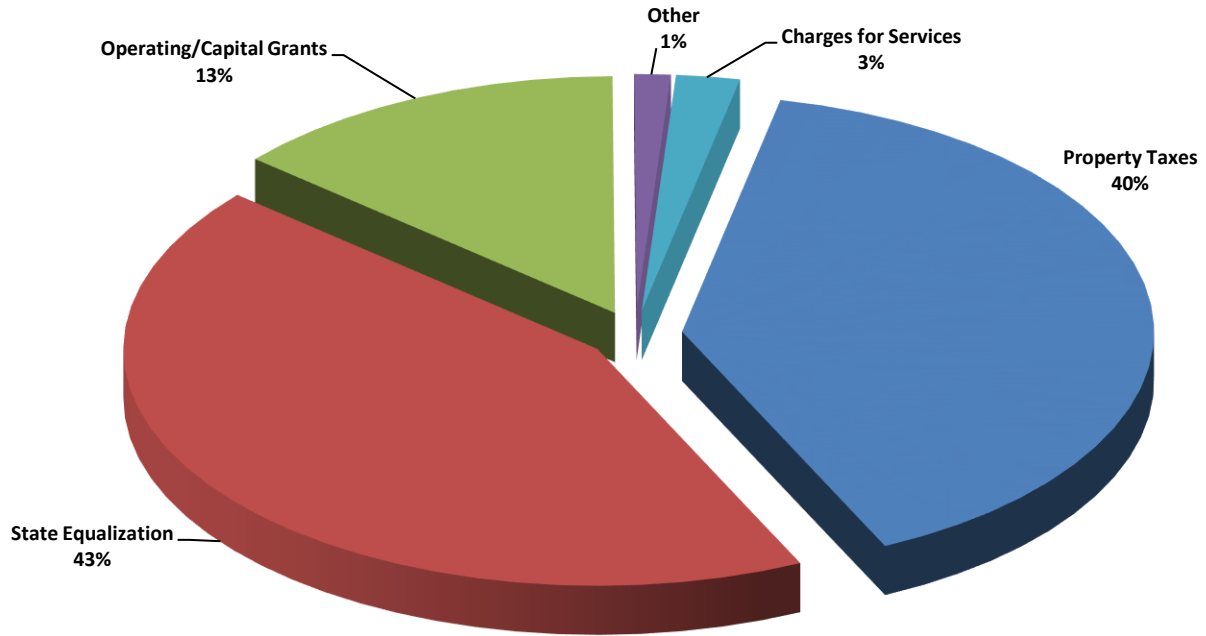
	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Current & other assets	\$ 114,389,494	\$ 115,601,854	\$ 114,389,494	\$ 115,601,854
Capital assets	255,677,856	258,270,708	255,677,856	258,270,708
Total assets	370,067,350	373,872,562	370,067,350	373,872,562
Deferred outflows of resources	393,999,997	80,876,659	393,999,997	80,876,659
<b>Total assets &amp; deferred outflows of resources</b>	<b>764,067,347</b>	<b>454,749,221</b>	<b>764,067,347</b>	<b>454,749,221</b>
Long-term liabilities outstanding	1,155,600,982	717,238,982	1,155,600,982	717,238,982
Other liabilities	40,334,982	34,274,584	40,334,982	34,274,584
Total liabilities	1,195,935,964	751,513,566	1,195,935,964	751,513,566
Deferred inflows of resources	28,571,592	19,560,241	28,571,592	19,560,241
<b>Total liabilities &amp; deferred inflows of resources</b>	<b>1,224,507,556</b>	<b>771,073,807</b>	<b>1,224,507,556</b>	<b>771,073,807</b>
Net position:				
Net investment in capital assets	105,995,551	96,721,208	105,995,551	96,721,208
Restricted	35,476,769	39,366,180	35,476,769	39,366,180
Unrestricted	(601,912,529)	(452,411,974)	(601,912,529)	(452,411,974)
<b>Total net position</b>	<b>\$ (460,440,209)</b>	<b>\$ (316,324,586)</b>	<b>\$ (460,440,209)</b>	<b>\$ (316,324,586)</b>

**Colorado Springs School District 11**  
**Condensed Statement of Activities**  
**For June 30, 2017 and 2016**

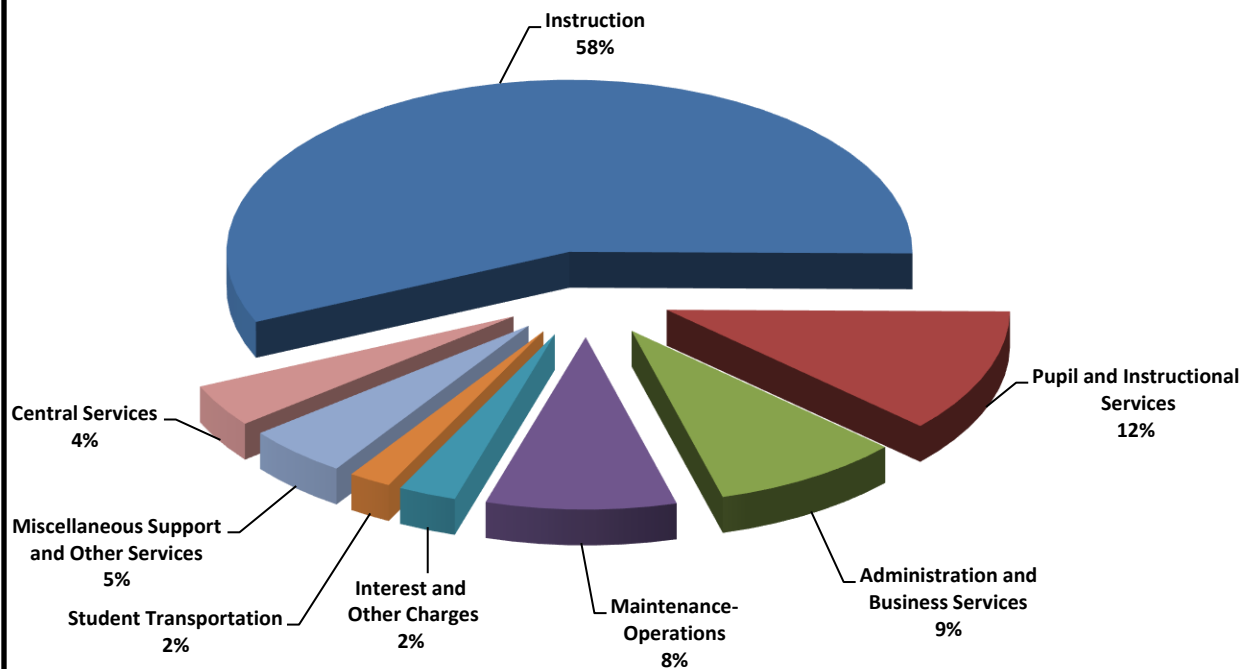
	<b>Governmental Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
<b>Revenues:</b>				
<b>Program revenues:</b>				
Charges for services	\$ 6,957,390	\$ 6,081,071	\$ 6,957,390	\$ 6,081,071
Operating/capital grants	36,649,052	38,201,500	36,649,052	38,201,500
<b>General revenues:</b>				
Property taxes	112,342,808	110,863,634	112,342,808	110,863,634
State equalization	121,332,708	121,129,681	121,332,708	121,129,681
Other	3,194,151	3,486,827	3,194,151	3,486,827
<b>Total revenues</b>	<b>280,476,109</b>	<b>279,762,713</b>	<b>280,476,109</b>	<b>279,762,713</b>
<b>Expenses:</b>				
Instruction	247,608,725	165,628,261	247,608,725	165,628,261
Pupil & instructional services	51,246,966	33,917,262	51,246,966	33,917,262
Administration and business	39,793,058	26,087,577	39,793,058	26,087,577
Maintenance and operations	35,327,552	26,188,777	35,327,552	26,188,777
Transportation	7,617,612	5,852,482	7,617,612	5,852,482
Central services	16,650,969	11,763,965	16,650,969	11,763,965
Miscellaneous support and other services	18,742,280	14,135,353	18,742,280	14,135,353
Interest and other charges	7,604,570	7,973,285	7,604,570	7,973,285
<b>Total expenses</b>	<b>424,591,732</b>	<b>291,546,962</b>	<b>424,591,732</b>	<b>291,546,962</b>
Increase (decrease) in net position	(144,115,623)	(11,784,249)	(144,115,623)	(11,784,249)
<b>Net position - July 1</b>	<b>(316,324,586)</b>	<b>(304,540,337)</b>	<b>(316,324,586)</b>	<b>(304,540,337)</b>
<b>Net position - June 30</b>	<b>\$ (460,440,209)</b>	<b>\$ (316,324,586)</b>	<b>\$ (460,440,209)</b>	<b>\$ (316,324,586)</b>



# **COLORADO SPRINGS SCHOOL DISTRICT 11** **Government-wide Revenues** **Fiscal Year 2017**



# **COLORADO SPRINGS SCHOOL DISTRICT 11** **Government-wide Expenses** **Fiscal Year 2017**



**Governmental Activities.** For fiscal year 2017, governmental activities increased the District's negative net position by \$144,115,623 from \$316,324,586 to \$460,440,209.

- The cost of all governmental activities for the current fiscal year was \$424,591,732.
- Users of some of the District's governmental programs paid \$6,957,390 for services.
- The federal and state governments subsidized certain programs with operating grants and contributions totaling \$36,649,052.
- Most District governmental activities were funded by district and state taxpayers.
- For fiscal year 2017 this portion of governmental activities was funded with \$112,342,808 in property and specific ownership taxes, \$121,332,708 of unrestricted state equalization based on the statewide education aid formula, investment earnings of \$848,854, school land fees of \$409,076, and miscellaneous revenues of \$1,936,221.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

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

### General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Revenues for the General Fund totaled \$205,663,919 in fiscal year 2017 compared to \$203,454,680 in fiscal year 2016, an increase of 1.09%. The following table reflects the amount of revenue from various sources.

<u>Revenues</u>	Fiscal Year 2017	Fiscal Year 2016	Amount of Change	Percentage of Change
Property taxes	\$ 56,997,946	\$ 57,474,400	\$ (476,454)	(0.83) %
Specific ownership taxes	11,708,972	10,494,408	1,214,564	11.57
State of Colorado				
Equalization	121,332,708	121,129,681	203,027	0.17
State Grants	8,209,276	7,898,808	310,468	3.93
Federal	2,174,854	2,074,881	99,973	4.82
Other sources				
Investment income	211,142	78,516	132,626	168.92
Tuition	319,683	326,947	(7,264)	(2.22)
Services provided to charter schools	907,249	828,031	79,218	9.57
Miscellaneous	3,802,089	3,149,008	653,081	20.74
Totals	\$ <u>205,663,919</u>	\$ <u>203,454,680</u>	\$ <u>2,209,239</u>	<u>1.09</u> %

### Revenues

**Property Taxes.** General Fund property tax revenues were based on a levy of 23.472 mills applied against an assessed valuation of \$2,521,748,540. The 2016 General Fund mill levy was 23.694 mills applied against an assessed valuation of \$2,496,414,440. Property taxes accounted for 40% of the District wide revenue for the current fiscal year.

**Specific Ownership Taxes.** Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax increased by 11.57% in fiscal year 2017; this is the fifth year in a row the specific ownership tax has increased.

**State Equalization.** State equalization revenue increased by 0.17% in fiscal year 2017 and accounted for 43% of the District wide revenue.

**Other Sources.** Other sources of revenue consist of state grants, federal grants, investment income, tuition, charter school buyback revenues, and a variety of miscellaneous revenue sources.

### **Expenditures**

Overall expenditures for the General Fund decreased 0.85% from the previous year. The largest changes were in General administration and Miscellaneous support services. This was the result of the reclassification of several grant management programs. This change was made to be more consistent with the reporting of other Colorado school districts. Transportation services increased by 13.47% and Central services increased by 8.63%.

<b><u>Expenditures</u></b>	<b><u>Fiscal Year</u></b> <b><u>2017</u></b>	<b><u>Fiscal Year</u></b> <b><u>2016</u></b>	<b><u>Amount of</u></b> <b><u>Change</u></b>	<b><u>Percentage of</u></b> <b><u>Change</u></b>
Instruction	\$ 131,925,522	\$ 134,045,635	\$ (2,120,113)	(1.58) %
Supporting services				
Pupil activities	12,008,377	11,743,130	265,247	2.26
Instructional support	14,222,441	14,360,379	(137,938)	(0.96)
General administration	1,486,448	2,529,841	(1,043,393)	(41.24)
School administration	18,433,451	18,879,087	(445,636)	(2.36)
Business services	2,298,638	2,324,547	(25,909)	(1.11)
Maintenance and operations	23,714,201	23,980,398	(266,197)	(1.11)
Transportation services	4,652,290	4,100,145	552,145	13.47
Central services	10,941,094	10,071,869	869,225	8.63
Miscellaneous support services	2,065,601	1,624,479	441,122	27.15
Totals	<u>\$ 221,748,063</u>	<u>\$ 223,659,510</u>	<u>\$ (1,911,447)</u>	<u>(0.85) %</u>

### **Other Major Funds**

The Capital Reserve Capital Projects Fund is considered a major fund for the current fiscal year. Total revenues for the Capital Reserve Capital Projects Fund were \$1,865,190, while expenditures totaled \$13,122,501. Other financing sources included transfers of \$5,767,718 from the General Fund and proceeds from the sale of capital assets of \$27,651. Primary funding for the Capital Reserve Capital Projects Fund comes from revenues under the Colorado School Finance Act. These revenues are used to acquire land and improvements, new facilities, additions, repairs and renovations to existing facilities, equipment and safety upgrades. As part of the District's ongoing capital planning process, the District updated and published its five-year Capital Needs and Funding Plan in May 2016. This plan addresses the District's capital needs through 2021 with requirements exceeding \$400 million. Funding may be available from a pending Mill Levy Override (MLO). The fiscal year 2017 expenditures for capital outlay totaled \$7,645,933.

The Bond Redemption Debt Service Fund is used to account for the requirements of the series 2006B, 2010, 2012 and 2013 general obligation bonds. The primary revenue source for the Bond Redemption Debt Service Fund is a voter approved floating mill levy of 6.513 mills which generated \$16,104,227 (\$158,915 of which is interest income) in revenue. The Bond Redemption Debt Service Fund expenditures primarily reflect principal and interest costs on the District's general obligation debt.

The Mill Levy Override Special Revenue Fund is a special revenue fund used to account for funds from the November 2000 voter-approved mill levy override. This fiscal year total revenues were \$26,684,582 while expenditures totaled \$152,130.

The District's bonded debt limit is set by Colorado statute at 20% of assessed property valuation, or \$504,349,708. The District's total bonded debt at June 30, 2017 is \$126,313,111 compared to \$136,853,111 at June 30, 2016, which represents 5.0% of assessed property valuation.

### Proprietary Funds

The Risk Related Activities Fund provided revenue totaling \$26,566,065 to support expenditures for health, vision, dental, life, employee assistance program and long term disability. Other financing sources included investment income of \$405,895 earned on reserves and a \$1,000,000 transfer from the General Fund. Net position at June 30, 2017 was \$8,626,346 compared to \$8,208,794 the previous year reflecting a decrease in net position of \$582,448.

The Production Printing Fund operating revenues equaled \$2,014,966. Other financing sources included investment income of \$2,605, a gain on sale of capital assets of \$4,500 and a transfer from the General Fund of \$400,000. Total expenses were \$2,457,239. Net position at June 30, 2017 was \$749,240 compared to \$784,408 the previous year reflecting a decrease in net position of \$35,168.

### GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted appropriations adopted by the Board of Education for fiscal year 2017 were \$392 million which included General Fund appropriations of \$257.9 million. The adopted budget was modified during the year to reflect changes in funding for a final General Fund budget of \$259.9 million.

The final budget reflected an increase in budgeted expenditures from the original adopted budget. Specifically increases included a \$1,000,000 transfer to the Risk Related Activities fund and a \$400,000 transfer to the Production Printing Fund.

In fiscal year 2017 final budgeted instruction expenditures for the General Fund totaled \$140.3 million while actual expenditures totaled \$131.9 million (\$134 million in 2016). Overall General Fund budgeted expenditures totaled \$259.9 million but came in under budget by \$38.1 million.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** The District's investment in capital assets for the primary government as of June 30, 2017 totaled \$255,677,856 (net of accumulated depreciation of \$179,366,259). This investment in capital assets includes land, buildings, improvements, and equipment. *(For more detail see Note 5 on page 48.)*

<b>Capital Assets</b>			Percentage
<b>Governmental Activities:</b>	2017	2016	of Change
Land & improvements	\$ 21,885,367	\$ 21,923,495	0.17 %
Construction in progress	3,887,390	5,350,892	(27.35)
Buildings and improvements	376,549,767	370,919,472	1.52
Equipment	32,721,591	31,549,483	3.72
Less accumulated depreciation	(179,366,259)	(171,472,634)	4.60
Total Governmental Activities	\$ 255,677,856	258,270,708	(1.00) %

**Long-term Debt.** At the end of the current fiscal year, the District had total long-term debt outstanding of \$1,155,600,982. Accrued interest payable at June 30, 2017 totaled \$2,016,110, including \$1,969,144 due on the general obligation bonds, \$44,477 due on the 2009 and 2016 certificates of participation and \$2,489 due on the capital lease. *(For more detail on capital leases see Note 7 on page 50. More detail on long-term debt can be found in Note 8 on pages 51-54. More information on pension liabilities can be found in Note 10 on pages 54-59.)*

<b>Outstanding Long-Term Debt</b>			Percentage
<b>Governmental Activities:</b>	2017	2016	of Change
Accrued interest payable	\$ 2,016,110	\$ 1,969,152	2.38 %
Net pension liabilities	994,729,027	535,654,577	85.70
Certificates of participation payable	16,777,297	19,415,000	(13.59)
General obligation bonds payable	133,516,828	145,788,984	(8.42)
Qualified Zone Academy Bonds	4,023,111	4,023,111	-
Compensated absences payable	3,474,250	3,574,021	(2.79)
Capital leases payable	1,064,359	2,008,023	(46.99)
Total	\$ 1,155,600,982	\$ 712,432,868	16.30 %

On December 1, 1996 the District issued \$99,829,000 of General Obligation Bonds (Series 1996) due in varying installments through December 2017, with an average coupon rate of 6.72%, for the purpose of (i) financing the construction of several new school buildings; (ii) paying the cost of enlarging, improving, remodeling, repairing and making additions to certain existing District facilities; (iii) equipping or furnishing certain District facilities, particularly with technological improvements; (iv) payment for the acquisition of land; and (v) payment of bond issuance costs.

On January 19, 2006 the District issued \$127,674,973 of General Obligation Bonds (Series 2006-A) due in varying installments through December 2021, with an average coupon rate of 5.07% for the purpose of financing numerous capital projects within the District. Included in these projects are two new elementary schools and a major addition to Doherty High School.

On September 14, 2006 the District advance refunded and legally defeased \$33,400,000 of the Series 1996 GO Bonds with the issuance of \$38,320,000 General Obligation Refunding Bonds (Series 2006-B), due in varying installments through December 2021, with an average coupon rate of 5.18%. The defeased bonds were deposited with a trustee and invested in U.S. Treasury securities for the purpose of paying the principal and interest of the deposited bonds callable on December 1, 2007. The District advance refunded the portion of the Series 1996 GO Bonds in order to reduce its total debt service over the next 15 years by \$1,324,713 and to obtain an economic gain of \$1,264,357.

On September 21, 2010 the District advance refunded and called for redemption an additional \$16,845,000 of the Series 1996 GO Bonds through the issuance of \$19,775,000 General Obligation Refunding Bonds (Series 2010). The 2010 GO Bonds are due in semi-annual installments of \$335,000 to \$6,045,000 through December 2017. Interest rates vary from 1.50% to 4.00%. The economic gain on the transaction was approximately \$1.1 million.

On May 3, 2012, the District advance refunded and legally defeased \$8,400,000 of the Series 2006-A General Obligation Bonds by the issuance of \$8,400,000 of General Obligation Refunding Bonds (Series 2012), due in varying installments through December 2022, with an average coupon rate of 2.71%. The economic gain on the transaction was approximately \$800,000.

On January 30, 2013, the District advance refunded and legally defeased \$84,085,000 of the Series 2006-A General Obligation Bonds by the issuance of \$84,085,000 of General Obligation Refunding Bonds (Series 2013), due in varying installments through December 2030, with an average coupon rate of 3.935%. The economic gain on the transaction was approximately \$9.7 million.

As of June 30, 2017, in addition to the general obligation bonds, the District has \$16,485,000 of outstanding certificates of participation and a capital lease for the Energy Performance Contract totaling \$1,064,359. Additional information on the District's long-term debt is included in the notes to the financial statements.

## COMPONENT UNITS

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

## 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. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Director of Fiscal Services  
1115 N. El Paso Street  
Colorado Springs, CO 80903



THE WORLD IS CHANGING.  
MEET THE FUTURE.

# Basic Financial Statements

**The following basic financial statements, along with the notes to the basic financial statements, present an overview of the District's financial position at June 30, 2017, and the results of operations for the Governmental, Proprietary, and Fiduciary Funds for the year ended.**





THE WORLD IS CHANGING.  
MEET THE FUTURE.



# Colorado Springs School District 11

## Statement of Net Position

### June 30, 2017

	<u>Primary Government</u>		
	<u>Governmental</u>	<u>Component</u>	<u>Reporting Entity</u>
	<u>Activities</u>	<u>Units</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 15,738,505	\$ 6,268,133	\$ 22,006,638
Accounts receivable	1,624,753	251,195	1,875,948
Investments	56,059,707	-	56,059,707
Property taxes receivable	4,116,569	-	4,116,569
Due from other governments	4,235,434	-	4,235,434
Deposit with insurance pool	10,237,479	-	10,237,479
Inventories and prepaid expenses	1,005,152	11,981	1,017,133
Restricted investments	21,371,895	-	21,371,895
Non-depreciable capital assets:			
Land	21,885,367	-	21,885,367
Construction in progress	3,887,390	-	3,887,390
Depreciable capital assets:			
Buildings and improvements	376,549,767	2,228,089	378,777,856
Equipment	32,721,591	1,315,405	34,036,996
Less: accumulated depreciation	(179,366,259)	(1,636,422)	(181,002,681)
<b>Total assets</b>	<u>370,067,350</u>	<u>8,438,381</u>	<u>378,505,731</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	388,300,872	18,684,937	406,985,809
Deferred charge on refunding	5,699,125	-	5,699,125
<b>Total deferred outflows of resources</b>	<u>393,999,997</u>	<u>18,684,937</u>	<u>412,684,934</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	3,649,559	694,022	4,343,581
Accrued compensation payable	30,661,961	264,780	30,926,741
Health insurance liabilities	2,646,210	-	2,646,210
Other insurance liabilities	2,355,926	-	2,355,926
Unearned revenues	1,021,326	-	1,021,326
Long-term liabilities:			
Portion due or payable within one year:			
Accrued interest	1,326,887	-	1,326,887
Compensated absences	1,798,639	-	1,798,639
Capital lease payable	613,999	-	613,999
COP's payable	3,215,000	-	3,215,000
GO bonds payable	11,700,000	-	11,700,000
Portion due or payable after one year:			
Net pension liability	994,729,027	45,936,373	1,040,665,400
Accrued interest	689,223	-	689,223
Compensated absences	1,675,611	-	1,675,611
Capital lease payable	450,360	-	450,360
COP's payable	13,562,297	-	13,562,297
GO bonds payable	121,816,828	-	121,816,828
Other bonds payable	4,023,111	-	4,023,111
<b>Total liabilities</b>	<u>1,195,935,964</u>	<u>46,895,175</u>	<u>1,242,831,139</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	26,623,941	324,955	26,948,896
Property taxes levied for subsequent years	1,947,651	-	1,947,651
<b>Total deferred inflows of resources</b>	<u>28,571,592</u>	<u>324,955</u>	<u>28,896,547</u>
<b>NET POSITION</b>			
Net investment in capital assets	105,995,551	1,907,072	107,902,623
Restricted for:			
Constitutional amendment	250,000	499,984	749,984
3% statutory reserve - TABOR	5,148,026	-	5,148,026
Debt service	21,756,616	-	21,756,616
Mill levy override	641,858	-	641,858
Contingencies	-	58,816	58,816
Claims	7,680,269	-	7,680,269
Unrestricted (deficit)	(601,912,529)	(22,562,684)	(624,475,213)
<b>Total net position (deficit)</b>	<u>\$ (460,440,209)</u>	<u>\$ (20,096,812)</u>	<u>\$ (480,537,021)</u>

The accompanying notes are an integral part of the basic financial statements.

# Colorado Springs School District 11

## Statement of Activities

### For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
Instruction	\$ 247,608,725	\$ 1,227,132	\$ 22,133,281	\$ -
Pupil activities	21,294,909	-	-	-
Instructional support	29,952,057	116,197	4,871,209	-
General administration	4,726,737	-	-	-
School administration	31,152,857	266,074	-	-
Business services	3,913,464	-	-	-
Maintenance and operations	35,327,552	282,603	-	-
Transportation	7,617,612	95,658	-	-
Central services	16,650,969	1,082,978	-	-
Miscellaneous support services	15,490,306	1,194,043	-	-
Community and other services	3,251,974	2,692,705	9,644,562	-
Interest on long term debt	7,604,570	-	-	-
<b>Total primary government</b>	<u>424,591,732</u>	<u>6,957,390</u>	<u>36,649,052</u>	<u></u>
<b>Component Unit Activities:</b>				
Charter Schools	\$ <u>23,721,632</u>	\$ <u>220,730</u>	\$ <u>1,743,199</u>	\$ <u>339,019</u>

**General revenues:**

Property taxes  
State equalization (unrestricted)  
Investment earnings  
School land fees  
Miscellaneous revenues  
Total general revenues

Change in net position

Net position (deficit)—beginning

Net position (deficit)—ending

The accompanying notes are an integral part of the basic financial statements.

**Net (Expense) Revenue and  
Changes in Net Position**

<b>Governmental Activities</b>	<b>Component Units</b>	<b>Reporting Entity Total</b>
\$ (224,248,312)	\$ -	\$ (224,248,312)
(21,294,909)	-	(21,294,909)
(24,964,651)	-	(24,964,651)
(4,726,737)	-	(4,726,737)
(30,886,783)	-	(30,886,783)
(3,913,464)	-	(3,913,464)
(35,044,949)	-	(35,044,949)
(7,521,954)	-	(7,521,954)
(15,567,991)	-	(15,567,991)
(14,296,263)	-	(14,296,263)
9,085,293	-	9,085,293
(7,604,570)	-	(7,604,570)
<u>(380,985,290)</u>	<u></u>	<u>(380,985,290)</u>
	<u>(21,418,684)</u>	<u>(21,418,684)</u>
112,342,808	712,051	113,054,859
121,332,708	13,589,196	134,921,904
848,854	-	848,854
409,076	-	409,076
1,936,221	93,586	2,029,807
<u>236,869,667</u>	<u>14,394,833</u>	<u>251,264,500</u>
(144,115,623)	(7,023,851)	(151,139,474)
<u>(316,324,586)</u>	<u>(13,072,961)</u>	<u>(329,397,547)</u>
\$ <u>(460,440,209)</u>	\$ <u>(20,096,812)</u>	\$ <u>(480,537,021)</u>

**Colorado Springs School District 11**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2017**

	2017					
	General Fund	Capital Reserve Fund	Mill Levy Override Fund	Bond Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 15,733,713	\$ -	\$ -	\$ -	\$ 4,792	\$ 15,738,505
Investments - unrestricted	53,227,747	2,831,960	-	-	-	56,059,707
Investments - restricted	-	2,898,794	-	18,473,101	-	21,371,895
Receivables						
Accounts receivable	125,855	10,156	-	-	44,967	180,978
Property taxes current	2,363,607	-	1,096,499	656,463	-	4,116,569
Taxes with county treasurer	1,225,265	83,833	64,361	38,573	-	1,412,032
Due from other governments	-	-	-	-	4,235,434	4,235,434
Inventories and other assets	390,757	-	-	-	525,287	916,044
Due from other funds	-	4,271,119	-	-	2,372,935	6,644,054
Total assets	<u>73,066,944</u>	<u>10,095,862</u>	<u>1,160,860</u>	<u>19,168,137</u>	<u>7,183,415</u>	<u>110,675,218</u>
<b>LIABILITIES</b>						
Accounts payable	2,069,684	1,099,503	-	-	264,176	3,433,363
Accrued compensation	28,605,354	26,314	-	-	1,934,284	30,565,952
Due to other funds	7,132,950	-	-	-	898,798	8,031,748
Unearned revenue	18,924	-	-	-	1,002,402	1,021,326
Compensated absences	1,767,007	-	-	-	-	1,767,007
Total liabilities	<u>39,593,919</u>	<u>1,125,817</u>	<u>-</u>	<u>-</u>	<u>4,099,660</u>	<u>44,819,396</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property taxes	1,118,334	-	519,002	310,315	-	1,947,651
Total deferred inflows of resources	<u>1,118,334</u>	<u>-</u>	<u>519,002</u>	<u>310,315</u>	<u>-</u>	<u>1,947,651</u>
<b>FUND BALANCES</b>						
Nonspendable						
Inventories	378,257	-	-	-	525,287	903,544
Prepays- risk management	12,500	-	-	-	-	12,500
Restricted						
Constitutional amendment	250,000	-	-	-	-	250,000
3% statutory reserve - TABOR	5,148,026	-	-	-	-	5,148,026
Debt service	-	2,898,794	-	18,857,822	-	21,756,616
Mill levy override	-	-	641,858	-	-	641,858
Assigned						
Risk management	2,364,108	-	-	-	-	2,364,108
Preschool	540,886	-	-	-	-	540,886
District 11 Cohort	600,000	-	-	-	-	600,000
Energy lease	457,008	-	-	-	-	457,008
Emergency contingency	-	1,000,000	-	-	-	1,000,000
Capital projects	159,875	5,071,251	-	-	-	5,231,126
Food Services	-	-	-	-	2,558,468	2,558,468
IT programs	341,560	-	-	-	-	341,560
Possible teacher positions	626,000	-	-	-	-	626,000
Instructional supply carryover	2,194,795	-	-	-	-	2,194,795
Non-instructional supply carryover	1,433,906	-	-	-	-	1,433,906
Unassigned	17,847,770	-	-	-	-	17,847,770
Total fund balances	<u>32,354,691</u>	<u>8,970,045</u>	<u>641,858</u>	<u>18,857,822</u>	<u>3,083,755</u>	<u>63,908,171</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 73,066,944</u>	<u>\$ 10,095,862</u>	<u>\$ 1,160,860</u>	<u>\$ 19,168,137</u>	<u>\$ 7,183,415</u>	<u>\$ 110,675,218</u>

The accompanying notes are an integral part of the basic financial statements.

# Colorado Springs School District 11

## Reconciliation of the Governmental Funds

### Balance Sheet to the Statement of Net Position

#### June 30, 2017

**Total fund balances - governmental funds** \$ 63,908,171

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

Prepaid items, operating leases, used in governmental activities may be expensed in the period paid and, therefore, are not reported as assets in governmental funds. 24,717

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$433,920,939 and the accumulated depreciation is \$178,908,526. 255,012,413

Internal service funds are used by the District's management to charge the costs of production printing and the costs of health insurance to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities. 9,375,586

Bond Premiums, discounts and deferred loss on refundings are recognized as other financing sources/uses when issued and are deferred and amortized in the statement of activities. The net unamortized portion of these long-term debt related items is included in the governmental activities statement of net position. (5,820,000)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

GO bonds payable	\$ 122,290,000	
Accrued interest on bonds	1,969,144	
COP's payable	16,485,000	
Accrued interest on COP's	44,477	
Qualified Zone Academy Bonds payable	4,023,111	
Capital leases payable	1,064,359	
Accrued interest on capital leases	2,489	
Compensated absences	1,654,494	
Net pension liabilities	994,729,027	
Deferred inflows of resources, pension related amounts	26,623,941	
Deferred outflows of resources, pension related amounts	(388,300,872)	
Claim liabilities	2,355,926	
		(782,941,096)

**Total net position (deficit) - governmental activities** \$ (460,440,209)

The accompanying notes are an integral part of the basic financial statements.

**Colorado Springs School District 11**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Year Ended June 30, 2017**

		2017					
		General Fund	Capital Reserve Fund	Mill Levy Override Fund	Bond Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Taxes	\$	68,706,918	\$ 1,005,996	\$ 26,684,582	\$ 15,945,312	\$ -	\$ 112,342,808
Intergovernmental		131,716,838	-	-	-	26,264,922	157,981,760
Interest on investments		211,142	60,006	-	158,915	10,291	440,354
Tuition		319,683	-	-	-	-	319,683
Services provided to charter schools		907,249	209,599	-	-	-	1,116,848
Charges for services		-	-	-	-	1,976,199	1,976,199
Miscellaneous		3,802,089	589,589	-	-	53,920	4,445,598
Total revenues		<u>205,663,919</u>	<u>1,865,190</u>	<u>26,684,582</u>	<u>16,104,227</u>	<u>28,305,332</u>	<u>278,623,250</u>
<b>EXPENDITURES</b>							
Current							
Instruction		131,925,522	9,831	-	-	11,749,151	143,684,504
Pupil activities		12,008,377	-	-	-	-	12,008,377
Instructional support		14,222,441	-	-	-	4,871,209	19,093,650
General administration		1,486,448	-	-	-	-	1,486,448
School administration		18,433,451	260,058	-	-	-	18,693,509
Business services		2,298,638	49,389	-	-	-	2,348,027
Maintenance and operations		23,714,201	325,423	-	-	-	24,039,624
Transportation		4,652,290	613,147	-	-	-	5,265,437
Central services		10,941,094	55,560	-	-	-	10,996,654
Food service operations		-	-	-	-	10,823,671	10,823,671
Community and other services		2,065,601	17,273	152,130	-	862,585	3,097,589
Capital outlay projects		-	7,645,933	-	-	-	7,645,933
Debt service							
Principal retirement		-	3,500,559	-	10,540,000	-	14,040,559
Interest and fiscal charges		-	645,328	-	6,109,119	-	6,754,447
Total expenditures		<u>221,748,063</u>	<u>13,122,501</u>	<u>152,130</u>	<u>16,649,119</u>	<u>28,306,616</u>	<u>279,978,429</u>
Excess (deficiency) of revenues over expenditures		(16,084,144)	(11,257,311)	26,532,452	(544,892)	(1,284)	(1,355,179)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in		26,431,323	5,767,718	-	-	388,236	32,587,277
Transfers out		(7,465,954)	-	(26,521,323)	-	-	(33,987,277)
Proceeds from sale of capital assets		-	27,651	-	-	-	27,651
Total other financing sources (uses)		<u>18,965,369</u>	<u>5,795,369</u>	<u>(26,521,323)</u>	<u>-</u>	<u>388,236</u>	<u>(1,372,349)</u>
Net change in fund balances		2,881,225	(5,461,942)	11,129	(544,892)	386,952	(2,727,528)
Fund balance, beginning of year		<u>29,473,466</u>	<u>14,431,987</u>	<u>630,729</u>	<u>19,402,714</u>	<u>2,696,803</u>	<u>66,635,699</u>
Fund balance, end of year	\$	<u><u>32,354,691</u></u>	<u><u>8,970,045</u></u>	<u><u>641,858</u></u>	<u><u>18,857,822</u></u>	<u><u>3,083,755</u></u>	<u><u>63,908,171</u></u>

The accompanying notes are an integral part of the basic financial statements.

# Colorado Springs School District 11

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

### For the Year Ended June 30, 2017

**Total net change in fund balances - governmental funds** \$ (2,727,528)

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

Expenditures for insurance and similar services extending over more than one accounting period may be accounted for as expenditures of the period of acquisition. (147,739)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation of \$10,224,925 exceeded Capital outlays of \$8,895,244 in the current period. (1,329,681)

The effect of miscellaneous transactions involving capital assets.

Loss on sale of capital assets	(1,182,136)	
Proceeds from sale of capital assets	(27,651)	
		(1,209,787)

The issuance of long-term debt (e.g. bonds, 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Payment of capital leases	570,559	
Retirement of COP's	2,930,000	
Retirement of GO bonds	10,540,000	
Amortization of premiums and deferred amounts	638,740	
Interest Expense	(49,004)	
		14,630,295

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave), special termination benefits (early retirement), liability claims and pension expense - are measured *by the amounts earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect of compensated absences, claims payable and pension-related amounts on the statement of activities.

Compensated absences	(52,448)	
Claims payable	134,986	
Pension expense	153,631,029	
		(153,713,567)

Internal service funds are used by the District's management to charge the costs of production printing and the costs of health insurance to the individual funds. The net income of these funds is reported with governmental activities.

382,384

**Change in net position of governmental activities** \$ (144,115,623)

The accompanying notes are an integral part of the basic financial statements.

**Colorado Springs School District 11**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Governmental Activities</u>
	<u>Internal Service</u>
	<u>Funds</u>
<b>ASSETS</b>	
Current assets	
Deposit with insurance pool	\$ 10,237,479
Accounts receivable	31,743
Due from other funds	1,387,694
Inventories	64,391
Total current assets	<u>11,721,307</u>
Noncurrent assets	
Capital assets	
Building	590,059
Equipment	533,117
Accumulated depreciation	<u>(457,733)</u>
Total capital assets, net	<u>665,443</u>
Total assets	<u>12,386,750</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	216,196
Accrued compensation	96,009
Accrued compensated absences (current portion)	31,632
Health insurance claims	2,646,210
Total current liabilities	<u>2,990,047</u>
Noncurrent liabilities	
Compensated absences payable (less: current portion)	<u>21,117</u>
Total noncurrent liabilities	<u>21,117</u>
Total liabilities	<u>3,011,164</u>
<b>NET POSITION</b>	
Investment in capital assets	665,443
Restricted for insurance	7,680,269
Unrestricted	1,029,874
Total net position	<u>\$ 9,375,586</u>

The accompanying notes are an integral part of the basic financial statements.



**Colorado Springs School District 11**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in**  
**Fund Net Position**  
**For the Year Ended June 30, 2017**

	<u>Governmental Activities</u>
	<u>Internal Service</u>
	<u>Funds</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,014,966
Employer premium contributions	18,790,464
Employee premium contributions	7,774,392
Collections and subrogations	1,209
Total operating revenues	<u>28,581,031</u>
<b>OPERATING EXPENSES</b>	
Cost of printing services and administration	2,269,619
Health insurance	24,366,935
Dental insurance	1,977,082
Life insurance	745,870
LTD insurance	238,471
Vision Insurance	226,050
Depreciation	66,185
Utilities and indirect costs	121,435
Total operating expenses	<u>30,011,647</u>
Operating income	(1,430,616)
<b>NONOPERATING REVENUES</b>	
Interest on investments	408,500
Gain on sale of capital assets	4,500
Total non-operating revenues	<u>413,000</u>
Income before transfers	(1,017,616)
<b>OTHER FINANCING SOURCES</b>	
Transfers in	<u>1,400,000</u>
Total other financing sources	1,400,000
Change in net position	382,384
Net position, beginning of year	<u>8,993,202</u>
Net position, end of year	<u><u>\$ 9,375,586</u></u>

The accompanying notes are an integral part of the basic financial statements.

# Colorado Springs School District 11

## Proprietary Funds

### Statement of Cash Flows

### For the Year Ended June 30, 2017

	<b>Governmental Activities</b>
	<b>Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 28,576,968
Payments to suppliers	(1,793,867)
Payments for insurance claims	(26,645,887)
Payments to employees	(1,022,586)
Payments for interfund services used	(541,723)
Net cash used in operating activities	(1,427,095)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers in	1,400,000
Net cash provided by noncapital financing activities	1,400,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Net cash from capital leases	(373,105)
Purchases of equipment	(12,800)
Proceeds from sale of capital assets	4,500
Net cash provided by capital and related financing activities	(381,405)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	408,500
Net cash provided by investing activities	408,500
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	\$ -
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>	
Operating loss	\$ (1,430,616)
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation	66,185
Changes in assets and liabilities	
Deposit with insurance pool	467,360
Accounts receivable	(4,063)
Due from other funds	(541,724)
Inventories	31,184
Accounts payable	(122,543)
Accrued compensation	9,251
Accrued compensated absences	31,632
Accrued interest payable	(2,046)
Health insurance claims	61,036
Noncurrent compensated absences	7,249
Total adjustments	3,521
Net cash used in operating activities	\$ (1,427,095)

The accompanying notes are an integral part of the basic financial statements.

**Colorado Springs School District 11**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2017**

	<b>Private Purpose Trusts</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 50,401	\$ 2,247,560
Total assets	<u>50,401</u>	<u>2,247,560</u>
<b>LIABILITIES</b>		
Accounts payable	-	2,246,451
Accrued compensation	-	1,109
Total liabilities	<u>-</u>	<u>2,247,560</u>
<b>NET POSITION</b>		
Held in trust for individuals	<u>50,401</u>	<u>-</u>
Total net position	<u>\$ 50,401</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2017**

	<b>Private Purpose Trusts</b>
<b>ADDITIONS</b>	
Interest	\$ 293
Total additions	<u>293</u>
<b>DEDUCTIONS</b>	
Scholarships awarded	<u>-</u>
Total deductions	-
Change in net position	293
Net position, beginning of year	<u>50,108</u>
Net position, end of year	<u>\$ 50,401</u>

The accompanying notes are an integral part of the basic financial statements.

# Colorado Springs School District 11

## Notes to the Basic Financial Statements

### For the Year Ended June 30, 2017

#### NOTE 1: *SUMMARY OF ACCOUNTING POLICIES*

The financial statements of Colorado Springs School District 11, Colorado Springs, Colorado (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

#### *The Financial Reporting Entity*

The inclusion or exclusion of component units is based on a determination of the elected officials' financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Furthermore, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

The District's Board of Education authorized six charter schools for operation during fiscal year 2017, those schools are: GLOBE, Roosevelt, Community Preparation School, CIVA, Life Skills Center, and Academy for Advanced and Creative Learning. These are shown as discretely presented component units. Charter schools are deemed to be fiscally dependent upon the District, since the District provides the majority of support in the form of per-pupil operating revenue and the potential exists that their exclusion from the District's financial reporting entity would result in misleading financial reporting. The members of each of the six charter schools' governing boards are appointed separately from the District. Financial statements for the charter schools, reported under GASB standards, may be obtained by writing to the respective charter schools.

#### *Government-wide and Fund Financial Statement Presentation*

The government-wide financial statements (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. Exceptions are charges for inter-fund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions. Governmental activities are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units*, for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which 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. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include: (1) fees and 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. Revenues that are not classified as program revenues, including all taxes, are reported as *general revenues*.

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

### ***Measurement Focus and Basis of Accounting***

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental Funds are used to account for the District's general government activities. 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 period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days, and all other revenue 90 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 and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Those revenues subject to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year end, on behalf of the District, are also recognized as revenue. Other revenues, such as transportation, vocational and special education, are not subject to accrual because, generally, they are not measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt, or earlier if the accrual criteria are met.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the District is consistent with legal and managerial requirements. The District reports the following funds:

#### ***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 ***Capital Reserve Capital Projects Fund*** is used to account for resources to be used for ongoing capital needs, such as site acquisition, building additions and equipment purchases.

The ***Mill Levy Override Fund*** is a special revenue fund used to account for funds from the November 2000 voter approved mill levy override.

The ***Bond Redemption Fund*** is a debt service fund, which accounts for the servicing of long-term debt, not financed by the Capital Reserve Capital Projects Fund or other funds.

#### ***Non-major Governmental Funds***

The ***Food Services Fund*** is a special revenue fund used to record financial transactions related to food service operations.

The ***Designated Purpose Grants Fund*** is a special revenue fund used to maintain separate accounting for federal, state and local grant funded programs, which normally have a different fiscal period than that of the District.

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

**Internal Service Funds** account for operations that provide services to other funds within the District. Such services include printing services, employee benefits, and insurance programs. These services are provided to other funds, or to other governments, on a cost-reimbursement basis.

**Fiduciary Funds** account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement.

The **Private Purpose Trust Fund** was created to act as a custodian for funds, such as scholarships, held in trust for the benefit of private individuals or organizations. All resources of the fund, including any earnings on invested resources, may be used to support those private individuals and organizations. There is no requirement that any portion of these resources be preserved as capital.

The **Agency Funds** are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

#### ***Assets, Liabilities, Deferred Inflows/Outflows of Resources and Fund Balances/Net Position***

##### ***Cash and Investments***

The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments. Investment income is allocated to all funds except the Designated Purpose Grants, Mill Levy Override, Bond Redemption, Agency and the Student Activities funds based on each fund's month-end balance. For the statement of cash flows, the following are considered to be cash and cash equivalents: cash on hand; cash in the bank; and highly liquid investments which have a maturity of three months or less when purchased or which are subject to withdrawal.

As of June 30, 2017, the District's investments consist of money market funds, external investment pools and a government agency security. The money market funds are reported at amortized cost. The external investment pool (COLOTRUST) is not SEC-registered and is regulated by the State of Colorado, Department of Regulatory Agencies, Division of Securities. This external investment pool is reported at amortized costs pursuant to the criteria set forth in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The government agency security is reported at amortized cost, which approximates fair value, because it had a maturity of one year or less at the time of purchase.

##### ***Restricted Investments***

Restricted investments consist of \$2,898,794 in the Capital Reserve Capital Projects Fund, and \$18,473,101 in the Bond Redemption Fund. Each amount is restricted by debt indentures or trust documents.

##### ***Cash Held in Trust***

As of June 30, 2017 the District had \$1,412,032 held in trust by the County Treasurer, which is included as a receivable on the balance sheet and statement of net position. El Paso County collects the property taxes for the school district and holds the funds in trust until sent to the District monthly.

### ***Interfund Receivables and Payables***

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

### ***Inventories***

Inventories are stated at cost on the first-in, first-out (FIFO) basis. When individual inventory items are purchased, they are recorded as assets. When they are consumed, they are recorded as expenditures in governmental funds or as expenses in proprietary funds. Although classified as current assets, fund balance is considered nonspendable for inventory balances.

Inventories purchased by the Food Service Fund are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at USDA's assigned values, which approximate the acquisition value at the date of receipt. Expenditures for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs. Commodity contributions received by the District are recorded as revenue when received. Because the commodities qualify as an inventory of supplies, they are recognized using the consumption method (initially recognize an asset and then recognize expenditures as supplies are consumed).

### ***Capital Assets***

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Effective July 1, 2001, the capital asset threshold for equipment was increased to maintain a balance between the accountability of assets and managing the cost of recording and tracking these assets. The capitalization level for equipment is \$5,000. Donated capital assets are valued at their estimated acquisition value on the date received. Major outlays for buildings and improvements are capitalized for all projects with a total cost greater than \$25,000.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, improvements and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	100
Building improvements	30
Equipment – vehicles	10/15
Equipment – other	5/10
Equipment – technology	5

### ***Compensated Absences***

Under the District's policies, employees earn vacation leave and sick leave based on longevity of service or position. Accrued sick leave is payable only as part of the early retirement program for employees meeting the seniority rules for their respective employee organizations. Accrued vacation leave is payable upon resignation, termination, retirement or death.

In accordance with the governmental accounting standards, the District has recorded the accrued liability for vacation pay in the accompanying district wide financial statements. In the governmental funds, the liability is recorded when due. Employees are limited in the number of unused vacation hours they may carry forward at year-end.

Accrued sick leave payable to recent retirees meeting the seniority rules of the District is recorded as short-term debt in the respective governmental and proprietary funds. The District estimates the amount of accrued sick leave payable in future periods based on historical data. This liability is recorded as long-term in the proprietary funds. The long-term, unpaid liability for these compensated absences for the governmental funds is recorded in the government-wide financial statements as long-term debt.

### ***Long-term Obligations***

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using a method which approximates the effective interest method. COP's and bonds payable are reported net of the applicable premium or discount. Issuance costs are recognized as an expense in the period incurred. Deferred amounts on debt refundings are reported as deferred inflows/outflows of resources and are amortized over the life of the old debt or new debt whichever is shorter.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the 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. The employer portions of contributions made to the School Division Trust Fund (CHDTF) are reported as benefit expenditures in the current period.

### ***Pensions***

The District participates in the SCHDTF, a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability (NPL), 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.

### ***Unearned Revenue***

Unearned revenue in the statement of net position and fund financial statements consists of unearned grant proceeds and unused federal commodities at year end.

### ***Workers Compensation Claims and IBNR***

The District is self-insured for workers compensation claims and accounts for the related activity in the Risk Management Fund which is a sub-fund of the General Fund. The administrators of the fund manage the claims and maintain in-house records of claims and judgments.

The funding for the liabilities in the Risk Management Fund is determined each year on the basis of past experience and future projections. The District uses a claims reporting program called STARS to track all risk management liabilities. The District computes its risk liabilities from the STARS program based on actual claims filed and estimated incurred but not reported (IBNR) claims. The District purchases stop-loss insurance policies for payment of claims in excess of the self-insurance retention limit.

### ***Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of financial 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 a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has two items that qualify for reporting in this category.



The first is the deferred charge on refundings reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the 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 second is shown as pension related amounts and includes items related to the District's portion of the Colorado Public Employees Retirement Association (PERA) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, and the net difference between projected and actual investment earnings on pension plan investments. More information on pension related items is included in Note 10.

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

The item, *property taxes levied for subsequent years*, is reported as a deferred inflow of resources in both the government-wide and the governmental fund financial statements. These amounts will become an inflow of resources in the year for which they become available and are budgeted for use.

The other item included in this category is the pension related deferred inflows of resources. These deferred inflows result from the difference between expected and actual experience, the changes of assumptions of other inputs, and the net difference between projected and actual investment earnings on pension plan investments. More information on pension related items is included in Note 10.

### ***Fund Balances***

In accordance with the GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified in one of five categories: nonspendable, restricted, committed, assigned and 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. Formal Board action is required to remove or adjust this limitation.

Assigned fund balance displays the Districts intended use of these resources. Board policy DA – Fiscal Management – Fund Balance authorizes the Superintendent, the Chief Financial Officer, the Director of Budget and Planning or the Director of Fiscal Services to assign fund balances. Unassigned fund balance for the general fund represents the net resources in excess of the prior classifications. It is the District's policy to maintain a positive unassigned fund balance in the General Fund. When multiple categories of fund balance are available for expenditure, balances will be used from the restricted classification first, and then committed, assigned and unassigned fund balances sequentially.

### ***Net Position***

Net position represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources in the proprietary and government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in financial statements when there are limitations imposed on their use through external restrictions by creditors, grantors, or laws or regulations of other governments. Net position restricted by enabling legislation consists of \$5,148,026 for constitutional amendment – TABOR, \$250,000 for multi-year obligations, and \$641,858 for mill levy override. An additional \$21,756,616 is restricted for debt service per covenants and \$7,680,269 is restricted for insurance claims.

### ***Net Position Flow Assumption***

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted-net position to have been depleted before unrestricted – net position is applied.

### ***Inter-fund Transactions***

Inter-fund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other inter-fund transactions are reported as transfers.

### ***Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **NOTE 2: DEPOSITS AND INVESTMENTS**

***Custodial Credit Risk*** – For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. However, there is no custodial credit risk for public deposits because they are collateralized under the Colorado Public Deposit Protection Act (PDPA). The PDPA requires that deposits of all units of local governments be held at eligible public depositories, whose eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

FDIC insurance coverage is \$250,000 per qualified account. Cash deposits of the District totaled \$17,460,419 at fiscal year-end including \$2,247,560 of agency fund deposits. Federal insurance coverage totaled \$1,222,699. The balance of \$16,237,720 falls under the provisions of the Colorado Public Deposit Protection Act. Cash deposits of the component units of the District consisted of \$6,315,553. Federal insurance coverage totaled \$2,000,000. The balance of \$4,315,553 falls under the provisions of the Colorado Public Deposit Protection Act.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District and its component units will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's safekeeping bank must meet the following requirements under District policy: the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District.

Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. As of June 30, 2017, none of the Districts investments were exposed to custodial credit risk as they were all insured or registered in the District's name held by the counterparty or the counterparty's trust department. The districts investment in the external investment pool and the money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

***Interest Rate Risk*** – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To manage exposure to this risk, the Districts board approved investment policy limits investment maturities to five years or less. The Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

***Credit Risk*** – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit risk in the portfolio is minimized by investing the majority of assets in US Treasury and Instrumentalities which have the support of the US government and failure to receive maturing funds is remote.

The District is also compliant with state laws that limit investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to ones of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more nationally recognized rating agencies.

COLOTRUST assets are approximately \$7 billion, rated AAAm by Standard and Poors, and maintains a constant net asset value of \$1 per share. COLOTRUST is regulated by the State of Colorado, Department of Regulatory Agencies, Division of Securities, which establishes policies for and reviews the operation of local government investment pools in the state. Local government investment pools in Colorado must be organized under Colorado Revised Statutes, and are therefore subject to oversight by the Colorado Securities Commission, with quarterly reporting and annual audits required.

**Concentration of Credit Risk** – The District’s investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District’s policy requires that at least 50% of the portfolio will be invested in some combination of U.S. Treasury securities, Federal Instrumentality securities, Repurchase Agreements or Eligible Local Governmental Investment Pools.

The 50% requirement in this combination of safe investments assures that the District’s credit risk is spread across a variety of securities and that imprudent concentrations will not occur in slightly more aggressive securities. None of the District’s investments in any one issuer, as of June 30, 2017, excluding money market funds and the external investment pool, represent five percent or more of total investments.

As of June 30, 2017 the District had the following investments. These investments are internally pooled to maximize investment safety, liquidity, and interest yield.

<u>Investments</u>	<u>Maturities</u>	<u>Amortized cost</u>	<u>Standard &amp; Poors Rating</u>
<b>Money Market Funds</b>			
Wells Fargo - money market fund (MMF)	Less than 1 year	2,898,629	AAAm
UMB SEI Daily Inc Treas MMF	Less than 1 year	15,238,130	AAAm
<b>Government Agency Securities</b>			
UMB QZAB - Federal Home Loan Bank Discount Notes	Less than 1 year	2,975,289	AAAm
US Bank TABOR MYO - First American Government Obligation Fund	Less than 1 year	664,043	AAAm
<b>External Investment Pool</b>			
Local government investment pool-ColoTrust	Less than 1 year	55,655,131	AAAm
UMB COP - Local government investment pool-ColoTrust	Less than 1 year	165	AAAm
Total investments		<u>\$ 77,431,387</u>	

#### NOTE 3: *TAXES*

##### ***Property Taxes***

Property taxes for a calendar year are certified in arrears to the county on December 10 and attached as a lien on property the following January 1. For example, property taxes owed in 2017 are certified to the county in December 2016 and are available for collection on the lien date, January 1, 2017. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The county bills and collects property taxes for all taxing districts in the county. The property tax receipts collected by the county are generally remitted to the District in the subsequent month.

##### ***Specific Ownership Taxes***

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District’s assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month. Specific ownership taxes are recorded as revenue when collected by the county.

#### NOTE 4: *INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS*

##### ***Receivables and Payables***

All inter-fund receivables and payables are created in conjunction with the District’s pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice. All balances are expected to be repaid within one year.

The following schedule reflects the District's inter-fund receivables and payables as of June 30, 2017:

	<b>Governmental Activities</b>	
	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
<b>Governmental Funds:</b>		
General fund	\$ -	\$ 7,132,950
Capital reserve fund	4,271,119	-
Non-major governmental funds	2,372,935	898,798
<b>Internal Service Funds</b>	1,387,694	-
Total receivables/payables	<u>\$ 8,031,748</u>	<u>\$ 8,031,748</u>

At year-end the General Fund reports a substantial inter-fund payable to other funds due to temporary borrowings of cash, salary and benefit expenditures in the General Fund, which will be replenished with a transfer from the District's investments accounts subsequent to year-end. The payable balance in the non-major governmental funds is associated with temporary borrowing to cover expenditures for reimbursement based grants.

### **Transfers**

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. The District uses a separate accounting fund to act as a conduit for all mill levy plan items in order to maintain a high degree of accountability by tightly restricting tax proceeds, separately accounting for tax revenues and transfers and preventing the co-mingling of revenues and expenditures in the general fund. MLO covered expenditures are segregated by account string identification within the general fund and then subsequently reimbursed by an operating transfer from the MLO Fund. At June 30, 2017 the detail for these transfers is as follows:

		<b>Transfers Out</b>		
		Mill Levy	Override	
<b>Transfers In</b>	General Fund	Fund	Total	
<b>Governmental Funds:</b>				
General fund	\$ -	\$ 26,431,323	\$ 26,431,323	
Capital reserve fund	5,767,718	-	5,767,718	
Non-major governmental funds	298,236	90,000	388,236	
Internal service funds	1,400,000	-	1,400,000	
<b>Total transfers in / out</b>	<u>\$ 7,465,954</u>	<u>\$ 26,521,323</u>	<u>\$ 33,987,277</u>	

### **NOTE 5: CAPITAL ASSETS**

Capital asset activity and depreciation expense for the year ended June 30, 2017 were as follows:

	<b>Primary Government</b>			
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
<b>Governmental Activities:</b>				
Non-depreciable assets:				
Land	\$ 21,923,495	\$ -	\$ (38,128)	\$ 21,885,367
Construction in progress	5,350,892	3,887,390	(5,350,892)	3,887,390
Total non-depreciable assets	<u>27,274,387</u>	<u>3,887,390</u>	<u>(5,389,020)</u>	<u>25,772,757</u>
Depreciable assets:				
Buildings and improvements	370,919,472	8,699,143	(3,068,848)	376,549,767
Equipment	31,542,995	1,672,401	(493,805)	32,721,591
Total depreciable assets	<u>402,462,467</u>	<u>10,371,544</u>	<u>(3,562,653)</u>	<u>409,271,358</u>
Total gross assets- governmental activities	<u>429,736,854</u>	<u>14,258,934</u>	<u>(8,951,673)</u>	<u>435,044,115</u>
Less accumulated depreciation for:				
Buildings and improvements	(149,290,651)	(8,795,616)	1,939,412	(156,146,855)
Equipment	(22,175,494)	(1,495,494)	451,584	(23,219,404)
Total accumulated depreciation	<u>(171,466,145)</u>	<u>(10,291,110)</u>	<u>2,390,996</u>	<u>(179,366,259)</u>
Net capital assets-governmental activities	<u>\$ 258,270,709</u>	<u>\$ 3,967,824</u>	<u>\$ (6,560,677)</u>	<u>\$ 255,677,856</u>

**Depreciation Expense:**  
**Governmental activities:**

Instruction	\$	7,927,876
Instructional support		8,271
General administration		159,756
Business services		16,923
Maintenance and operations		403,807
Transportation		787,165
Central services		766,742
Miscellaneous support services		154,385
		<u>10,224,925</u>
Internal service funds		66,185
	\$	<u>10,291,110</u>

**Component Units**

Charter school capital asset activity for the year ended June 30, 2017 was as follows:

<b>Component Units</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Ending Balance</b>
Depreciable assets:				
Buildings and improvements	\$ 2,855,680	\$ 32,713	\$ (660,304)	\$ 2,228,089
Equipment	2,354,748	97,896	(1,137,239)	1,315,405
Total depreciable assets	5,210,428	130,609	(1,797,543)	3,543,494
Less accumulated depreciation:				
Buildings and improvements	(1,030,680)	(12,410)	626,128	(416,962)
Equipment	(2,311,228)	(38,471)	1,130,239	(1,219,460)
Total accumulated depreciation	(3,341,908)	(50,881)	1,756,367	(1,636,422)
Net capital assets-component units	\$ <u>1,868,520</u>	\$ <u>79,728</u>	\$ <u>(41,176)</u>	\$ <u>1,907,072</u>

**NOTE 6: ACCRUED COMPENSATION/COMPENSATED ABSENCES**

Salaries and related benefits of certain school-based personnel are paid over a ten or twelve-month period beginning in September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2017 are:

**Accrued Compensation**

**Governmental Activities:**

General Fund	\$	28,605,354
Capital Reserve Capital Projects Fund		26,314
Non-major Governmental Funds		1,934,284
Total Governmental Funds		<u>30,565,952</u>
Internal Service Funds		96,009
Total	\$	<u>30,661,961</u>

The District accrues compensated absences to provide an accurate reporting of liabilities associated with vacation, sick leave, and post-retirement insurances. These benefits, earned, but unpaid, as of June 30, 2017 are:

**Accrued Compensated Absences**

**Governmental Activities:**

General Fund	\$	1,767,007
Total Governmental Funds		<u>1,767,007</u>
Internal Service Funds		52,749
Sick leave and sick leave bank		1,654,494
Total Compensated Absences	\$	<u>3,474,250</u>

The General Fund compensated absences are pending payouts of unused sick leave owed to employees separated from active service as of June 30, 2017.

The accrued portion of these absences by employee group for all funds at June 30, 2017, is as follows:

<b>Compensated Absences</b>	Educational				<b>Total</b>
	<b>Teachers</b>	<b>Support Professionals</b>	<b>Executive Professionals</b>	<b>Sick Leave Bank</b>	
Insurance Benefits	\$ 705,330	\$ 208,432	\$ -	\$ -	\$ 913,762
Short-term sick leave (RSL)	507,695	341,753	393,155	-	1,242,603
Long-term vacation	-	167,982	140,920	-	308,902
Long-term sick leave	461,982	188,427	177,820	-	828,229
Long-term sick bank	-	-	-	180,754	180,754
<b>Totals</b>	<b>\$ 1,675,007</b>	<b>\$ 906,594</b>	<b>\$ 711,895</b>	<b>\$ 180,754</b>	<b>\$ 3,474,250</b>

Changes in compensated absences for the year are as follows:

	<b>Balance at June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2017</b>	<b>Due Within One Year</b>
Governmental Activities	\$ 3,574,021	\$ 1,406,693	\$ (1,506,464)	\$ 3,474,250	\$ 1,798,639

Internal service funds predominantly service the governmental funds. Accordingly, long-term liabilities for the funds are included as part of the above totals for governmental activities. For governmental activities, claims and judgments are liquidated by the Risk Related Activities Fund, and compensated absences are liquidated by the General Fund.

### ***Early Retirement Program***

Early retirement program obligations of the District are recorded as accrued liabilities at June 30, 2017. The District's total cost for early retirement obligations in fiscal year 2017 was \$1,242,603. The District anticipates a savings as a result of these early retirements in excess of any incentive payments made to retirees. These savings will be reflected in lower salary and fringe benefit totals within the budget in future years.

## **NOTE 7: LEASES**

### ***Operating Leases***

The District leases fiber optic cable from Colorado Springs Utilities. This agreement allows the District to use capacity on an existing fiber optic cable network for telecommunication services. An initial payment in the amount of \$847,392 was made in fiscal year 2008 which provided usage for 10 years from fiscal year 2008 through fiscal year 2017. The district has negotiated to extend the lease on an annual basis with future lease payments of \$110,592 due in July each year to cover usage for that fiscal year.

A usage agreement was entered into on July 1, 2012 with the Colorado Springs World Arena. This agreement provides usage of the World Arena facilities for graduations, hockey practice and games through June 30, 2022. An initial payment of \$315,000 was made in fiscal year 2013 as base rent through fiscal year 2017; the first five years of the agreement. An additional payment of \$375,000 was made on July 1, 2017 for base rent for years 6 through 10 of the agreement.

In the governmental funds, operating lease payments are recognized as expenditures in the year in which they are paid. In the government-wide statements, operating lease payments are recorded as prepaid expenses and are recognized as expenses equally over the life of the lease. The balance of the prepaid leases on the statement of net position as of June 30, 2017 is \$24,717.

### ***Capital Leases – Governmental Activities***

On March 10, 2005, the District entered into a capital lease for the installation and construction of equipment including, but not limited to, automated controls for the HVAC systems, ventilation and water efficiency systems, and upgrades to swimming pool covers and boilers. The cost of the equipment is expected to be offset by savings in future energy costs.

The effective interest rate is 4.20%, with total payments of \$6,813,828, which is inclusive of interest of \$1,676,849. The final phases of the equipment installation for the energy performance contract were completed in fiscal year 2010.

Equipment (energy performance contract)	\$	5,334,938
Less: accumulated depreciation		4,689,674
Total	\$	<u>645,264</u>

The future lease obligations as of June 30, 2017, are as follows:

Fiscal Year	Principal	Interest	Payment
2018	613,999	35,201	649,200
2019	450,360	6,648	457,008
Total	\$ 1,064,359	41,849	<u>1,106,208</u>

#### NOTE 8: *LONG-TERM DEBT*

##### ***General Obligation Bonds Payable***

The District issues general obligation bonds for the purpose of (i) financing the construction of new school buildings; (ii) paying the cost of enlarging, improving, remodeling, repairing and making additions to existing District facilities; (iii) equipping or furnishing District facilities, particularly with technological improvements; (iv) payment for the acquisition of land; and (v) payment of bond issuance costs.

General Obligation bonds payable at June 30, 2017, are as follows:

<b><u>Description, Interest Rates and Maturity Dates</u></b>	<b><u>Principal Balance June 30, 2017</u></b>
Series 2006-B General Obligation Refunding Bonds in the original amount of \$38,320,000 issued on September 14, 2006 due in varying installments through December 1, 2021, with an average coupon rate of 5.18%	30,180,000
Series 2010 General Obligation Refunding Bonds in the original amount of \$19,775,000 issued on September 21, 2010 due in varying installments through December 1, 2017, with an average coupon rate of 3.16%	6,045,000
Series 2012 General Obligation Refunding Bonds in the original amount of \$8,400,000 issued on May 3, 2012 due in varying installments through December 1, 2022, with an average coupon rate of 2.71%	7,770,000
Series 2013 General Obligation Refunding Bonds in the original amount of \$84,085,000 issued on January 30, 2013 due in varying installments through December 1, 2030, with an average coupon rate of 3.94%	78,295,000
	<u>\$ 122,290,000</u>

The bonds are secured by the District's covenant to certify a rate of levy sufficient to meet the principal and interest payments with respect to the bonds. Payment of principal and interest for general obligation bonds is made from the Bond Redemption Fund. In compliance with state legislation, the District established a Custodial Agreement with UMB Bank, Kansas City, Missouri governing the administration of the District's Bond Redemption Fund.

The Custodial Agreement provided for the establishment of a custodial account with the Custodian and requires the District to direct the County Treasurer to transfer to the Custodian all revenues from the property tax levied by the District for the payment of debt service. The Custodial Agreement restricts the transfer of funds out of the custodial account solely for the scheduled payment of principal and interest on the bonds, and upon written direction of the District, to pay Registrar and Paying Agent fees, custodian fees and arbitrage rebate compliance costs associated with the bonds. At June 30, 2017 the balance of restricted assets held by the Custodian was \$15,238,130.

### ***Qualified Zone Academy Bonds Payable***

On March 11, 2005, the District received authority from the Colorado Department of Education to issue \$4,023,111 in Qualified Zone Academy Bonds (QZAB). In May 2005, the District's school board approved the appropriation of funds to reestablish the Building Fund to account for capital projects funded with the bonds. Funds were spent on major repairs, renovations and safety upgrades approved in the District's Capital Plan. The maturity date is May 31, 2020. The QZAB's are general obligation bonds and repayment will be made from the Bond Redemption Fund. At June 30, 2017, the District had restricted assets of \$2,975,289 for repayment of these bonds.

### ***Certificates of Participation***

Certificates of Participation represent long-term lease purchase agreements for the acquisition of capital items. Certificates of Participation are not considered bonded debt of the District due to the structure of the lease and annual appropriation clause. The Certificates of Participation are not considered a general obligation or other indebtedness of the District within the meaning of any constitutional or statutory debt limitations.

Certificates of Participation payable at June 30, 2017, are as follows:

<b><u>Description, Interest Rates and Maturity Dates</u></b>	<b><u>Principal Balance June 30, 2017</u></b>
Refunding Certificates of Participation, Series 2009, in the original amount of \$28,175,000 due in annual installments through 2020, with an average coupon rate of 4.02%	\$ 11,725,000
Refunding Certificates of Participation, Series 2016, in the original amount of \$5,000,000 due in annual installments through 2026, with an average coupon rate of 1.802%	<u>4,760,000</u>
	<u><u>\$ 16,485,000</u></u>

The 2009 COP's will be repaid from funds in the Capital Projects Capital Reserve Fund using revenues provided by a transfer from the General Fund. Total revenues in the current year were \$5,767,718; total principal and interest paid was \$3,179,981. There is \$2,898,629 in restricted fund balance for this purpose at June 30, 2017. Total principal and interest to be paid on the bonds is \$35.4 million.

The 2016 COP's will be repaid from funds in the Capital Projects Capital Reserve Fund using revenues provided by a transfer from the General Fund. Total principal and interest paid was \$332,693. There is \$165 in restricted fund balance for this purpose at June 30, 2017. Total principal and interest to be paid on the bonds is \$5.5 million.

### ***Changes in Long-Term Debt***

Changes in governmental activities long-term debt for the year ended June 30, 2017, are as follows:

<b>Long-Term Debt</b>	<b>Balance at June 30, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at June 30, 2017</b>	<b>Due Within One Year</b>
<b>Bonds Payable</b>					
General Obligation Bonds	\$ 132,830,000	\$ -	\$ 10,540,000	\$ 122,290,000	\$ 11,700,000
GO Bond Premiums	<u>12,581,136</u>	<u>-</u>	<u>1,354,309</u>	<u>11,226,827</u>	<u>-</u>
Total Bonds Payable	145,411,136	-	11,894,309	133,516,827	11,700,000
Certificates of Participation	19,415,000	-	2,930,000	16,485,000	3,215,000
COP Premiums	<u>377,846</u>	<u>-</u>	<u>85,550</u>	<u>292,296</u>	<u>-</u>
Total COP Payable	19,792,846	-	3,015,550	16,777,296	3,215,000
QZAB Bonds	4,023,111	-	-	4,023,111	-
Capital Leases	<u>2,008,023</u>	<u>-</u>	<u>943,664</u>	<u>1,064,359</u>	<u>613,999</u>
	<u><u>\$ 171,235,116</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,853,523</u></u>	<u><u>\$ 155,381,593</u></u>	<u><u>\$ 15,528,999</u></u>



### ***Debt Service Requirements***

The following schedule reflects the debt service requirements to maturity of the District's governmental activities long-term debt payable as of June 30, 2017:

<b>2006B General Obligation Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	445,000	1,570,547	2,015,547
2019	6,885,000	1,380,356	8,265,356
2020	7,240,000	1,009,576	8,249,576
2021	7,610,000	619,763	8,229,763
2022	8,000,000	210,000	8,210,000
Total	\$ <u>30,180,000</u>	\$ <u>4,790,242</u>	\$ <u>34,970,242</u>

<b>2010 General Obligation Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	6,045,000	120,900	6,165,900
Total	\$ <u>6,045,000</u>	\$ <u>120,900</u>	\$ <u>6,165,900</u>

<b>2012 General Obligation Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	115,000	228,000	343,000
2019	115,000	225,700	340,700
2020	120,000	222,750	342,750
2021	530,000	1,358,825	1,888,825
2022	3,400,000	155,700	3,555,700
2023	3,490,000	52,350	3,542,350
Total	\$ <u>7,770,000</u>	\$ <u>2,243,325</u>	\$ <u>10,013,325</u>

<b>2013 General Obligation Bonds</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	5,095,000	2,987,450	8,082,450
2019	5,215,000	2,822,500	8,037,500
2020	5,425,000	2,609,700	8,034,700
2021	60,000	2,500,600	2,560,600
2022	2,375,000	2,452,500	4,827,500
2023-2027	29,050,000	9,505,200	38,555,200
2028-2031	31,075,000	2,546,500	33,621,500
Total	\$ <u>78,295,000</u>	\$ <u>25,424,450</u>	\$ <u>103,719,450</u>

<b>2009 Certificates of Participation (COP)</b>			
<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	2,775,000	399,388	3,174,388
2019	2,870,000	297,013	3,167,013
2020	2,980,000	183,600	3,163,600
2021	3,100,000	62,000	3,162,000
Total	\$ <u>11,725,000</u>	\$ <u>942,001</u>	\$ <u>12,667,001</u>

2016 Certificates of Participation (COP)			
Fiscal Year	Principal	Interest	Total
2018	440,000	81,811	521,811
2019	445,000	73,837	518,837
2020	455,000	65,728	520,728
2021	465,000	57,439	522,439
2022	470,000	49,014	519,014
2023-2027	2,485,000	113,481	2,598,481
Total	\$ 4,760,000	\$ 441,310	\$ 5,201,310

Qualified Zone Academy Bonds			
Fiscal Year	Principal	Interest	Total
2020	\$ 4,023,111	\$ -	\$ 4,023,111
Total	\$ 4,023,111	\$ -	\$ 4,023,111

#### ***Computation of Legal Debt Margin***

Assessed valuation	\$ 2,521,748,540	
Debt limitation - 20% of assessed valuation		\$ 504,349,708
Total general obligation debt		<u>126,313,111</u>
Legal debt margin available		<u>\$ 378,036,597</u>

#### **NOTE 9: CONTINGENCIES AND COMMITMENTS**

##### ***Grants***

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. District management believes that disallowances, if any, will be immaterial to the basic financial statements.

##### ***Litigation***

The District is involved in pending or threatened lawsuits and claims. The District estimates that the potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

#### **NOTE 10: BENEFIT PLANS**

##### ***Defined Benefit Pension Plan***

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 the Public Employees' Retirement Association of Colorado (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 includes financial statements and required supplementary information for the SCHDTF. That report may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports), or by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372).

### ***Summary of Significant Accounting Policies for the SCHDTF***

The District contributes to the School Division Trust Fund (SCHDTF) administered by 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.

### ***Benefits Provided***

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

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

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

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

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

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

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

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

### ***Contributions***

Eligible employees and the District are required to contribute to the SCHTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. The contribution rate for members is 8.0% of their PERA-includible salary.

The District's contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2016	For Year Ended December 31, 2017
Employer Contribution Rate <sup>1,2</sup>	10.15%	10.15%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.5%	4.5%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.5%	5.00%
Total Employer Contribution Rate to the SCHDTF <sup>1</sup>	19.15%	19.65%

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

<sup>2</sup>Amount of Employer Contribution includes 1.02% apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f). (See Note 11)

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 \$ 29,200,969 for the year ended June 30, 2017.

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

At June 30, 2017, the District reported a liability of \$ 994,729,027 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. Standard update procedures were used to roll forward the total pension liability to December 31, 2016.

The District's proportion of the net pension liability was based on its contributions to the SCHDTF for the calendar year 2016 relative to the total contributions of participating employers to the SCHDTF. At December 31, 2016, the District's proportion was 3.3409466985 percent, which was a decrease of 0.1613697637 percent from its proportion measured as of December 31, 2015.

For the year ended June 30, 2017, the District recognized net pension expense of \$ 153,631,029. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	12,638,075	6,603
Net difference between expected and actual earnings on pension plan investments	34,720,550	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,274,474	21,914,918
Contributions subsequent to the measurement date	14,898,960	-
Changes of assumptions or other inputs	322,768,813	4,702,420
Total	388,300,872	26,623,941

The \$ 14,898,960 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date of December 31, 2016, will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other deferred outflows and deferred inflows of resources, except for differences between expected and actual investment earnings, are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of each measurement period. The deferred outflows of resources related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period as of the beginning of each measurement period.

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Change in proportionate share	Differences in expected vs actual investment earnings	Difference between expected and actual experience	Change in assumptions	Effect of deferred inflows/outflows on pension expense
2018	9,462,916	12,358,672	6,010,362	127,808,303	155,640,253
2019	5,834,654	12,358,672	5,052,413	128,840,542	152,086,281
2020	3,342,874	9,671,424	1,568,697	61,417,548	76,000,542
2021		331,782			331,783
Total	18,640,444	34,720,550	12,631,472	318,066,393	

Internal service funds predominantly service the governmental funds. Accordingly, pension liabilities and other pension related balances are included as part of the above totals and reported on the government-wide statements with the governmental activities. For governmental activities, pension related balances are liquidated by the General Fund.

### ***Actuarial Assumptions***

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.80%
Real wage growth	1.10%
Wage inflation	3.90%
Salary increases, including wage inflation	3.90 – 10.10%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.50%
Discount Rate	7.50%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Real Rate of Return</b>
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

### ***Discount Rate***

The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and future AED and SAED, until the Actuarial Value Funding Ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero.

Based on the above assumptions and methods, the GASB Statement No. 67 projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.86 percent, resulting in a discount rate of 5.26 percent.

As of the prior measurement date, the GASB Statement No. 67 projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination did not use a municipal bond index rate and the discount rate was 7.50 percent.

### ***Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate***

The following presents the proportionate share of the net pension liability calculated using the discount rate of 5.26 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.26 percent) or 1-percentage-point higher (6.26 percent) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Proportionate share of the net pension liability	1,250,839,786	994,729,027	786,136,084

### ***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), by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372).

### ***Deferred Compensation Plans***

The SDTF members of the District may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the VIP provisions to the State Legislature.

The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the Colorado Revised Statutes, as amended. No employer contributions are required; the District does not currently match voluntary member contributions.

In addition to the existing 401(k) and 403(b) deferred compensation plans offered to employees of the District, beginning October 1, 2004, the District offered employees the option to participate in the Deferred Compensation Plan of the State of Colorado. The Deferred Compensation Plan is governed by the requirements of Internal Revenue Code Section 457. In addition, the Governmental Accounting Standards Board (GASB) Statement No. 32, Accounting and Financial Reporting for IRS Section 457 Deferred Compensation Plans, establishes accounting and reporting standards for the Plan.

## **NOTE 11: POST-EMPLOYMENT HEALTH CARE BENEFITS**

### ***Plan Description***

The District contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment health care plan administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF and sets forth a framework that grants authority to the PERA Board to contract self-insure and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF. That report may be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports), by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372).

### ***Funding Policy***

The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the Health Care Trust Fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The School District's contributions to HCTF for the years ended June 30, 2017, 2016 and 2015 were \$1,535,225, \$1,565,390 and \$1,489,343 respectively, equal to their required contributions for each year.

## **NOTE 12: RISK RELATED ACTIVITIES**

### ***Employee Benefits***

The District is exposed to various claims and losses. As an employer that partially self-funds its health plan expenses, the District takes on the role of the insurance company and assumes most of the financial risk of providing health coverage for its members.

### BEST Health Plan

The District joined The Colorado Boards of Education Self-Funded Trust (BEST) in 2004. This partially self-funded trust was established in 2004 to offer a stable, long term, statewide medical program designed to meet the business objectives and challenges of school districts. Medical coverage for District employees is purchased through the trust. The trust is audited each year by a local independent Colorado accounting firm, Ryan, Gunsauls, and O'Donnell, P.C.

The District pays a monthly premium to BEST to provide health insurance coverage and services for its plan members.

Employees are responsible for paying a deductible amount before the plan begins to pay. The individual deductible amount for fiscal year 2017 was \$1,150 and the family amount was \$2,300. There is no lifetime maximum benefit for plan members.

Because there is the potential to incur high cost medical claims, BEST purchases stop-loss coverage to cover claims that exceed its deductible limit, which is currently \$250,000. Each year, the deductible limit is reviewed based on actuarial analysis to determine if paying an additional premium would increase or reduce the ultimate cost of risk to the District.

As a member of the BEST Health Plan, the District also purchases prescription coverage through the pool.

Since the District retains some risk of loss, through BEST Health, it uses an active claim management system and actuarial analysis conducted by Leif and Associates for estimating claims and Incurred But Not Reported (IBNR) liabilities. The District also has on deposit with BEST an additional reserve for unexpected claim fluctuations otherwise referred to as a Claim Fluctuation Reserve (CFR). All claims liabilities are carried at current cost with no discounting. IBNR and CFR reserves for medical are at BEST.

The District participates in the BEST Health Plan under a contractual arrangement that requires the District be responsible for maintaining adequate IBNR and CFR. This has been confirmed as adequate by the Trust actuary as of June 30, 2017. The District does not retain any liability for the other school district members of the BEST Health Plan.

In accordance with GASB Statement No. 10, the District's participation in the pool does not represent a transfer of risk to the pool or pooling of risk with other pool participants, therefore, it recognizes and measures its claims liabilities and related expenditures/expenses when a liability is probable and can reasonably be estimated. Payments to the pool should be reported either as deposits or as reductions of the claim liability, as appropriate.

### ***Risk Management***

The District is exposed to various claims and losses. In Risk Management, the exposures include workers' compensation claims from employee injuries; loss, destruction or damage of property; and liability, including professional (errors and omissions) and general liability.

Each year the deductibles for the insurance coverage's are reviewed based on actuarial analysis to determine if paying an additional premium would increase or reduce the ultimate cost of risk to the District.

Since the District retains some risk of loss, the District uses an active claim management system and actuarial analysis methods for estimating claims and Incurred But Not Reported (IBNR) liabilities. All claims liabilities are carried at current cost with no discounting.

Premiums are contributed into the Risk Related Activities Fund and the Risk Management subaccount of the General Fund by other funds in order to pay claims, insurance and administrative costs of the program. It is anticipated that inter-fund premiums will approximately equal risk expenses over a period of time.

On the government wide financial statements, liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim reserves for liabilities are based on the estimated ultimate cost of closing claims and include an amount for claims that have been incurred but not reported (IBNRs). Trend analysis includes frequency of claims and amount of payouts, legal implications and estimated recoveries on unsettled claims, such as salvage or subrogation. In the governmental funds, the liability is recorded when due.



Balances of claim liabilities and IBNR totals as of June 30, 2017 are:

	Fiscal Year 2015	Fiscal Year 2016			Fiscal Year 2017		
	Balance June 30, 2015	Claims & Changes in Estimates	Actual Claim Payments	Balance June 30, 2016	Claims & Changes in Estimates	Actual Claim Payments	Balance June 30, 2017
Workers Comp	\$ 1,396,692	\$ 1,074,533	\$ (927,093)	\$ 1,544,132	\$ 937,316	\$ (802,466)	\$ 1,678,982
General Liability	273,821	751,314	(548,287)	476,848	(2,131)	(3,880)	470,837
Other Insurance	150,650	194,639	(274,062)	71,227	279,398	(144,518)	206,107
Errors/Omissions	24,295	96,468	7,970	128,733	118,701	(247,434)	-
Health Insurance	2,062,226	24,913,257	(24,390,309)	2,585,174	23,488,675	(23,427,639)	2,646,210
Total Liability	<u>\$ 3,907,684</u>	<u>\$27,030,211</u>	<u>\$ (26,131,781)</u>	<u>\$ 4,806,114</u>	<u>\$24,821,959</u>	<u>\$ (24,625,937)</u>	<u>\$ 5,002,136</u>

### Excess-of-Loss Self-Insurance Pool

The District participates with two other school districts in an insurance pool for general liability, errors and omissions, and auto liability. Additionally, the District purchases cyber liability coverage through the pool. Each member's initial contribution and subsequent contributions are based on a number of factors approved by the Colorado Insurance Commissioner. This pool is audited each year by Clifton Larson Allen LLP, 370 Interlocken Boulevard, Suite 500, Broomfield, CO 80021, an independent certified public accounting firm.

The pool participants' respective shares, based (in part) upon total enrollment, are:

Colorado Springs School District 11	33.0%
Aurora Public Schools	48.0%
Littleton Public Schools	19.0%
	<u>100.0%</u>

An unaudited summary of the pool's financial information as of June 30, 2017 follows:

	Total	District's Share
Total Assets	<u>\$ 447,009</u>	<u>\$ 147,513</u>
Liabilities	19,744	6,516
Equity	427,265	140,997
Total Liabilities and Equity	<u>447,009</u>	<u>147,513</u>
Total Revenues	874,890	288,714
Total Expenditures	(874,865)	(288,705)
Net Income (loss)	<u>\$ 25</u>	<u>\$ 9</u>

There was no long-term debt associated with the pool.

The insurance described above provides the following types of coverage, self-insured retention and reinsurance attachment points:

Coverage	Amount	Self-Insured Retention	Attachment Point
General Liability	\$5,000,000	\$150,000	\$150,000
Error and Omissions	\$5,000,000	\$150,000	\$150,000
Auto Liability	\$1,000,000	\$200,000	\$200,000
Cyber Liability	\$2,000,000	\$150,000	\$150,000

In the event the District exceeds policy limits on any of the above insurances, it would first use any available contingency in the risk related activity fund. If risk related contingencies were insufficient, the District would use general fund contingency.

## NOTE 13: TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments.

The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth. Spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Excluded from the provisions of the Amendment are District enterprises that are defined as government-owned businesses (i) authorized to issue revenue bonds and (ii) receiving less than 10% annual revenue from state and local government grants.

The District levied 23.472 and 23.694 mills for property taxes to be collected in the General Fund for calendar year 2017 and 2016, respectively.

The District has calculated its spending beginning with the accrual basis of accounting for proprietary and fiduciary funds and the modified accrual basis of accounting for governmental funds, adding reserve increases and subtracting allowable spending exclusions. The District has estimated its fiscal year 2017 spending limit as \$172,474,299.

Except for bond refinances at lower interest rates or adding employees to existing pension plans, the amendment may be construed as prohibiting the creation of multiple-fiscal year debt or other financial obligations without voter approval or the irrevocable pledging of present cash reserves for all future payments.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is prohibited from using these emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. There is a \$5,148,026 restriction of fund balance in the General Fund for the amendment.

The amendment is complex and subject to numerous interpretational ambiguities. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations which the District believes are reasonable and prudent interpretations of the amendment's language in order to determine its compliance.

# Required Supplementary Information



# Colorado Springs School District 11

## General Fund

### Budgetary Comparison Schedule

#### For the Year Ended June 30, 2017

	Budget			
	Original	Final	Actual	Variance with Final Budget
Resources (inflows)				
Fund balance, beginning of year	\$ 35,861,788	\$ 37,439,922	\$ 37,789,466	\$ 349,544
Property taxes	56,868,841	56,957,766	56,997,946	40,180
Specific ownership taxes	10,590,468	10,704,648	11,708,972	1,004,324
Intergovernmental				
Federal grant revenues	1,508,962	2,084,439	2,174,854	90,415
State and other grant revenues				
State equalization	120,533,037	120,729,592	121,332,708	603,116
State grants	7,442,543	7,500,542	8,209,276	708,734
Interest on investments	36,713	66,713	211,142	144,429
Tuition	349,677	321,677	319,683	(1,994)
Services provided to charter schools	809,041	846,794	907,249	60,455
Miscellaneous income	3,083,247	3,474,822	3,802,089	327,267
Net transfers	20,828,994	19,770,764	18,965,369	(805,395)
Resources available for appropriation	257,913,311	259,897,679	262,418,754	2,521,075
Appropriations (outflows)				
Current				
Instruction	140,177,218	140,266,969	131,925,522	8,341,447
Pupil activities	12,377,418	13,377,489	12,008,377	1,369,112
Instructional support	16,027,512	16,558,286	14,222,441	2,335,845
General administration	1,864,387	1,799,671	1,486,448	313,223
School administration	19,557,126	19,730,827	18,433,451	1,297,376
Business services	2,404,320	2,405,577	2,298,638	106,939
Maintenance and operations	24,434,319	25,205,663	23,714,201	1,491,462
Transportation	4,892,459	5,277,365	4,652,290	625,075
Central services	13,657,754	13,538,340	10,941,094	2,597,246
Community and other services	2,157,619	2,241,003	2,065,601	175,402
Contingency	20,363,179	19,496,489	-	19,496,489
Total appropriations of expenditures	257,913,311	259,897,679	221,748,063	38,149,616
Fund balance, unadjusted end of year*	\$ -	\$ -	40,670,691	\$ 40,670,691
Fund balance, unadjusted, beginning of year**			(37,789,466)	
Excess of resources over charges to appropriations			\$ 2,881,225	

\*Unadjusted ending fund balance (budgetary basis of accounting) of \$40,670,691 less \$8,316,000 unfunded accrued salaries and benefits = GAAP adjusted ending fund balance of \$32,354,691

\*\*Unadjusted beginning fund balance (budgetary basis of accounting) of \$37,789,466 less \$8,316,000 unfunded accrued salaries and benefits = GAAP beginning fund balance of \$29,473,466

See notes to required supplementary information.

**Colorado Springs School District 11**  
**General Fund**  
**Reconciliation of the Budgetary Basis of Accounting**  
**To GAAP Basis of Accounting**  
**For the Year Ended June 30, 2017**

**BUDGETARY BASIS**

**Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

**Sources/Inflows of resources**

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 262,418,754
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Differences - budget to GAAP:

Beginning fund balance is an inflow of budgetary resources but is not revenue for reporting purposes.	(37,789,466)
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Net transfers from other funds are inflows of budgetary resources but are not revenues for reporting purposes.	(18,965,369)
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<b>GAAP BASIS, Revenues</b>	<u><u>\$ 205,663,919</u></u>
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**BUDGETARY BASIS**

**Uses/Outflows of resources**

Actual amounts (budgetary basis) "total appropriations of expenditures" from the budgetary comparison schedule.	<u>\$ 221,748,063</u>
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<b>GAAP BASIS, Expenditures</b>	<u><u>\$ 221,748,063</u></u>
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**Note:** Contingency reserves are appropriated as part of the budget adoption process, and because of this reserve budget amounts are shown for budgetary comparison only.

See notes to required supplementary information.

**Colorado Springs School District 11**  
**Mill Levy Override Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Resources (inflows)</b>				
Fund balance, beginning of year	\$ 214,069	\$ 630,729	\$ 630,729	\$ -
Taxes				
Local property taxes	<u>26,852,853</u>	<u>26,852,853</u>	<u>26,684,582</u>	<u>(168,271)</u>
<b>Resources available for appropriation</b>	<u>27,066,922</u>	<u>27,483,582</u>	<u>27,315,311</u>	<u>(168,271)</u>
<b>Appropriations (outflows)</b>				
Current				
Treasurer collection fees	68,100	68,100	67,130	970
Audit services	100,000	85,000	85,000	-
Other financing uses:				
Transfers out	<u>26,898,822</u>	<u>27,330,482</u>	<u>26,521,323</u>	<u>809,159</u>
<b>Total appropriations of expenditures</b>	<u>27,066,922</u>	<u>27,483,582</u>	<u>26,673,453</u>	<u>810,129</u>
<b>Fund balance, end of year</b>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	641,858	\$ <u><u>641,858</u></u>
<b>Fund balance, beginning of year</b>			<u>(630,729)</u>	
<b>Excess of resources over charges to appropriations</b>			<u><u>\$ 11,129</u></u>	

See notes to required supplementary information.

# **Colorado Springs School District 11** **Mill Levy Override Special Revenue Fund** **Reconciliation of the Budgetary Basis of Accounting** **To GAAP Basis of Accounting** **For the Year Ended June 30, 2017**

**BUDGETARY BASIS**

**Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures**

**Sources/Inflows of resources**

Actual resources available for appropriation from the budgetary comparison schedule.	\$	27,315,311
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**Differences - budget to GAAP:**

Beginning fund balance is an inflow of budgetary resources but is not revenue for reporting purposes.		(630,729)
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<b>GAAP BASIS, Revenues</b>	\$	26,684,582
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**BUDGETARY BASIS**

**Uses/Outflows of resources**

Actual appropriations of expenditures from the budgetary comparison schedule.	\$	26,673,453
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**Differences - budget to GAAP:**

Transfers to other funds are outflows of budgetary resources but are not expenditures for reporting purposes.		(26,521,323)
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<b>GAAP BASIS, Expenditures</b>	\$	152,130
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**Note:** Contingency reserves are appropriated as part of the budget adoption process, and because of this reserve budget amounts are shown for budgetary comparison only.

See notes to required supplementary information.

**Colorado Springs School District 11**  
**Schedule of the District's Contributions - PERA**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2008	2009	2010	2011
Contractually required contribution	\$ 17,529,128	\$ 19,704,926	\$ 20,979,694	\$ 22,094,473
Contributions in relation to the contractually required contribution	(17,529,128)	(19,704,926)	(20,979,694)	(22,094,473)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 152,042,848	\$ 158,509,456	\$ 157,396,866	\$ 155,300,290
Contributions as a percentage of covered-employee payroll	11.60%	12.50%	13.40%	14.30%



Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 22,851,885	\$ 23,331,457	\$ 24,278,440	\$ 25,212,995	\$ 28,007,733	\$ 28,715,489
(22,851,885)	(23,331,457)	(24,278,440)	(25,212,995)	(28,007,733)	(28,715,489)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 151,082,432	\$ 145,863,620	\$ 146,427,300	\$ 144,477,372	\$ 152,628,266	\$ 149,948,553
15.20%	16.10%	16.58%	17.45%	18.35%	19.15%

**Colorado Springs School District 11**  
**Schedule of the District's Proportionate**  
**Share of Net Pension Liabilities**  
**Last Four Calendar Years**

	<u><b>2013</b></u>	<u><b>2014</b></u>	<u><b>2015</b></u>	<u><b>2016</b></u>
District's proportion of the net pension liability	3.63%	3.45%	3.50%	3.34%
District's proportionate share of the net pension liability	\$ 462,857,165	\$ 467,413,789	\$ 535,654,577	\$ 994,729,027
District's covered-employee payroll	\$ 146,718,832	\$ 144,477,372	\$ 153,628,266	\$ 149,948,553
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	315.47%	323.52%	348.67%	663.38%
Plan fiduciary net position as a percentage of the total pension	64.10%	62.84%	59.20%	43.10%

\* as of 12/31, the measurement date used by the district.  
Years prior to 2013 are not available.

# Notes to the Required Supplementary Information

## For the Year Ended June 30, 2017

### NOTE 1: *BUDGETS*

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements. By state law, budgets are required for all funds. Annual appropriated budgets are adopted for all funds. At least thirty days prior to July 1, the Superintendent submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and means of financing them.

Public hearings are conducted by the Board of Education to obtain taxpayer comments. On or before June 30, the budget is adopted by formal resolution. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between functions within any fund and the reallocation of budget line items within any department in the General Fund rests with the function manager and is reviewed by the Budget Office. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Education throughout the fiscal year 2017. All original and supplemental appropriations for all funds lapse at the end of the fiscal year. Budgeted amounts in each fund follow a governmental GAAP approach, which ignores the budgeting of beginning of year fund balances. The deficiency of revenues and other financing sources over expenditures and other financing uses reflects the budgeting of reserve and contingency accounts as expenses/expenditures without the corresponding fund equity resource carryover. In actuality, total resources equal total obligations in the District's adopted budget each year as the District complies with the balanced budget requirement. The District is not required to budget for discretely presented component units.

For fiscal year 2017, the board adopted a resolution approving initial appropriations of \$391,656,329. The appropriation was amended during the year by \$8,068,345 bringing final appropriations to \$399,724,674.

### *Encumbrances*

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. Encumbrances are recorded as an assignment of fund balance in the General Fund as of June 30, 2017. Encumbrances do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year. The discretely presented component units do not record outstanding encumbrances as an assignment of fund balance at year-end.

### NOTE 2: *BUDGETARY BASIS OF ACCOUNTING FOR THE YEAR ENDED JUNE 30, 2017*

Colorado statutes require that boards of education of school districts adopt a budget and appropriation resolution each fiscal year. When using GAAP-basis accounting for budgeting, school districts budget for all accrued salaries and related benefits earned but unpaid at June 30. GAAP-basis accounting requires that expenditure of salaries and related benefits be recorded in the fiscal year *earned*.

Under Colorado statutes, school districts are not required to budget or appropriate for salaries and related benefits earned but not paid at June 30. The budgetary basis of accounting is used when no, or only a partial amount of, accrued salaries and benefits are budgeted. Under the budgetary basis of accounting, salaries and related benefits are recorded as expenditures in the fiscal year *earned and paid*.

Teachers and other school-year employees work over a period of nine to ten months but are paid over a twelve-month period. On November 18, 1998, the Board of Education approved a resolution allowing the reduction, or unfunding, of the salary accrual by \$3,888,000 for fiscal year 1999. On February 24, 1999, the Board approved an additional \$4,428,000 unfunding of the salary accrual for fiscal year 2000. This unfunding is recorded as an \$8,316,000 adjustment to fund balance for the difference between budgetary and GAAP basis of accounting and is reported in the budgetary comparison schedule of the General Fund.

### NOTE 3: PENSION PLAN CONTRIBUTIONS

The District is required to contribute to PERA as provided under senate bill 10-001. The Districts required contribution rates are as follows:

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2010	10.15%	2.20%	1.50%	13.85%
Jan 2011	10.15%	2.60%	2.00%	14.75%
Jan 2012	10.15%	3.00%	2.50%	15.65%
Jan 2013	10.15%	3.40%	3.00%	16.55%
Jan 2014	10.15%	3.80%	3.50%	17.45%
Jan 2015	10.15%	4.20%	4.00%	18.35%
Jan 2016	10.15%	4.50%	4.50%	19.15%
Jan 2017	10.15%	4.50%	5.00%	19.65%
Jan 2018	10.15%	4.50%	5.50%	20.15%

In 2004 and 2006, legislation was passed that required employers to remit additional contributions to PERA. These additional contributions are the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED). The AED is an additional amount contributed by PERA employers that has gradual increases. The SAED is also an amount contributed by employers and is, to the extent permitted by law, to be funded by moneys otherwise available for employee wage increases. The SAED also has gradual increases. These additional employer contributions, based on the total payroll of PERA members and employees who can elect either PERA or another plan (regardless of the plan elected), are designed to reduce PERA's unfunded liability and amortization period.

For the School Division, the AED increased by 0.4 percent per year from 2013 through 2015 and by 0.3 percent in 2016 for a total rate of 4.5 percent. In addition, the SAED will continue to increase by 0.5 percent per year to a total rate of 5.5 percent by 2018. Also the 0.4 percent increase in the statutory employer contribution rate in 2013 was eliminated. However, if the funding ratio reaches 103 percent, the AED and SAED will be reduced by 0.5 percent of pay each.

The actuarially determined contribution (ADC) rates, as a percentage of pensionable payroll, used to determine the ADC amounts in the Schedule of District Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions (from the December 31, 2014, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending December 31, 2016:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period	30 years, open
Asset valuation method	4-year smoothed market
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 to 10.10 percent
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.5 percent
Future post-retirement benefit increases	
PERA benefit structure hired prior to 1/1/07	2.00 percent
PERA benefit structure hired after 12/31/06	0.00 percent, as financed by the annual increase reserve

#### NOTE 4: *PENSION PLAN PROVISIONS*

For benefit recipients of the PERA benefit structure based upon a membership date before January 1, 2007, future Post-Retirement Benefits Increases (Increase) are set at an amount equal to 2 percent (the lesser of that or the annual Consumer Price Index for Urban Wage Earners and Clerical Workers [CPI-W] increase for 2010). However, if the investment return for the prior year is negative, then the Increase is an amount equal to the annual CPI-W increase with a cap of 2 percent. The 2 percent cap may be adjusted based upon the year-end funded status, with increases mandated when the funded status reaches 103 percent and decreases mandated when the funded status subsequently falls below 90 percent. The cap will not be reduced below 2 percent. In addition, the Increase is first paid on the July 1<sup>st</sup> that is at least 12 months after retirement for those members who retire on or after January 1, 2011. Members not eligible to retire as of January 1, 2011, who retire with a reduced service retirement allowance must reach age 60 or the age and service requirements for unreduced service retirement to be eligible for the Post-Retirement Benefit Increases.

Effective January 1, 2011, other than in the Judicial Division, for all active members, who are not eligible for retirement on January 1, 2011, the annual salary increase cap in determination of Highest Average Salary (HAS) was lowered from 15 percent to 8 percent for PERA benefit structure members and for DPS benefit structure members, a change from the average of salaries of the highest 36 months of earned service to the PERA benefit structure method with an annual salary cap of 8 percent.

Effective January 1, 2011, a new requirement was added that PERA benefit structure members must have five years of earned service credit in order to receive a 50 percent match on a refund.

Effective January 1, 2011, the reduction factors for a reduced service retirement benefit for members not eligible to retire as of January 1, 2011, were changed to an actuarial equivalent basis.

Effective January 1, 2011, a modified Rule of 85 for service retirement eligibility was implemented for members with less than 5 years of service credit as of January 1, 2011.

Effective January 1, 2011, a modified Rule of 88 with a minimum age of 58 for service retirement eligibility was implemented for members hired on or after January 1, 2011, but before January 1, 2017.

Effective January 1, 2011, a modified Rule of 90 with a minimum age of 60 for service retirement eligibility was implemented for members hired on or after January 1, 2017.

The following changes were made to the Plan's provisions as a result of the passage of SB 06-235:

The Annual Increase Reserve (AIR) was established January 1, 2007, and will be used to provide post-retirement benefit increases for members hired on or after that date. The AIR is financed by an allocation from the employer statutory contributions, made on behalf of members hired on or after January 1, 2007, equal to 1.00 percent of pensionable payroll and through an allocation of purchase of service dollars.

The Service Retirement Eligibility for those members hired after January 1, 2007, was changed at age 55 by increasing the age and service requirement from 80 years to 85 years.

Other Plan provisions and assumptions include the following:

The investment return assumption is 7.50 percent, which is net of investment expenses to better represent the investment consultant's assumptions and predictions and also to better align with GASB accounting and reporting requirements. An ongoing estimated administrative expense of 0.35 percent of pensionable payroll was added to the normal cost beginning with the December 31, 2012 actuarial valuation.

The post-retirement mortality tables used are the RP-2000 Combined Mortality tables projected with a Scale AA to 2020, set back one year for males and two years for females.

The assumed interest rate credited on member contribution accounts is 3 percent.

For the AIR established on January 1, 2007, the AIR balance is excluded from both assets and liabilities in the determination of the ADC rate as a percentage of pensionable payroll.



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# Combining and Individual Fund Financial Statements and Schedules





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# Major Governmental Funds

## **General Fund**

The General Fund is used to account for all transactions of the District not required legally or by sound financial management to be accounted for in another fund. This fund accounts for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund in relation to the District's overall operations. Two sub-funds exist within the General Fund: The *Risk Management Fund* and the *Preschool Fund*.

### **Risk-Management Fund**

This fund allows separate reporting specific to risk management including worker's compensation, general liability, errors and omissions, vehicle and property insurance.

### **Preschool Fund**

Moneys allocated pursuant to section 22-54-105(4) of the Colorado Revised Statutes are deposited in this fund. In addition, any other moneys of the District may be used to pay the costs of providing preschool services directly to children enrolled in the preschool program.

## **Capital Reserve Capital Projects Fund**

This fund is used to account for acquisition of sites, buildings, equipment and vehicles. Its purpose and limitations are specified by section 22-45-103(1)(d) of the Colorado Revised Statutes.

## **Mill Levy Override Fund**

This fund accounts for the use of funds from the November 2000 voter-approved mill levy override.

## **Bond Redemption Fund**

The Bond Redemption Fund is a debt service fund that was created to account for a bond redemption mill levy approved by the voters on November 5, 1996. This fund accounts for the restricted general obligation property tax used to finance principal and interest payments on the 2006, 2010, 2012 and 2013 bonds.

**Colorado Springs School District 11**  
**General Fund**  
**Comparative Balance Sheets**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,733,713	\$ 16,601,470
Investments, unrestricted at fair value	53,227,747	52,605,420
Accounts receivable	125,855	126,083
Property taxes		
Current	2,363,607	1,994,310
County treasurer	1,225,265	1,047,051
Inventories and other assets	390,757	349,542
	<u>73,066,944</u>	<u>72,723,876</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	2,069,684	2,167,970
Accrued compensation and benefits	28,605,354	26,927,829
Due to other funds	7,132,950	11,460,878
Unearned revenue	18,924	17,485
Accrued compensated absences	1,767,007	1,853,211
	<u>39,593,919</u>	<u>42,427,373</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes	1,118,334	823,037
Total deferred inflows of resources	<u>1,118,334</u>	<u>823,037</u>
<b>FUND BALANCE</b>		
Nonspendable		
Inventories	378,257	337,042
Prepays - risk management	12,500	12,500
Restricted		
Constitutional amendment - multi-year obligations	250,000	250,000
3% statutory reserve - TABOR	5,148,026	5,133,210
Assigned		
Risk management	2,364,108	1,498,574
Preschool	540,886	523,610
Public Employees' Retirement System	-	1,200,000
District 11 Cohort	600,000	835,041
Energy lease	457,008	-
Miscellaneous projects	159,875	399,174
IT programs	341,560	341,560
Possible teacher positions	626,000	626,000
Instructional supply carryover	2,194,795	2,871,784
Non-instructional supply carryover	1,433,906	883,241
Unassigned	17,847,770	14,561,730
	<u>32,354,691</u>	<u>29,473,466</u>
Total fund balance	<u>32,354,691</u>	<u>29,473,466</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>73,066,944</u>	\$ <u>72,723,876</u>

**Colorado Springs School District 11**  
**General Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Taxes				
Local property taxes				
Current	\$ 57,375,340	\$ 57,185,090	\$ (190,250)	\$ 57,574,892
Delinquent, net of abatements	(417,574)	(187,144)	230,430	(100,492)
Specific ownership taxes	10,704,648	11,708,972	1,004,324	10,494,408
Total taxes	67,662,414	68,706,918	1,044,504	67,968,808
Intergovernmental				
Federal grant revenues	2,084,439	2,174,854	90,415	2,074,881
State and other grant revenues				
State equalization (net)	120,729,592	121,332,708	603,116	121,129,681
State grants	7,500,542	8,209,276	708,734	7,898,808
Total intergovernmental	130,314,573	131,716,838	1,402,265	131,103,370
Interest on investments	66,713	211,142	144,429	78,516
Other				
Tuition	321,677	319,683	(1,994)	326,947
Services provided to charter schools	846,794	907,249	60,455	828,031
Miscellaneous	3,474,822	3,802,089	327,267	3,149,008
Total other	4,643,293	5,029,021	385,728	4,303,986
Total revenues	202,686,993	205,663,919	2,976,926	203,454,680
<b>EXPENDITURES</b>				
Current				
Instruction	140,266,969	131,925,522	8,341,447	134,045,635
Pupil activities	13,377,489	12,008,377	1,369,112	11,743,130
Instructional support	16,558,286	14,222,441	2,335,845	14,360,379
General administration	1,799,671	1,486,448	313,223	2,529,841
School administration	19,730,827	18,433,451	1,297,376	18,879,087
Business services	2,405,577	2,298,638	106,939	2,324,547
Maintenance and operations	25,205,663	23,714,201	1,491,462	23,980,398
Transportation	5,277,365	4,652,290	625,075	4,100,145
Central services	13,538,340	10,941,094	2,597,246	10,071,869
Community and other services	2,241,003	2,065,601	175,402	1,624,479
Reserves	19,496,489	-	19,496,489	-
Total expenditures	259,897,679	221,748,063	38,149,616	223,659,510
Excess (deficiency) of revenues over expenditures	(57,210,686)	(16,084,144)	41,126,542	(20,204,830)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	27,240,482	26,431,323	(809,159)	26,707,976
Transfers out	(7,469,718)	(7,465,954)	3,764	(6,416,034)
Total other financing sources (uses)	19,770,764	18,965,369	(805,395)	20,291,942
Net change in fund balance	\$ (37,439,922)	2,881,225	\$ 40,321,147	87,112
Fund balance, beginning of year		37,789,466		37,702,354
Fund balance, end of year		40,670,691		37,789,466
Adjustment for budgetary basis (Note 2)		(8,316,000)		(8,316,000)
Fund balance (GAAP basis), end of year		\$ 32,354,691		\$ 29,473,466

**Colorado Springs School District 11**  
**Capital Reserve Capital Projects Fund**  
**Comparative Balance Sheets**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Investments - unrestricted	\$ 2,831,960	\$ 1,825,964
Investments - restricted	2,898,794	5,708,124
Accounts receivable	10,156	-
Property taxes, county treasurer	83,833	83,833
Due from other funds	<u>4,271,119</u>	<u>8,675,234</u>
Total assets	<u><u>10,095,862</u></u>	<u><u>16,293,155</u></u>
 <b>LIABILITIES</b>		
Accounts payable	1,099,503	1,835,648
Accrued compensation	<u>26,314</u>	<u>25,520</u>
Total liabilities	<u>1,125,817</u>	<u>1,861,168</u>
 <b>FUND BALANCES</b>		
Restricted		
Debt service	2,898,794	5,708,124
Assigned		
Emergency contingency	1,000,000	1,000,000
Capital projects	<u>5,071,251</u>	<u>7,723,863</u>
Total fund balances	<u>8,970,045</u>	<u>14,431,987</u>
Total liabilities and fund balances	<u><u>\$ 10,095,862</u></u>	<u><u>\$ 16,293,155</u></u>

**Colorado Springs School District 11**  
**Capital Reserve Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Taxes				
Specific ownership taxes	\$ 1,006,000	\$ 1,005,996	\$ (4)	\$ 1,005,996
Intergovernmental				
State sources	485,557	-	(485,557)	-
Interest on investments	6,000	60,006	54,006	25,886
Other				
School land fees	90,000	409,076	319,076	246,441
Services provided to charter schools	229,299	209,599	(19,700)	216,354
Miscellaneous	257,015	180,513	(76,502)	264,618
Total revenues	<u>2,073,871</u>	<u>1,865,190</u>	<u>(208,681)</u>	<u>1,759,295</u>
<b>EXPENDITURES</b>				
Current				
Instruction	72,116	9,831	62,285	21,888
School administration	260,058	260,058	-	4,362
Business services	49,545	49,389	156	57,782
Maintenance and operations	368,318	325,423	42,895	329,573
Transportation	613,300	613,147	153	816,039
Central services	55,551	55,560	(9)	56,144
Other support services	17,273	17,273	-	2,731.00
Contingency	4,855,340	-	4,855,340	-
Capital outlay				
Site acquisition and improvements	2,514,992	1,716,257	798,735	935,709
Building improvement services	9,323,196	5,929,676	3,393,520	5,577,074
Debt service				
Principal retirement	3,500,559	3,500,559	-	3,094,173
Interest and fiscal charges	643,328	645,328	(2,000)	728,784
Total expenditures	<u>22,273,576</u>	<u>13,122,501</u>	<u>9,151,075</u>	<u>11,624,259</u>
Excess (deficiency) of revenues over expenditures	(20,199,705)	(11,257,311)	(8,942,394)	(9,864,964)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,767,718	5,767,718	-	6,139,954
Proceeds from sale of capital assets	-	27,651	27,651	2,426,293
Proceeds from certificates issued	-	-	-	5,000,000
Total other financing sources (uses)	<u>5,767,718</u>	<u>5,795,369</u>	<u>-</u>	<u>13,566,247</u>
Net change in fund balance	<u>\$ (14,431,987)</u>	<u>(5,461,942)</u>	<u>\$ (8,970,045)</u>	<u>3,701,283</u>
Fund balance, beginning of year		<u>14,431,987</u>		<u>10,730,704</u>
Fund Balance, end of year		<u>\$ 8,970,045</u>		<u>\$ 14,431,987</u>

**Colorado Springs School District 11**  
**Mill Levy Override Special Revenue Fund**  
**Comparative Balance Sheets**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Property taxes		
Current	\$ 1,096,499	\$ 924,160
County treasurer	<u>64,361</u>	<u>87,971</u>
Total assets	<u><u>1,160,860</u></u>	<u><u>1,012,131</u></u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue-property taxes	<u>519,002</u>	<u>381,402</u>
Total deferred inflows of resources	<u>519,002</u>	<u>381,402</u>
 <b>FUND BALANCES</b>		
Restricted for mill levy override	<u>641,858</u>	<u>630,729</u>
Total fund balances	<u>641,858</u>	<u>630,729</u>
Total deferred inflows of resources and fund balances \$	<u><u>1,160,860</u></u>	<u><u>1,012,131</u></u>

**Colorado Springs School District 11**  
**Mill Levy Override Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Taxes				
Local property taxes	\$ 26,852,853	\$ 26,684,582	\$ (168,271)	\$ 26,877,850
Total revenues	26,852,853	26,684,582	(168,271)	26,877,850
<b>EXPENDITURES</b>				
Current				
Treasurer collection fees	68,100	67,130	970	67,471
Audit services	85,000	85,000	-	-
Total expenditures	153,100	152,130	970	67,471
Excess of revenues over expenditures	26,699,753	26,532,452	(167,301)	26,810,379
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	(27,330,482)	(26,521,323)	809,159	(26,797,976)
Net change in fund balances	\$ (630,729)	11,129	\$ 641,858	12,403
Fund balance, beginning of year		630,729		618,326
Fund balance, end of year		\$ 641,858		\$ 630,729

**Colorado Springs School District 11**  
**Bond Redemption Debt Service Fund**  
**Comparative Balance Sheets**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Investments, restricted	\$ 18,473,101	\$ 19,062,206
Property taxes		
Current	656,463	516,574
County treasurer	<u>38,573</u>	<u>49,231</u>
Total assets	<u><u>19,168,137</u></u>	<u><u>19,628,011</u></u>
 <b>LIABILITIES</b>		
Accounts payable	<u>-</u>	<u>12,400</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Property taxes levied for subsequent years	<u>310,315</u>	<u>212,897</u>
 <b>FUND BALANCE</b>		
Restricted for debt service	<u>18,857,822</u>	<u>19,402,714</u>
 Total liabilities, deferred inflows of resources and fund balances	\$ <u><u>19,168,137</u></u>	\$ <u><u>19,628,011</u></u>



**Colorado Springs School District 11**  
**Bond Redemption Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>				
Local property taxes				
Current	\$ 16,142,337	\$ 15,996,155	\$ (146,182)	\$ 15,042,830
Delinquent, net of abatements	(150,000)	(50,843)	99,157	(31,850)
Interest on investments	<u>65,000</u>	<u>158,915</u>	<u>93,915</u>	<u>100,293</u>
Total revenues	<u>16,057,337</u>	<u>16,104,227</u>	<u>46,890</u>	<u>15,111,273</u>
<b>EXPENDITURES</b>				
Debt service				
Principal	10,540,000	10,540,000	-	10,990,000
Interest and fiscal charges	6,109,669	6,109,119	550	5,622,231
Reserves	<u>18,810,382</u>	<u>-</u>	<u>18,810,382</u>	<u>-</u>
Total expenditures	<u>35,460,051</u>	<u>16,649,119</u>	<u>18,810,932</u>	<u>16,612,231</u>
Net change in fund balance	\$ <u>(19,402,714)</u>	(544,892)	\$ <u>(18,764,042)</u>	(1,500,958)
Fund balance, beginning of year		<u>19,402,714</u>		<u>20,903,672</u>
Fund balance, end of year		\$ <u>18,857,822</u>		\$ <u>19,402,714</u>



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# Non-major Governmental Funds

## **Special Revenue Funds**

These funds are used to account for *and report* the proceeds of special revenue sources that are restricted *or* committed to expenditure for specified purposes *other than debt service or capital projects*. A separate fund may be used for each restricted source. The following revenue funds are designed for use by school districts.

### **Food Service Fund**

The food service fund is used to record financial transactions related to food service operations. Because the district receives USDA school breakfast/lunch money, this fund is required.

### **Governmental Designated-Purpose Grants Fund**

This fund is used to record financial transactions for grants received for designated programs funded by federal, state or local sources which normally have a different fiscal period than that of the District.

**Colorado Springs School District 11**  
**Non-Major Governmental Funds**  
**Combining Balance Sheet with Comparative Totals for 2016**  
**June 30, 2017**

	Special Revenue		2017	2016
	Food Services Fund	Designated Purpose Grants Fund	Non-major Governmental Funds Total	Non-major Governmental Funds Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,792	\$ -	\$ 4,792	\$ 4,791
Accounts receivable	44,967	-	44,967	43,423
Due from other governments	917,655	3,317,779	4,235,434	3,102,999
Due from other funds	2,372,935	-	2,372,935	2,665,758
Commodities and inventories	525,287	-	525,287	468,152
Total Assets	<u>3,865,636</u>	<u>3,317,779</u>	<u>7,183,415</u>	<u>6,285,123</u>
<b>LIABILITIES</b>				
Accounts payable	67,308	196,868	264,176	172,800
Accrued compensation	230,888	1,703,396	1,934,284	1,929,117
Due to other funds	-	898,798	898,798	726,085
Unearned revenue	483,685	518,717	1,002,402	760,318
Total liabilities	<u>781,881</u>	<u>3,317,779</u>	<u>4,099,660</u>	<u>3,588,320</u>
<b>FUND BALANCES</b>				
Nonspendable inventories	525,287	-	525,287	468,152
Assigned				
Food services	<u>2,558,468</u>	<u>-</u>	<u>2,558,468</u>	<u>2,228,651</u>
Total fund balances	<u>3,083,755</u>	<u>-</u>	<u>3,083,755</u>	<u>2,696,803</u>
Total liabilities and fund balances	<u>\$ 3,865,636</u>	<u>\$ 3,317,779</u>	<u>\$ 7,183,415</u>	<u>\$ 6,285,123</u>

**Colorado Springs School District 11**  
**Non-Major Governmental Funds**  
**Combining Schedule of Revenues, Expenditures, and Changes**  
**in Fund Balances with Comparative Totals for 2016**  
**For the Year Ended June 30, 2017**

	Special Revenue		2017	2016
	Food Services Fund	Designated Purpose Grants Fund	Non-major Governmental Funds Total	Non-major Governmental Funds Total
<b>REVENUES</b>				
Intergovernmental				
Federal sources	\$ 8,768,372	\$ 15,253,286	\$ 24,021,658	\$ 25,475,618
State and local sources	194,841	2,048,423	2,243,264	2,752,193
Charges for services	1,976,199	-	1,976,199	1,915,808
Interest on investments	10,291	-	10,291	2,435
Miscellaneous	53,920	-	53,920	30,951
Total revenues	11,003,623	17,301,709	28,305,332	30,177,005
<b>EXPENDITURES</b>				
Current				
Instruction	-	11,749,151	11,749,151	12,800,543
Instructional support	-	4,871,209	4,871,209	5,656,591
Food service operations	10,823,671	-	10,823,671	10,514,144
Miscellaneous support services	-	862,585	862,585	1,197,370
Total expenditures	10,823,671	17,482,945	28,306,616	30,168,648
Excess of revenues over (under) expenditures	179,952	(181,236)	(1,284)	8,357
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	207,000	181,236	388,236	366,080
Net change in fund balances	386,952	-	386,952	374,437
Fund balance, beginning of year	2,696,803	-	2,696,803	2,322,366
Fund balance, end of year	\$ 3,083,755	\$ -	\$ 3,083,755	\$ 2,696,803

**Colorado Springs School District 11**  
**Food Services Fund**  
**Comparative Balance Sheets**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,792	\$ 4,791
Accounts receivable	44,967	43,423
Due from other governments	917,655	140,471
Due from other funds	2,372,935	2,665,758
Commodities and inventories	<u>525,287</u>	<u>468,152</u>
Total assets	<u><u>3,865,636</u></u>	<u><u>3,322,595</u></u>
 <b>LIABILITIES</b>		
Accounts payable	67,308	26,352
Accrued compensation	230,888	234,796
Unearned revenue	<u>483,685</u>	<u>364,644</u>
Total liabilities	<u>781,881</u>	<u>625,792</u>
 <b>FUND BALANCES</b>		
Nonspendable inventories	525,287	468,152
Assigned for food services	<u>2,558,468</u>	<u>2,228,651</u>
Total fund balances	<u>3,083,755</u>	<u>2,696,803</u>
Total liabilities and fund balances	<u><u>\$ 3,865,636</u></u>	<u><u>\$ 3,322,595</u></u>

**Colorado Springs School District 11**  
**Food Services Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Intergovernmental				
Federal sources	\$ 8,477,054	\$ 8,768,372	\$ 291,318	\$ 8,528,362
State and local sources	363,257	194,841	(168,416)	195,925
Charges for services	2,062,974	1,976,199	(86,775)	1,915,808
Interest on investments	-	10,291	10,291	2,435
Miscellaneous	5,000	53,920	48,920	30,951
Total revenues	10,908,285	11,003,623	95,338	10,673,481
<b>EXPENDITURES</b>				
Current				
Food purchases	4,117,284	3,861,389	255,895	3,886,854
Salaries	4,016,373	3,835,228	181,145	3,714,657
Employee benefits	1,158,628	1,108,444	50,184	1,029,074
Commodity items	688,613	730,537	(41,924)	648,627
Purchased services	404,596	266,994	137,602	251,020
Supplies and other charges	1,045,108	1,021,079	24,029	983,912
Contingency	1,597,250	-	1,597,250	-
Total expenditures	13,027,852	10,823,671	2,204,181	10,514,144
Excess (deficiency) of revenues over expenditures	(2,119,567)	179,952	2,299,519	159,337
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	207,000	207,000	-	215,100
Net change in fund balances	\$ <u>(1,912,567)</u>	386,952	\$ <u>2,299,519</u>	374,437
Fund balance, beginning of year		<u>2,696,803</u>		<u>2,322,366</u>
Fund balance, end of year		\$ <u><u>3,083,755</u></u>		\$ <u><u>2,696,803</u></u>

**Colorado Springs School District 11**  
**Designated Purpose Grants Special Revenue Fund**  
**Comparative Balance Sheets**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Due from other governments	\$ 3,317,779	\$ 2,962,528
Total assets	<u>3,317,779</u>	<u>2,962,528</u>
 <b>LIABILITIES</b>		
Accounts payable	196,868	146,448
Accrued compensation	1,703,396	1,694,321
Due to other funds	898,798	726,085
Unearned revenue	<u>518,717</u>	<u>395,674</u>
Total liabilities	<u>3,317,779</u>	<u>2,962,528</u>
 <b>FUND BALANCE</b>	 <u>-</u>	 <u>-</u>
Total liabilities and fund balance	\$ <u>3,317,779</u>	\$ <u>2,962,528</u>



**Colorado Springs School District 11**  
**Designated Purpose Grants Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>REVENUES</b>				
Intergovernmental				
Federal sources	\$ 18,911,000	\$ 15,253,286	\$ (3,657,714)	\$ 16,947,256
State and local sources	1,909,401	2,048,423	139,022	2,556,268
Total revenues	<u>20,820,401</u>	<u>17,301,709</u>	<u>(3,518,692)</u>	<u>19,503,524</u>
<b>EXPENDITURES</b>				
Current				
Instruction	13,474,026	11,749,151	1,724,875	12,800,543
Instructional Support	5,724,382	4,871,209	853,173	5,656,591
Miscellaneous Support Services	<u>1,806,993</u>	<u>862,585</u>	<u>944,408</u>	<u>1,197,370</u>
Total expenditures	<u>21,005,401</u>	<u>17,482,945</u>	<u>3,522,456</u>	<u>19,654,504</u>
Excess (deficiency) of revenues over expenditures	(185,000)	(181,236)	3,764	(150,980)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>185,000</u>	<u>181,236</u>	<u>(3,764)</u>	<u>150,980</u>
Net change in fund balances	\$ <u>-</u>	\$ -	\$ <u>-</u>	-
Fund balance, beginning of year		-		-
Fund balance, end of year		\$ <u>-</u>		\$ <u>-</u>



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# Proprietary Funds

**Proprietary Funds account for operations that are organized to be self-supporting through user charges. The District's Proprietary Funds consist of two Internal Service Funds.**

## **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the District and to other government units on a cost reimbursement basis.

### **Production Printing Fund**

This fund accounts for all financial activities associated with the District's printing services.

### **Risk Related Activities Fund**

This fund is used to account for the financial transactions of all health and wellness programs. This includes employee benefits such as health, vision and dental insurance.

**Colorado Springs School District 11**  
**Internal Service Funds**  
**Combining Schedule of Net Position with Comparative Totals for 2016**  
**June 30, 2017**

	<b>Production Printing Fund</b>	<b>Risk Related Activities Fund</b>	<b>Totals</b>	
			<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>ASSETS</b>				
Current assets				
Deposit with insurance pool	\$ -	\$ 10,237,479	\$ 10,237,479	\$ 10,704,839
Accounts receivable	31,743	-	31,743	27,680
Due from other funds	164,443	1,223,251	1,387,694	845,971
Inventories	64,391	-	64,391	95,575
Total current assets	260,577	11,460,730	11,721,307	11,674,065
Noncurrent assets				
Capital assets				
Building	590,059	-	590,059	590,059
Equipment	520,927	12,190	533,117	526,805
Accumulated depreciation	(445,543)	(12,190)	(457,733)	(398,037)
Total capital assets, net	665,443	-	665,443	718,827
Total assets	926,020	11,460,730	12,386,750	12,392,892
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	57,586	158,610	216,196	338,739
Accrued compensation	72,921	23,088	96,009	86,758
Accrued compensated absences (current portion)	31,632	-	31,632	-
Health insurance claims	-	2,646,210	2,646,210	2,585,174
Accrued interest payable	-	-	-	2,046
Capital lease payable (current portion)	-	-	-	80,472
Total current liabilities	162,139	2,827,908	2,990,047	3,093,189
Noncurrent liabilities				
Compensated absences (less: current portion)	14,641	6,476	21,117	13,868
Capital lease (less: current portion)	-	-	-	292,633
Total noncurrent liabilities	14,641	6,476	21,117	306,501
Total liabilities	176,780	2,834,384	3,011,164	3,399,690
<b>NET POSITION</b>				
Investment in capital assets	665,443	-	665,443	718,827
Restricted net position	-	7,680,269	7,680,269	8,241,403
Unrestricted net position	83,797	946,077	1,029,874	32,972
Total net position	\$ 749,240	\$ 8,626,346	\$ 9,375,586	\$ 8,993,202

**Colorado Springs School District 11**  
**Internal Service Funds**  
**Combining Schedule of Revenues, Expenses, and Changes in**  
**Fund Net Position with Comparative Totals for 2016**  
**For the Year Ended June 30, 2017**

	Production Printing Fund	Risk Related Activities Fund	Totals	
			June 30, 2017	June 30, 2016
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,014,966	\$ -	\$ 2,014,966	\$ 1,761,127
Employer premium contributions	-	18,790,464	18,790,464	18,290,833
Employee premium contributions	-	7,774,392	7,774,392	7,621,904
Collections and subrogations	-	1,209	1,209	2,770
	<u>2,014,966</u>	<u>26,566,065</u>	<u>28,581,031</u>	<u>27,676,634</u>
<b>OPERATING EXPENSES</b>				
Cost of printing services and administration	2,269,619	-	2,269,619	2,008,225
Health insurance	-	24,366,935	24,366,935	21,787,239
Dental insurance	-	1,977,082	1,977,082	1,864,168
Life insurance	-	745,870	745,870	730,825
LTD insurance	-	238,471	238,471	240,656
Vision Insurance	-	226,050	226,050	250,749
Depreciation	66,185	-	66,185	49,630
Utilities and indirect costs	121,435	-	121,435	102,541
	<u>2,457,239</u>	<u>27,554,408</u>	<u>30,011,647</u>	<u>27,034,033</u>
Operating income (loss)	(442,273)	(988,343)	(1,430,616)	642,601
<b>NONOPERATING REVENUES</b>				
Interest on investments	2,605	405,895	408,500	4,893
Gain on sale of capital assets	4,500	-	4,500	102,016
	<u>7,105</u>	<u>405,895</u>	<u>413,000</u>	<u>106,909</u>
Income (loss) before transfers	(435,168)	(582,448)	(1,017,616)	749,510
<b>OTHER FINANCING SOURCES</b>				
Transfers in	400,000	1,000,000	1,400,000	-
	<u>400,000</u>	<u>1,000,000</u>	<u>1,400,000</u>	<u>-</u>
Change in net position	(35,168)	417,552	382,384	749,510
Net position, beginning of year	784,408	8,208,794	8,993,202	8,243,692
Net position, end of year	<u>\$ 749,240</u>	<u>\$ 8,626,346</u>	<u>\$ 9,375,586</u>	<u>\$ 8,993,202</u>

**Colorado Springs School District 11**  
**Internal Service Funds**  
**Combining Schedule of Cash Flows with Comparative Totals for 2016**  
**For the Year Ended June 30, 2017**

	<b>Production Printing Fund</b>	<b>Risk Related Activities Fund</b>	<b>Totals</b>	
			<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,010,903	\$ 26,566,065	\$ 28,576,968	\$ 27,676,438
Payments to suppliers	(1,793,867)	-	(1,793,867)	(1,228,775)
Payments for insurance claims	-	(26,645,887)	(26,645,887)	(25,724,401)
Payments to employees	(702,226)	(320,360)	(1,022,586)	(981,362)
Receipts (payments) for interfund services used	463,990	(1,005,713)	(541,723)	(102,555)
Net cash used in operating activities	(21,200)	(1,405,895)	(1,427,095)	(360,655)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers in	400,000	1,000,000	1,400,000	-
Net cash provided by noncapital financing activities	400,000	1,000,000	1,400,000	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Net cash from capital leases	(373,105)	-	(373,105)	373,105
Purchases of equipment	(12,800)	-	(12,800)	(119,359)
Proceeds from sale of capital assets	4,500	-	4,500	102,016
Net cash provided by capital and related financing activities	(381,405)	-	(381,405)	355,762
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest income	2,605	405,895	408,500	4,893
Net cash provided by investing activities	2,605	405,895	408,500	4,893
Net increase in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -
<b>Reconciliation of operating loss to net cash used in operating activities</b>				
Operating income (loss)	\$ (442,273)	\$ (988,343)	\$ (1,430,616)	\$ 642,601
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	66,185	-	66,185	49,630
Change in assets and liabilities				
Deposit with insurance pool	-	467,360	467,360	(1,722,972)
Accounts receivable	(4,063)	-	(4,063)	(196)
Due from other funds	463,989	(1,005,713)	(541,724)	(102,555)
Inventories	31,184	-	31,184	32,436
Accounts payable	(180,325)	57,782	(122,543)	204,437
Accrued compensation	8,303	948	9,251	6,887
Accrued compensated absences	31,632	-	31,632	-
Accrued interest payable	(2,046)	-	(2,046)	2,046
Health insurance claims	-	61,036	61,036	522,948
Noncurrent compensated absences	6,214	1,035	7,249	4,083
Total adjustments	421,073	(417,552)	3,521	(1,003,256)
Net cash used in operating activities	\$ (21,200)	\$ (1,405,895)	\$ (1,427,095)	\$ (360,655)

**Colorado Springs School District 11**  
**Production Printing Fund**  
**Comparative Schedules of Net Position**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets		
Accounts receivable	\$ 31,743	\$ 27,680
Due from other funds	164,443	628,433
Inventories	<u>64,391</u>	<u>95,575</u>
Total current assets	<u>260,577</u>	<u>751,688</u>
Noncurrent assets		
Capital assets		
Building	590,059	590,059
Equipment	520,927	508,127
Accumulated depreciation	<u>(445,543)</u>	<u>(379,359)</u>
Total capital assets	<u>665,443</u>	<u>718,827</u>
Total assets	<u>926,020</u>	<u>1,470,515</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	57,586	237,911
Accrued compensation	72,921	64,618
Accrued compensated absences (current portion)	31,632	-
Accrued interest payable	-	2,046
Capital lease payable (current portion)	<u>-</u>	<u>80,472</u>
Total current liabilities	<u>162,139</u>	<u>385,047</u>
Noncurrent liabilities		
Accrued compensated absences (less: current portion)	14,641	8,427
Capital lease payable (less: current portion)	<u>-</u>	<u>292,633</u>
Total noncurrent liabilities	<u>14,641</u>	<u>301,060</u>
Total liabilities	<u>176,780</u>	<u>686,107</u>
<b>NET POSITION</b>		
Investment in capital assets	665,443	718,827
Unrestricted	<u>83,797</u>	<u>65,581</u>
Total net position	<u>\$ 749,240</u>	<u>\$ 784,408</u>

**Colorado Springs School District 11**  
**Production Printing Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,333,926	\$ 2,014,966	\$ (318,960)	\$ 1,761,127
Total operating revenues	2,333,926	2,014,966	(318,960)	1,761,127
<b>OPERATING EXPENSES</b>				
Cost of sales and services	2,611,605	2,201,108	410,497	1,938,217
Administration costs	142,578	68,511	74,067	70,008
Depreciation	66,185	66,185	-	49,630
Utilities and indirect costs	122,419	121,435	984	102,541
Total operating expenses	2,942,787	2,457,239	485,548	2,160,396
Operating income (loss)	(608,861)	(442,273)	166,588	(399,269)
<b>NONOPERATING REVENUES</b>				
Interest on investments	-	2,605	2,605	1,111
Gain on sale of capital assets	-	4,500	4,500	102,016
Total non-operating revenues	-	7,105	7,105	103,127
Income (loss) before transfers	(608,861)	(435,168)	173,693	(296,142)
<b>TRANSFERS IN</b>	400,000	400,000	-	-
Change in net position	\$ (208,861)	(35,168)	\$ 173,693	(296,142)
Net position, beginning of year		784,408		1,080,550
Net position, end of year		\$ 749,240		\$ 784,408



**Colorado Springs School District 11**  
**Production Printing Fund**  
**Comparative Schedules of Cash Flows**  
**For the Years Ended June 30, 2017 and 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
Receipts from customers and users	\$ 2,010,903	\$ 1,760,931
Payments to suppliers	(1,793,867)	(1,228,775)
Payments to employees	(702,226)	(666,125)
Payments for interfund services used	463,990	(222,904)
Net cash provided by (used in) operating activities	<u>(21,200)</u>	<u>(356,873)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfer in	400,000	-
Net cash provided by noncapital financing activities	400,000	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Net cash from capital lease	(373,105)	373,105
Purchases of equipment	(12,800)	(119,359)
Proceeds from sale of capital assets	4,500	102,016
Net cash provided by (used in) capital and related financing activities	<u>(381,405)</u>	<u>355,762</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	2,605	1,111
Net cash provided by investing activities	<u>2,605</u>	<u>1,111</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by operating activities</b>		
Operating income (loss)	\$ (442,273)	\$ (399,269)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	66,185	49,630
Change in assets and liabilities:		
Accounts receivable	(4,063)	(196)
Due from other funds	463,989	(222,904)
Inventories	31,184	32,436
Accounts payable	(180,325)	169,824
Accrued compensation	8,303	9,466
Accrued compensated absences	31,632	1,643
Accrued interest payable	(2,046)	2,046
Noncurrent compensated absences	6,214	451
Total adjustments	<u>421,073</u>	<u>42,396</u>
Net cash provided by operating activities	<u>\$ (21,200)</u>	<u>\$ (356,873)</u>

**Colorado Springs School District 11**  
**Risk Related Activities Fund**  
**Comparative Schedules of Net Position**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current assets		
Deposit with insurance pool	\$ 10,237,479	\$ 10,704,839
Due from other funds	<u>1,223,251</u>	<u>217,538</u>
Total current assets	<u>11,460,730</u>	<u>10,922,377</u>
Noncurrent assets		
Capital assets		
Equipment	12,190	18,678
Accumulated depreciation	<u>(12,190)</u>	<u>(18,678)</u>
Total capital assets, net	<u>-</u>	<u>-</u>
Total assets	<u>11,460,730</u>	<u>10,922,377</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	158,610	100,828
Accrued compensation	23,088	22,140
Health insurance claims	<u>2,646,210</u>	<u>2,585,174</u>
Total current liabilities	<u>2,827,908</u>	<u>2,708,142</u>
Noncurrent liabilities		
Accrued compensated absences	<u>6,476</u>	<u>5,441</u>
Total noncurrent liabilities	<u>6,476</u>	<u>5,441</u>
Total liabilities	<u>2,834,384</u>	<u>2,713,583</u>
<b>NET POSITION</b>		
Restricted net position	7,680,269	8,241,403
Unrestricted net position	<u>946,077</u>	<u>(32,609)</u>
Total net position	<u>\$ 8,626,346</u>	<u>\$ 8,208,794</u>

**Colorado Springs School District 11**  
**Risk Related Activities Fund**  
**Schedule of Revenues, Expenses, and Changes in Net Position**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
<b>OPERATING REVENUES</b>				
Employer premium contributions	\$ 18,749,506	\$ 18,790,464	\$ 40,958	\$ 18,290,833
Employee premium contributions	9,454,426	7,774,392	(1,680,034)	7,621,904
Collections and subrogations	-	1,209	1,209	2,770
Total operating revenues	28,203,932	26,566,065	(1,637,867)	25,915,507
<b>OPERATING EXPENSES</b>				
Health insurance	33,460,501	24,366,935	9,093,566	21,787,239
Dental insurance	2,621,189	1,977,082	644,107	1,864,168
Life insurance	756,991	745,870	11,121	730,825
LTD insurance	253,629	238,471	15,158	240,656
Vision insurance	321,919	226,050	95,869	250,749
Total operating expenses	37,414,229	27,554,408	9,859,821	24,873,637
Operating income (loss)	(9,210,297)	(988,343)	8,221,954	1,041,870
<b>NONOPERATING REVENUES</b>				
Interest on investments	1,502	405,895	404,393	3,782
Income (loss) before transfers	(9,208,795)	(582,448)	8,626,347	1,045,652
<b>TRANSFERS IN</b>	1,000,000	1,000,000	-	-
Change in net position	\$ (8,208,795)	417,552	\$ 8,626,347	1,045,652
Net position, beginning of year		8,208,794		7,163,142
Net position, end of year		\$ 8,626,346		\$ 8,208,794

**Colorado Springs School District 11**  
**Risk Related Activities Fund**  
**Comparative Schedules of Cash Flows**  
**For the Years Ended June 30, 2017 and 2016**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>2017</b>	<b>2016</b>
Receipts from customers and users	\$ 26,566,065	\$ 25,915,507
Payments for insurance claims	(26,645,887)	(25,724,401)
Payments to employees	(320,360)	(315,237)
Receipts (payments) for interfund services used	(1,005,713)	120,349
Net cash used in operating activities	(1,405,895)	(3,782)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Transfers in	1,000,000	-
Net cash provided by noncapital financing activities	1,000,000	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	405,895	3,782
Net cash provided by investing activities	405,895	3,782
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
<b>Reconciliation of operating income (loss) to net cash used in operating activities</b>		
Operating income	\$ (988,343)	\$ 1,041,870
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Deposit with insurance pool	467,360	(1,722,972)
Accounts receivable	-	-
Due from other funds	(1,005,713)	120,349
Accounts payable	57,782	34,613
Accrued compensation	948	(2,579)
Health insurance claims	61,036	522,948
Noncurrent accrued compensated absences	1,035	1,989
Total adjustments	(417,552)	(1,045,652)
Net cash used in operating activities	\$ (1,405,895)	\$ (3,782)

# Fiduciary Funds

**Fiduciary Funds are used to account for assets held by the government in a public trustee capacity. Fiduciary Funds are segregated as follows:**

## **Private Purpose Trust Fund**

This fund was created to act as a custodian for funds, such as scholarships, held for the benefit of private individuals and organizations. These funds are not used for the benefit of the District.

## **Agency Fund**

This fund was created to act as a custodian for other funds, governmental units or private entities. Pupil activities along with other agency activities are accounted for in this fund.

**Colorado Springs School District 11**  
**Private Purpose Trust Funds**  
**Comparative Schedules of Fiduciary Net Position**  
**June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 50,401	\$ 50,108
Total assets	<u>50,401</u>	<u>50,108</u>
<b>NET POSITION</b>		
Held in trust for individuals	<u>50,401</u>	<u>50,108</u>
Total net position	<u>\$ 50,401</u>	<u>\$ 50,108</u>

**Private Purpose Trust Funds**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual with Comparative Actual Totals for 2016**  
**For the Year Ended June 30, 2017**

	2017			2016
	Final Budget	Actual	Variance with Final Budget	Actual
ADDITIONS				
Interest on investments	\$ 320	\$ 293	\$ (27)	\$ 115
Total additions	320	293	(27)	115
DEDUCTIONS				
Scholarships awarded	-	-	-	-
Total deductions	-	-	-	-
Change in net position	\$ 320	293	\$ (27)	115
Net position, beginning of year		50,108		49,993
Net position, end of year		\$ 50,401		\$ 50,108

**Colorado Springs School District 11**  
**Agency Funds**  
**Combining Statement of Assets and Liabilities**  
**With Comparative Totals for 2016**  
**June 30, 2017**

	<b>Pupil Activity Agency Fund</b>	<b>Other Agency Fund</b>	<b>Totals</b>	
			<b>June 30, 2017</b>	<b>June 30, 2016</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,153,014	\$ 94,546	\$ 2,247,560	\$ 2,104,374
Total assets	<u>2,153,014</u>	<u>94,546</u>	<u>2,247,560</u>	<u>2,104,374</u>
<b>LIABILITIES</b>				
Accounts payable	2,151,905	94,546	2,246,451	2,101,264
Accrued compensation	<u>1,109</u>	<u>-</u>	<u>1,109</u>	<u>3,110</u>
Total liabilities	\$ <u>2,153,014</u>	\$ <u>94,546</u>	\$ <u>2,247,560</u>	\$ <u>2,104,374</u>

**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**For the year ended June 30, 2017**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,104,374	\$ 6,900,241	\$ 6,757,055	\$ 2,247,560
Total assets	<u>2,104,374</u>	<u>6,900,241</u>	<u>6,757,055</u>	<u>2,247,560</u>
<b>LIABILITIES</b>				
Accounts payable	2,101,264	7,836,987	7,691,800	2,246,451
Accrued compensation	<u>3,110</u>	<u>1,109</u>	<u>3,110</u>	<u>1,109</u>
Total liabilities	\$ <u>2,104,374</u>	\$ <u>7,838,096</u>	\$ <u>7,694,910</u>	\$ <u>2,247,560</u>

**Colorado Springs School District 11**  
**Pupil Activity Agency Fund**  
**Statement of Changes in Assets and Liabilities**  
**For the year ended June 30, 2017**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,034,344	\$ 6,856,568	\$ 6,737,898	\$ 2,153,014
Total assets	<u>2,034,344</u>	<u>6,856,568</u>	<u>6,737,898</u>	<u>2,153,014</u>
<b>LIABILITIES</b>				
Accounts payable	2,031,234	7,778,495	7,657,824	2,151,905
Accrued compensation	<u>3,110</u>	<u>1,109</u>	<u>3,110</u>	<u>1,109</u>
Total liabilities	\$ <u>2,034,344</u>	\$ <u>7,779,604</u>	\$ <u>7,660,934</u>	\$ <u>2,153,014</u>

**Other Agency Fund**  
**Statement of Changes in Assets and Liabilities**  
**For the year ended June 30, 2017**

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 70,030	\$ 43,673	\$ 19,157	\$ 94,546
Total assets	<u>70,030</u>	<u>43,673</u>	<u>19,157</u>	<u>94,546</u>
<b>LIABILITIES</b>				
Accounts payable	<u>70,030</u>	<u>58,492</u>	<u>33,976</u>	<u>94,546</u>
Total liabilities	\$ <u>70,030</u>	\$ <u>58,492</u>	\$ <u>33,976</u>	\$ <u>94,546</u>



# Statistical Section

This part of the Colorado Springs School District 11 Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

## **Financial Trends**

The schedules on pages 110-117 contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.

## **Revenue Capacity**

Pages 118-121 contain information to help the reader assess the District's most significant local revenue source, the property tax.

## **Debt Capacity**

Pages 122-127 present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

## **Demographic and Economic Information**

Pages 128-129 offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

## **Operating Information**

Pages 139-140 contain service data to help the reader understand how the information in the Districts' financial report relates to the services the District provides and the activities it performs.

Note: Unless otherwise noted, the information in these schedules is derived from internal sources. The District began reporting accrual information when it implemented GASB Statement 34 in fiscal year 2002; Government-wide information is not available for prior periods.



**Colorado Springs School District 11**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
<b>Governmental activities</b>				
Net investment in capital assets	\$ 33,677,674	\$ 60,330,432	\$ 79,343,791	\$ 75,305,047
Restricted	82,624,164	43,521,854	29,122,593	30,882,851
Unrestricted	16,240,338	28,186,837	25,877,407	25,003,803
Total governmental activities net position	<u>132,542,176</u>	<u>132,039,123</u>	<u>134,343,791</u>	<u>131,191,701</u>
<b>Business-type activities</b>				
Net investment in capital assets	800,280	759,663	775,652	781,443
Unrestricted	910,178	1,036,092	1,382,523	1,387,636
Total business-type activities net position	<u>1,710,458</u>	<u>1,795,755</u>	<u>2,158,175</u>	<u>2,169,079</u>
<b>Primary government</b>				
Net investment in capital assets	34,477,954	61,090,095	80,119,443	76,086,490
Restricted	82,624,164	43,521,854	29,122,593	30,882,851
Unrestricted	17,150,516	29,222,929	27,259,930	26,391,439
Total primary government net position	<u>\$ 134,252,634</u>	<u>\$ 133,834,878</u>	<u>\$ 136,501,966</u>	<u>\$ 133,360,780</u>

Notes:

In fiscal year 2015, the District restated beginning net position/fund balance due to a reclassification of a non-major enterprise fund to a non-major special revenue fund. Consistent with the guidance from the Colorado Department of Education and in accordance with GASB Statement No 54, Fund Balance Reporting and Governmental Fund Type Definitions, management of the District has reclassified the Food Services Fund from an enterprise fund to a special revenue fund.

In addition, during fiscal year 2015, the District adopted GASB Statement Nos. 68 and 71, Accounting and Financial Reporting for Pensions, which requires the District to record its "proportionate share" of the net pension liability and related deferred inflows and outflows of resources in the government-wide financial statement.

Balances prior to 2015 are shown as originally presented and have not been restated for accounting changes.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 73,020,449	\$ 72,492,705	\$ 78,422,323	\$ 88,177,837	\$ 96,721,208	\$ 105,995,551
28,789,378	26,120,031	35,897,410	36,656,819	39,366,180	35,476,769
19,947,500	31,027,203	19,780,530	(429,374,993)	(452,411,974)	(601,912,529)
<u>121,757,327</u>	<u>129,639,939</u>	<u>134,100,263</u>	<u>(304,540,337)</u>	<u>(316,324,586)</u>	<u>(460,440,209)</u>
784,235	1,173,822	1,089,766	-	-	-
1,357,723	1,460,240	1,178,616	-	-	-
<u>2,141,958</u>	<u>2,634,062</u>	<u>2,268,382</u>	<u>-</u>	<u>-</u>	<u>-</u>
73,804,684	73,666,527	79,512,089	88,177,837	96,721,208	105,995,551
28,789,378	26,120,031	35,897,410	36,656,819	39,366,180	35,476,769
21,305,223	32,487,443	20,959,146	(429,374,993)	(452,411,974)	(601,912,529)
<u>\$ 123,899,285</u>	<u>\$ 132,274,001</u>	<u>\$ 136,368,645</u>	<u>\$ (304,540,337)</u>	<u>\$ (316,324,586)</u>	<u>\$ (460,440,209)</u>

# Colorado Springs School District 11

## Changes in Net Position

### Last Ten Fiscal Years

(accrual basis of accounting)

Expenses	Fiscal Year			
	2008	2009	2010	2011
Governmental activities:				
Instruction	\$ 148,928,976	\$ 149,269,910	\$ 157,580,081	\$ 154,242,400
Pupil activities	8,469,914	9,778,400	9,929,064	9,963,857
Instructional support	18,760,102	19,643,423	20,085,867	19,525,598
General administration	2,774,372	3,750,923	2,982,750	2,613,631
School administration	17,528,380	19,100,926	16,908,290	17,427,453
Business services	2,127,009	2,338,722	2,382,204	2,121,957
Maintenance and operations	22,743,643	22,678,397	23,390,212	23,098,081
Transportation	5,463,503	5,011,957	5,466,558	5,785,082
Central services	13,254,169	12,345,045	11,574,939	11,328,296
Miscellaneous support services	3,130,067	3,766,633	4,519,354	3,813,274
Other community services	1,363,473	1,690,063	1,430,019	2,122,492
Technology plan	-	-	1,396,902	1,689,696
Interest on long-term debt	20,953,582	15,160,822	12,836,565	12,773,975
Total governmental activities expenses	265,497,190	264,535,221	270,482,805	266,505,792
Business-type activities:				
Food Services	8,917,329	9,836,430	9,955,793	9,760,207
Community Education	219,887	233,387	216,487	187,365
Total business-type activities expenses	9,137,216	10,069,817	10,172,280	9,947,572
Total primary government expenses	274,634,406	274,605,038	280,655,085	276,453,364
<b>Program revenues</b>				
Governmental activities:				
Charges for services: Instruction	2,590,002	2,554,841	2,130,312	1,811,358
Charges for services: Other	2,803,166	1,859,747	1,790,269	2,090,742
Operating grants and contributions	28,251,983	27,210,862	30,611,870	38,978,465
Capital grants and contributions	201,480	-	325,287	133,707
Total governmental activities program revenues	33,846,631	31,625,450	34,857,738	43,014,272
Business-type activities:				
Food services:				
Charges for services	3,604,853	3,450,271	3,325,694	2,715,655
Operating grants and contributions	5,282,515	6,273,215	6,831,613	6,812,232
Community education: Charges for services	177,149	132,668	145,170	122,154
Total business-type activities program revenues	9,064,517	9,856,154	10,302,477	9,650,041
Total primary government program revenues	42,911,148	41,481,604	45,160,215	52,664,313
Net (expense) revenue				
Governmental activities	(231,650,559)	(232,909,771)	(235,625,067)	(223,491,520)
Business-type activities	(72,699)	(213,663)	130,197	(297,531)
Total primary government net (expense) revenue	(231,723,258)	(233,123,434)	(235,494,870)	(223,789,051)
<b>General revenues</b>				
Governmental activities:				
Property taxes	121,095,313	112,790,701	115,518,331	115,028,227
State equalization	108,524,794	114,331,643	118,307,243	101,663,908
Investment earnings	3,690,675	1,759,222	732,008	248,342
School land fees	166,587	143,852	87,776	106,612
Gain on sale of capital assets	-	-	-	-
Miscellaneous	1,918,555	2,831,732	3,374,377	3,382,341
Total governmental activities	235,395,924	231,857,150	238,019,735	220,429,430
Business-type activities				
Investment earnings	7,005	3,006	2,144	1,054
Miscellaneous revenues	235,156	205,954	140,079	217,381
Total business-type activities	242,161	208,960	142,223	218,435
Total primary government	235,638,085	232,066,110	238,161,958	220,647,865
<b>Transfers</b>				
Governmental activities	(264,411)	(90,000)	(90,000)	(90,000)
Business-type activities	264,411	90,000	90,000	90,000
<b>Change in net position</b>				
Governmental activities	3,480,954	(1,142,621)	2,304,668	(3,152,090)
Business-type activities	433,873	85,297	362,420	10,904
Total primary government	\$ 3,914,827	\$ (1,057,324)	\$ 2,667,088	\$ (3,141,186)

Fiscal Year						
	2012	2013	2014	2015	2016	2017
\$	148,131,513	\$ 142,505,989	\$ 145,000,577	\$ 149,517,993	\$ 165,628,261	\$ 247,608,725
	10,033,704	9,784,370	9,967,853	10,728,273	12,879,517	21,294,909
	18,804,575	18,235,463	18,713,424	18,745,019	21,037,745	29,952,057
	2,514,869	2,525,328	2,912,121	2,760,071	3,056,593	4,726,737
	17,460,771	17,214,082	17,570,738	18,289,643	20,459,489	31,152,857
	2,084,754	1,990,776	2,090,375	2,255,485	2,571,495	3,913,464
	22,884,102	22,241,699	22,686,489	24,516,915	26,188,777	35,327,552
	5,535,648	5,093,914	5,549,777	5,278,914	5,852,482	7,617,612
	14,760,051	8,997,782	11,213,119	11,325,868	11,763,965	16,650,969
	3,505,147	3,385,847	3,536,525	13,721,139	11,086,174	15,490,306
	2,180,693	1,464,682	2,061,184	1,834,520	3,049,179	3,251,974
	-	-	-	-	-	-
	12,771,533	12,947,349	9,475,504	7,845,570	7,973,285	7,604,570
	260,667,360	246,387,281	250,777,686	266,819,410	291,546,962	424,591,732
	9,478,082	9,398,038	9,798,648	-	-	-
	168,624	117,358	165,129	-	-	-
	9,646,706	9,515,396	9,963,777	-	-	-
	270,314,066	255,902,677	260,741,463	266,819,410	291,546,962	424,591,732
	1,857,901	1,814,503	1,852,906	1,463,044	1,157,528	1,227,132
	2,276,314	2,152,046	2,334,303	5,017,763	4,923,543	5,730,258
	28,959,032	28,220,786	28,461,558	37,403,827	38,201,500	36,649,052
	495,935	72,111	-	876,805	-	-
	33,589,182	32,259,446	32,648,767	44,761,439	44,282,571	43,606,442
	2,474,287	2,217,387	2,204,298	-	-	-
	6,771,907	7,501,438	7,226,572	-	-	-
	66,558	80,309	65,459	-	-	-
	9,312,752	9,799,134	9,496,329	-	-	-
	42,901,934	42,058,580	42,145,096	44,761,439	44,282,571	43,606,442
	(227,078,178)	(214,127,835)	(218,128,919)	(222,057,971)	(247,264,391)	(380,985,290)
	(333,954)	283,738	(467,448)	-	-	-
	(227,412,132)	(213,844,097)	(218,596,367)	(222,057,971)	(247,264,391)	(380,985,290)
	107,681,853	111,165,231	110,894,125	110,238,258	110,863,634	112,342,808
	104,712,798	104,054,569	107,936,377	115,698,059	121,129,681	121,332,708
	154,698	116,359	81,407	1,685,554	212,023	848,854
	89,880	235,320	286,942	170,723	246,441	409,076
	-	3,313,820	-	-	798,223	0
	5,094,576	3,215,148	3,435,468	3,702,204	2,230,140	1,936,221
	217,733,805	222,100,447	222,634,319	231,494,798	235,480,142	236,869,667
	2,193	1,006	707	-	-	-
	214,640	117,360	55,985	-	-	-
	216,833	118,366	56,692	-	-	-
	217,950,638	222,218,813	222,691,011	231,494,798	235,480,142	236,869,667
	(90,000)	(90,000)	(45,076)	-	-	-
	90,000	90,000	45,076	-	-	-
	(9,434,373)	7,882,612	4,460,324	9,436,827	(11,784,249)	(144,115,623)
	(27,121)	492,104	(365,680)	-	-	-
\$	(9,461,494)	\$ 8,374,716	\$ 4,094,644	\$ 9,436,827	\$ (11,784,249)	\$ (144,115,623)

**Colorado Springs School District 11**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
General fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 615,561
Restricted	-	-	-	4,106,600
Assigned	-	-	-	14,115,158
Unassigned	-	-	-	5,707,337
Reserved	7,080,053	7,365,929	8,282,491	-
Unreserved	12,830,909	9,278,348	15,256,989	-
	<u>19,910,962</u>	<u>16,644,277</u>	<u>23,539,480</u>	<u>24,544,656</u>
Total general fund				
	<u>19,910,962</u>	<u>16,644,277</u>	<u>23,539,480</u>	<u>24,544,656</u>
All other governmental funds				
Nonspendable	-	-	-	-
Restricted	-	-	-	24,530,298
Assigned	-	-	-	4,888,255
Reserved	61,417,115	35,842,947	26,990,140	-
Unreserved	15,122,005	16,569,464	7,132,839	-
	<u>76,539,120</u>	<u>52,412,411</u>	<u>34,122,979</u>	<u>29,418,553</u>
Total all other governmental funds				
	<u>76,539,120</u>	<u>52,412,411</u>	<u>34,122,979</u>	<u>29,418,553</u>
Total Governmental Funds	\$ <u>96,450,082</u>	\$ <u>69,056,688</u>	\$ <u>57,662,459</u>	\$ <u>53,963,209</u>

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.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 555,428	\$ 439,224	\$ 446,112	\$ 397,533	\$ 349,542	\$ 390,757
2,000,000	250,000	6,750,000	5,110,321	5,383,210	5,398,026
14,838,323	13,308,538	9,998,625	9,428,913	9,178,984	8,718,138
3,202,672	4,578,300	5,879,996	14,449,587	14,561,730	17,847,770
-	-	-	-	-	-
-	-	-	-	-	-
20,596,423	18,576,062	23,074,733	29,386,354	29,473,466	32,354,691
-	-	-	467,831	468,152	525,287
21,355,388	23,823,031	25,030,905	24,417,565	25,741,567	22,398,474
8,244,295	14,646,724	7,891,418	9,689,672	10,952,514	8,629,719
-	-	-	-	-	-
-	-	-	-	-	-
29,599,683	38,469,755	32,922,323	34,575,068	37,162,233	31,553,480
\$ 50,196,106	\$ 57,045,817	\$ 55,997,056	\$ 63,961,422	\$ 66,635,699	\$ 63,908,171

**Colorado Springs School District 11**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
Taxes	\$ 121,095,313	\$ 112,790,701	\$ 115,518,331	\$ 115,028,227
Intergovernmental	136,978,078	141,542,504	148,927,280	140,776,080
Investment income	3,666,974	1,735,548	713,894	236,272
Tuition	1,433,626	1,248,073	1,130,481	924,665
Miscellaneous	4,921,006	5,019,093	5,071,543	4,978,940
Total revenues	<u>268,094,997</u>	<u>262,335,919</u>	<u>271,361,529</u>	<u>261,944,184</u>
<b>Expenditures</b>				
Instruction	144,181,186	146,146,081	146,672,402	145,097,662
Pupil activities	8,453,200	9,801,295	9,943,129	9,975,546
Instructional support	18,719,166	19,615,348	20,030,156	19,482,999
General administration	2,641,547	3,719,799	2,660,304	2,372,670
School administration	17,742,774	19,089,440	16,876,936	17,390,753
Business services	2,108,701	2,330,315	2,364,435	2,107,827
Maintenance and operations	22,086,745	22,120,678	22,354,263	22,123,333
Transportation	4,914,612	4,462,497	4,588,261	5,061,446
Central services	12,462,328	10,600,994	8,841,041	9,148,981
Food service operations	3,146,116	3,801,390	4,561,316	3,757,019
Community and other services	8,170,052	3,139,100	2,828,679	3,813,649
Capital outlay	49,286,698	24,459,268	13,059,113	4,612,704
Debt service				
Principal	7,646,024	8,090,754	19,394,866	10,583,994
Interest and fiscal charges	12,310,653	12,287,402	11,741,697	10,262,368
Total expenditures	<u>313,869,802</u>	<u>289,664,361</u>	<u>285,916,598</u>	<u>265,790,951</u>
Excess of revenues over (under) expenditures	(45,774,805)	(27,328,442)	(14,555,069)	(3,846,767)
<b>Other financing sources (uses)</b>				
Transfers in	29,304,698	28,279,605	26,882,725	30,900,028
Transfers out	(29,394,698)	(28,369,605)	(26,889,289)	(30,910,452)
Proceeds from sale of capital assets	-	-	-	-
Payment to refunded bond escrow agent	-	-	(25,948,647)	(21,421,693)
Refunding Bonds issued	-	-	28,175,000	19,775,000
Premium on Bonds issued	-	-	941,051	1,804,634
Total other financing sources (uses)	<u>(90,000)</u>	<u>(90,000)</u>	<u>3,160,840</u>	<u>147,517</u>
Net change in fund balances	\$ <u>(45,864,805)</u>	\$ <u>(27,418,442)</u>	\$ <u>(11,394,229)</u>	\$ <u>(3,699,250)</u>
Debt service as a percentage of noncapital expenditures	7.5%	7.7%	11.4%	8.0%



Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 107,681,853	\$ 111,165,231	\$ 110,894,125	\$ 110,238,258	\$ 110,863,634	\$ 112,342,808
134,167,765	132,347,466	136,397,935	153,978,691	159,331,181	157,981,760
147,816	112,196	80,404	94,124	207,130	440,354
966,595	964,155	752,041	451,026	326,947	319,683
6,748,373	4,496,460	5,185,485	8,183,577	6,651,211	7,538,645
249,712,402	249,085,508	253,309,990	272,945,676	277,380,103	278,623,250
140,509,213	134,334,684	134,890,378	137,641,295	146,868,066	143,684,504
10,039,300	9,767,023	9,933,442	10,230,168	11,743,130	12,008,377
18,756,430	18,184,265	18,665,775	18,524,722	20,016,970	19,093,650
2,279,520	2,344,691	2,707,836	2,442,419	2,529,841	1,486,448
17,410,362	17,427,054	17,430,313	17,583,275	18,883,449	18,693,509
2,069,583	1,972,735	2,067,075	2,177,779	2,382,329	2,348,027
21,912,062	21,373,380	21,722,628	23,480,316	24,309,971	24,039,624
4,813,438	4,472,417	4,859,167	4,600,320	4,916,184	5,265,437
6,887,456	11,497,339	10,702,677	10,310,108	10,128,013	10,996,654
3,488,085	1,462,514	3,323,338	13,378,291	10,514,144	10,823,671
2,181,393	3,420,366	2,056,883	1,674,262	2,892,051	3,097,589
2,322,234	3,115,530	4,512,246	2,920,452	6,512,783	7,645,933
11,210,185	9,258,090	13,163,229	13,350,128	14,084,173	14,040,559
9,681,042	11,289,578	7,558,264	6,889,499	6,351,015	6,754,447
253,560,303	249,919,666	253,593,251	265,203,034	282,132,119	279,978,429
(3,847,901)	(834,158)	(283,261)	7,742,642	(4,752,016)	(1,355,179)
32,915,690	32,039,871	27,778,395	33,070,880	33,214,010	32,587,277
(32,926,114)	(32,050,295)	(28,543,895)	(34,070,880)	(33,214,010)	(33,987,277)
-	7,205,339	-	40,502	2,426,293	27,651
(9,875,375)	(95,750,497)	-	-	-	-
8,400,000	84,085,000	-	-	-	-
1,566,597	12,154,451	-	-	5,000,000	-
80,798	7,683,869	(765,500)	(959,498)	7,426,293	(1,372,349)
\$ (3,767,103)	\$ 6,849,711	\$ (1,048,761)	\$ 6,783,144	\$ 2,674,277	\$ (2,727,528)
8.3%	8.3%	8.3%	7.7%	7.4%	7.6%

# Colorado Springs School District 11

## Assessed Value and Estimated Actual Value of Taxable Property

### Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial, Agricultural, and Natural Resources	State Assessed, Vacant Land, And Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Value	Assessment Rates	
									Residential	All Others
2008	1,179,557,420	1,030,641,220	108,971,160	155,407,970	2,474,577,770	44.045	19,284,126,822	12.83%	7.96%	29.00%
2009	1,214,415,180	1,066,478,500	99,909,730	156,207,940	2,537,011,350	42.331	19,816,464,227	12.80%	7.96%	29.00%
2010	1,216,832,330	1,048,567,700	98,506,890	151,729,480	2,515,636,400	42.183	19,764,794,301	12.73%	7.96%	29.00%
2011	1,124,891,100	956,196,700	93,835,070	153,261,110	2,328,183,980	42.493	18,280,817,658	12.74%	7.96%	29.00%
2012	1,121,924,400	950,037,180	99,973,560	153,306,780	2,325,241,920	44.004	18,243,629,638	12.75%	7.96%	29.00%
2013	1,109,701,480	957,261,980	105,453,440	173,427,370	2,345,844,270	43.445	18,203,019,049	12.89%	7.96%	29.00%
2014	1,109,334,380	948,298,880	105,143,640	166,874,560	2,329,651,460	44.264	18,143,835,722	12.84%	7.96%	29.00%
2015	1,118,463,050	948,372,860	103,066,100	187,604,570	2,357,506,580	43.165	18,323,091,052	12.87%	7.96%	29.00%
2016	1,224,056,780	959,482,050	104,855,460	208,020,150	2,496,414,440	40.803	19,764,730,904	12.63%	7.96%	29.00%
2017	1,230,011,060	969,873,760	105,306,580	216,557,140	2,521,748,540	40.878	19,906,361,080	12.67%	7.96%	29.00%

Source: El Paso County Abstract of Assessments

# Colorado Springs School District 11

## Direct and Overlapping Property Tax Rates

### Last Ten Fiscal Years

<u><b>Taxing Authority</b></u>	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Colorado Springs School District 11										
General Fund	24.422	24.818	24.726	24.575	24.356	24.557	24.451	24.648	23.694	23.472
Bond Levy	8.865	6.560	6.750	7.135	7.080	8.046	8.093	6.900	6.129	6.513
Education Levy	10.758	10.953	10.707	10.783	12.568	10.842	11.720	11.617	10.980	10.893
Total for Colorado Springs School District 11	44.045	42.331	42.183	42.493	44.004	43.445	44.264	43.165	40.803	40.878
City of Colorado Springs	4.944	4.944	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279
El Paso County	7.514	7.748	7.531	7.882	7.762	7.663	7.714	7.791	7.869	7.919
Special Districts:										
Central Marksheffel Metropolitan District	40.000	40.000	40.000	40.000	40.000	40.000	40.000	30.000	30.000	30.000
Cheyenne Creek Park and Water District	0.800	0.800	0.800	0.800	0.500	0.500	0.500	0.500	0.500	1.000
Cimarron Hills Fire Protection District	11.110	11.082	11.110	11.110	12.150	14.390	14.390	15.290	15.286	15.286
Colorado Avenue Gateway Special Impr. District	1.009	1.009	1.009	1.009	1.009	1.009	1.009	1.009	1.009	1.009
Colorado Springs Downtown Devel. Authority	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Cottonwood General Impr. District	7.000	7.000	7.000	6.500	6.500	6.500	6.500	-	-	-
Greater Downtown Improvement District	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Gold Hill Mesa Metropolitan District #2	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Gold Hill Mesa Metropolitan District #3	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Lowell Metropolitan District	48.940	48.940	48.940	48.940	48.940	48.940	48.940	48.940	48.940	48.940
Marketplace at Austin Bluffs	6.000	25.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Norwood Improvement District	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935
Old Colorado City Maintenance & Impr. District	13.416	13.416	13.416	13.416	13.416	13.416	13.416	13.416	13.416	13.416
Pikes Peak Regional Library District	3.325	3.540	3.468	3.556	3.999	4.000	4.000	4.000	3.857	3.957
Powers & Woodmen Improvement District	1.000	1.000	22.000	26.000	26.000	26.000	26.000	26.000	29.261	26.000
Southeastern Colo Water Conservancy District	0.915	0.943	0.940	0.947	0.947	0.944	0.940	0.940	0.941	0.940

Source: El Paso County Abstract of Assessments.

#### Notes:

Overlapping rates are those of local and county governments that apply to property owners within Colorado

Not all overlapping rates apply to all District property owners. The rates for special districts apply only to the proportion of the government's property

State Constitution, Article X, Section 20, limits the District's ability to raise its direct tax rates as disclosed in Note 14.

# Colorado Springs School District 11

## Principal Property Taxpayers

### Current Year and Nine Years Ago

Taxpayer	Type of Business	2017			2008		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Verizon Wireless	Communications	90,316,280	1	3.58%	\$		
Qwest Corporation	Communications	71,077,700	2	2.82%			
Wal-Mart Real Estate Business Trust	Retail Shopping Complex	15,245,000	3	0.60%			
Palmer Center Ltd	Communications	13,688,640	4	0.54%	14,701,090	5	0.59%
Keysight Technologies	Technology	12,938,440	5	0.51%			
MCI Communication Services	Communications	11,974,300	6	0.47%	19,017,300	2	0.77%
Citadel Mall Realty LLC	Commercial Real Estate	11,254,930	7	0.45%			
CV Patriot Springs LLC	Office Real Estate Investment	10,304,970	8	0.41%			
Printers Park Mob LLC	Healthcare Real Estate	10,225,400	9	0.41%			
SCMC LLC	Commercial Real Estate	8,836,270	10	0.35%			
Intel Corporation	Semiconductor Manufacturer				79,751,460	1	3.22%
Colorado Interstate Gas Co	Natural Gas Transporter				17,681,100	3	0.71%
MMP Citadel LLC	Commercial Real Estate				15,517,600	4	0.63%
Agilent Technologies, Inc.	Communication Technology				12,380,600	6	0.50%
Citadel Crossing Association	Retail Shopping Complex				8,785,450	7	0.36%
Western Forge Corp	Manufacturing				8,098,210	8	0.33%
Colorado Marker Center LP	Real Estate				7,634,240	9	0.31%
Garza Properties llc	Real Estate				7,430,040	10	0.30%
Totals		\$ 255,861,930		10.15%	\$ 190,997,090		7.72%
Total Assessed Valuation		\$ 2,521,748,540			\$ 2,474,577,770		

Source: El Paso County Assessor's Office & El Paso County Treasurer's Office

# Colorado Springs School District 11

## Property Tax Levies and Collections

### Last Ten Calendar Years

Assessment Year	Collection Year	Current Tax Levy	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2007	2008	110,534,239	109,798,025	99.3%	(509,684)	109,288,341	98.9%
2008	2009	104,339,215	103,246,220	99.0%	(377,798)	102,868,422	98.6%
2009	2010	106,366,437	105,811,559	99.5%	(261,007)	105,550,552	99.2%
2010	2011	106,393,027	105,902,295	99.5%	(308,369)	105,593,926	99.2%
2011	2012	101,528,191	100,946,179	99.4%	(540,014)	100,406,165	98.9%
2012	2013	100,655,586	99,982,948	99.3%	(295,393)	99,687,555	99.0%
2013	2014	101,968,331	101,149,630	99.2%	(583,139)	100,566,491	98.6%
2014	2015	100,314,848	99,949,500	99.6%	(392,035)	99,557,465	99.2%
2015	2016	100,327,049	98,909,712	98.6%	(202,348)	98,707,364	98.4%
2016	2017	101,315,346	100,460,315	99.2%	(431,743)	100,028,572	98.7%

Source: El Paso County Treasurer's Office.

Notes:

Collections in Subsequent Years column includes interest, penalties and abatements as well as delinquent tax collections. Negative amounts indicate abatements in excess of revenues.

Because interest and penalties are included in the Percentage of Levy column, these percentages may exceed 100%.

2017 collections are from January 31 to August 31. Additional taxes will be collected from September 1 to December 31.

# Colorado Springs School District 11

## Legal Debt Margin Information

### Last Ten Fiscal Years

	Fiscal Year			
	2008	2009	2010	2011
Assessed Value	\$ 2,474,577,770	\$ 2,537,011,350	\$ 2,515,636,400	\$ 2,523,185,320
Debt limit	494,915,554	507,402,270	503,127,280	504,637,064
Total net debt applicable to limit	203,148,084	196,333,084	189,183,084	183,948,084
Legal debt margin	\$ 291,767,470	\$ 311,069,186	\$ 313,944,196	\$ 320,688,980
Total net debt applicable to the limit as a percentage of debt limit	41.05%	38.69%	37.60%	36.45%

Note:

Under state finance law, the outstanding general obligation debt should not exceed 20 percent of total assessed property value.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 2,325,241,920	\$ 2,345,844,270	\$ 2,329,651,460	\$ 2,357,506,580	\$ 2,496,414,440	\$ 2,521,748,540
465,048,384	469,168,854	465,930,292	471,501,316	499,282,888	504,349,708
175,273,084	168,648,111	158,263,111	147,843,111	136,853,111	126,313,111
\$ 289,775,300	\$ 300,520,743	\$ 307,667,181	\$ 323,658,205	\$ 362,429,777	\$ 378,036,597
37.69%	35.95%	33.97%	31.36%	27.41%	25.04%

# Colorado Springs School District 11

## Ratio of General Bonded Debt to Estimated Actual Taxable Value And Bonded Debt Per Capita Last Ten Calendar Years

Year	Estimated Actual	General		Restricted	Net General	Ratio of General		Net
	Taxable Value	Obligation	Bonds			Bonded Debt to Estimated Actual	Population	
			QZAB	Resources	Bonded Debt	Taxable Value		Bonded Debt per Capita
2008	19,284,126,822	214,790,920	4,023,111	18,240,402	200,573,629	1.0%	394,177	509
2009	19,816,464,227	206,852,915	4,023,111	17,365,931	193,510,095	1.0%	401,186	482
2010	19,764,794,301	198,579,909	4,023,111	17,098,611	185,504,409	0.9%	407,733	455
2011	18,280,817,658	192,667,283	4,023,111	17,889,606	178,800,788	1.0%	420,716 **	425
2012	18,243,629,638	192,299,355	4,023,111	17,180,297	179,142,169	1.0%	428,112 *	418
2013	18,203,019,049	187,303,188	4,023,111	19,365,620	171,960,679	0.9%	433,748 *	396
2014	18,143,835,722	169,948,662	4,023,111	20,867,621	153,104,152	0.8%	439,340 *	348
2015	18,323,091,052	157,895,081	4,023,111	20,535,503	141,382,689	0.8%	444,708 *	318
2016	19,764,730,904	145,411,136	4,023,111	19,062,206	130,372,041	0.7%	451,585 *	289
2017	19,906,361,080	133,516,827	4,023,111	18,473,101	119,066,837	0.6%	456,626 *	261

Sources: El Paso County Assessor's Office and Colorado Department of Local Affairs, Demography Section, Housing and Households

\* Estimate

\*\* Census



**Colorado Springs School District 11**  
**Ratio of Annual Debt Service Expenditures for**  
**General Bonded Debt to General Fund Expenditures**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Annual Debt Service Expenditures for General Bonded Debt</b>	<b>Total General Fund Expenditures</b>	<b>Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures</b>
2008	17,054,201	213,268,991	8.0%
2009	17,156,133	220,873,362	7.8%
2010	17,137,670	215,306,722	8.0%
2011	14,069,626	211,351,215	6.7%
2012	17,063,150	205,679,125	8.3%
2013	16,332,832	202,056,760	8.1%
2014	16,975,963	204,893,328	8.3%
2015	16,481,188	209,638,446	7.9%
2016	16,598,644	223,659,510	7.4%
2017	16,646,069	221,748,063	7.5%

## Colorado Springs School District 11

### Ratios of Outstanding Debt By Type

### Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Population	Per Capita	Percentage of Personal Income
	General Obligation Bonds	Certificates of Participation	Other Bonds Payable	Capital Leases				
2008	214,790,920	38,790,000	4,023,111	5,252,209	262,856,240	394,177	667	1.88%
2009	206,852,915	37,790,000	4,023,111	4,930,259	253,596,285	401,186	632	1.77%
2010	198,579,909	28,175,000	4,023,111	4,478,596	235,256,616	407,733	577	1.51%
2011	192,667,283	26,110,000	4,023,111	4,074,415	226,874,809	420,716 **	539	1.42%
2012	192,299,355	23,960,000	4,023,111	3,636,919	223,919,385	428,112 *	523	1.41%
2013	187,303,188	21,745,000	4,023,111	3,164,278	216,235,577	433,748 *	499	1.26%
2014	169,948,662	19,420,000	4,023,111	2,654,219	196,045,992	439,340 *	446	1.11%
2015	157,895,081	16,980,000	4,023,111	2,164,091	181,062,283	444,701 *	407	0.98%
2016	145,411,136	19,415,000	4,023,111	2,008,023	170,857,270	451,585 *	378	0.90%
2017	133,516,827	16,485,000	4,023,111	1,064,359	155,089,297	456,626 *	340	0.82%

Source: Colorado Department of Local Affairs, Demography Section, Housing & Household (demographic information only)

Notes:

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

Demographic and Economic Statistics has additional personal income and population data.

\* Estimate

\*\* Census

# Colorado Springs School District 11

## Computation of Direct and Overlapping Debt

### June 30, 2017

	<b>2017 Assessed Valuation</b>	<b>Entity's Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Direct Debt:</b>				
Colorado Springs School District 11	\$ 2,521,748,540	\$ 143,862,470	100.00%	\$ 143,862,470
<b>Overlapping Debt:</b>				
Central Marksheffel Metropolitan District	24,260,500	11,590,000	23.87%	2,766,533
City of Colorado Springs	4,985,581,710	51,074,000	45.21%	23,090,555
El Paso County	6,852,564,340	149,218,059	33.90%	50,584,922
Gold Hill Mesa Metropolitan District #2	6,748,940	10,378,000	100.00%	10,378,000
Lowell Metropolitan District	4,228,590	7,940,000	100.00%	7,940,000
Marketplace at Austin Bluffs GID	4,706,100	2,355,000	99.66%	2,346,993
North Nevada Ave URA	26,030,930	59,219,000	99.90%	59,159,781
Powers and Woodmen BID	\$ 10,287,740	\$ 3,796,564	99.99%	\$ 3,796,184
Total Overlapping Debt				<u>160,062,969</u>
Total Direct and Overlapping Debt				<u><u>\$ 303,925,439</u></u>

Sources: El Paso County Assessor's Office and information obtained from individual entities and from the District.

**Notes:**

The following entities also overlap the District but have no general obligation debt outstanding:

Central Colorado Conservation District, Cherokee Metro District, Cheyenne Creek Park and Water District, Cimarron Hills Fire Protection District, City Auditorium Block URA, Colorado Avenue Gateway Special Improvement District, El Paso County Conservation District, Gold Hill Mesa Metropolitan District #1 and #3, Greater Downtown Improvement District, Metrex Metropolitan District, Norwood Special Improvement, Old Colorado City Maintenance and Improvement District, Platte Ave Special Improvement District, SouthCentral Downtown URA, Southeastern Colorado Water Conservancy District, Southwest Downtown URA and Pikes Peak Library District.

Some districts had authorized but unissued debt prior to the TABOR amendment. These districts report that it is unlikely bonds will be issued based upon the authorization due to limitations imposed by agreements with the city and/or the county.

The amount of each entity's outstanding debt attributable to the District is calculated by determining the percentage amount of that entity overlapping the District and multiplying the entity's outstanding debt by the percentage.

# Colorado Springs School District 11

## Demographic and Economic Statistics

### Last Ten Fiscal Years

Fiscal Year	Population <sup>a</sup>	Total Personal Income	Per Capita Personal Income <sup>b</sup>	School Enrollment (Certified Funded Pupil Count) <sup>c</sup>	Unemployment Rate <sup>d</sup>
2008	394,177	14,012,992,350	35,550	28,066	6.3%
2009	401,186	14,329,160,362	35,717	27,714	7.7%
2010	407,733	15,583,962,993	38,221	27,979	8.9%
2011	416,427	15,991,213,227	38,401	27,189	9.8%
2012	422,816	15,905,492,288	37,618	27,262	9.2%
2013	429,679	17,184,581,926	39,994	26,873	9.1%
2014	431,834	17,696,557,320	40,980	27,599	7.4%
2015	446,439	18,415,608,750	41,250	27,527	5.2%
2016	450,347	18,901,513,937	41,971	27,031	4.2%
2017	456,626	20,339,035,292	44,542	27,015	3.1%

Sources:

<sup>a</sup> Colorado Department of Local Affairs, Demography Section and State Demography Office

<sup>b</sup> U.S. Bureau of Economic Analysis

<sup>c</sup> District's Educational Data and Support Services Office

<sup>d</sup> LMI Gateway LAUS Unit

# Colorado Springs School District 11

## Principal Employers for the Pikes Peak Region

### Current Year and Nine Years Ago

Employer	2017			2008		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Fort Carson Army Post	30,411	1	11.50%	23,021	1	9.40%
Peterson Air Force Base	10,049	2	3.80%	5,388	4	2.20%
United States Air Force Academy	8,727	3	3.30%	6,368	2	2.60%
Schriever Air Force Base <sup>a</sup>	6,876	4	2.60%	5,878	3	2.40%
Memorial Health Services	6,082	5	2.30%	4,653	5	1.90%
Colorado Springs School District 11	3,967	6	1.50%	3,674	6	1.50%
Academy School District 20	3,438	7	1.30%	2,694	8	1.10%
Penrose-St. Francis Health Services	2,380	8	0.90%	2,939	7	1.20%
El Paso County	2,380	8	0.90%	2,204	10	0.90%
City of Colorado Springs	2,116	10	0.80%	2,449	9	1.00%
			28.90%			24.20%

Sources: The Greater Colorado Springs Chamber and EDC and the Colorado Department of Labor.

Notes:

<sup>a</sup> Schriever Air Force Base previously known as Falcon Air Force Base.

# Colorado Springs School District 11

## Employees by Program and Function

### Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>Teachers</u></b>										
Elementary Education	654.20	666.95	665.50	664.10	651.20	620.50	607.20	599.60	616.50	616.50
Middle School	281.48	285.50	306.30	306.15	289.40	271.70	271.80	265.90	267.30	275.10
High School	368.52	359.70	345.90	345.20	332.40	314.00	304.90	311.25	316.50	308.60
Special Education	137.69	107.59	100.80	95.20	96.20	103.20	107.80	107.80	111.50	117.50
Alternative Programs	40.50	42.00	39.25	38.25	33.50	31.50	34.50	30.40	32.75	36.85
Literacy	56.50	57.50	52.00	52.00	48.00	34.00	32.00	33.50	33.50	33.50
ESL/Foreign Language	43.50	43.50	48.50	48.00	48.00	48.00	48.60	56.20	54.35	54.35
Full-Day Kindergarten	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preschool	18.10	17.60	17.90	19.10	19.80	18.20	18.50	18.50	18.50	18.50
Other Programs	64.55	101.35	98.25	105.05	125.65	121.65	149.15	142.00	118.80	116.35
Designated Purpose Grants	185.90	173.99	205.78	214.72	176.54	171.70	171.62	172.64	157.58	188.25
Student Support Services	103.00	115.70	114.80	116.05	120.45	119.15	120.65	123.65	124.45	123.25
Instructional Support	61.10	66.30	61.10	58.10	57.60	58.70	59.20	57.50	61.00	60.60
General Administration	2.25	2.50	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Central Support Services	4.00	4.00	4.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Education	0.33	0.33	0.33	0.33	0.33	0.00	0.00	0.00	0.00	0.00
<b>Teachers Total</b>	2025.62	2044.51	2060.91	2064.50	1999.32	1912.55	1926.17	1919.19	1912.98	1949.60
<b><u>Education Support Professionals</u></b>										
Elementary Education	21.02	75.94	72.12	77.57	70.64	69.40	58.75	58.75	58.75	61.38
Middle School	7.00	3.00	4.00	4.00	4.00	4.00	6.00	4.00	5.00	6.88
High School	10.00	11.00	10.00	12.00	12.00	12.00	7.88	8.00	8.00	6.75
Special Education	329.76	313.16	311.56	306.01	305.20	291.20	281.20	281.20	286.20	276.20
ESL/Foreign Language	12.50	12.50	12.50	12.50	14.00	14.00	14.00	16.50	19.50	19.50
Full-Day Kindergarten	6.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preschool	19.94	19.94	20.44	20.44	20.44	19.63	19.63	19.63	19.63	19.63
Other Programs	1.00	1.00	8.60	6.50	6.50	12.38	8.00	11.56	12.06	7.78
Designated Purpose Grants	79.83	65.50	53.89	53.14	48.54	46.42	40.23	46.17	42.32	42.02
Student Support Services	21.00	20.88	18.88	16.88	15.88	15.88	14.48	16.10	19.98	17.88
Instructional Support	77.26	79.97	78.10	69.82	68.84	65.20	65.40	65.78	69.64	70.62
General Administration	9.75	9.75	11.25	10.75	10.75	9.75	9.75	9.75	9.75	4.00
School Administration	195.64	203.60	196.00	201.00	202.00	201.50	187.00	192.00	201.50	197.25
Business Services	18.00	17.00	17.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Operations & Maintenance	448.00	452.00	443.00	444.40	443.40	439.40	446.90	459.90	472.40	472.40
Central Support Services	20.50	21.50	21.50	20.91	20.50	16.00	16.50	17.50	17.50	23.50
Other Support Services	3.00	2.00	2.00	2.00	1.00	1.00	1.00	1.50	1.50	2.08
Other Non-Instruction Svcs	8.00	8.00	9.50	9.50	8.50	8.50	8.50	8.50	8.50	8.50
Capital Reserve	1.50	1.50	0.50	0.50	0.50	0.50	0.50	0.00	0.50	0.50
Building Fund - Project Mgt	5.00	5.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00
Risk Related Activities Fund	2.00	2.00	2.00	2.44	2.44	3.00	3.00	3.00	3.00	3.00
Production Printing	17.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Food Services	154.05	167.73	168.39	170.15	175.28	181.72	175.35	175.35	191.35	206.70
<b>ESP Total</b>	1467.75	1510.97	1479.23	1474.51	1464.41	1445.48	1398.07	1429.69	1481.08	1480.57

# Colorado Springs School District 11

## Employees by Program and Function

### Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b><u>Administrators</u></b>										
Designated Purpose Grants	1.00	2.00	2.00	2.00	3.00	3.00	4.85	5.85	2.85	2.85
Student Support Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Instructional Support	13.50	12.50	11.50	10.50	9.50	9.50	9.15	9.15	11.15	10.15
General Administration	2.00	2.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	1.00
School Administration	102.50	104.50	97.50	96.50	96.00	95.50	94.00	92.00	90.00	88.00
Business Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Operations & Maintenance	3.50	3.50	4.00	4.00	4.00	3.00	2.00	2.00	2.00	2.00
Central Support Services	5.00	5.00	6.00	5.00	5.00	5.00	5.00	5.00	4.00	6.00
Building Fund - Project Mgt	0.50	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk Related Activities Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Food Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Administrators Total</b>	<b>135.00</b>	<b>137.00</b>	<b>130.00</b>	<b>128.00</b>	<b>127.50</b>	<b>125.00</b>	<b>124.00</b>	<b>123.00</b>	<b>119.00</b>	<b>117.00</b>
<b><u>Professionals</u></b>										
Special Education	7.00	7.00	7.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00
Preschool	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Programs	0.00	5.00	5.00	5.00	4.00	4.00	4.00	4.00	0.00	0.00
Designated Purpose Grants	6.09	8.39	7.89	12.34	7.39	7.64	7.39	3.05	3.05	4.05
Student Support Services	12.00	12.00	13.00	12.50	13.00	12.00	12.00	12.00	14.00	14.00
Instructional Support	35.00	35.20	37.20	34.00	32.20	29.45	30.45	30.45	34.45	33.13
General Administration	4.41	3.41	0.00	3.41	4.41	4.41	4.00	4.00	4.00	1.00
Business Services	13.50	13.50	13.50	13.50	12.00	10.00	10.50	10.50	10.50	10.50
Operations & Maintenance	22.00	21.00	20.50	20.00	20.50	19.50	18.50	19.50	19.50	19.50
Central Support Services	27.00	27.00	25.00	23.50	22.50	23.00	23.00	23.00	24.00	27.00
Other Support Services	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.42
Other Non-Instruction Svcs	2.30	2.30	2.30	2.30	2.30	2.00	2.00	2.00	2.00	2.00
Capital Reserve	0.50	0.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Building Fund - Project Mgt	8.50	5.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk Related Activities Fund	7.00	7.00	7.00	7.00	6.50	6.00	6.00	6.00	6.00	6.00
Production Printing	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00
Food Services	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00
Community Education	0.70	0.70	0.70	0.70	0.70	0.00	0.00	0.00	0.00	0.00
<b>Professionals Total</b>	<b>152.00</b>	<b>154.50</b>	<b>148.09</b>	<b>149.25</b>	<b>141.50</b>	<b>135.00</b>	<b>134.84</b>	<b>132.50</b>	<b>129.50</b>	<b>128.60</b>
<b>Total Employees</b>	<b>3780.37</b>	<b>3846.98</b>	<b>3818.23</b>	<b>3816.26</b>	<b>3732.73</b>	<b>3618.03</b>	<b>3583.08</b>	<b>3604.38</b>	<b>3642.56</b>	<b>3675.77</b>

# Colorado Springs School District 11

## School Building Capacity and Population

### Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Elementary:</b>										
Adams (1963)										
Square feet	43,512	43,512	-	-	-	-	-	-	-	43,512
Capacity (students)	450	450	-	-	-	-	-	-	-	388
Enrollment	272	249	-	-	-	-	-	-	-	410
Projected Student/Teacher Ratio	17.00	-	-	-	-	-	-	-	-	20.10
Student on Free/Reduced Lunch	229	214	-	-	-	-	-	-	-	376
Audubon (1956)										
Square feet	47,332	47,332	47,332	47,332	47,332	47,332	47,332	47,332	47,332	47,332
Capacity (students)	500	500	475	475	475	475	475	475	475	425
Enrollment	244	209	325	300	335	293	303	301	351	365
Projected Student/Teacher Ratio	17.00	19.00	21.00	20.00	20.13	20.83	26.26	19.55	20.17	19.84
Student on Free/Reduced Lunch	144	126	201	175	206	179	194	210	196	237
Bristol (1971)										
Square feet	31,290	31,290	31,290	31,290	31,290	31,290	31,290	31,290	31,290	31,290
Capacity (students)	300	300	300	300	300	300	300	325	325	325
Enrollment	223	217	236	225	225	211	211	216	252	244
Projected Student/Teacher Ratio	18.00	17.00	21.00	16.00	17.67	17.46	18.91	18.15	18.13	17.55
Student on Free/Reduced Lunch	164	161	180	169	171	151	172	176	176	183
Buena Vista - Montessori (1911)										
Square feet	34,111	34,111	34,111	34,111	34,111	34,111	34,111	34,111	34,111	34,111
Capacity (students)	275	275	250	250	250	250	250	250	250	250
Enrollment	196	189	151	163	176	210	216	205	164	166
Projected Student/Teacher Ratio	15.00	12.00	10.00	14.00	17.11	17.75	12.87	14.24	12.24	12.77
Student on Free/Reduced Lunch	95	93	43	47	45	55	53	60	60	42
Carver (1971)										
Square feet	40,236	40,236	40,236	40,236	40,236	40,236	40,236	40,236	40,236	40,236
Capacity (students)	425	425	438	428	428	428	388	388	388	388
Enrollment	348	350	358	366	363	357	348	356	333	334
Projected Student/Teacher Ratio	20.00	20.00	18.00	20.00	21.12	19.78	19.20	19.35	19.14	19.20
Student on Free/Reduced Lunch	225	246	260	278	280	260	282	288	288	266
Chipeta (1987)										
Square feet	63,600	63,600	63,600	63,600	63,600	63,600	63,600	63,600	63,600	63,600
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	427	465	471	468	460	466	488	444	469	455
Projected Student/Teacher Ratio	19.00	19.00	20.00	19.00	20.54	20.78	21.26	20.75	21.92	21.26
Student on Free/Reduced Lunch	60	61	72	61	67	98	99	87	85	74
Columbia (1969)										
Square feet	29,448	29,448	29,448	29,448	29,448	29,448	29,448	29,448	29,448	29,448
Capacity (students)	300	325	288	288	288	288	288	263	263	263
Enrollment	187	222	295	283	315	304	270	268	287	299
Projected Student/Teacher Ratio	16.00	17.00	16.00	20.00	21.58	21.04	21.06	18.48	18.52	18.23
Student on Free/Reduced Lunch	99	137	194	182	225	209	191	214	201	221
Edison (1956)										
Square feet	36,085	36,085	36,085	36,085	36,085	36,085	36,085	36,085	36,085	36,085
Capacity (students)	350	350	313	313	313	313	313	313	313	313
Enrollment	219	203	239	206	215	221	306	291	265	289
Projected Student/Teacher Ratio	17.00	16.00	15.00	18.00	19.39	20.97	20.07	19.53	17.79	18.77
Student on Free/Reduced Lunch	146	159	179	158	178	172	240	260	238	244
Freedom (2007)										
Square feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	600	600	605	605	605	605	575	575	575	575
Enrollment	458	553	645	597	606	582	495	479	486	438
Projected Student/Teacher Ratio	19.00	19.00	18.00	20.00	21.21	19.72	18.72	20.47	19.92	19.55
Student on Free/Reduced Lunch	61	87	124	122	123	144	108	115	111	105
Fremont (1973)										
Square feet	40,738	40,738	40,738	40,738	40,738	40,738	40,738	40,738	40,738	40,738
Capacity (students)	475	475	550	550	550	550	450	450	450	450
Enrollment	366	358	404	416	445	394	440	434	442	468
Projected Student/Teacher Ratio	18.00	20.00	23.00	21.00	22.32	23.35	24.12	22.37	21.67	22.94
Student on Free/Reduced Lunch	155	165	201	222	239	226	268	282	282	325
Grant (1966)										
Square feet	45,273	45,273	45,273	45,273	45,273	45,273	45,273	45,273	45,273	45,273
Capacity (students)	475	475	450	450	450	450	450	450	450	450
Enrollment	423	435	475	471	506	495	497	467	448	499
Projected Student/Teacher Ratio	19.00	19.00	20.00	19.00	21.58	21.07	21.32	20.85	20.93	21.32
Student on Free/Reduced Lunch	226	256	327	319	337	312	366	358	358	373



# Colorado Springs School District 11

## School Building Capacity and Population

### Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Henry (1971)										
Square feet	39,890	39,890	39,890	39,890	39,890	39,890	39,890	39,890	39,890	39,890
Capacity (students)	475	475	438	438	488	488	438	413	413	413
Enrollment	370	373	386	409	405	385	364	298	323	319
Projected Student/Teacher Ratio	18.00	18.00	18.00	20.00	20.84	19.23	19.45	20.00	20.97	19.45
Student on Free/Reduced Lunch	206	218	239	267	257	252	237	251	224	237
Howbert (1959)										
Square feet	30,888	30,888	30,888	30,888	30,888	30,888	30,888	30,888	30,888	30,888
Capacity (students)	225	225	363	363	363	363	313	313	313	313
Enrollment	267	288	326	321	310	311	318	278	279	264
Projected Student/Teacher Ratio	18.00	18.00	18.00	20.00	20.21	18.62	18.21	18.66	18.72	18.99
Student on Free/Reduced Lunch	63	83	107	114	132	129	150	140	125	145
Jackson (1966)										
Square feet	33,354	33,354	33,354	33,354	33,557	33,557	33,557	33,557	33,557	33,557
Capacity (students)	200	200	438	438	438	438	338	300	300	300
Enrollment	227	241	327	288	304	323	430	457	455	417
Projected Student/Teacher Ratio	17.00	19.00	21.00	19.00	20.67	20.10	21.49	21.36	21.26	21.49
Student on Free/Reduced Lunch	118	139	220	206	220	230	348	411	391	352
Keller (1971)										
Square feet	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	511	520	548	530	529	507	503	463	444	438
Projected Student/Teacher Ratio	19.00	20.00	20.00	20.00	21.36	20.55	19.47	21.53	20.65	21.37
Student on Free/Reduced Lunch	218	273	318	297	297	286	306	333	315	294
King (1984)										
Square feet	45,127	45,127	45,127	45,127	45,127	45,127	45,127	45,127	45,127	45,127
Capacity (students)	525	500	475	475	475	475	475	475	475	475
Enrollment	457	410	421	445	429	425	387	368	355	354
Projected Student/Teacher Ratio	18.00	20.00	20.00	20.00	19.85	20.05	19.19	19.95	20.34	20.29
Student on Free/Reduced Lunch	173	167	190	211	223	205	207	223	213	213
Madison (1964)										
Square feet	36,741	36,741	36,741	36,741	36,741	36,741	36,741	36,741	36,741	36,741
Capacity (students)	425	425	425	425	425	425	425	400	400	400
Enrollment	323	315	366	380	388	364	378	340	349	324
Projected Student/Teacher Ratio	18.00	19.00	21.00	20.00	21.01	20.12	19.17	19.54	20.06	19.76
Student on Free/Reduced Lunch	117	144	198	200	228	200	248	269	236	206
Martinez (1988)										
Square feet	54,714	54,714	54,714	54,714	54,714	54,714	54,714	54,714	54,714	54,714
Capacity (students)	575	575	610	610	610	610	550	525	525	525
Enrollment	612	598	654	660	637	629	613	568	542	489
Projected Student/Teacher Ratio	19.00	19.00	18.00	21.00	20.47	19.56	17.78	19.93	19.71	19.96
Student on Free/Reduced Lunch	106	102	140	147	144	165	159	203	191	154
McAuliffe (2007)										
Square feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	600	600	600	600	600	600	575	575	575	575
Enrollment	506	567	595	611	592	575	578	572	542	541
Projected Student/Teacher Ratio	20.00	20.00	18.00	20.00	20.29	21.00	20.49	20.88	19.78	19.74
Student on Free/Reduced Lunch	265	305	347	328	316	304	320	359	348	312
Midland (1956)										
Square feet	38,710	38,710	38,710	38,710	38,710	38,710	38,710	38,710	38,710	38,710
Capacity (students)	300	300	388	388	388	388	288	288	288	288
Enrollment	160	152	184	174	158	170	152	154	189	204
Projected Student/Teacher Ratio	14.00	16.00	17.00	16.00	16.70	16.26	20.82	13.87	15.62	17.00
Student on Free/Reduced Lunch	95	109	134	131	127	129	125	121	121	154
Monroe (1964)										
Square feet	47,633	47,633	47,633	47,633	47,633	47,633	47,633	47,633	47,633	47,633
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	389	394	416	408	400	453	476	462	493	491
Projected Student/Teacher Ratio	18.00	18.00	18.00	20.00	21.75	20.70	24.07	20.63	21.07	20.98
Student on Free/Reduced Lunch	333	345	375	354	343	385	416	445	425	445
Penrose (1973)										
Square feet	40,769	40,769	40,769	40,769	40,769	40,769	40,769	40,769	40,769	40,769
Capacity (students)	425	425	538	538	538	538	438	438	438	438
Enrollment	423	402	421	435	407	410	366	326	312	362
Projected Student/Teacher Ratio	19.00	18.00	17.00	20.00	20.82	20.65	19.67	21.17	19.02	18.66
Student on Free/Reduced Lunch	186	210	228	237	242	220	207	247	230	252

# Colorado Springs School District 11

## School Building Capacity and Population

### Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Queen Palmer (1948)										
Square feet	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129
Capacity (students)	275	275	338	338	338	338	288	288	288	288
Enrollment	216	212	228	210	266	263	237	262	279	256
Projected Student/Teacher Ratio	18.00	20.00	18.00	19.00	20.53	18.94	20.65	20.31	20.07	18.42
Student on Free/Reduced Lunch	183	192	203	187	250	242	218	244	244	241
Rogers (1960)										
Square feet	41,511	41,511	41,511	41,511	41,511	41,511	41,511	41,511	41,511	41,511
Capacity (students)	375	375	438	438	438	438	388	388	388	388
Enrollment	391	324	277	261	267	296	337	362	398	386
Projected Student/Teacher Ratio	19.00	17.00	22.00	21.00	21.05	21.04	22.84	18.66	20.52	19.90
Student on Free/Reduced Lunch	286	252	231	203	211	243	283	311	311	335
Rudy (1978)										
Square feet	43,861	43,861	43,861	43,861	43,861	43,861	43,861	43,861	43,861	43,861
Capacity (students)	500	475	500	500	500	500	450	450	450	450
Enrollment	424	425	412	437	449	429	419	398	379	345
Projected Student/Teacher Ratio	18.00	19.00	19.00	20.00	21.08	19.79	17.78	20.52	19.54	17.78
Student on Free/Reduced Lunch	142	163	186	202	201	201	217	227	214	183
Scott (1998)										
Square feet	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221
Capacity (students)	550	550	605	605	605	605	550	550	550	550
Enrollment	633	658	674	684	657	693	686	595	586	604
Projected Student/Teacher Ratio	20.00	20.00	19.00	20.00	19.74	20.06	19.80	22.45	20.56	21.19
Student on Free/Reduced Lunch	138	183	196	206	189	202	244	235	222	234
Steele (1953)										
Square feet	29,041	29,041	29,041	29,041	29,041	29,041	29,041	29,041	29,041	29,041
Capacity (students)	250	225	288	288	288	288	288	288	288	288
Enrollment	265	285	267	280	272	280	295	309	298	297
Projected Student/Teacher Ratio	19.00	18.00	20.00	19.00	20.15	19.85	20.34	20.74	20.00	19.93
Student on Free/Reduced Lunch	39	45	47	44	45	53	63	81	81	75
Stratton (1953)										
Square feet	37,607	37,607	37,607	37,607	37,607	37,607	37,607	37,607	37,607	37,607
Capacity (students)	325	325	338	338	338	338	338	338	325	325
Enrollment	329	347	354	333	333	335	354	321	326	312
Projected Student/Teacher Ratio	19.00	18.00	24.00	23.00	21.26	22.56	21.52	22.29	22.64	21.67
Student on Free/Reduced Lunch	110	130	154	139	135	133	146	151	141	129
Taylor (1953)										
Square feet	29,229	29,229	29,229	29,229	29,229	29,229	29,229	29,229	29,229	29,229
Capacity (students)	275	275	288	288	288	288	288	288	288	288
Enrollment	244	265	303	322	260	256	263	257	257	249
Projected Student/Teacher Ratio	17.00	18.00	18.00	20.00	20.15	16.33	17.91	18.49	18.49	17.91
Student on Free/Reduced Lunch	126	142	159	167	146	130	153	150	150	154
Trailblazer (1998)										
Square feet	57,470	57,470	57,470	57,470	57,470	57,470	57,470	57,470	57,470	57,470
Capacity (students)	525	525	550	550	550	550	550	550	550	550
Enrollment	328	330	381	408	377	330	334	305	318	339
Projected Student/Teacher Ratio	18.00	18.00	13.00	18.00	19.54	17.99	20.67	20.47	18.28	19.48
Student on Free/Reduced Lunch	61	65	102	130	116	123	135	131	131	158
Twain (1962)										
Square feet	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594
Capacity (students)	600	600	600	550	550	550	550	600	600	600
Enrollment	419	445	492	493	523	519	496	457	422	455
Projected Student/Teacher Ratio	19.00	20.00	21.00	21.00	21.12	18.08	20.27	21.31	21.70	21.21
Student on Free/Reduced Lunch	312	331	370	385	416	416	404	417	400	372
West (1923)										
Square feet	-	-	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102
Capacity (students)	-	-	388	388	388	388	388	338	338	388
Enrollment	-	-	341	371	358	300	347	370	337	291
Projected Student/Teacher Ratio	-	-	19.00	19.00	19.34	19.06	16.26	19.07	19.37	17.74
Student on Free/Reduced Lunch	-	-	266	274	273	230	207	314	314	251
Wilson (1969)										
Square feet	46,567	46,567	46,567	46,567	46,567	46,567	46,567	46,567	46,567	46,567
Capacity (students)	400	400	450	450	450	450	350	425	425	425
Enrollment	387	346	424	401	406	393	404	381	399	421
Projected Student/Teacher Ratio	18.00	18.00	17.00	20.00	20.83	20.05	20.05	18.68	19.56	20.64
Student on Free/Reduced Lunch	315	301	366	339	354	349	364	337	337	381

# Colorado Springs School District 11

## School Building Capacity and Population

### Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Middle:</b>										
Galileo/East (1954)										
Square feet	98,516	98,516	98,516	98,516	98,516	98,516	98,516	98,516	98,516	98,516
Capacity (students)	675	675	675	765	765	765	765	765	765	720
Enrollment	-	247	476	710	657	623	501	483	516	497
Projected Student/Teacher Ratio	19.00	20.00	14.00	21.00	21.73	21.43	20.71	20.13	20.64	20.71
Student on Free/Reduced Lunch	-	153	314	496	503	499	417	408	408	441
Holmes (1968)										
Square feet	78,155	78,155	78,155	78,155	78,155	78,155	78,155	78,155	78,155	78,155
Capacity (students)	750	750	675	675	675	675	675	675	675	675
Enrollment	718	720	723	681	697	686	696	712	727	678
Projected Student/Teacher Ratio	20.00	20.00	21.00	21.00	22.00	21.00	21.19	21.58	21.13	21.19
Student on Free/Reduced Lunch	225	240	276	268	268	286	307	317	317	273
Jenkins (1999)										
Square feet	125,516	125,516	125,516	125,516	125,516	125,516	125,516	125,516	125,516	125,516
Capacity (students)	963	963	1,035	1,035	1,035	1,035	1,035	1,058	1,058	1,058
Enrollment	839	845	907	956	945	952	954	961	972	992
Projected Student/Teacher Ratio	20.00	20.00	18.00	20.00	21.02	21.19	21.75	20.89	21.13	21.11
Student on Free/Reduced Lunch	159	176	217	253	219	260	291	319	319	338
Mann (1957)										
Square feet	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650
Capacity (students)	788	788	788	788	788	788	788	788	788	743
Enrollment	767	684	635	570	514	497	461	439	461	482
Projected Student/Teacher Ratio	20.00	20.00	22.00	20.00	21.01	21.01	20.51	21.95	19.13	18.75
Student on Free/Reduced Lunch	418	382	388	366	338	338	340	338	338	359
North (1923)										
Square feet	113,113	113,113	113,113	113,113	113,113	113,113	113,113	113,113	113,113	113,113
Capacity (students)	788	813	833	833	833	833	833	855	878	878
Enrollment	760	702	694	604	662	686	660	701	658	676
Projected Student/Teacher Ratio	20.00	20.00	20.00	20.00	21.74	21.50	20.48	20.03	18.48	19.59
Student on Free/Reduced Lunch	434	414	402	343	408	419	444	509	509	510
Russell (1971)										
Square feet	108,104	108,104	108,104	108,104	108,104	108,104	108,104	108,104	108,104	108,104
Capacity (students)	813	850	810	810	810	810	810	810	810	810
Enrollment	818	814	828	738	707	691	726	686	685	658
Projected Student/Teacher Ratio	20.00	20.00	21.00	20.00	20.69	21.17	19	22	20.76	20.43
Student on Free/Reduced Lunch	346	344	397	373	368	367	421	422	422	427
Sabin (1975)										
Square feet	106,419	106,419	106,419	106,419	106,419	106,419	106,419	106,419	106,419	106,419
Capacity (students)	938	938	878	878	878	878	878	900	923	923
Enrollment	777	711	940	815	839	820	857	848	802	765
Projected Student/Teacher Ratio	20.00	20.00	23.00	21.00	21.71	21.66	20.08	22.92	21.62	20.56
Student on Free/Reduced Lunch	339	346	506	460	526	508	574	575	575	536
Swigert (1967)										
Square feet	-	104,564	104,564	104,564	104,564	104,564	104,564	104,564	104,564	104,564
Capacity (students)	-	800	698	698	698	698	878	810	810	810
Enrollment	-	-	538	552	512	486	504	476	470	467
Projected Student/Teacher Ratio	-	-	17.00	21.00	20.88	21.42	22	21	20.43	20.30
Student on Free/Reduced Lunch	-	-	469	478	438	423	447	422	422	444
West (1923)										
Square feet	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102
Capacity (students)	725	725	315	315	315	315	315	394	394	349
Enrollment	353	332	286	287	268	260	268	276	258	290
Projected Student/Teacher Ratio	17.00	20.00	15.00	18.00	19.25	20.00	21.48	25.09	20.64	20.71
Student on Free/Reduced Lunch	214	191	189	192	189	178	292	205	205	197
<b>High:</b>										
Coronado (1970)										
Square feet	225,984	225,984	225,984	225,984	225,984	225,984	225,984	225,984	225,984	225,984
Capacity (students)	1,825	1,825	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862
Enrollment	1,451	1,394	1,364	1,421	1,368	1,331	1,492	1,557	1,508	1,438
Projected Student/Teacher Ratio	21.00	21.00	21.00	21.00	22.79	22.68	21.37	21.84	21.45	20.75
Student on Free/Reduced Lunch	388	419	454	494	516	508	663	712	712	697
Doherty (1975)										
Square feet	239,484	239,484	239,484	239,484	239,484	239,484	239,484	239,484	239,484	239,484
Capacity (students)	2,100	2,100	2,168	2,168	2,168	2,168	2,168	2,168	2,168	2,168
Enrollment	2,033	2,036	1,993	1,965	1,990	1,938	2,062	1,980	1,988	2,024
Projected Student/Teacher Ratio	22.00	22.00	22.00	22.00	23.48	22.39	22.67	22.68	22.02	21.24
Student on Free/Reduced Lunch	426	524	571	631	700	685	806	797	797	872

# Colorado Springs School District 11

## School Building Capacity and Population

### Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Mitchell (1965)										
Square feet	247,386	247,386	247,386	247,386	247,386	247,386	247,386	247,386	247,386	247,386
Capacity (students)	1,875	1,850	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989
Enrollment	1,186	1,084	1,036	1,027	941	977	1,199	1,203	1,234	1,243
Projected Student/Teacher Ratio	21.00	20.00	21.00	20.00	20.13	21.53	20.51	19.85	19.16	19.45
Student on Free/Reduced Lunch	608	636	682	694	630	710	913	940	940	1,006
Palmer (1939)										
Square feet	270,135	270,135	270,135	270,135	270,135	270,135	270,135	270,135	270,135	270,135
Capacity (students)	1,975	1,975	2,219	2,219	2,219	2,219	2,219	2,193	2,193	2,193
Enrollment	1,850	1,827	1,851	1,798	1,881	1,871	1,967	1,898	1,747	1,721
Projected Student/Teacher Ratio	21.00	21.00	20.00	21.00	22.83	21.85	18.69	20.77	20.41	19.99
Student on Free/Reduced Lunch	599	644	698	710	818	836	972	1,026	1,026	1,028
<b>Education Opportunity:</b>										
Wasson (1959)										
Square feet	254,876	254,876	254,876	254,876	254,876	254,876	254,876	254,876	254,876	254,876
Capacity (students)	1,750	1,750	1,862	1,862	1,862	1,862	-	-	-	-
Enrollment	1,242	1,099	1,056	918	918	918	-	-	-	-
Projected Student/Teacher Ratio	20.00	20.00	20.00	20.00	19.95	-	-	-	-	-
Student on Free/Reduced Lunch	621	608	640	586	612	642	-	-	-	-
Achieve K-12										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	240	240	240
Enrollment	-	-	-	62	179	191	229	229	235	247
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	41	27	58	119	120	120	130
Adult Education Center										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	480	480	480
Enrollment	100	95	80	58	91	64	56	-	-	-
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-
Bijou School										
Square feet	9,686	9,686	9,686	9,686	-	-	-	-	-	-
Capacity (students)	150	150	150	150	150	150	150	150	150	150
Enrollment	130	133	119	108	101	98	108	111	105	121
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	57	67	74	60	54	58	76	77	77	92
Digital										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	30	30	30
Enrollment	-	-	-	102	102	121	122	119	119	127
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-
Early College										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	30	30	330
Enrollment	-	-	-	-	-	-	-	111	146	182
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	59	59	101
Springs Community Night School										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	-	85	77	73	54	71
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-
Tesla										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	330	330	330	330	330	330	330	210	210	210
Enrollment	227	217	221	218	201	192	180	191	203	199
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	151	157	171	167	152	148	151	172	172	157
Other										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	656	617	686	-	735	562	582	536	488	477
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-

# Colorado Springs School District 11

## School Building Capacity and Population

### Last Ten Fiscal Years

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Charter Schools:</b>										
AACL										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	161	244	276	285	284	305	296
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	33	55	42	62	62	62	49
CIVA (1976)										
Square feet	39,120	39,120	39,120	39,120	39,120	39,120	39,120	39,120	39,120	39,120
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	137	144	142	142	155	157	186	193	178	169
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	30	39	55	61	65	51	67	80	80	45
Community Prep School										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	187	170	176	201	205	242	256	240	256	290
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	94	87	120	100	105	112	119	38	38	98
Life Skills Center										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	286	285	325	284	261	250	213	239	257	291
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	110	127	80	119	135	123	74	101	101	137
Roosevelt (1969)										
Square feet	51,340	51,340	51,340	51,340	51,340	51,340	51,340	51,340	51,340	51,340
Capacity (students)	500	500	700	700	700	700	700	700	525	525
Enrollment	659	674	702	676	715	697	693	717	713	696
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	563	612	637	588	616	589	620	647	647	605
GLOBE										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	154	161	170	177	192	176	172	176	191	187
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	90	90	100	100	116	110	120	115	115	108
<b>Other:</b>										
Administration Complex (1956)										
Square feet	86,609	86,609	86,609	86,609	86,609	86,609	86,609	86,609	86,609	86,609
Facilities Complex										
Square feet	100,326	100,326	100,326	100,326	100,326	100,326	100,326	100,326	100,326	100,326
G. Berry Stadium (1959)										
Square feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Nikola Tesla (1999)										
Square feet	78,936	78,936	78,936	78,936	78,936	78,936	78,936	78,936	78,936	78,936

\*Hunt closed June 30, 2016: students transferred to new location Adams for FY17 school year.

Note: The Education Opportunity schools are located in the Wasson building.

Colorado Springs School District owns 55 schools, 4 support sites, and square feet of 711 acres of land. Its facilities include over 4.0 million building space with a current replacement value of over \$1 billion. The average building age is 50 years, with the oldest active school built in 1902.

The District owns over 17,000 student and staff computer work stations.

Sources: District's Offices and CDE

# Colorado Springs School District 11

## Capital Assets by Function

### Last Ten Years

Function	Fiscal Year			
	2008	2009	2010	2011
Instruction	\$ 190,895,168	\$ 246,856,221	\$ 258,962,960	\$ 257,919,534
Instructional support	288,570	313,774	269,574	250,844
General administration	1,769,846	4,898,520	4,718,486	4,537,773
Business services	634,908	620,778	606,648	592,518
Maintenance and operations	6,869,952	6,263,120	7,754,718	7,079,194
Transportation	9,298,341	9,388,395	9,534,216	10,087,755
Central services	16,821,914	15,690,359	14,211,835	12,704,462
Construction services	60,701,163	21,884,458	7,043,431	1,166,568
Other services	-	-	-	-
Sub-total	287,279,862	305,915,625	303,101,868	294,338,648
Internal service funds	1,233,745	1,087,988	982,090	834,177
Sub-total	288,513,607	307,003,613	304,083,958	295,172,825
Business-type activities	800,280	759,663	775,651	781,443
Grand Total	\$ <u>289,313,887</u>	\$ <u>307,763,276</u>	\$ <u>304,859,609</u>	\$ <u>295,954,268</u>

Source: District's Fiscal Services Office

Fiscal Year						
	2012		2013		2014	
\$	249,912,861	\$	241,038,540	\$	235,215,680	\$
	216,608		177,692		160,547	
	4,357,763		4,178,313		4,001,739	
	578,388		564,115		568,705	
	6,627,626		5,846,465		4,930,029	
	10,275,713		10,393,055		10,696,381	
	11,023,555		10,085,827		9,401,077	
	1,982,919		1,405,993		1,271,151	
	-		-		-	
	284,975,433		273,690,000		266,245,309	
	811,250		719,637		669,471	
	285,786,683		274,409,637		266,914,780	
	784,235		1,173,822		1,089,766	
\$	286,570,918	\$	275,583,459	\$	268,004,546	\$
	231,702,844		223,663,260		231,702,844	
	145,556		131,048		145,556	
	3,840,869		3,681,113		3,840,869	
	551,866		534,943		551,866	
	4,536,693		3,786,108		4,536,693	
	11,118,112		11,358,543		11,118,112	
	8,918,751		8,266,296		8,918,751	
	-		5,350,892		-	
	938,365		779,678		938,365	
	261,753,056		257,551,881		261,753,056	
	649,098		718,827		649,098	
	262,402,154		258,270,708		262,402,154	
	-		-		-	
\$	262,402,154	\$	258,270,708	\$	262,402,154	\$
	255,677,856		255,677,856		255,677,856	

# Colorado Springs School District 11

## Miscellaneous Statistical Data

### For the School Years Ending in May

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Number of Schools</b>										
Elementary Schools	41	41	35	35	35	35	33	33	33	33
Middle Schools	8	9	9	9	9	9	9	9	9	9
High Schools	5	5	5	5	5	5	4	4	4	4
Alternative Schools	4	4	5	5	5	5	6	6	6	6
Charter Schools	5	5	4	5	5	5	5	7	6	6
Total	63	64	58	59	59	59	57	59	58	58
<b>Number of Teachers by Educational Levels</b>										
Bachelor of Arts	319	294	269	251	280	296	299	284	323	329
Bachelor of Arts + 16	157	173	162	161	146	111	113	107	115	109
Bachelor of Arts + 32	138	111	108	96	98	75	72	80	140	141
Bachelor of Arts+48/Master's Degree	413	442	445	423	411	470	427	429	403	412
Master's Degree +16	222	205	210	233	226	201	198	198	202	188
Master's Degree + 32	172	190	189	199	177	164	173	175	158	156
Master's Degree + 48	165	150	155	160	137	126	136	145	158	162
Master's Degree + 64 *	112	115	122	120	106	94	96	84	335	332
Master's Degree + 80 *	87	92	94	100	89	82	70	86	-	-
Master's Degree +96/Doctorate *	163	184	209	219	202	180	189	204	25	23
Total	1,948	1,956	1,963	1,962	1,872	1,799	1,773	1,792	1,859	1,852
<b>Student Enrollment</b>	29,842	29,573	29,820	29,032	29,727	29,235	28,404	28,005	27,547	27,558
<b>Funded Pupil Count</b>	28,066	27,714	27,979	27,710	27,776	27,375	26,865	26,838	25,696	25,672
<b>Teacher/Student Ratio</b>										
Elementary Schools	14.96	14.92	16.09	15.67	15.89	16.19	15.94	19.79	19.61	19.55
Middle Schools	16.90	16.98	18.75	16.04	16.58	17.61	17.13	21.71	20.44	20.37
High Schools	19.06	18.73	20.03	18.87	19.33	20.00	20.96	21.29	20.76	20.36
Alternative Schools	16.19	14.59	15.47	13.64	13.71	16.63	15.98	13.90	12.96	14.53
Charter Schools	11.97	15.33	14.42	12.71	14.93	14.23	13.58	15.85	15.44	17.44
**District-wide	16.12	16.21	17.39	16.19	16.66	17.18	17.02	17.02	19.45	18.45
<b>Number of Students Receiving School Lunches Free or at Reduced Cost</b>										
Elementary Schools	6,511	6,986	7,279	7,150	7,427	7,230	7,382	8,017	7,708	7,723
Middle Schools	2,451	2,541	3,158	3,229	3,257	3,278	3,031	3,515	3,515	3,525
High Schools	2,642	2,831	3,045	3,115	3,276	3,381	3,354	3,475	3,475	3,603
Alternative Schools	208	224	264	268	233	264	346	428	428	480
Charter Schools	1,299	1,474	1,239	1,307	1,419	1,345	1,409	1,341	1,341	1,042
District-wide	13,111	14,056	14,985	15,069	15,612	15,498	15,522	16,776	16,467	16,373

**Notes:**

Year of organization: 1872 / Largest school district in the Pikes Peak Region

Geographical area: 70.5 square miles

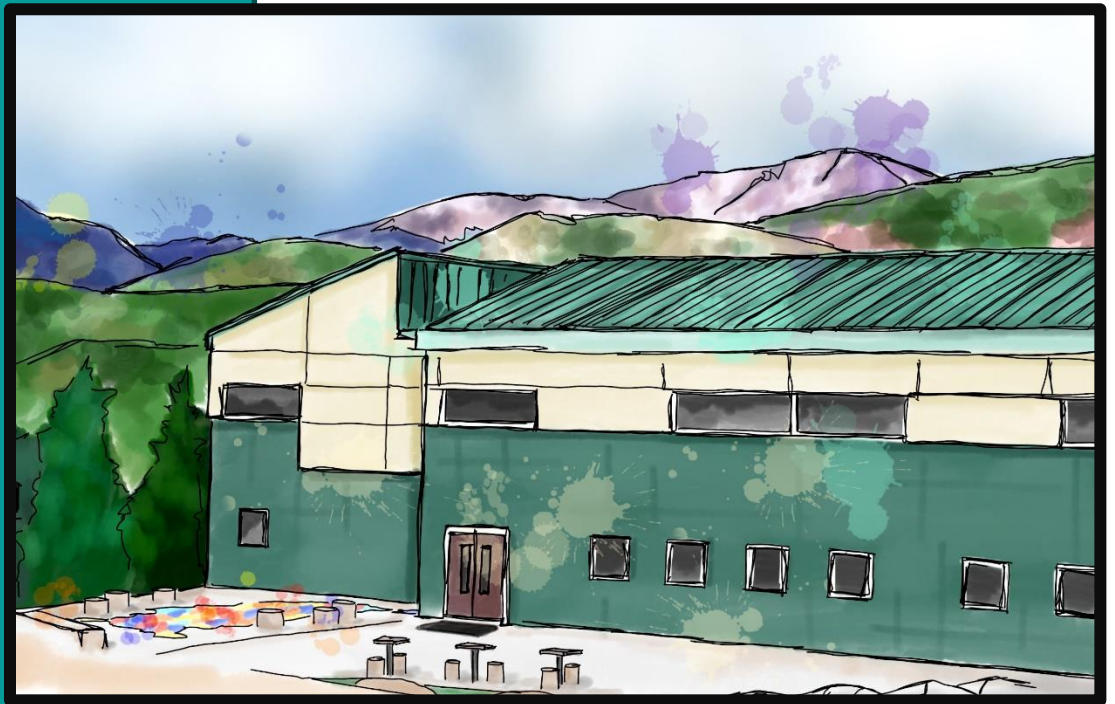
Accreditation: Colorado Department of Education

\* Master's Degree +64 now includes Master's Degree's +80 and Master's Degree's +96

\*\* District-wide totals weighted by TOTAL of Teacher/Student counts



# Single Audit Report



\* The following supplementary schedule of Expenditures of Federal Awards is in accordance with federal reporting requirements as described in the Uniform Guidance.

# Colorado Springs School District 11

## Schedule of Expenditures of Federal Awards

### For the Year Ended June 30, 2017

Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Grantor's Identifying Number	Federal CFDA Number
<b>U.S. Department of Education</b>		
<b>Direct Programs:</b>		
Impact Aid	4041	84.041
Title VII A - Indian Education	4060	84.060
Teacher Incentive Fund	5374	84.374A
Subtotal		
<b>Pass-Through Colorado Department of Education:</b>		
Title I	4010/5010/7010	84.010
Title VI-B IDEA Special Education	4027/5027	84.027
Title VI B IDEA Preschool	4173	84.173
Total Special Education Cluster (IDEA)		
Title III Part A English Language Acquisition	4365/7365	84.365
Title II Part A Training & Recruiting	4367	84.367
Colorado Multi-Tiered System of Supports	5323	84.323
Race To The Top	4413	84.413
Adult Education	5002/6002	84.002
Race To The Top-Early Childhood Readiness Assessment	5412	84.412
Subtotal		
<b>Grants from Other Pass-Through Colorado Community College Systems</b>		
Perkins Grant	4048	84.048
Subtotal		
Total U.S. Department of Education		
<b>U.S. Department of Commerce</b>		
<b>Grants from Other Pass-Through Pikes Peak Community College</b>		
Regional Alliances and Multistakeholder Partnerships to Stimulate	7620	11.620
Total U.S. Department of Commerce		
<b>U.S. Department of Transportation</b>		
<b>Grants from Other Pass-Through Colorado Department of Transportation</b>		
Safe Routes to Schools	7205	20.205
Total U.S. Department of Transportation		
<b>U.S. Department of Defense:</b>		
<b>Direct Programs:</b>		
DODEA-Personalized Learning in High Military Schools	7556	12.556
SPED Impact Aid	7558	12.588
Total U.S. Department of Defense		
<b>U.S. Department of Agriculture</b>		
<b>Pass-Through Colorado Department of Human Services:</b>		
National School Lunch Program- Donated Commodities	4555	10.555
<b>Pass-Through Colorado Department of Education:</b>		
National School Breakfast Program	4553	10.553
National School Lunch Program	4555	10.555
Summer Lunch Program	4559	10.559
Total National School Lunch Program Cluster		
<b>Pass-Through Colorado Department of Health and Environment:</b>		
Child & Adult Care Food Program	4558	10.558
Total U.S. Department of Agriculture		
Total federal awards		
See notes to Schedule of Expenditures of Federal Awards		

Current Year Award Amount	Accounts Rec or (Deferred Rev) at June 30, 2016	Receipts Federal Sources	Expenditures	Accounts Rec or (Deferred Rev) at June 30, 2017
\$ -	\$ -	\$ 265,662	\$ 265,662	\$ -
57,061	11,174	57,998	54,081	7,257
-	34,707	51,272	16,565	-
	<u>45,881</u>	<u>374,932</u>	<u>336,308</u>	<u>7,257</u>
7,622,571	1,286,299	6,770,275	7,011,944	1,527,968
5,241,170	997,764	5,687,666	5,727,069	1,037,167
146,133	-	115,220	127,529	12,309
	<u>997,764</u>	<u>5,802,886</u>	<u>5,854,598</u>	<u>1,049,476</u>
260,849	40,948	207,000	227,307	61,255
1,225,581	295,673	1,259,434	1,334,963	371,202
5,000	-	60	4,830	4,770
-	3,008	3,008	-	-
440,281	66,274	401,919	397,616	61,971
23,154	-	-	-	-
	<u>2,689,966</u>	<u>14,444,582</u>	<u>14,831,258</u>	<u>3,076,642</u>
232,120	146,220	247,615	232,066	130,671
	<u>146,220</u>	<u>247,615</u>	<u>232,066</u>	<u>130,671</u>
	2,882,067	15,067,129	15,399,632	3,214,570
18,355	-	-	3,986	3,986
	<u>-</u>	<u>-</u>	<u>3,986</u>	<u>3,986</u>
-	9,816	18,295	24,292	15,813
	<u>9,816</u>	<u>18,295</u>	<u>24,292</u>	<u>15,813</u>
99,932	24,298	72,700	77,405	29,003
-	-	28,627	28,627	-
	<u>24,298</u>	<u>101,327</u>	<u>106,032</u>	<u>29,003</u>
-	(234,456)	802,458	730,537	(306,377)
-	-	1,941,688	2,163,687	221,999
-	199	5,091,812	5,646,636	555,023
-	140,271	200,081	189,957	130,147
	<u>(93,986)</u>	<u>8,036,039</u>	<u>8,730,817</u>	<u>600,792</u>
-	(20,229)	51,997	51,187	(21,039)
	<u>(114,215)</u>	<u>8,088,036</u>	<u>8,782,004</u>	<u>579,753</u>
\$	<u>2,801,966</u>	<u>23,274,787</u>	<u>24,315,946</u>	<u>3,843,125</u>

# **Colorado Springs School District 11**

## **Notes to the Schedule of Expenditures of Federal Awards**

### **June 30, 2017**

#### **NOTE 1: *BASIS OF PRESENTATION***

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Colorado Springs School District 11 (the District) for the year ended June 30, 2017. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. The information in this 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" (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

#### **NOTE 2: *SIGNIFICANT ACCOUNTING POLICIES***

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

#### **NOTE 3: *SUBRECIPIANTS***

For the year ended June 30, 2017, the District did not pass through any federal grant awards to subrecipients.

#### **NOTE 4: *INDIRECT COST RATE***

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

#### **NOTE 5: *NON-CASH PROGRAMS (COMMODITIES)***

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$802,458 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

**Colorado Springs School District 11**

**Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2017**

Finding	Status	Corrective Action Plan or Other Explanation
None reported		

**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***

RSM US LLP

**Independent Auditor's Report**

To the Board of Education  
Colorado Springs School District 11

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 Colorado Springs School District 11 (the District), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2017. Our report includes a reference to other auditors who audited the financial statements of the District's Charter Schools (the aggregated discretely presented component units), as described in our report on the District's financial statements. The financial statements of the District's Charter Schools were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the District's Charter Schools.

**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 entity'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. 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 the District'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*.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RSM VS LLP*

Denver, Colorado  
October 24, 2017

**Report on Compliance for Each Major Federal  
Program and Report on Internal Control Over Compliance  
Required by The Uniform Guidance**

RSM US LLP

**Independent Auditor's Report**

To the Board of Education  
Colorado Springs School District 11

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

We have audited Colorado Springs School District 11's (the District) '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 the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

The District's financial statements include the operations of their Charter Schools, which are presented as the aggregate discretely presented component units. Any federal awards received by the Charter Schools are not included in the District's schedule of federal awards for the year ended June 30, 2017. Our audit, described below, did not include the operations of the Charter Schools because they were audited by other auditors.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District'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 the District'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 the District's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the District 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, 2017.



## **Report on Internal Control Over Compliance**

Management of the District 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 the District'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.

*RSM US LLP*

Denver, Colorado  
October 24, 2017

**Colorado Springs School District 11**

**Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017**

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**I. Summary of the Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- . Material weakness(es) identified?
- . Significant deficiency(ies) identified?
- . Noncompliance material to financial statements noted?

☐ Yes ☒ No  
☐ Yes ☒ None Reported  
☐ Yes ☒ No

**Federal Awards**

Internal control over major programs:

- . Material weakness(es) identified?
- . Significant deficiency(ies) identified?

☐ Yes ☒ No  
☐ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

- . Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

☐ Yes ☒ No

Identification of major programs:

CFDA Number	Name of Federal Programs
84.027 & 84.173	Title VI (IDEA Cluster)
84.048	Perkins IV

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

☒ Yes ☐ No

(continued)

**II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards**

**A. Internal Control**

None reported

**B. Compliance Findings**

None reported

**III. Findings and Questioned Costs for Federal Awards**

**A. Internal Control in Administering Federal Awards**

None reported

**B. Compliance Findings**

None reported

**Colorado Springs School District 11**

**Corrective Action Plan  
Year Ended June 30, 2017**

Current Number	Comment	Corrective Action Plan	Anticipated Date of Completion	Contact Person
None reported				

# CDE/TABOR Section





THE WORLD IS CHANGING.  
MEET THE FUTURE.

**Report of Electronic  
Financial Data Integrity Check Figures  
and Calculation of Spending**

RSM US LLP

**Independent Auditor's Report**

To the Board of Education  
Colorado Springs School District 11

We have audited the financial statements of the governmental activities, each major fund, the aggregate discretely presented component units and aggregate remaining fund information of Colorado Springs School District 11 (the District) as of and for the year ended June 30, 2017, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 24, 2017. Our report includes a reference to other auditors who audited the District's Charter Schools (the aggregate discretely presented component units). Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of electronic financial data integrity check figures and the Calculation of Spending are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying schedule of electronic data integrity figures is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures described above and the reports of the other auditors, the schedule of electronic data integrity check figures is fairly stated in all material respects in relation to the financial statements as a whole.

The accompanying Calculation of Spending pursuant to Article X, Section 20 of the Colorado Constitution for the year ended June 30, 2017 has 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 it.

*RSM US LLP*

Denver, Colorado  
October 24, 2017



THE WORLD IS CHANGING.  
MEET THE FUTURE.



**Colorado Springs School District 11**  
**Calculation of Spending**  
**Pursuant to Article X, Section 20 of the Colorado Constitution**  
**For the Year Ended June 30, 2017**

	<b>Fiscal Year</b>	
	<b>2016</b>	<b>2017</b>
<b>COMPUTATION OF FISCAL YEAR SPENDING</b>		
Total District Expenditures		\$200,575,811
Less: Special Items:		
Expenditures from Federal Funds		28,413,533
Expenditures from Damage Awards		1,073,774
Expenditures from Collections for Governments		1,366,142
Expenditures from Gifts & Donations		2,217,021
Expenditures from Proceeds of Sales of Assets		32,151
Total Special Items		<u>33,102,621</u>
Less: Expenditures from District Reserves		
General Fund		2,351,329
Charter Schools		-
Capital Reserve Fund		5,461,942
Food Services Fund		-
Production Printing Fund		53,384
Risk Related Activities Fund		561,134
Total District Reserve Spending		<u>8,427,789</u>
Plus: Expenditures into District Reserves		
General Fund		5,232,554
Charter Schools		3,722,029
Capital Reserve Fund		-
Food Services Fund		386,952
Production Printing Fund		18,216
Risk Related Activities Fund		978,686
Total District Reserve Designation		<u>10,338,437</u>
Fiscal Year Spending	<u>\$170,429,149</u>	<u>\$169,383,838</u>
<b>COMPUTATION OF SPENDING LIMITATION</b>		
Fiscal Year Spending	\$170,429,149	\$169,383,838
Growth Allowance		
Inflation Change	1.20%	
Enrollment Change	<u>0.00%</u>	
Total Growth Allowance	1.20%	
Growth Allowance in Dollars	<u>2,045,150</u>	
Fiscal Year 2017 Spending Limit		<u>172,474,299</u>
Amount Over (Under) Limit		<u>(\$3,090,461)</u>



## Colorado Department of Education

### Auditors Integrity Report

District: 1010 - COLORADO SPRINGS 11

Fiscal Year 2016-17

Colorado School District/BOCES

#### Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number		Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental		+		-	=
10	General Fund	27,438,782	217,806,751	215,808,335	29,437,198
18	Risk Mgmt Sub-Fund of General Fund	1,511,074	3,717,816	2,852,282	2,376,608
19	Colorado Preschool Program Fund	523,610	3,104,721	3,087,445	540,886
<b>Sub- Total</b>		<b>29,473,466</b>	<b>224,629,288</b>	<b>221,748,063</b>	<b>32,354,691</b>
11	Charter School Fund	4,541,783	16,697,782	15,600,913	5,638,651
20,26-29	Special Revenue Fund	630,729	163,259	152,129	641,858
06	Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21	Food Service Spec Revenue Fund	2,696,803	11,210,623	10,823,671	3,083,755
22	Govt Designated-Purpose Grants Fund	0	17,482,945	17,482,945	0
23	Pupil Activity Special Revenue Fund	0	0	0	0
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	19,402,713	16,104,227	16,649,119	18,857,822
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	0	0	0	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	14,431,987	7,660,558	13,122,501	8,970,044
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>		<b>71,177,480</b>	<b>293,948,682</b>	<b>295,579,341</b>	<b>69,546,821</b>
<b>Proprietary</b>					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	8,208,794	9,181,496	8,763,945	8,626,346
60,65-69	Other Internal Service Funds	784,408	1,041,707	1,076,875	749,240
<b>Totals</b>		<b>8,993,202</b>	<b>10,223,203</b>	<b>9,840,819</b>	<b>9,375,586</b>
<b>Fiduciary</b>					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	50,108	293	0	50,401
73	Agency Fund	70,030	58,492	33,976	94,546
74	Pupil Activity Agency Fund	2,031,235	7,778,495	7,657,825	2,151,904
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
<b>Totals</b>		<b>2,151,373</b>	<b>7,837,280</b>	<b>7,691,801</b>	<b>2,296,851</b>

**FINAL**

\*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.