

cPa DIXON, WALLER & CO., INC.

BYERS SCHOOL DISTRICT

NUMBER 32J

BYERS, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS

JUNE 30, 2018

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BYERS SCHOOL DISTRICT NUMBEBR 32J
ROSTER OF SCHOOL OFFICIALS
June 30, 2018

BOARD OF EDUCATION

Tom Thompson III	President
Jerry Sauer	Vice President
Chris Cary	Secretary
Charlie Tucker	Treasurer
Julie Smith	Member
Jay Bauer	Member
Mike Pugh	Member

SCHOOL OFFICIAL

Tom Turrell	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT

**Board of Education
Byers School District Number 32J
Byers, Colorado 80103**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Byers School District Number 32J, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Foundation Learning Colorado, Inc. which represents 33.32 percent, -12.33 percent, and 72.79 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Foundation Learning Colorado, Inc. is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Byers School District Number 32J, 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, budgetary comparison information and pension and post employment benefits trend data on pages i through x and 46 through 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 Byers School District Number 32J's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



November 23, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Management of Byers School District 32-J offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. The focus of the information is on the primary government.

Financial Highlights

- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$2,110,959.
- The District's long-term general obligation debt decreased by \$215,000 as a result of current year principal and interest payments on the outstanding debt, which paid off the Bond.
- The District had adequate resources available for all appropriations.

The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$475,932. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased \$389,883 to \$(5,652,052) from \$(5,262,169) at the end of the previous fiscal year. Fiscal year 2017 financial information has not been restated because some of the comparable information is not available

The District has also implemented GASB 68 resulting in a net pension liability of \$20,051,126. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. At implementation, beginning equity is restated and deferred inflows, outflows and net pension liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Online Schools

The District had 5 online schools during the 2017-2018 school year: Colorado Digital Academy Elementary, Colorado Digital Academy Middle School, Colorado Virtual Academy, Elevate Academy, and Valiant Academy. The FTE for the 5 schools was 2,231.5. The online PPR for 2017-18 was \$7,019.71

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is also provided in this document. The Byers School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-Wide Financial Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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 assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide detailed information about the District's funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Byers School District, like other governments, uses fund accounting to ensure and demonstrate compliance.

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Most of the District's basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise fund* (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information such as cash flows. *Internal service funds* (the other kind of proprietary funds) are used to report activities that provide supplies and services for its other programs and activities. The District uses an enterprise fund to account for its food service operation. The district does not have any internal service funds.

Fiduciary Funds: The District is the agent, or *fiduciary*, for assets that belong to others. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assts belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District uses fiduciary funds to account for its endowment fund.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the District's non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Financial Analysis of the District as a Whole

The District's total net position on June 30, 2018 was -\$8,749,869. Of the District's 7,586,355 in assets, \$4,846,841 (64%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

Table 1 provides a summary of the District's net assets for 2018 compared to 2017.

	<u>2018</u>	<u>2017</u>	Total Percentage Change <u>2018-2017</u>
Assets			
Current and other assets	\$ 2,739,514	\$ 2,291,855	16.34%
Capital assets	<u>4,846,841</u>	<u>5,055,868</u>	-4.31%
Total Assets	\$ 7,586,355	\$ 7,347,723	3.15%
Deferred Outflow of Resources	6,909,867	6,772,300	1.99%
Liabilities			
Current Liabilities	\$ 1,168,322	\$ 879,848	24.69%
.69%Net Pension Obligation	20,051,126	17,464,365	12.90%
Long-Term Liabilities	<u>701,338</u>	<u>773,596</u>	-10.30%
Total Liabilities	\$ 21,920,786	\$ 19,117,809	12.79%
Deferred Inflow of Resources	1,325,305	264,383	80.05%
Net Position			
Net Investment in capital assets	\$ 4,074,914	\$ 3,996,683	1.92%
Restricted for:			
Debt Service	0	221,306	
Food Service	124,802	106,166	14.93%
Transportation	112,314	0	
Preschool	10	0	
Multi-Year Obligations	208,694	205,192	1.68%
Tabor Reserve	197,000	193,000	2.03%
Unrestricted	<u>(13,467,603)</u>	<u>(9,984,516)</u>	25.86%
Total Net Position	\$ (8,749,869)	\$ (5,262,169)	39.86%

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Table 2 shows the changes in net assets for fiscal year 2018 compared to 2017.

	<u>2018</u>	Total <u>2017</u>
Revenues		
Program revenues:		
Charges For Services	\$ 383,055	\$ 1,115,878
Operating Grants & Contributions	2,579,840	1,418,391
Capital Grants and Contributions	0	0
General Revenues:		
Property Taxes	1,715,615	1,748,225
Specific Ownership Taxes	152,285	145,162
State Equalization	18,501,386	19,304,770
Earnings on Investments	4,325	1,631
Other Revenues	154,737	205,422
Charter Per Pupil Revenue	(16,453,881)	(16,964,804)
Total Revenues	\$ 7,037,362	\$ 6,974,675
Expenses		
Instructional Services	\$ 3,638,082	\$ 3,676,367
Supporting Services:		
Students	307,561	271,642
Instructional Staff	79,128	69,750
District Administration	718,594	553,817
School Administration	294,384	293,219
Business	198,031	206,984
Operations & Maintenance	537,753	520,193
Transportation	414,323	380,065
Central	80,175	94,829
Community Services	8,446	9,367
Facilities	0	8,060
Food Service	59,443	230,134
Capital Outlay	13,554	61,585
Interest on Long-Term Liabilities	7,928	15,196
Pension Amortization	<u>3,577,777</u>	<u>2,819,537</u>
Total Expenses	\$10,135,179	\$9,210,745
Increase (decrease) in net assets	\$ (3,097,817)	\$ (2,236,070)

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Governmental Activities

The following table shows the District's major functions. It also shows the net costs (total cost less revenues generated by activities).

Table 3
Governmental Activities
(Net of Depreciation)

	Total Cost of Services		Net Cost of Services	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instructional Services	\$ 3,638,082	\$ 3,676,367	\$ -1,070,587	\$ -1,523,661
Supporting Services:				
Students	307,561	271,642	- 307,561	-271,642
Instruction Staff	79,128	69,750	- 79,128	-69,750
District Administration	718,594	553,817	-718,594	-553,817
School Administration	294,384	293,219	-294,384	-293,219
Business	198,031	206,984	-198,031	-206,984
Operation & Maintenance	537,753	520,193	-481,623	-466,623
Transportation	414,323	380,064	-349,031	-314,815
Central	80,175	94,829	-80,175	-94,829
Community Services	8,446	9,367	-8,446	-9,367
Facilities	0	8,060	0	-8,060
Food Service	259,443	230,134	14,273	32,609
Capital Outlay	13,554	61,585	-13,554	-61,585
Interest on Long-Term Liabilities	7,928	15,196	-7,928	-15,196
Pension Expense	<u>3,577,777</u>	<u>2,819,537</u>	<u>-3,577,777</u>	<u>-2,819,537</u>
Total	\$ 10,135,179	\$ 9,210,745	\$ -7,172,284	\$ -6,676,476

- The cost of all district activities this year was \$10,135,179.
- Some of the cost was financed by the users of the District's programs: \$383,055.
- The federal and state government subsidized certain programs with grants and contributions totaling \$2,579,840.
- Most of the District's costs, however, were finance by District and State taxpayers. This portion of governmental activities was financed with \$18,501,386 in state equalization from the School Finance Act (of which \$16,453,881 was allocated to the District Online Charter Schools), \$1,867,900 in property tax and \$159,062 in investment earnings and other miscellaneous revenue.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Financial Analysis of the District's Funds

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 revenues in the General Fund were \$70,825 lower than anticipated.
- Total expenditures of the General Fund were \$1,834,127 under budget.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2018, District's TABOR reserve amounted to \$197,000.
- The beginning fund balance was increased from \$1,278,270 to \$1,775,556. The fund balance reflects the fund balances of the General fund, Capital Reserve fund, Rental fund, Childcare fund, and Preschool fund. The fund balance for the General fund alone increased from \$1,046,837 to 1,505,458.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2018 amounts to \$4,846,841.

Table 4
Byers School District
Capital Assets
(Net of Depreciation)

Table 4	Total		Total Percentage Change
	<u>2018</u>	<u>2017</u>	<u>2018-2017</u>
Land & Sites	\$ 173,215	\$ 173,215	0.00%
Buildings & Improvements	4,402,414	4,439,482	-1.00%
Equipment & Vehicles	271,212	318,171	-18.00%
Construction in Progress	<u>0</u>	<u>0</u>	
 Total Capital Assets	 \$ 4,846,841	 \$ 5,055,868	 -5.00%

Long-Term Debt

The District paid off their Bond during the 2017-18 year. At year-end, the District had \$771,927 in QZAB Loans.

Table 5
Byers School District
Long-Term Debt
Governmental Activities

	<u>2018</u>	<u>2017</u>
2005 Refinanced Bonds	\$ 0	\$ 215,000
Deferred Refunding	0	(388)
QZAB Loan	771,927	844,185
 Total	 \$ 771,927	 \$ 1,058,797

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Economic Factors Bearing on the District's Future

During the 2015-16 school year the district passed a \$150,000 transportation mill-levy override, sun setting after 5 years. The district has replaced three full-size busses, one 14-passenger bus and two small vehicles. The district will focus on building a bus barn facility in the 2018-19 school year. The beginning fund balance increased as a result of the online school revenue and priority focus of the Board to build the fund balance to withstand an additional recession.

Other areas in need of repair/replacement continue to be the aging of HVAC units not replaced during the Boiler/HVAC upgrade, roof replacement not completed during the upgrades in 2012, a bus barn facility to house bus fleet and upgrades to the football field (restroom facility and crow's nest replacement). Teacher salaries continue to lag far behind the other corridor schools due to the salary freeze from recessions in 2009-2012.

The average salary for a teacher in Byers 32J is \$37,000, while the state average is \$49,000. That statistic in itself can cause alarm in today's educational world. We compete with Front Range and Metro-schools for highly qualified teaching candidates; with that disparity, it creates longevity and professional development issues trying to continue a high level of development for current staff in the district. Staff turnover not only creates a disconnect for student learning, it also creates an un-assumed cost detriment to the district. However, I will stress that retention of staff is based upon more than financial gain. Byers 32J's average years of experience is over 12 years, and many staff members have 20-30 years of experience in Byers. This reflects the rural and respectful nature of our students and families. We have an outstanding student body which makes working in Byers a great environment.

Online Schools: Valiant Academy, Colorado Digital Academy Elementary and Middle Schools, Colorado Virtual Academy High School and Elevate Academy are all district Authorized Charter schools. At a minimum, the district will receive 3.3% of the revenues generated by the schools. At a minimum the district will receive \$150,000 as an authorizer fee. The additional revenue is necessary in our facilities plan for replacement and upgrading outdated systems. Capacity to oversee and run a total of five (5) multi-district online schools may be time consuming by the upper administration; however, the opportunity to fill funding gaps and provide more opportunities to Byers brick and mortar students outweigh those concerns.

Growth in the area continues to occur. 35 acre lots are the majority of the development. This growth has been consistent now for the past three years. The district has been looking for land to purchase to build a new high school in the next 2-3 years.

Overall: A conservative approach to the new revenue streams and understanding the processes involved will be given priority over the next several years. Facility repairs continue to be a focus of the district's one-time revenues from the online schools. As enrollment increases the district will need to focus on expansion and growth in the near future.

BYERS SCHOOL DISTRICT 32-J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the Byers School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Superintendent of Schools
Byers School District
444 E. Front Street
Byers, Colorado 80103

BASIC FINANCIAL STATEMENTS

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF NET POSITION
June 30, 2018

	Governmental Activities	Total	Component Units Charter Schools
ASSETS			
Cash and Investments	2,505,518	2,505,518	2,128,367
Accounts Receivable	107,574	107,574	346,767
Grants Receivable	57,783	57,783	-
Property Taxes Receivable	63,000	63,000	-
Prepaid Expenses	-	-	499
Inventories	5,639	5,639	-
Capital Assets	12,826,937	12,826,937	-
Accumulated Depreciation	(7,980,096)	(7,980,096)	-
TOTAL ASSETS	7,586,355	7,586,355	2,475,633
DEFERRED OUTFLOW OF RESOURCES			
Pensions	6,871,276	6,871,276	-
Other Post Employment Benefits	38,591	38,591	-
TOTAL DEFERRED OUTFLOW OF RESOURCES	6,909,867	6,909,867	-
LIABILITIES			
Accounts Payable	115,714	115,714	1,543,462
Accrued Salaries	489,841	489,841	-
Accrued Interest	-	-	-
Other Payables	-	-	354,749
Compensated Absences	34,246	34,246	-
Net Pension Liability	20,051,126	20,051,126	-
Net OPEB Liability	457,932	457,932	-
Debt Payable – Current	70,589	70,589	-
Debt Payable – Long Term	701,338	701,338	-
TOTAL LIABILITIES	21,920,786	21,920,786	1,898,211
DEFERRED INFLOW OF RESOURCES			
Pensions	1,317,644	1,317,644	-
Other Post Employment Benefits	7,661	7,661	-
TOTAL DEFERRED INFLOW OF RESOURCES	1,325,305	1,325,305	-
NET POSITION			
Net Investment in Capital Assets	4,074,914	4,074,914	-
Restricted for:			
Tabor Reserve	197,000	197,000	502,128
Multi Year Obligation	208,694	208,694	-
Food Service	124,802	124,802	-
Transportation	112,314	112,314	-
Preschool	10	10	-
Special Education	-	-	50,000
Unrestricted	(13,467,603)	(13,467,603)	25,294
TOTAL NET POSITION	(8,749,869)	(8,749,869)	577,422

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

	Net (Expenses) Revenue and Changes in Net Position					Component Units
	Primary Government					Charter Schools
	Program Revenues		Capital Grants and Contributions	Governmental Activities	Total	
	Expenses	Charges for Services	Operating Grants & Contributions			
FUNCTIONS						
Instructional Services	3,638,082	224,783	2,342,712	(1,070,587)	(1,070,587)	(13,030,148)
Supporting Services:						
Students	307,561	-	-	(307,561)	(307,561)	(1,042,128)
Instructional Staff	79,128	-	-	(79,128)	(79,128)	-
District Administration	718,594	-	-	(718,594)	(718,594)	(633,661)
School Administration	294,384	-	-	(294,384)	(294,384)	(1,252,689)
Business	198,031	-	-	(198,031)	(198,031)	(836,469)
Operation & Maintenance of Facilities	537,753	56,392	-	(481,361)	(481,361)	(343,115)
Transportation	414,323	-	65,292	(349,031)	(349,031)	(578,488)
Central	80,175	-	-	(80,175)	(80,175)	-
Community Services	8,446	-	-	(8,446)	(8,446)	-
Facilities	-	-	-	-	-	-
Food Service	259,443	101,880	171,836	14,273	14,273	-
Capital Outlay	13,554	-	-	(13,554)	(13,554)	-
Interest on Long-Term Debt	7,928	-	-	(7,928)	(7,928)	-
Pension and OPEB Expense	3,577,777	-	-	(3,577,777)	(3,577,777)	-
Total Governmental Activities	10,135,179	383,055	2,579,840	(7,172,284)	(7,172,284)	(17,716,698)
Total School District	10,135,179	383,055	2,579,840	(7,172,284)	(7,172,284)	(17,716,698)
General Revenues						
Property Taxes Levied for General Purposes				1,715,615	1,715,615	-
Specific Ownership Taxes				152,285	152,285	-
Equalization				18,501,386	18,501,386	-
Earnings on Investments				4,325	4,325	-
Other Revenues				154,737	154,737	33,047
Intergovernmental				-	-	17,683,651
Charter Per Pupil Revenue				(16,453,881)	(16,453,881)	-
Total General Revenues				4,074,467	4,074,467	17,716,698
Change in Net Position				(3,097,817)	(3,097,817)	-
Net Position, Beginning (as Restated)				(5,652,052)	(5,652,052)	577,422
Net Position, Ending				(8,749,869)	(8,749,869)	577,422

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

BYERS SCHOOL DISTRICT NUMBER 32J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	General Fund	Designated Purpose Grants	Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and Investments	2,214,337	54,818	-	236,363	2,505,518
Accounts Receivable	107,574	-	-	-	107,574
Accrued Revenue	-	57,783	-	-	57,783
Due From Other Funds	46,809	-	-	113,393	160,202
Property Taxes Receivable	63,000	-	-	-	63,000
Inventories	-	-	-	5,639	5,639
<u>Total Assets</u>	<u>2,431,720</u>	<u>112,601</u>	<u>-</u>	<u>355,395</u>	<u>2,899,716</u>
<u>LIABILITIES:</u>					
Accounts Payable	59,721	55,605	-	568	115,894
Accrued Salaries	461,138	10,914	-	17,789	489,841
Due To Other Funds	<u>112,485</u>	<u>46,082</u>	<u>-</u>	<u>1,635</u>	<u>160,202</u>
<u>Total Liabilities</u>	<u>633,344</u>	<u>112,601</u>	<u>-</u>	<u>19,992</u>	<u>765,937</u>
<u>DEFERRED INFLOW OF RESOURCES</u>					
Deferred Property Tax	<u>23,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,000</u>
<u>FUND BALANCES:</u>					
Nonspendable:					
Inventories	-	-	-	5,639	5,639
Restricted for:					
Emergencies	197,000	-	-	-	197,000
Multi-Year Obligations	208,694	-	-	-	208,694
Preschool	10	-	-	-	10
Food Service	-	-	-	124,802	124,802
Transportation	-	-	-	112,314	112,314
Committed for:					
Capital Outlay	199,539	-	-	-	199,539
Rental Properties	2,736	-	-	-	2,736
Day Care	67,813	-	-	-	67,813
Assigned for:					
Pupil Activities	-	-	-	92,648	92,648
Unassigned	<u>1,099,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,764</u>
<u>Total Fund Balances</u>	<u>1,775,556</u>	<u>-</u>	<u>-</u>	<u>335,403</u>	<u>2,110,959</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>2,431,900</u>	<u>112,601</u>	<u>-</u>	<u>355,395</u>	<u>2,899,896</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	2,110,959
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$12,826,937 and the accumulated depreciation is \$7,980,096.	4,846,841
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	23,000
Compensated absences are not reported as a liability in the funds.	(34,246)
Debt is not recorded as a liability in the funds:	
Bonds Payable	(771,927)
The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(20,051,126)
The District’s portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(457,932)
Deferred flows for contributions made toward the net pension obligation from December 31, 2017 until June 30, 2018 is not reported in the funds.	280,157
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2017 until June 30, 2018 is not reported in the funds.	14,498
Net Deferred Pension Flows – Plan Level	4,668,538
Net Deferred Pension Flows – Employer Level	604,937
Net Deferred OPEB Flows – Plan Level	(5,495)
Net deferred OPEB Flows – Employer Level	<u>21,927</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(8,749,869)</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General Fund	Designated Purpose Grants	Bond Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	1,568,185	-	10,182	152,314	1,730,681
Specific Ownership Taxes	152,285	-	-	-	152,285
Earnings on Investments	3,834	-	440	51	4,325
Other Local Sources	1,074,465	-	-	262,645	1,337,110
State Aid	19,568,013	31,579	-	71,445	19,671,037
Federal Aid	-	444,722	-	165,683	610,405
Allocated Revenue-Charter Schools	(16,453,881)	-	-	-	(16,453,881)
<u>Total Revenues</u>	<u>5,912,901</u>	<u>476,301</u>	<u>10,622</u>	<u>652,138</u>	<u>7,051,962</u>
EXPENDITURES					
Current:					
Instructional Services	2,927,539	476,301	-	155,225	3,559,065
Supporting Services:					
Students	293,077	-	-	-	293,077
Instructional Staff	78,897	-	-	-	78,897
District Administration	718,581	-	-	-	718,581
School Administration	293,590	-	-	-	293,590
Business	241,310	-	-	-	241,310
Operation & Maintenance of Facilities	447,128	-	-	105,292	552,420
Transportation	249,873	-	-	-	249,873
Central	101,598	-	-	-	101,598
Food Service	-	-	-	249,492	249,492
Debt Service:					
Principal Retirement	72,258	-	215,000	-	287,258
Interest and Fiscal Charges	3,953	-	4,739	-	8,692
Capital Outlay	-	-	-	-	-
<u>Total Expenditures</u>	<u>5,427,804</u>	<u>476,301</u>	<u>219,739</u>	<u>510,009</u>	<u>6,633,853</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>485,097</u>	<u>-</u>	<u>(209,117)</u>	<u>142,129</u>	<u>418,109</u>
OTHER FINANCING SOURCES (USES)					
Transfers	12,189	-	(12,189)	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>12,189</u>	<u>-</u>	<u>(12,189)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	497,286	-	(221,306)	142,129	418,109
FUND BALANCES – Beginning	<u>1,278,270</u>	<u>-</u>	<u>221,306</u>	<u>193,274</u>	<u>1,692,850</u>
FUND BALANCES – Ending	<u>1,775,556</u>	<u>-</u>	<u>-</u>	<u>335,403</u>	<u>2,110,959</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the 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 418,109

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

Capital Outlays More Than \$5,000	197,943	
Depreciation Expense	<u>(406,970)</u>	(209,027)

Property tax revenues received prior to the year for which they are being levied or are not "available" at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues changed this year.

(14,600)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount.

(2,544)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums and deferred refunding amounts are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Principal Payment	287,258	
Accrued Interest	663	
Deferred Refunding Amount	(388)	
Bond Premium	489	

The statement of activities reports net pension and OPEB obligations which is not reported in the fund financial statements.

Change in Net Pension Obligation	(2,586,761)	
Change in Net OPEB Obligation	(27,316)	
Deferred Flows from Net Pension Obligation	(953,897)	
Deferred Flows from Net OPEB Obligation	<u>(9,803)</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (3,097,817)

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF FIDUCIARY NET POSITION
ENDOWMENT FIDUCIARY FUND
June 30, 2018

	<u>Endowment Fund</u>
<u>ASSETS</u>	
Cash and Investments	<u>2,080</u>
<u>Total Assets</u>	<u>2,080</u>
<u>LIABILITIES</u>	
Other	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>
<u>NET POSITION</u>	
Restricted	<u>2,080</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2018

	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Earnings on Investments	-
Donations	<u>-</u>
<u>Total Additions</u>	<u>-</u>
<u>DEDUCTIONS</u>	
Other Expense	<u>20</u>
<u>NET INCREASE (DECREASE)</u>	(20)
<u>NET POSITION – Beginning of Year</u>	<u>2,100</u>
<u>NET POSITION – End of Year</u>	<u>2,080</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Byers School District Number 32J (the District) conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District operates under an elected Board of Education with seven members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Byers School District Number 32J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

Discretely Presented Component Unit – Charter School

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-10" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter Schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Byers School District's Board of Education must approve all Charter School applications and budgets. The District currently has five charter schools in operation, Elevate Academy, Inc., New Elementary School, Inc., New Middle School, Inc., New High School, Inc., and Valiant Academy which are reported as a network of schools within Foundation Learning Colorado, Inc.. The Charter Schools are a discretely presented component unit because of the significance of their financial relationship with the District. The Charter Schools have an affiliated finance corporation that was formed to support and assist the Charter Schools in the leasing of its facilities separately from the District.

The Charter Schools have issued separate financial statements for the fiscal year ended June 30, 2018. Complete financial statements may be obtained at the school's administrative offices: 1526 Cole Boulevard, Suite 200 Lakewood, CO 80401.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Designated Purpose Grants and Bond Redemption Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

- Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Designated Purpose Grants – Special Revenue Fund – used to account for restricted state and federal grants including, but not limited to, Every Student Succeeds Act programs which must be expended as designated by the grantor.
3. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Additionally, the District reports on the following fund type:

The Endowment Fund – this fund is used to account for donations to the District that are to be used for specific purposes. These funds are held in a fiduciary capacity by the District.

E. Cash and Investments

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

Property taxes levied in 2017 but uncollected in 2018 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2018 are recorded as deferred inflow of resources. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G. Inventories

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

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

H. Capital Assets

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

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

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

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long-Term Obligations (Continued)

Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J. Constitutional Amendment

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

In November 4, 1997 the registered voters approved a ballot resolution authorizing Byers School District Number 32J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2018 the District reserved \$197,000 for this purpose.

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

K. Property Taxes

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

Levy Date	December 15, 2017
Lien Date	January 1, 2018
Tax Bills Mailed	January 1, 2018
First Installment Due	February 28, 2018
Second Installment Due	June 15, 2018
If Paid in Full, Due	April 30, 2018
Tax Sale – 2016 Delinquent Property Taxes	October 25, 2017

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave and vacation leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2018, the District has recorded an estimated liability of \$34,246 related to accrued sick and vacation leave payable for governmental activities.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Accumulated Leave	<u>31,702</u>	<u>2,544</u>	<u>-</u>	<u>34,246</u>

M. Use of Estimates

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

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Transportation Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	5,639	-	5,639
<u>Restricted:</u>						
Emergencies	197,000	-	-	-	-	197,000
Multi Year Obligations	208,694	-	-	-	-	208,694
Preschool	10	-	-	-	-	10
Food Service	-	-	-	124,802	-	124,802
Transportation	-	-	-	-	112,314	112,314
<u>Committed:</u>						
Capital Outlay	199,539	-	-	-	-	199,539
Rental Properties	2,736	-	-	-	-	2,736
Day Care	67,813	-	-	-	-	67,813
<u>Assigned:</u>						
Pupil Activities	-	-	92,648	-	-	92,648
<u>Unassigned</u>	<u>1,099,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,099,764</u>
<u>Total Fund Balances</u>	<u>1,775,556</u>	<u>-</u>	<u>92,648</u>	<u>130,441</u>	<u>112,314</u>	<u>2,110,959</u>

O. Deferred Outflows / Inflows of Resources

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. Deferred Outflows / Inflows of Resources (Continued)

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	<u>Items Eliminated</u>	
	<u>Due From Other Fund</u>	<u>Due To Other Funds</u>
General Fund	46,809	112,485
Bond	-	-
Pupil Activity	908	1,635
Designated Purpose Grants	-	46,082
Transportation	112,314	-
Food Service	<u>171</u>	<u>-</u>
	<u>160,202</u>	<u>160,202</u>

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 BUDGETARY INFORMATION

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,184,277	2,414,760
Cash with County Treasurer	33,361	-
Cash with ColoTrust	<u>39,960</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>2,507,598</u>	<u>2,664,760</u>

As presented above, deposits with a bank balance of \$2,414,760 and a carrying balance of \$2,184,277 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	<u>173,215</u>	<u>-</u>	<u>-</u>	<u>173,215</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	<u>10,247,989</u>	<u>137,591</u>	<u>-</u>	<u>10,385,580</u>
Equipment & Vehicles	<u>2,229,110</u>	<u>60,352</u>	<u>21,320</u>	<u>2,268,142</u>
<u>Total Capital Assets Being Depreciated</u>	<u>12,477,099</u>	<u>197,943</u>	<u>21,320</u>	<u>12,653,722</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	<u>5,683,507</u>	<u>299,659</u>	<u>-</u>	<u>5,983,166</u>
Equipment & Vehicles	<u>1,910,939</u>	<u>107,311</u>	<u>21,320</u>	<u>1,996,930</u>
<u>Total Accumulated Depreciation</u>	<u>7,594,446</u>	<u>406,970</u>	<u>21,320</u>	<u>7,980,096</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>4,882,653</u>	<u>(209,027)</u>	<u>-</u>	<u>4,673,626</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>5,055,868</u>	<u>(209,027)</u>	<u>-</u>	<u>4,846,841</u>

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

<u>Governmental Activities:</u>	
Regular Programs	234,416
Student Support	14,484
Instructional Support	231
General Administration Support	13
School Administration Support	794
Business Services Support	23,189
Operations & Maintenance	24,157
Student Transportation Services	91,147
Central Support	142
Community Services	8,446
Food Services	<u>9,951</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>406,970</u>

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6

PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Byers School District Number 32J 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 Byers School District Number 32J are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investment/pera-financial-reports.

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 **PENSION PLAN (Continued)**

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

Contribution provisions as of June 30, 2018. Eligible employees and Byers School District Number 32J are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Byers School District Number 32J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Byers School District Number 32J were \$548,301 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 Byers School District Number 32J reported a liability of \$20,051,126 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 Byers School District Number 32J proportion of the net pension liability was based on Byers School District Number 32J 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 Byers School District Number 32J proportion was 0.062 percent, which was an increase of 0.0034 percent from its proportion measured as of December 31, 2016.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 PENSION PLAN (Continued)

For the year ended June 30, 2018, the Byers School District Number 32J recognized pension expense of \$3,540,658. At June 30, 2018, the Byers School District Number 32J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	368,656	-
Changes of assumptions or other inputs	5,119,797	(32,489)
Net difference between projected and actual earnings on pension plan investments	397,504	(1,184,930)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	705,162	(100,225)
Contributions subsequent to the measurement date	280,157	N/A
Total	6,871,276	(1,317,644)

\$280,157 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	3,374,612
2020	2,058,677
2021	136,420
2022	(296,234)
2023	-
Thereafter	-

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 **PENSION PLAN (Continued)**

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 PENSION PLAN (Continued)

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the Byers School District Number 32J 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 (6.78 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	25,327,982	20,051,126	15,751,090

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.

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.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 **PENSION PLAN (Continued)**

At June 30 2018, the Byers School District Number 32J reported a liability of \$20,051,126 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 Byers School District Number 32J'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%	9,058,925

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 \$9,359,991 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Byers School District Number 32J that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2018, program members contributed \$28,262.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit And Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Byers School District Number 32J participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the Byers School District Number 32J 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.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Byers School District Number 32J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Byers School District Number 32J were \$29,619 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 Byers School District Number 32J reported a liability of \$457,932 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 Byers School District Number 32J proportion of the net OPEB liability was based on Byers School District Number 32J 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 Byers School District Number 32J proportion was 0.0352 percent, which was an increase of 0.002 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Byers School District Number 32J recognized OPEB expense of \$37,119. At June 30, 2018, the Byers School District Number 32J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	2,166	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(7,661)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	21,927	-
Contributions subsequent to the measurement date	14,938	N/A
Total	39,031	(7,661)

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

\$14,938 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	2,818
2020	2,818
2021	2,818
2022	2,819
2023	4,734
Thereafter	425

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

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

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

Sensitivity of the Byers School District Number 32J 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	445,332	457,932	473,107

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.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Byers School District Number 32J 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	514,859	457,932	409,343

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.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB.

The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 10 LITIGATION

None.

NOTE 11 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

NOTE 12 JOINT VENTURES

East Central Board of Cooperative Educational Services

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

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable from current information, but is estimated to be less than 2% at June 30, 2018. The joint venture summary audited financial information as of June 30, 2017, the latest date available is as follows:

East Central Board of Cooperative Educational Services

Assets	2,759,621
Deferred Outflow of Resources	<u>6,370,494</u>
Total Assets and Deferred Outflow of Resources	<u>9,130,115</u>
Liabilities	17,087,255
Deferred Inflow of Resources	423,405
Net Position (Deficit)	<u>(8,380,545)</u>
Total Liabilities, Deferred Outflow of Resources and Net Position	<u>9,130,115</u>
Revenues	8,591,775
Expenditures	<u>10,871,227</u>
Change in Net Position	<u>(2,279,452)</u>
Net Position (Deficit) at the Beginning of the Year	<u>(6,101,093)</u>
Net Position (Deficit) at the End of the Year	<u>(8,380,545)</u>

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

The BOCES is audited annually and files an audit report with the Office of the Colorado State Auditor.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 12 JOINT VENTURES (Continued)

Prairie Creek Charter School

Not reflected in the accompanying financial statements is the District's participation in the Prairie Creek Charter School. The mission of the Prairie Creek Charter School "is to provide a second chance alternative high school program to grades 9-12 expelled students, high at-risk students or students counseled because they could not get along in their regular school program".

The District does not have a member on the Board and does not assume any liability incurred by the Charter School beyond the funds allocated to it by the District under the current contract. The District's share of the joint venture is not determinable at June 30, 2018. Audited financial information of the joint venture as of June 30, 2017 the latest date available is as follows:

Assets	<u>113,896</u>
Liabilities	<u>16,498</u>
Net Position	<u>97,398</u>
	<u>113,896</u>
Revenues	212,809
Expenditures	<u>190,926</u>
Excess (Deficiency)	<u>21,883</u>

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

The District paid \$57,366 to the Prairie Creek Charter School for the fiscal year ended June 30, 2018.

NOTE 13 INVENTORIES

Food service fund inventories as of June 30, 2018, consisted of purchased food, non-food and donated commodities amounting to \$2,741, \$998, and \$1,900, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 14 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, at June 30, 2018, are estimated to be \$489,841. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General, Special Revenue and Enterprise Funds.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 15 LONG TERM DEBT

Changes in Long-term debt:

Following is a summary of long-term debt transactions during the fiscal year 2018.

	Balance <u>7-1-2017</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>6-30-2018</u>	Current <u>Portion</u>
QZAB Loan	844,185	-	72,258	771,927	70,589
2005 Refunding Bonds	215,000	-	215,000	-	-
Deferred Refunding	<u>(388)</u>	<u>-</u>	<u>(388)</u>	<u>-</u>	<u>-</u>
<u>Total</u>	<u>1,058,797</u>	<u>-</u>	<u>286,870</u>	<u>771,927</u>	<u>70,589</u>

General Obligation Refunding Series 2005

On May 24, 2005, the District issued \$2,155,000 in General Obligation Refunding Bonds with an average interest rate of 4.28% to advance refund \$2,135,000 of outstanding 1999 General Obligation Bonds bearing interest rates ranging from 3.95% to 4.85%. Refunding proceeds of \$2,208,330 were deposited with an escrow agent to provide debt service payments of \$2,135,000 in principal and \$539,953 in interest on the 1995 Series Bonds. As a result, that portion of 1999 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements.

Defeased debt of \$2,135,000 was called and paid on December 1, 2008. There is no remaining defeased debt.

As a result of the difference between the reacquisition price and the carrying amount of the old debt (including unamortized issue costs), a deferred refunding was recorded in the amount of \$73,330. It will be amortized against interest costs of the refunding issue

The 2005 Refunding Bonds were paid in full during the year ended 6-30-18.

QZAB BONDS

During the year ended June 30, 2012, the District issued \$1,200,000 in Qualified Zone Academy Bonds (QZABs). These bonds were created by Section 226 (a) of the Taxpayer Relief Act of 1997. The act allowed the issuance of debt by public schools within empowerment enterprise zones to be interest free. There must be an education program designed in cooperation with the businesses and receive a private business contribution that is not less than 10% of the net present value of the bond proceeds. Payments are made annually to advance fund the required payments in June 2029 of \$1,200,000. The original agreement allowed for debt payments to be interest free, however, in 2014, the federal subsidy payments were reduced by an annual sequestration rate which required the District to assist with the interest payments. That rate for 2017-18 is 6.7% which required the District to pay an additional amount of \$3,952 into the sinking fund to be applied toward the interest portion of the debt. The Districts current portion of the interest will be at a rate of 0.33%.

BYERS SCHOOL DISTRICT NUMBER 32J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 14 LONG TERM DEBT (Continued)

QZAB BONDS (Continued)

Below is a payment schedule by fiscal year.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	70,589	3,952	74,541
2020	70,589	3,952	74,541
2021	70,589	3,952	74,541
2022	70,589	3,952	74,541
2023	70,589	3,952	74,541
2024	70,589	3,952	74,541
2025	70,589	3,952	74,541
2026	70,589	3,952	74,541
2027	70,589	3,952	74,541
2028	70,589	3,952	74,541
2029	<u>66,037</u>	<u>3,952</u>	<u>69,989</u>
	<u>771,927</u>	<u>43,472</u>	<u>815,399</u>

NOTE 16 INTERFUND BALANCES AND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due From</u>	<u>Due To</u>
General Fund	12,189	-	46,809	112,485
Bond	-	12,189	-	-
Pupil Activity	-	-	908	1,635
Designated Purpose Grants	-	-	-	46,082
Food Service	-	-	171	-
Transportation	-	-	<u>112,314</u>	-
	<u>12,189</u>	<u>12,189</u>	<u>160,202</u>	<u>160,202</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations. Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be repaid within the year.

NOTE 17 COMPLIANCE WITH BUDGET LAWS

The following condition was noted and may be a violation of Colorado law:

Expenditures in the Transportation Fund exceeded budgeted amounts by \$105,292.

NOTE 18 RESTATEMENT OF BEGINNING NET POSITION

The net position of the governmental activities has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$(5,262,169) has been changed by the net OPEB liability at June 30, 2017 of \$(430,616) and related deferred flows of \$40,733, resulting in a restated beginning net position of \$(5,652,052).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS

General Fund

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

Designated Purpose Grant Fund

This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

Pension Trend Data

Other Post Employment Benefits

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	1,517,352	1,717,018	1,568,185	(148,833)
Specific Ownership Taxes	99,428	105,446	152,285	46,839
Earnings on Investments	1,070	1,100	3,834	2,734
Delinquent Taxes & Interest	-	-	1,774	1,774
Other	984,626	1,094,297	1,072,691	(21,606)
<u>State Sources</u>				
Equalization	19,928,886	18,491,898	18,501,386	9,488
Transportation	65,000	65,000	-	(65,000)
Vocational Education	30,000	30,000	25,128	(4,872)
Special Education	64,920	64,920	111,166	46,246
Other	1,011,013	912,488	930,333	17,845
<u>Federal Sources</u>				
Other	-	-	-	-
<u>Allocation to Charter Schools</u>	<u>(16,934,120)</u>	<u>(16,490,506)</u>	<u>(16,453,881)</u>	<u>36,625</u>
<u>TOTAL REVENUES</u>	<u>6,768,175</u>	<u>5,991,661</u>	<u>5,912,901</u>	<u>(78,760)</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,888,845	1,911,773	1,913,243	(1,470)
Employee Benefits	678,621	674,072	663,643	10,429
Purchased Services - Professional	23,850	11,650	8,931	2,719
Purchased Services - Property	1,450	1,450	2,237	(787)
Purchased Services - Other	212,550	230,870	220,049	10,821
Supplies and Materials	135,479	148,170	105,125	43,045
Property	13,075	13,075	5,794	7,281
Other Objects	65,866	69,103	8,517	60,586
<u>Total Instruction</u>	<u>3,019,736</u>	<u>3,060,163</u>	<u>2,927,539</u>	<u>132,624</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
<u>SUPPORTING SERVICES</u>	<u>Original</u>	<u>Final</u>		
<u>Student Supporting Services</u>				
Salaries	154,749	169,249	177,139	(7,890)
Employee Benefits	40,706	43,983	44,173	(190)
Purchased Services – Professional	121,678	130,243	457	129,786
Purchased Services – Property	-	-	-	-
Purchased Services – Other	200	200	67,933	(67,733)
Supplies and Materials	2,100	2,100	2,798	(698)
Property	900	900	477	423
Other Objects	400	400	100	300
<u>Total Student Services</u>	<u>320,733</u>	<u>347,075</u>	<u>293,077</u>	<u>53,998</u>
<u>Instructional Staff</u>				
Salaries	25,357	25,357	25,953	(596)
Employee Benefits	12,937	12,937	11,131	1,806
Purchased Services – Professional	25,020	27,020	23,433	3,587
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	4,550	4,550	5,080	(530)
Property	13,300	13,300	13,300	-
Other Objects	50	50	-	50
<u>Total Instructional Staff</u>	<u>81,214</u>	<u>83,214</u>	<u>78,897</u>	<u>4,317</u>
<u>General Administration</u>				
Salaries	124,270	124,270	131,754	(7,484)
Employee Benefits	46,361	46,361	49,320	(2,959)
Purchased Services – Professional	51,800	51,800	53,660	(1,860)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	119,700	119,700	129,645	(9,945)
Supplies and Materials	24,200	414,200	346,361	67,839
Property	195,500	500	198	302
Other Objects	7,300	7,300	7,643	(343)
<u>Total General Administration</u>	<u>569,131</u>	<u>764,131</u>	<u>718,581</u>	<u>45,550</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	200,341	200,341	206,893	(6,552)
Employee Benefits	78,472	78,472	73,610	4,862
Purchased Services – Professional	3,400	3,400	1,161	2,239
Purchased Services – Property	300	300	-	300
Purchased Services – Other	900	900	-	900
Supplies and Materials	8,400	8,400	8,798	(398)
Property	1,350	1,350	954	396
Other Objects	3,500	3,500	2,174	1,326
<u>Total School Administration</u>	<u>296,663</u>	<u>296,663</u>	<u>293,590</u>	<u>3,073</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable)</u>
<u>Business Services</u>				
Salaries	98,569	98,569	99,322	(753)
Employee Benefits	29,869	29,869	27,575	2,294
Purchased Services – Professional	9,500	9,500	7,910	1,590
Purchased Services – Property	-	-	-	-
Purchased Services – Other	9,300	9,300	21,487	(12,187)
Supplies and Materials	2,500	2,500	2,205	295
Property	15,300	15,300	16,134	(834)
Other Objects	250	250	209	41
<u>Total Business Services</u>	<u>165,288</u>	<u>165,288</u>	<u>174,842</u>	<u>(9,554)</u>
<u>Operations and Maintenance</u>				
Salaries	170,000	175,100	188,698	(13,598)
Employee Benefits	67,597	67,597	60,380	7,217
Purchased Services – Professional	2,000	2,000	1,774	226
Purchased Services – Property	94,000	102,000	127,484	(25,484)
Purchased Services – Other	11,000	11,000	5,646	5,354
Supplies and Materials	134,000	134,000	127,573	6,427
Property	4,000	4,000	1,953	2,047
Other Objects	10,996	11,192	88	11,104
<u>Total Operations and Maintenance</u>	<u>493,593</u>	<u>506,889</u>	<u>513,596</u>	<u>(6,707)</u>
<u>Student Transportation</u>				
Salaries	128,393	151,393	145,270	6,123
Benefits	41,694	59,078	56,343	2,735
Purchased Services – Professional	2,000	2,000	2,231	(231)
Purchased Services – Property	40,000	40,000	-	40,000
Purchased Services – Other	1,050	1,050	1,394	(344)
Supplies and Materials	47,500	47,500	10,652	36,848
Property	-	-	-	-
Other Objects	1,200	1,200	1,994	(794)
<u>Total Student Transportation</u>	<u>261,837</u>	<u>302,221</u>	<u>217,884</u>	<u>84,337</u>
<u>Central Support</u>				
Salaries	34,494	34,494	34,494	-
Employee Benefits	7,796	7,796	7,188	608
Purchased Services – Professional	10,000	10,000	5,562	4,438
Purchased Services – Property	7,500	7,500	7,277	223
Purchased Services – Other	1,000	1,000	-	1,000
Supplies and Materials	500	500	16,545	(16,045)
Property	91,000	91,000	40,956	50,044
Other Objects	500	500	-	500
<u>Total Central Support</u>	<u>152,790</u>	<u>152,790</u>	<u>112,022</u>	<u>40,768</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Facilities</u>				
Property	160,000	160,000	21,565	138,435
Other Objects	-	-	-	-
<u>Total Facilities</u>	<u>160,000</u>	<u>160,000</u>	<u>21,565</u>	<u>138,435</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,501,249</u>	<u>2,778,271</u>	<u>2,424,054</u>	<u>354,217</u>
<u>Debt Service</u>				
Principal Retirement	75,684	75,684	72,258	3,426
Interest and Fiscal Charges	-	-	3,953	(3,953)
<u>Total Debt Service</u>	<u>75,684</u>	<u>75,684</u>	<u>76,211</u>	<u>(527)</u>
<u>Appropriated Reserves</u>	<u>1,448,155</u>	<u>1,347,813</u>	-	<u>1,347,813</u>
<u>TOTAL EXPENDITURES</u>	<u>7,044,824</u>	<u>7,261,931</u>	<u>5,427,804</u>	<u>1,834,127</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(276,649)</u>	<u>(1,270,270)</u>	<u>485,097</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(8,000)	(8,000)	12,189	20,189
Proceeds From Lease	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>12,189</u>	<u>20,189</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(284,649)</u>	<u>(1,278,270)</u>	<u>497,286</u>	
<u>FUND BALANCE, July 1</u>	<u>1,109,271</u>	<u>1,278,270</u>	<u>1,278,270</u>	
<u>FUND BALANCE, June 30</u>	<u>824,622</u>	<u>-</u>	<u>1,775,556</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
DESIGNATED PURPOSE GRANTS – NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local Sources	-	-	-	-
State Sources	25,000	34,344	31,579	(2,765)
Federal Sources	435,316	444,465	444,722	257
<u>Total Revenues</u>	<u>460,316</u>	<u>478,809</u>	<u>476,301</u>	<u>(2,508)</u>
<u>Expenditures</u>				
Salaries	86,395	86,395	85,226	1,169
Employee Benefits	19,866	19,866	18,222	1,644
Purchased Services - Professional	-	-	8,128	(8,128)
Purchased Services - Property	-	-	-	-
Purchased Services – Other	327,665	346,158	334,989	11,169
Supplies and Materials	18,192	18,192	21,538	(3,346)
Property	-	-	-	-
Other Objects	8,198	8,198	8,198	-
<u>Total Expenditures</u>	<u>460,316</u>	<u>478,809</u>	<u>476,301</u>	<u>2,508</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	-	
<u>FUND BALANCE, July 1</u>	-	-	-	
<u>FUND BALANCE, June 30</u>	-	-	-	

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

BYERS SCHOOL DISTRICT NUMBER 32J
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	0.0620%	0.0586%	0.0599%	0.0607%	0.0591%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$20,051,126	\$17,464,365	\$9,162,041	\$8,229,174	\$7,543,600	-	-	-	-	-
District's covered-employee payroll	\$2,903,805	\$2,804,717	\$2,661,386	\$2,592,928	\$2,434,209	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	691%	623%	344%	317%	310%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.20%	62.80%	64.06%	-	-	-	-	-

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

BYERS SCHOOL DISTRICT NUMBER 32J
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 548,301	\$ 515,602	\$ 471,903	\$ 437,581	\$ 388,784	\$ 354,852	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (548,301)</u>	<u>\$ (515,602)</u>	<u>\$ (471,903)</u>	<u>\$ (437,581)</u>	<u>\$ (388,784)</u>	<u>\$ (354,852)</u>	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-
District's covered-employee payroll	\$2,903,805	\$2,804,717	\$2,661,386	\$2,592,928	\$2,434,209	\$2,352,094	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.88%	18.38%	17.73%	16.88%	15.97%	15.09%	-	-	-	-

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

BYERS SCHOOL DISTRICT NUMBER 32J
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.0352%	0.0332%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$457,932	\$430,616	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$2,903,805	\$2,804,717	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	15.77%	15.35%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%	-	-	-	-	-	-	-	-

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

BYERS SCHOOL DISTRICT NUMBER 32J
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 29,619	\$ 28,608	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (29,619)</u>	<u>\$ (28,608)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$2,903,805	\$2,804,717	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Pupil Activity Fund – This fund accounts for financial transactions of all schools in the District through individual school activity accounts.

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

Transportation Fund – This fund accounts for the tax proceeds from a transportation mill levy override. State Transportation Funds are also recorded here. The costs associated with student transportation are recorded in this fund.

Debt Service Fund

Major Bond Redemption Debt Service Fund – Use to account for accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

FIDUCIARY FUND TYPES

Endowment Fund

This fund accounts for revenues and expenditures associated with various special projects not reported in other funds. Revenues are provided through alumni donations and fund raisers.

BYERS SCHOOL DISTRICT NUMBER 32J
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2018

	Pupil Activity	Food Service	Transportation	Total Nonmajor Governmental Funds
<u>ASSETS</u>				
Cash and Investments	93,375	142,988	-	236,363
Accounts Receivable	-	-	-	-
Accrued Revenue	-	-	-	-
Due From Other Funds	908	171	112,314	113,393
Property Taxes Receivable	-	-	-	-
Inventories	-	5,639	-	5,639
<u>Total Assets</u>	<u>94,283</u>	<u>148,798</u>	<u>112,314</u>	<u>355,395</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	-	568	-	568
Accrued Salaries	-	17,789	-	17,789
Due To Other Funds	<u>1,635</u>	<u>-</u>	<u>-</u>	<u>1,635</u>
<u>Total Liabilities</u>	<u>1,635</u>	<u>18,357</u>	<u>-</u>	<u>19,992</u>
<u>Fund Balances:</u>				
Nonspendable:				
Inventory	-	5,639	-	5,639
Restricted:				
Food Service	-	124,802	-	124,802
Transportation	-	-	112,314	112,314
Assigned:	<u>92,648</u>	<u>-</u>	<u>-</u>	<u>92,648</u>
<u>Total Fund Balances</u>	<u>92,648</u>	<u>130,441</u>	<u>112,314</u>	<u>335,403</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>94,283</u>	<u>148,798</u>	<u>112,314</u>	<u>355,395</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2018

	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Transportation</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	-	-	152,314	152,314
Specific Ownership Taxes	-	-	-	-
Earnings on Investments	-	51	-	51
Other Local Sources	160,765	101,880	-	262,645
State Aid	-	6,153	65,292	71,445
Federal Aid	-	165,683	-	165,683
<u>Total Revenues</u>	<u>160,765</u>	<u>273,767</u>	<u>217,606</u>	<u>652,138</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	155,225	-	-	155,225
Supporting Services:				
Students	-	-	-	-
Instructional Staff	-	-	-	-
District Administration	-	-	-	-
School Administration	-	-	-	-
Business	-	-	-	-
Operation and Maintenance of Facilities	-	-	-	-
Transportation	-	-	105,292	105,292
Central	-	-	-	-
Food Service	-	249,492	-	249,492
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>155,225</u>	<u>249,492</u>	<u>105,292</u>	<u>510,009</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>5,540</u>	<u>24,275</u>	<u>112,314</u>	<u>142,129</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>5,540</u>	<u>24,275</u>	<u>112,314</u>	<u>142,129</u>
<u>FUND BALANCES – Beginning</u>	<u>87,108</u>	<u>106,166</u>	<u>-</u>	<u>193,274</u>
<u>FUND BALANCES – Ending</u>	<u>92,648</u>	<u>130,441</u>	<u>112,314</u>	<u>335,403</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J
PUPIL ACTIVITY FUND – NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Local Sources	218,500	160,765	(57,735)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Revenues</u>	<u>218,500</u>	<u>160,765</u>	<u>(57,735)</u>
<u>Expenditures</u>			
Student Activities	305,608	155,225	150,383
<u>Total Expenditures</u>	<u>305,608</u>	<u>155,225</u>	<u>150,383</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(87,108)</u>	<u>5,540</u>	
<u>Other Financing Sources (Uses):</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(87,108)</u>	<u>5,540</u>	
<u>FUND BALANCE, July 1</u>	<u>87,108</u>	<u>87,108</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>92,648</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
FOOD SERVICES – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	83,300	99,668	16,368
Earnings on Investments	50	51	1
Other	2,200	2,212	12
<u>State Sources</u>			
School Lunches	4,300	6,153	1,853
<u>Federal Sources</u>			
School Lunches	141,150	148,939	7,789
Commodities	<u>11,000</u>	<u>16,744</u>	<u>5,744</u>
<u>Total Revenues</u>	<u>242,000</u>	<u>273,767</u>	<u>31,767</u>
<u>EXPENDITURES</u>			
Salaries	86,639	97,943	(11,304)
Employee Benefits	31,202	25,396	5,806
Purchased Services – Professional	1,500	1,391	109
Purchased Services – Property	3,000	614	2,386
Purchased Services - Other	-	1,405	(1,405)
Supplies and Materials	151,650	99,271	52,379
Capital Outlay	14,000	3,687	10,313
Other	68,174	1,400	66,774
Commodities	<u>-</u>	<u>18,385</u>	<u>(18,385)</u>
<u>Total Expenditures</u>	<u>356,165</u>	<u>249,492</u>	<u>106,673</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(114,165)	24,275	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(106,165)	24,275	
<u>FUND BALANCE, Beginning</u>	<u>106,165</u>	<u>106,166</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>130,441</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
TRANSPORTATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Local Sources	-	152,314	152,314
State Sources	-	65,292	65,292
Federal Sources	-	-	-
<u>Total Revenues</u>	-	<u>217,606</u>	<u>217,606</u>
<u>Expenditures</u>			
Transportation	-	105,292	(105,292)
<u>Total Expenditures</u>	-	<u>105,292</u>	<u>(105,292)</u>
<u>Revenues Over (Under) Expenditures</u>	-	<u>112,314</u>	
<u>Other Financing Sources (Uses):</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
<u>NET CHANGE IN FUND BALANCES</u>	-	112,314	
<u>FUND BALANCE, July 1</u>	-	-	
<u>FUND BALANCE, June 30</u>	-	<u>112,314</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
MAJOR BOND REDEMPTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Property Taxes	20,000	20,000	10,182	(9,818)
Earnings on Investments	20	20	440	420
Other	-	-	-	-
<u>Total Revenues</u>	<u>20,020</u>	<u>20,020</u>	<u>10,622</u>	<u>(9,398)</u>
<u>Expenditures</u>				
Debt Service:				
Principal Retirement	215,000	215,000	215,000	-
Interest and Fiscal Charges	4,628	4,628	4,739	(111)
Other	-	-	-	-
Contingency	<u>21,698</u>	<u>21,698</u>	<u>-</u>	<u>21,698</u>
<u>Total Expenditures</u>	<u>241,326</u>	<u>241,326</u>	<u>219,739</u>	<u>21,587</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(221,306)</u>	<u>(221,306)</u>	<u>(209,117)</u>	
<u>Other Financing Sources (Uses)</u>				
Proceeds from Debt	-	-	-	-
Transfers	-	-	(12,189)	(12,189)
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(12,189)</u>	<u>(12,189)</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(221,306)</u>	<u>(221,306)</u>	<u>(221,306)</u>	
<u>FUND BALANCE, July 1</u>	<u>221,306</u>	<u>221,306</u>	<u>221,306</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>-</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J
 ENDOWMENT – FIDUCIARY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION – BUDGET AND ACTUAL
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>ADDITIONS</u>			
Earnings on Investments	-	-	-
Other Local Sources	<u>1,000</u>	<u>-</u>	(1,000)
<u>Total Additions</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<u>DEDUCTIONS</u>			
Other Expenditures	1,000	20	980
Contingency	<u>2,100</u>	<u>-</u>	<u>2,100</u>
<u>Total Deductions</u>	<u>3,100</u>	<u>20</u>	<u>3,080</u>
Net Increase (Decrease) In Deposits Held for Others	(2,100)	(20)	
NET POSITION – Beginning of Year	<u>2,100</u>	<u>2,100</u>	
NET POSITION – End of Year	<u>-</u>	<u>2,080</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet

Colorado Department of Education
Auditors Integrity Report
 District: 0190 - BYERS 32J
 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	5700-5799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	1,278,271	5,880,539	5,383,264	1,775,546
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	1	44,551	44,541	10
Sub-Total	1,278,271	5,925,090	5,427,805	1,775,556
11 Charter School Fund	577,422	17,716,697	17,716,697	577,422
2035-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	106,166	273,767	249,492	130,441
22 Govt Designated-Purpose Grants Fund	0	476,301	476,301	0
23 Pupil Activity Special Revenue Fund	87,107	160,765	155,225	92,648
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	217,606	105,292	112,314
31 Bond Redemption Fund	221,306	-1,566	219,740	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,278,273	18,760,659	18,500,157	2,488,341
Proprietary				
50 Other Enterprise Fund:	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	2,100	0	20	2,080
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34-Permanent Fund	0	0	0	0
95 Foundations	0	0	0	0
Totals	2,100	0	20	2,080
FINAL				2,490,421



Colorado Department of Education
Bolded Balance Sheet Report
District: 0190 - BYERS 32J
Fiscal Year 2017-18
Colorado School District/BOCES

Page: 1

ASSETS	Governmental						Proprietary					Fiduciary		Totals	
	General Funds 10/12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50-52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Cash and Investments (8100-8104,8111)	2,175,289	2,128,367	5,688	148,193	0	142,987	0	0	0	0	0	0	2,080	0	4,602,604
Cash with Fiscal Agent (8105)	33,361	0	0	0	0	0	0	0	0	0	0	0	0	0	33,361
Taxes Receivable (8121,8122)	63,000	0	0	0	0	0	0	0	0	0	0	0	0	0	63,000
Interfund Loans Receivable (8131,8132)	52,486	0	0	113,222	0	171	0	0	0	0	0	0	0	0	165,879
Grants Accounts Receivable (8142)	0	346,767	0	57,782	0	0	0	0	0	0	0	0	0	0	404,550
Other Receivables (8151-8154,8161)	107,575	0	0	0	0	0	0	0	0	0	0	0	0	0	107,575
Inventories (8171,8172,8173)	0	0	0	0	0	5,639	0	0	0	0	0	0	0	0	5,639
Prepaid Expenses 8181,8182)	0	499	0	0	0	0	0	0	0	0	0	0	0	0	499
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,431,710	2,475,633	5,688	319,196	0	148,797	0	0	0	0	0	0	2,080	0	5,383,106

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	5,639	0	0	0	0	0	0	0	0	5,639
Restricted Fund Balance 6720	0	50,000	10	0	0	124,802	0	0	0	0	0	0	0	0	174,812
TABOR 3% Emergency Reserve 6721	197,000	502,128	0	0	0	0	0	0	0	0	0	0	0	0	699,128
TABOR Multi-Year 6722	208,694	0	0	0	0	0	0	0	0	0	0	0	0	0	208,694
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	270,088	0	0	112,314	0	0	0	0	0	0	0	0	0	0	382,402
Assigned Fund Balance 6760	1,099,764	0	0	92,648	0	0	0	0	0	0	0	0	0	0	1,192,412
Unassigned Fund Balance 6770	0	25,294	0	0	0	0	0	0	0	0	0	0	2,080	0	27,374
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,775,546	577,422	10	204,962	0	130,441	0	0	0	0	0	0	2,080	0	2,590,461

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	2,431,710	2,475,633	5,688	319,198	0	148,797	0	0	0	0	0	0	2,080	0	5,383,106

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
For Each Fund Type:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do Assets=Liability+Fund Equity															