

**BUENA VISTA SCHOOL DISTRICT NO. R-31
BUENA VISTA, COLORADO**

FINANCIAL STATEMENTS

June 30, 2018

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Education
Buena Vista School District No. R-31
Buena Vista, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buena Vista School District No. R-31, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Buena Vista School District No. R-31, as of June 30, 2018, and the respective changes in financial position, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 47-54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Lutler & Associates, LLC

December 13, 2018

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

The discussion and analysis of Buena Vista School District R-31's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

FINANCIAL HIGHLIGHTS

- In total, the net position of the District decreased by \$ 7,189,161. The liabilities of the Buena Vista School District R-31 exceeded its assets at the close of the most recent fiscal year by \$16,542,634. Fiscal year 2018 saw an increase in the Net Pension Liability of \$2,520,815 resulting in a balance in Net Pension Liability of \$43,162,404 as compared to a Net Pension Liability of \$40,641,589 at the close of fiscal year 2017. The District also incurred a Net OPEB Liability at the close of 2018 of \$985,650 that was not incurred in the previous year.
- General Revenues on the Statement of Activities accounted for \$12,431,162 in revenue or 86 percent of all governmental revenues. The slight increase in General Fund Revenues as a percent of total Revenue over the fiscal year 2017, was caused by additional 55 students which increased State Equalization amounts. The District also experienced an increase in property tax collections. Program specific revenues in the form of charges for services, grants and contributions accounted for \$2,052,312 or 14 percent of total governmental revenues of \$14,436,328.

The District incurred \$12,214,203 in expenses related to total governmental funds. The District received revenue of \$13,838,738. The excess of revenue in the amount of \$1,601,535 over expenses was caused primarily by \$1,162,720 increase in local revenues supported by property tax collections in the Bond Fund as compared to fiscal 2017. The mil was certified in December of 2017 for a mid-year sale of bonds for a voter approved debt of \$29,500,000 without the exact knowledge of when bonds would be sold. The District applied for a Building Excellent School Grant or (BEST) grant in February of 2018. The District did receive the BEST grant award of \$21,362,126 in May of 2018. The State of Colorado controls the sale of the bonds for the district for COP BEST grants, therefore the bonds will not be sold until December of 2018.

- The Food Service Fund has been included in with Other Governmental Funds on the Statement of Revenues, Expenditures and Changes in Fund Balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management’s Discussion and Analysis, the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
- The government funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District’s budget for the year. The supplementary information contains combining statements for non-major governmental funds, as well as budgetary comparisons for all other funds.

District-wide Statements

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

The two district-wide statements report the District’s net position and how they have changed. Net position (the difference between the District’s assets and liabilities) are one way to measure the District’s financial position. Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating. To assess the District’s overall health, you need to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school facilities.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

- **Governmental activities-** Most of the District's basic services are included here, such as instruction, transportation, maintenances and operation, and administration. These activities are financed mainly through property taxes and state equalization funds. Because of the change in classification, the Food Service fund is also reported under governmental activities as a special revenue fund. The Food Service fund receives much of its revenue from federal reimbursements with the balance of revenue from charging students and staff and transfers from the General fund.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District used to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District maintains six separate Governmental funds and one Agency Fund which encompasses the student activities at the school level:

Governmental funds- Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional reconciliations of the governmental funds statements to the district-wide statements explain the relationships (or differences) between them.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position is used to serve as a potential indicator of a government's financial position. However, with the new requirement under GASB 68, the District has incurred a proportional share of net unfunded liability of \$43,162,404 for fiscal year end 2018. This has resulted in liabilities including deferred inflows exceeding assets and deferred outflows by \$16,542,634. Under GASB 75, the District has also incurred a Net OPEB Liability of \$985,650.

Table 1

Condensed Statement of Net Position

Assets and Deferred Outflows:	<u>2017</u>	<u>2018</u>	<u>Net Difference</u>
Current Assets	\$ 6,633,672	\$ 8,436,898	\$ 1,803,226
Capital Assets	14,601,050	14,768,903	167,853
Deferred Outflow	16,024,441	12,501,462	(3,522,979)
Total Assets and Deferred Outflows:	<u>\$37,259,163</u>	<u>\$35,707,263</u>	<u>\$ (1,551,900)</u>
Liabilities and Deferred Inflows			
Current Liabilities	1,482,984	1,650,442	167,458
Long Term Liabilities	3,995,016	3,782,903	(212,113)
Pension Liability	40,641,589	43,162,404	2,520,815
OPEB Liability	-	985,650	985,650
Deferred Outflow Related to Pensions	493,047	2,633,091	2,140,044
Deferred Outflow Related to OPEB	-	35,407	35,407
Total Liabilities and Deferred Inflows	<u>\$ 46,612,636</u>	<u>\$ 52,249,897</u>	<u>\$ 5,637,261</u>
Net Position			
Invested in Capital Assets	10,344,226	11,122,987	778,761
Restricted	1,360,392	2,488,737	1,128,345
Unrestricted	(21,058,091)	(30,154,358)	(9,096,267)
Total Net Position	<u>\$ (9,353,473)</u>	<u>\$(16,542,634)</u>	<u>\$ (7,189,161)</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$37,259,163</u>	<u>\$ 35,707,263</u>	<u>\$ 1,551,900</u>

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

The largest portion of the Districts assets are capital assets. This is the result of the construction of the addition of the elementary school wing. The balance of current assets are primarily cash and investments. At the close of the fiscal year, the District reported a negative net position due to the implementation of GASB 68 and GASB 75.

Table 2

Buena Vista School District Change in Net Position

	<u>2017</u>	<u>2018</u>	<u>Net Difference</u>
Program Revenues			
Charges for services	\$ 267,514	\$ 270,833	\$ 3,319
Operating Grants and Contributions	1,470,607	1,781,479	310,872
General Revenues			
Property taxes	5,321,188	6,718,179	1,396,991
Specific Ownership taxes	693,789	805,669	111,880
State Equalization	3,683,336	4,022,824	339,488
Other Revenues	50,235	183,756	133,521
Investment Earnings	21,329	47,418	26,089
Special Item	-	629,000	629,000
Capital Contribution from Other Govt.	\$ 11,507,998	\$ 14,459,158	\$ 2,951,160
Total Revenues			
Expenses	\$ 11,510,931	12,570,070	1,036,309
Instruction	7,168,900	8,009,694	840,794
Supporting Services	92,576	93,902	1,326
Interest on long-term debt			
Total Expenses	\$ 18,772,407	\$ 20,650,666	\$ 1,878,259
change in net position	(7,264,409)	(6,214,508)	1,049,901
Net position -beginning -Restated	(2,089,064)	(10,328,126)	(8,239,062)
Net-position-ending	\$ (9,353,473)	\$ (16,542,634)	\$ (7,189,161)

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Governmental Activities

A large part of the District's revenue comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$7,809 per funded student for the close of 2018. In fiscal year 2018, the funded pupil count was 964.50. The General Fund also receives operating grants from both federal and state sources that are outside of the (SFA). The District also receives local support in the form of mil levy override income. For Fiscal year end 2018 the District received mil levy override income for general operation of \$2,041,663. The Food Service program is included in with other governmental funds. The General Fund did transfer to the Food Service fund \$70,000. In addition, the Food Service fund received Federal and state revenue of \$248,624 which includes commodity contributions of \$24,850. The District has not increased the transfer for Food Service beyond the 70,000 for the last 4 years and Food Service has a healthy cash balance of \$57,607.97 at the close of the fiscal Year. This is up from the previous year which closed out a with a cash balance of \$51,486.14. It is important to note that the Food Service fund is the only fund other than the General fund that has payroll and benefits being deducted from the cash balance.

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$6,988,031, an increase of \$1,684,924 in comparison with the prior year. The increase was primarily due to increased property tax collections in the Bond Fund for a mid-year bond sale. The District passed a voter approved debt in November of 2017 for \$29,500,000 to build classroom spaces for a new middle and high school. The District also received a Building Excellent Schools Grant (BEST), in the spring of 2018 to complete the campus including performing arts, food service area and gymnasiums. The total amount for the project is \$50,862,204. At the time the mil was certified it was not known if the District would receive BEST funding, so the mil was set for a half year of bond payments. Since the state controls the sale of the bonds with a BEST grant, the sale will not occur until December of 2018. That resulted in excess mil collections over principal and interest payments for fiscal year 2018.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

Of the total fund balance, approximately 21 percent or \$1,450,972 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending because it has already been committed to comply with emergency reserve statutory requirements \$350,000, pay debt service of \$1,925,614 and to set aside funding for the District's insurance and capital projects totaling \$3,231,547. The District also has non-spendable reserves of \$29,898.

The General fund is the chief operating fund for the District. At the end of the current fiscal year, unassigned fund balance of the General fund was \$1,450,972 or up \$166,355 from the previous year. The increase was the result of one-time dollars received into the District for rural funding and Secure Rural Schools funding. Total General Fund balance increased to \$4,838,768.

As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 15 percent of total general fund expenditures, while total fund balance represents 43 percent of that same amount.

The Debt Service fund has a total fund balance of \$1,925,614 which is an increase of \$1,192,160 due to a mil certification tied to a possible mid-year sale of bonds. The sale as noted above will not happen until December of 2018.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

Actual expenditures were under budget, primarily because the District did not use all the reserve request.

CAPITAL ASSET ADMINISTRATION

By the end of 2018, the District has invested \$14,768,903 in land, buildings and equipment (including vehicles), all of this total was from governmental activities. Additional information on the District's capital assets can be found in Footnote 4 of this report.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

DEBT ADMINISTRATION

At the end of the current fiscal year, the District had total bonded debt outstanding of \$3,485,000. State statutes limit the amount of general obligation debt a governmental entity may issue to the largest of twenty percent of its assessed value or six percent of its market value. The current debt limitation for the District using the assessed value approach is \$39,071,568 which is significantly in excess of the District's outstanding general obligation debt. Under the actual value approach, the District's debt limit is \$105,985,774. Additional information on the District's long-term debt can be found in Note 6 of the audited report.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Buena Vista School District R-31, P.O. Box 2027, Buena Vista, Colorado 81211.

BASIC FINANCIAL STATEMENTS

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF NET POSITION

June 30, 2018

	Governmental Activities	
	2018	2017
ASSETS		
Cash and Investments	\$ 7,395,929	\$ 6,162,493
Cash with Fiscal Agent	608,576	40,743
Taxes Receivable	338,504	359,158
Accounts Receivable	63,991	41,121
Prepaid Items	21,439	21,439
Inventories	8,459	8,718
Capital Assets, Not Depreciated	1,775,278	1,175,321
Capital Assets, Depreciated, Net of Accumulated Depreciation	12,993,625	13,425,729
TOTAL ASSETS	23,205,801	21,234,722
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	12,464,277	16,024,441
Related to OPEB	37,185	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	12,501,462	16,024,441
LIABILITIES		
Accounts Payable	124,285	37,937
Accrued Salaries and Benefits	1,223,773	1,183,239
Noncurrent Liabilities		
Due Within One Year	302,384	261,808
Due in More Than One Year	3,782,903	3,995,016
Net Pension Liability	43,162,404	40,641,589
Net OPEB Liability	985,650	-
TOTAL LIABILITIES	49,581,399	46,119,589
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	2,633,091	493,047
Related to OPEB	35,407	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,668,498	493,047
NET POSITION		
Investment in Capital Assets	11,122,987	10,344,226
Restricted for Debt Service	1,925,614	733,454
Restricted for Capital Projects	186,092	263,506
Restricted for Emergencies	350,000	350,000
Restricted for Insurance	27,031	13,432
Unrestricted	(30,154,358)	(21,058,091)
TOTAL NET POSITION	\$ (16,542,634)	\$ (9,353,473)

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental Activities	
				2018	2017
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 12,570,070	\$ -	\$ 1,449,349	\$ (11,120,721)	\$ (10,360,286)
Supporting Services	8,009,694	270,833	332,130	(7,406,731)	(6,581,424)
Interest and Fiscal Charges	93,902	-	-	(93,902)	(92,576)
Total Governmental Activities	<u>20,673,666</u>	<u>270,833</u>	<u>1,781,479</u>	<u>(18,621,354)</u>	<u>(17,034,286)</u>
GENERAL REVENUES					
				6,718,179	5,321,188
Local Property Taxes				805,669	693,789
Specific Ownership Taxes				4,022,824	3,683,336
State Equalization				183,756	50,235
Other Revenues				47,418	21,329
Earnings on Investments					
SPECIAL ITEM					
Capital Contribution from Other Government				<u>629,000</u>	<u>-</u>
TOTAL GENERAL REVENUES				<u>12,406,846</u>	<u>9,769,877</u>
CHANGE IN NET POSITION				(6,214,508)	(7,264,409)
NET POSITION, Beginning, Restated				<u>(10,328,126)</u>	<u>(2,089,064)</u>
NET POSITION, Ending				<u>\$ (16,542,634)</u>	<u>\$ (9,353,473)</u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General	Bond Redemption	Capital Projects	Other Governmental Funds	Total Governmental Funds	
					2018	2017
ASSETS						
Cash and Investments	\$ 5,296,712	\$ 1,854,789	\$ 186,092	\$ 58,336	\$ 7,395,929	\$ 6,162,493
Cash with Fiscal Agent	590,159	18,417	-	-	608,576	40,743
Taxes Receivable	263,818	74,686	-	-	338,504	359,158
Grants Receivable	63,991	-	-	-	63,991	41,121
Inventory	-	-	-	8,459	8,459	8,718
Prepaid Expenses	21,439	-	-	-	21,439	21,439
TOTAL ASSETS	<u>\$ 6,236,119</u>	<u>\$ 1,947,892</u>	<u>\$ 186,092</u>	<u>\$ 66,795</u>	<u>\$ 8,436,898</u>	<u>\$ 6,633,672</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 122,585	\$ -	\$ -	\$ 1,700	\$ 124,285	\$ 37,937
Accrued Salaries and Benefits	1,196,235	-	-	27,538	1,223,773	1,183,239
Unearned Revenues	78,531	22,278	-	-	100,809	109,389
TOTAL LIABILITIES	<u>1,397,351</u>	<u>22,278</u>	<u>-</u>	<u>29,238</u>	<u>1,448,867</u>	<u>1,330,565</u>
FUND BALANCES						
Nonspendable	21,439	-	-	8,459	29,898	30,157
Restricted for Emergencies	350,000	-	-	-	350,000	350,000
Restricted for Insurance	27,031	-	-	-	27,031	13,432
Restricted for Debt Service	-	1,925,614	-	-	1,925,614	733,454
Restricted for Capital Projects	-	-	186,092	-	186,092	263,506
Assigned	2,989,326	-	-	29,098	3,018,424	2,627,941
Unassigned	1,450,972	-	-	-	1,450,972	1,284,617
TOTAL FUND BALANCES	<u>4,838,768</u>	<u>1,925,614</u>	<u>186,092</u>	<u>37,557</u>	<u>6,988,031</u>	<u>5,303,107</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,236,119</u>	<u>\$ 1,947,892</u>	<u>\$ 186,092</u>	<u>\$ 66,795</u>		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	14,768,903	14,601,050
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.	100,809	109,389
Long-term liabilities and related deferred outflows, including bonds payable (\$3,589,585), capital lease payable (\$56,331), early retirement (\$279,467), and compensated absences (\$159,904) are not and payable in the current period and are not reported in the funds.	(4,085,287)	(4,256,824)
Long-term liabilities and related assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$43,162,404), net OPEB liability (\$985,650), deferred outflows related to pensions \$12,464,277, deferred outflows related to OPEB \$37,185, deferred inflows related to pensions (\$2,633,091) and deferred inflows related to OPEB (\$35,407).	<u>(34,315,090)</u>	<u>(25,110,195)</u>
Net position of governmental activities	<u>\$ (16,542,634)</u>	<u>\$ (9,353,473)</u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2018

	General	Bond Redemption	Capital Projects	Other Governmental Funds	Total Governmental Funds	
					2018	2017
REVENUES						
Local Sources	\$ 6,334,620	\$ 1,483,810	\$ 98	\$ 215,907	\$ 8,034,435	\$ 6,362,737
State Sources	4,927,874	-	-	8,310	4,936,184	4,258,002
Federal Sources	627,805	-	-	240,314	868,119	895,941
TOTAL REVENUES	11,890,299	1,483,810	98	464,531	13,838,738	11,516,680
EXPENDITURES						
Current						
Instruction	6,527,165	-	-	-	6,527,165	6,454,818
Supporting Services	4,467,620	-	-	527,004	4,994,624	4,796,267
Capital Outlay	316,942	-	77,512	-	394,454	63,614
Debt Service						
Principal	27,058	200,000	-	-	227,058	790,000
Interest and Fiscal Charges	2,252	91,650	-	-	93,902	101,550
TOTAL EXPENDITURES	11,341,037	291,650	77,512	527,004	12,237,203	12,206,249
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	549,262	1,192,160	(77,414)	(62,473)	1,601,535	(689,569)
OTHER FINANCING SOURCES (USES)						
Proceeds from Capital Lease	83,389	-	-	-	83,389	-
Transfer Out	(70,000)	-	-	-	(70,000)	(70,000)
Transfer In	-	-	-	70,000	70,000	70,000
TOTAL OTHER FINANCING SOURCES (USES)	13,389	-	-	70,000	83,389	-
NET CHANGE IN FUND BALANCES	562,651	1,192,160	(77,414)	7,527	1,684,924	(689,569)
FUND BALANCES, Beginning	4,276,117	733,454	263,506	30,030	5,303,107	5,992,676
FUND BALANCES, Ending	<u>\$ 4,838,768</u>	<u>\$ 1,925,614</u>	<u>\$ 186,092</u>	<u>\$ 37,557</u>	<u>\$ 6,988,031</u>	<u>\$ 5,303,107</u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds	\$ 1,684,924
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$205,224 and capital contributions \$629,000 exceeded depreciation expense (\$563,310) and loss on disposal of assets (\$103,061) in the current period.	167,853
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements.	(8,580)
Debt proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities.	(83,389)
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds. These include bond principal payments \$200,000, capital lease payments \$27,058, decrease in early retirement \$14,008, decrease in compensated absences \$6,647, and amortization of bon premium \$7,213.	254,926
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.	<u>(8,230,242)</u>
Change in net position of governmental activities	<u>\$ (6,214,508)</u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2018

	<u>Agency Fund</u>
ASSETS	
Cash and Investments	<u>\$ 241,338</u>
LIABILITIES	
Due to Student Groups	<u><u>\$ 241,338</u></u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Buena Vista School District No. R-31 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the District's government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

In the fund financial statements, the District reports the following major governmental funds:

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

The *Bond Redemption Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations of the District's governmental funds.

The *Capital Projects Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations related to the District's Best grant project.

Additionally, the District reports the following fund types:

The *Agency Fund* is used to account for resources used to support each school's student and fundraising activities. The District holds all resources in a purely custodial capacity.

Deferred Outflows/Inflows of Resources

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – For purposes of the statement of cash flows, the District considers cash and cash equivalents to be all demand deposits as well as short- term investments with a maturity date of three months or less. Investments are stated at fair value.

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

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

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Land Improvements	20 years
Buildings and Improvements	50 years
Equipment	5 to 20 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. These compensated absences are recognized as current salary costs when accrued in the proprietary fund types and when paid in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Employees earn 10 – 20 days of vacation leave annually based on the length of service. District policy allows employees to carryover two years of unused vacation leave into the next year. All outstanding vacation leave is payable upon resignation, termination, retirement, or death.

Employees also earn sick leave and can accumulate up to 90 days. Accumulated sick leave is payable only upon retirement at 100% of the daily substitute teachers' per diem rates as specified in the District's policy. Upon resignation, termination, or death, any outstanding sick leave is forfeited.

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position— The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third party limitation on their use. While District management may have categorized and segmented portion for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District considers prepaid expenses and inventories as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District has also classified amounts held for insurance, capital projects, and amounts held for debt service as restricted as required by the Colorado Department of Education and the bond trustee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2018.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The District has classified portions of the fund balances of the General Fund, Food Service Fund, and Capital Reserve Fund as assigned because their use has been designated for a specific purpose by the Finance Director.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balance.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on a Non-GAAP basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 3: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

Deposits	\$ 2,385,783
Investments	<u>5,251,484</u>
Total Cash and Investments	<u>\$ 7,637,267</u>

Cash and investments are reported in the financial statements as follows:

Governmental Activities	\$ 7,395,929
Fiduciary Funds	<u>241,338</u>
Total	<u>\$ 7,637,267</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2018, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2018, the District had deposits with financial institutions with a carrying amount of \$2,385,783. The bank balances with the financial institutions were \$2,433,661. Of these balances, \$261,378 was covered by federal depository insurance and \$2,172,283 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

As of June 30, 2018, the District has the following investments:

	<u>Fair Value</u>	<u>Investment Maturity (Years)</u>	
		<u>Less than One Year</u>	<u>1 to 5 Years</u>
Governmental Agency Securities	\$ 454,339	\$ 454,339	\$ -
Money Markets	182,339	182,339	-
Colostrust	<u>4,614,806</u>	<u>4,614,806</u>	<u>-</u>
Total	<u>\$ 5,251,484</u>	<u>\$ 5,251,484</u>	<u>\$ -</u>

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

The Government Agency Securities above are authorized for all funds and fund types used by Colorado school districts and have a credit rating of AA+ and Aaa by Standard and Poor's and Moody's, respectively.

NOTE 3: CASH AND INVESTMENTS (Continued)

Local Government Investment Pool

The District had invested \$4,614,806 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

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

At June 30, 2018, the District held investments in U.S. Agency Securities in the amount of \$454,339 with maturity dates of less than one and four years. Given the low risk of this type of investment, the District has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

The District invested \$182,339 in a Money Market Mutual Fund. The Fund invests primarily in U.S. Treasury bills, notes, and other U.S. government issued obligations and is rated Aaa by Moody's and A+ by Standard and Pools.

Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The fair value of investments in money market funds is based on the published net asset values per share of those funds. Money market securities are valued using amortized cost, in accordance with Rule 2a-7 under the 1940 Act. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities held by Prime Series and Government Series are categorized as Level 2.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 4: CAPITAL ASSETS

	Balances <u>6/30/17</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/18</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,175,321	\$ 629,000	\$ 103,061	\$ 1,701,260
Construction in Progress	<u>-</u>	<u>74,018</u>	<u>-</u>	<u>74,018</u>
Total Capital Assets, not being Depreciated	<u>1,175,321</u>	<u>703,018</u>	<u>103,061</u>	<u>1,775,278</u>
Capital Assets, depreciated				
Land Improvements	1,530,501	55,000	-	1,585,501
Buildings and Improvements	20,255,854	17,800	-	20,273,654
Equipment	<u>1,495,552</u>	<u>58,406</u>	<u>-</u>	<u>1,553,958</u>
Total Capital Assets, depreciated	<u>23,281,907</u>	<u>131,206</u>	<u>-</u>	<u>23,413,113</u>
Less Accumulated Depreciation				
Land Improvements	828,648	71,542	-	900,190
Buildings and Improvements	7,945,738	432,423	-	8,378,161
Equipment	<u>1,081,972</u>	<u>59,345</u>	<u>-</u>	<u>1,141,137</u>
Total Accumulated Depreciation	<u>9,856,178</u>	<u>563,310</u>	<u>-</u>	<u>10,419,488</u>
Total Capital Assets, depreciated, Net	<u>13,425,729</u>	<u>(432,104)</u>	<u>-</u>	<u>12,993,625</u>
Governmental Activities, Capital Assets, Net	<u>\$ 14,601,050</u>	<u>\$ 270,914</u>	<u>\$ 103,061</u>	<u>\$ 14,368,903</u>

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

Governmental Activities	
Instruction	\$ 506,979
Supporting Services	<u>56,331</u>
Total	<u>\$ 563,310</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2018, were \$1,196,235 and \$27,538 in the General and Food Service Funds, respectively.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 6: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2018:

	Balance <u>6/30/17</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>6/30/18</u>	Due In <u>One Year</u>
2013 General Obligation					
Bonds	\$ 3,685,000	\$ -	\$ 200,000	\$ 3,485,000	\$ 200,000
Series 2013 Premium	111,798	-	7,213	104,585	-
Capital Lease	-	83,389	27,058	56,331	27,789
Early Retirement	293,475	58,800	72,808	279,467	74,595
Compensated Absences	<u>166,551</u>	<u>-</u>	<u>6,647</u>	<u>159,904</u>	<u>-</u>
Total	<u>\$ 4,256,824</u>	<u>\$ 142,189</u>	<u>\$ 313,726</u>	<u>\$ 4,085,287</u>	<u>\$ 302,384</u>

Compensated absences and early retirement are expected to be liquidated with revenues of the General Fund.

General Obligation Bonds

On February 20, 2013, the District issued General Obligation Bonds Series 2013, in the amount of \$4,460,000. Proceeds were used to finance costs of acquisition, construction, and equipment improvements at District facilities. These bonds bear interest ranging from 2.0% to 3.0%. Interest only payments are due annually on June 1 and payments of principal and interest are due annually on December 1 through 2033. As of June 30, 2018, \$3,485,000 was outstanding on these bonds.

Capital Lease

The District has entered into a capital lease agreement to purchase technology equipment which will be paid from revenues of the General Fund. The lease carries an interest rate of 2.7% and requires annual lease payments of \$29,310 through August 2019.

Early Retirement

The District has an early retirement plan available for qualified employees. Benefits under the plan are based on a multiple of the difference between the retiring person's salary and an entry level person's salary. Payment schedules are negotiated with management by the retiring employee of the District and usually are spread over five years. Early retirement payments are reviewed annually by the Board of Education and are subject to annual appropriation by the Board.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2018

NOTE 6: LONG-TERM DEBT (Continued)

Debt Service requirements to maturity for the bonds are as follows:

<u>Year Ended</u> <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 200,000	\$ 86,187	\$ 286,187
2020	205,000	82,188	282,188
2021	205,000	78,137	283,137
2022	205,000	73,988	278,988
2023	215,000	69,737	284,737
2024-2028	1,150,000	273,631	1,423,631
2029-2033	<u>1,310,000</u>	<u>100,800</u>	<u>1,410,800</u>
Total	<u>\$ 3,485,000</u>	<u>\$ 764,668</u>	<u>\$ 4,249,668</u>

Following is a schedule of the future minimum lease payments required under the lease obligations at June 30, 2018:

Year Ended December 31,

2019	\$ 29,310
2020	<u>29,310</u>
Total Minimum Lease Payments	58,620
Less: Interest	<u>(2,289)</u>
Present Value of Minimum Lease Payments	<u>\$ 56,331</u>

NOTE 7: JOINTLY GOVERNED ORGANIZATIONS

BOCES

The District, in conjunction with other surrounding districts, created the Mountain Board of Cooperative Educational Services (the "BOCES"). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The BOCES financial statements can be obtained at their office located at 1713 Mount Lincoln Drive West, Leadville, Colorado 80461. The District paid \$71,297 to the BOCES during the year, and no amount was owed as of June 30, 2018.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

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

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

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

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

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

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer contribution rate ¹	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF ¹	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%	5.50%
Total employer contribution rate to the SCHDTF¹	18.63%	19.13%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,185,076 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$43,162,404 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 0.1335%, which was a decrease of 0.00302% from its proportion measured as of December 31, 2016.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 8: *DEFINED BENEFIT PENSION PLAN* (Continued)

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

For the year ended June 30, 2018, the District recognized pension expense of \$9,406,099. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$793,574	N/A
Changes of assumptions or other inputs	\$11,020,958	\$69,936
Net difference between projected and actual earnings on pension plan investments	N/A	\$1,695,028
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$39,745	\$868,127
Contributions subsequent to the measurement date	\$ 610,000	N/A
Total	\$12,464,277	\$2,663,091

\$610,000 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$6,493,210
2020	\$3,516,344
2021	(\$149,921)
2022	(\$638,447)

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

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

NOTE 8: ***DEFINED BENEFIT PENSION PLAN*** (Continued)

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

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

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

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

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

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

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- Benefit payments and contributions were assumed to be made at the end of the month.

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$54,521,423	\$43,162,404	\$33,906,052

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.

June 30, 2018

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018

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

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

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Changes Between the Measurement Date of the Net Pension Liability and June 30, 2018 (Continued)

At June 30, 2018, the District reported a liability of \$43,162,404 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 19,500,388

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$20,148,467 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

June 30, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$64,009 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$985,650 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District's proportion was 0.075843%, which was a decrease of 0.00175% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$73,228. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$4,661	N/A
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$16,490
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$18,917
Contributions subsequent to the measurement date	\$32,524	N/A
Total	\$37,185	\$35,407

\$32,524 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2019	(\$6,924)
2020	(\$6,924)
2021	(\$6,924)
2022	(\$6,922)
2023	(\$2,801)
Thereafter	(\$251)

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

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

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

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

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

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

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

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

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

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

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

June 30, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

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

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

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

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

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

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.

June 30, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income – Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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%.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$958,531	\$985,650	\$1,018,313

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN(Continued)

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

- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$1,108,181	\$985,650	\$881,067

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

June 30, 2018

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including boiler and machinery coverage. Settled claims resulting from these risks have not exceeded commercial or District coverage amounts in any of the past three years.

NOTE 11: COMMITMENTS AND CONTINGENCIES

Purchase and Sale Agreement

On August 10, 2016, the District entered into a purchase and sale agreement with the Town of Buena Vista, Colorado. The District has agreed to convey its baseball and soccer field to the Town. Under the terms of the agreement, the Town sought and received voter approval in the April 2017 special election to sell the Town's River Park parcel to the District as payment for the conveyance of the District's property to the Town. Title to the respective properties was transferred on August 1, 2017.

Intergovernmental Agreement

On July 11, 2017, the District entered into an Intergovernmental Agreement with the Town of Buena Vista for the River Park baseball field construction, joint use, and maintenance. Pursuant to the agreement, the Town has completed construction of a baseball field on the property during the year ended June 30, 2018. Upon completion of the construction and conveyance of the property to the District, the District assumed full maintenance responsibilities of the property. At June 30, 2018, the District reported a capital contribution from the Town in the amount of \$629,000 as a special item in the government wide statement of activities.

The District has priority use of the property and the Town may use the property subject to payment of District fees. The District also agreed to grant the Town a license to install a disc golf course on the property for public use. For the year ended June 30, 2018, no fees were charged to the Town under the terms of the agreement.

Claims and Judgments

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

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1999, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1997-98 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A restriction of fund balance in the General Fund in the amount of \$350,000 has been recorded as an emergency reserve in accordance with the Amendment.

NOTE 12: SUBSEQUENT EVENTS

Capital Lease

On July 31, 2018, the District entered into a capital lease agreement in the amount of \$103,970 for the purchase of a new school bus. The lease carries an interest rate of 4.68 percent. Annual lease payments in the amount of \$27,802 are due through July 2022.

BEST Grant Award

In June 2018, the District was awarded the State of Colorado Building Excellent Schools Today (BEST) grant in the amount of \$21,362,126. The District is required to provide matching funds in the amount of \$29,500,078. Proceeds of the grant will be used to build a middle and high school on the District's existing property.

General Obligation Debt

On November 7, 2017, voters approved the issuance of general obligation debt not to exceed \$29,500,000. Proceeds of the bond issuance will be used to provide the matching funds under the terms of the BEST grant award. The District expects the debt to be issued in November 2018 in conjunction with the project timeline for the BEST grant project.

NOTE 13: RESTATEMENT OF NET POSITION

The beginning net position of the governmental activities was decreased by \$974,653 as the District implemented Governmental Accounting Standards Board (GASB) Statement 75.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2018

NOTE 14: DEFICIT NET POSITION

The net position of the governmental activities is in a deficit position in the amount of \$16,542,634 due to the District including its Net Pension Liability and Net OPEB liability per the requirements of GASB Statement Nos. 68 and 75.

REQUIRED SUPPLEMENTARY INFORMATION

BUENA VISTA SCHOOL DISTRICT NO. R-31

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	2018			VARIANCE	2017 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Property Taxes	\$ 4,939,048	\$ 5,142,388	\$ 5,257,198	\$ 114,810	\$ 5,015,777
Specific Ownership Taxes	600,000	600,000	805,669	205,669	693,789
Tuition	50,000	50,000	54,927	4,927	72,548
Earnings on Investments	9,000	9,000	33,070	24,070	14,282
All Other Local Revenue Codes	50,000	50,000	183,756	133,756	50,235
Total Local Sources	<u>5,648,048</u>	<u>5,851,388</u>	<u>6,334,620</u>	<u>483,232</u>	<u>5,846,631</u>
State Sources					
State Equalization	3,909,747	4,066,560	4,022,824	(43,736)	3,683,336
Exceptional Children's Education Act	177,431	177,431	186,341	8,910	236,442
Transportation	90,000	90,000	83,506	(6,494)	95,740
All Other State Revenue	401,005	470,213	635,203	164,990	239,379
Total State Sources	<u>4,578,183</u>	<u>4,804,204</u>	<u>4,927,874</u>	<u>123,670</u>	<u>4,254,897</u>
Federal Sources					
Title I	170,849	170,849	171,453	604	170,849
Title II	32,017	32,017	27,590	(4,427)	36,801
Medicaid	90,000	90,000	151,963	61,963	120,664
Head Start	193,504	152,763	130,957	(21,806)	193,509
SWAP	85,000	85,000	-	(85,000)	-
Other Federal Sources	177,637	177,637	145,842	(31,795)	153,001
Total Federal Sources	<u>749,007</u>	<u>708,266</u>	<u>627,805</u>	<u>(80,461)</u>	<u>674,824</u>
TOTAL REVENUES	<u>10,975,238</u>	<u>11,363,858</u>	<u>11,890,299</u>	<u>526,441</u>	<u>10,776,352</u>
EXPENDITURES					
Instruction					
Salaries	4,362,319	4,549,713	4,565,646	(15,933)	4,568,118
Employee Benefits	1,556,760	1,603,555	1,575,157	28,398	1,459,690
Purchased Services	104,544	104,444	95,130	9,314	85,812
Supplies and Materials	312,748	313,797	251,120	62,677	271,626
Property	22,000	47,000	27,935	19,065	56,421
Other Objects and Uses	17,660	17,660	40,112	(22,452)	13,151
Total Instruction	<u>6,376,031</u>	<u>6,636,169</u>	<u>6,555,100</u>	<u>81,069</u>	<u>6,454,818</u>

(Continued)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	2018			VARIANCE	2017 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
EXPENDITURES (Continued)					
Supporting Services					
Students					
Salaries	365,189	325,077	301,698	23,379	278,651
Employee Benefits	111,430	111,430	97,891	13,539	74,914
Purchased Services	132,013	132,013	114,724	17,289	120,389
Supplies and Materials	33,570	33,570	32,121	1,449	18,906
Total Students	<u>642,202</u>	<u>602,090</u>	<u>546,434</u>	<u>55,656</u>	<u>492,860</u>
Instructional Staff					
Salaries	423,658	382,607	395,618	(13,011)	351,585
Employee Benefits	143,106	128,416	146,743	(18,327)	123,102
Purchased Services	159,506	159,506	100,084	59,422	105,718
Supplies and Materials	162,933	173,448	72,466	100,982	73,657
Property	162,000	245,765	253,617	(7,852)	148,092
Total Instructional Staff	<u>1,051,203</u>	<u>1,089,742</u>	<u>968,528</u>	<u>121,214</u>	<u>802,154</u>
General Administration					
Salaries	207,480	207,480	220,161	(12,681)	252,387
Employee Benefits	65,270	65,270	62,938	2,332	67,336
Purchased Services	68,600	128,600	103,943	24,657	74,567
Supplies and Materials	84,000	84,000	87,311	(3,311)	74,360
Other Objects and Uses	15,000	15,000	11,307	3,693	14,352
Total General Administration	<u>440,350</u>	<u>500,350</u>	<u>485,660</u>	<u>14,690</u>	<u>483,002</u>
School Administration					
Salaries	485,544	485,544	497,044	(11,500)	416,823
Employee Benefits	163,340	163,892	166,784	(2,892)	140,815
Purchased Services	21,500	21,500	19,715	1,785	14,944
Supplies and Materials	6,630	6,630	4,045	2,585	2,408
Total School Administration	<u>677,014</u>	<u>677,566</u>	<u>687,588</u>	<u>(10,022)</u>	<u>574,990</u>

(Continued)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	2018			VARIANCE	2017 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	125,478	125,478	129,981	(4,503)	136,597
Employee Benefits	41,374	41,374	36,936	4,438	39,505
Purchased Services	20,100	20,100	12,912	7,188	14,582
Total Business Services	<u>186,952</u>	<u>186,952</u>	<u>179,829</u>	<u>7,123</u>	<u>190,684</u>
Operations and Maintenance					
Salaries	357,821	357,821	358,952	(1,131)	363,240
Employee Benefits	139,381	139,381	144,984	(5,603)	134,499
Purchased Services	516,383	516,383	549,753	(33,370)	522,386
Supplies and Materials	75,550	75,550	76,892	(1,342)	87,361
Property	960	960	-	960	-
Total Operations and Maintenance	<u>1,090,095</u>	<u>1,090,095</u>	<u>1,130,581</u>	<u>(40,486)</u>	<u>1,107,486</u>
Student Transportation					
Salaries	191,593	202,593	209,362	(6,769)	219,557
Employee Benefits	53,554	53,554	62,062	(8,508)	64,823
Purchased Services	82,600	92,600	121,238	(28,638)	70,526
Supplies and Materials	59,900	59,900	118,490	(58,590)	58,470
Property	30,000	35,500	35,390	110	18,075
Total Student Transportation	<u>417,647</u>	<u>444,147</u>	<u>546,542</u>	<u>(102,395)</u>	<u>431,451</u>
Central Support					
Salaries	125,000	125,000	84,037	40,963	99,659
Employee Benefits	3,731	3,731	3,078	653	4,703
Purchased Services	99,012	127,013	124,350	2,663	165,806
Total Central Support	<u>227,743</u>	<u>255,744</u>	<u>211,465</u>	<u>44,279</u>	<u>270,168</u>

(Continued)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	2018			VARIANCE Positive (Negative)	2017 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
Total Supporting Services	4,733,206	4,846,686	4,756,627	90,059	4,352,795
Debt Service					
Principal	-	-	27,058	(27,058)	-
Interest	-	-	2,252	(2,252)	-
Total Debt Service	-	-	29,310	(29,310)	-
RESERVES					
Contingency	300,000	250,000	-	250,000	-
Emergency Reserves	300,000	350,000	-	350,000	-
TOTAL RESERVES	600,000	600,000	-	600,000	-
TOTAL EXPENDITURES	11,709,237	12,082,855	11,341,037	771,128	10,807,613
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(733,999)	(718,997)	549,262	1,268,259	(31,261)
OTHER FINANCING SOURCES (USES)					
Proceeds from Capital Lease	-	-	83,389	83,389	-
Transfers In (Out)	(75,000)	(75,000)	(70,000)	5,000	(70,000)
TOTAL OTHER FINANCING SOUR	(75,000)	(75,000)	13,389	88,389	(70,000)
CHANGE IN FUND BALANCE	(808,999)	(793,997)	562,651	1,356,648	(101,261)
FUND BALANCES, Beginning	3,864,955	3,864,955	4,276,117	411,162	4,377,378
FUND BALANCES, Ending	\$ 3,055,956	\$ 3,070,958	\$ 4,838,768	\$ 1,767,810	\$ 4,276,117

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
SCHOOL DIVISION TRUST FUND

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
District's proportionate share of the Net Pension Liability	0.1376%	0.1373%	0.1390%	0.1365%	0.1335%
District' Net Pension Liability	\$ 17,556,591	\$ 18,616,976	\$ 21,263,422	\$ 40,641,589	\$ 43,162,404
District's covered-employee payroll	\$ 5,550,212	\$ 5,754,421	\$ 6,058,831	\$ 6,126,405	\$ 6,157,230
District's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll	316.3%	323.5%	350.9%	663.4%	701.0%
Plan fiduciary net position as a percentage of the total pension liability	64.1%	62.8%	59.2%	43.10%	43.96%

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Statutorily required contributions	\$ 954,090	\$ 1,063,788	\$ 1,149,204	\$ 1,184,687	\$ 1,185,076
Contributions in relation to the Statutorily required contributions	<u>954,090</u>	<u>1,063,788</u>	<u>1,149,204</u>	<u>1,184,687</u>	<u>1,185,076</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 5,612,829	\$ 5,940,481	\$ 6,128,996	\$ 6,106,207	\$ 6,275,429
Contributions as a percentage of covered-employee payroll	17.00%	17.91%	18.75%	19.40%	18.88%

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,

	<u>2016</u>	<u>2017</u>
District's proportionate share of the Net OPEB Liability	0.0776%	0.0758%
District's proportionate share of the Net OPEB Liability	\$ 1,005,959	\$ 985,650
District's covered-employee payroll	\$ 6,126,405	\$ 6,157,230
District's proportionate share of the Net OPEB Liability as a percentage of its covered-employee payroll	16.4%	16.0%
Plan fiduciary net position as a percentage of the total OPEB liability	16.72%	17.53%

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>
Statutorily required contributions	\$ 62,283	\$ 64,009
Contributions in relation to the Statutorily required contributions	<u>62,283</u>	<u>64,009</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 6,106,207	\$ 6,275,429
Contributions as a percentage of covered-employee payroll	1.02%	1.02%

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

BUENA VISTA SCHOOL DISTRICT NO. R-31

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2018

	Food Service Fund	Capital Reserve Fund	TOTALS	
			2018	2017
ASSETS				
Cash and Investments	\$ 57,602	\$ 734	\$ 58,336	\$ 52,219
Inventory	8,459	-	8,459	8,718
TOTAL ASSETS	<u>\$ 66,061</u>	<u>\$ 734</u>	<u>\$ 66,795</u>	<u>\$ 60,937</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 1,700	\$ -	\$ 1,700	\$ 1,700
Accrued Salaries and Benefits	27,538	-	27,538	29,207
TOTAL LIABILITIES	<u>29,238</u>	<u>-</u>	<u>29,238</u>	<u>30,907</u>
FUND EQUITY				
Fund Balance				
Nonspendable	8,459	-	8,459	8,718
Assigned	28,364	734	29,098	21,312
TOTAL FUND EQUITY	<u>36,823</u>	<u>734</u>	<u>37,557</u>	<u>30,030</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 66,061</u>	<u>\$ 734</u>	<u>\$ 66,795</u>	<u>\$ 60,937</u>

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2018

	Food Service Fund	Capital Reserve Fund	TOTALS	
			2018	2017
REVENUES				
Local Sources	\$ 215,906	\$ 1	\$ 215,907	\$ 194,967
State Sources	8,310	-	8,310	3,105
Federal Sources	240,314	-	240,314	221,117
TOTAL REVENUES	<u>464,530</u>	<u>1</u>	<u>464,531</u>	<u>419,189</u>
EXPENDITURES				
Current				
Supporting Services	<u>527,004</u>	<u>-</u>	<u>527,004</u>	<u>473,834</u>
TOTAL EXPENDITURES	<u>527,004</u>	<u>-</u>	<u>527,004</u>	<u>473,834</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(62,474)</u>	<u>1</u>	<u>(62,473)</u>	<u>(54,645)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>
TOTAL OTHER FINANCING SOURCES	<u>70,000</u>	<u>-</u>	<u>70,000</u>	<u>70,000</u>
NET CHANGE IN FUND BALANCES	7,526	1	7,527	15,355
FUND BALANCES, Beginning	<u>29,297</u>	<u>733</u>	<u>30,030</u>	<u>14,675</u>
FUND BALANCES, Ending	<u>\$ 36,823</u>	<u>\$ 734</u>	<u>\$ 37,557</u>	<u>\$ 30,030</u>

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

FOOD SERVICE FUND
 BUDGETARY COMPARISON STATEMENT
 Year Ended June 30, 2018

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2017 ACTUAL
REVENUES					
Local Sources					
Charges for Services	\$ 189,064	\$ 189,064	\$ 215,906	\$ 26,842	\$ 194,966
State and Federal Sources					
School Lunches	135,000	180,000	145,546	(34,454)	130,290
School Breakfast	51,500	60,500	69,918	9,418	63,688
Commodity Donations	35,000	35,000	24,850	(10,150)	27,139
State Match	8,800	8,800	8,310	(490)	3,105
TOTAL REVENUES	419,364	473,364	464,530	(8,834)	419,188
EXPENDITURES					
Salaries	167,500	167,526	167,812	(286)	158,988
Benefits	73,038	106,038	97,062	8,976	74,642
Purchased Services	1,100	1,100	36	1,064	397
Food	256,000	256,000	250,736	5,264	239,807
Other Supplies	17,700	17,700	11,358	6,342	-
TOTAL EXPENDITURES	515,338	548,364	527,004	21,360	473,834
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(95,974)	(75,000)	(62,474)	12,526	(54,646)
OTHER FINANCING SOURCES (USES)					
Transfers In	75,000	75,000	70,000	(5,000)	70,000
CHANGE IN FUND BALANCE	(20,974)	-	7,526	7,526	15,354
FUND BALANCES, Beginning	31,151	31,151	29,297	(1,854)	13,943
FUND BALANCES, Ending	\$ 10,177	\$ 31,151	\$ 36,823	\$ 5,672	\$ 29,297

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

CAPITAL RESERVE FUND
 BUDGETARY COMPARISON STATEMENT
 Year Ended June 30, 2018

	2018		VARIANCE Positive (Negative)	2017 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Earnings on Investments	\$ -	\$ 1	\$ 1	\$ 1
TOTAL REVENUES	-	1	1	1
EXPENDITURES				
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1	1	1
OTHER FINANCING SOURCES				
Transfers In	-	-	-	-
CHANGE IN FUND BALANCE	-	1	1	1
FUND BALANCE, Beginning	1,000	733	(267)	732
FUND BALANCE, Ending	\$ 1,000	\$ 734	\$ (266)	\$ 733

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BOND REDEMPTION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	2018			VARIANCE Positive (Negative)	2017 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Property Taxes	\$ 322,244	\$ 700,000	\$ 1,233,641	\$ 533,641	\$ 307,946
Delinquent Taxes	497	497	235,920	235,423	6,147
Earnings on Investments	3,186	3,186	14,249	11,063	6,997
TOTAL REVENUES	<u>325,927</u>	<u>703,683</u>	<u>1,483,810</u>	<u>780,127</u>	<u>321,090</u>
EXPENDITURES					
Debt Service					
Principal	200,000	200,000	200,000	-	790,000
Interest and Fiscal Charges	91,650	91,650	91,650	-	101,550
TOTAL EXPENDITURES	<u>291,650</u>	<u>291,650</u>	<u>291,650</u>	<u>-</u>	<u>891,550</u>
CHANGE IN FUND BALANCE	34,277	412,033	1,192,160	780,127	(570,460)
FUND BALANCE, Beginning	<u>605,000</u>	<u>605,000</u>	<u>733,454</u>	<u>128,454</u>	<u>1,303,914</u>
FUND BALANCE, Ending	<u>\$ 639,277</u>	<u>\$ 1,017,033</u>	<u>\$ 1,925,614</u>	<u>\$ 908,581</u>	<u>\$ 733,454</u>

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2018

	2018			VARIANCE Positive (Negative)	2017 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
BEST Grant	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	15	15	98	83	49
TOTAL REVENUES	15	15	98	83	49
EXPENDITURES					
Capital Outlay	50,000	105,000	77,512	27,488	33,252
Other	-	-	-	-	-
TOTAL EXPENDITURES	50,000	105,000	77,512	27,488	33,252
CHANGE IN FUND BALANCE	(49,985)	(104,985)	(77,414)	27,571	(33,203)
FUND BALANCE, Beginning	263,291	263,291	263,506	215	296,709
FUND BALANCE, Ending	\$ 213,306	\$ 158,306	\$ 186,092	\$ 27,786	\$ 263,506

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

AGENCY FUND - PUPIL ACTIVITY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 Year Ended June 30, 2018

	BALANCE JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2018
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash	\$ 265,972	\$ 566,059	\$ 590,693	\$ 241,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Accounts Payable - Due to Student Groups	\$ 265,972	\$ 566,059	\$ 590,693	\$ 241,338
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

See the accompanying independent auditors' report.

COMPLIANCE



**JOHN CUTLER
& ASSOCIATES**

Board of Education
Buena Vista School District No. R-31
Buena Vista, Colorado

**INDEPENDENT AUDITORS' REPORT ON ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buena Vista School District No. R-31, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other Matters

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

John Luttler & Associates, LLC

December 13, 2018



Colorado Department of Education

Auditors Integrity Report

District: 0490 - BUENA VISTA R-31

Fiscal Year 2017-18

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	4,241,246	11,683,688	11,134,637	4,790,297
18 Risk Mgmt Sub-Fund of General Fund	34,871	220,000	206,401	48,470
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	4,276,117	11,903,688	11,341,039	4,838,767
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	29,297	534,530	527,004	36,822
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	733,454	1,483,810	291,650	1,925,615
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	263,506	98	77,512	186,092
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	732	1	0	733
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	5,303,106	13,922,127	12,237,205	6,988,028
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	265,972	566,059	590,693	241,338
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	265,972	566,059	590,693	241,338

FINAL