

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado

Financial Statements

For the Year Ended June 30, 2018

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Table of Contents
June 30, 2018

	<u>Page</u>
Independent Auditor's Report	
Management Discussion and Analysis -----	a-h
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position -----	1
Statement of Activities -----	2
Fund Financial Statements	
Governmental Funds	
Balance Sheet -----	3
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position -----	4
Statement of Revenues, Expenditures and Changes in Fund Balances -----	5-6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities ----	6-7
Fiduciary Fund	
Statement of Net Position -----	8
Notes to the Financial Statements -----	9-30
<u>Required Supplementary Information</u>	
Budgetary Comparison Schedule – General Fund -----	31
Schedule of District's Proportionate Share of Net Pension Liability	
PERA School Division Trust Fund -----	32
Schedule of Contributions and Related Ratios - Last 10 Years	
PERA School Division Trust Fund -----	33
Schedule of District's Proportionate Share of the Net Other Post-Employment Benefit Liability - Health Care Trust Fund -----	34
Schedule of Contributions and Related Ratios - Health Care Trust Fund -----	35
<u>Other Information</u>	
Combining and Individual Fund Statements	
Combining Balance Sheet - NonMajor Governmental Funds -----	36
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance NonMajor Governmental Funds -----	37

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Table of Contents
June 30, 2018

	<u>Page</u>
General Fund	
Comparative Balance Sheet -----	38
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual -----	39
Statement of Expenditures - Budget and Actual -----	40-42
Special Revenue Funds	
Food Services Special Revenue Fund	
Comparative Balance Sheet -----	43
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -----	44
Student Activity Fund	
Comparative Balance Sheet -----	45
Statement of Revenues, Expenditures and Changes in Fund Balance Budget and Actual -----	46
Student Activity Agency Fund	
Statement of Changes in Assets & Liabilities – Budget and Actual -----	47-48
Auditor's Integrity Report	

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Cheyenne County School District RE-5
P O Box 577
Cheyenne Wells, CO 80810

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District RE-5, as of and for the year ended June 30, 2018, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Cheyenne County School District RE-5, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

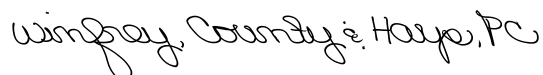
Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other post-employment benefit information on pages a-h and 32-36 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. For the management discussion and analysis 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 Cheyenne County School District RE-5's basic financial statements. The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Winfrey, County & Hays, PC

November 26, 2018

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2018

Management of the District offers readers of the basic financial statements this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2018.

Financial Highlights

The District's net position decreased by \$2,017,766 to \$2,817,436.

At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,870,072, a decrease of \$378,215 from the prior year.

General Fund revenues exceeded expenditures by \$362,429 for the 2017/2018 school year. The Student Activity Special Revenue Fund increased by \$5,251, and the Food Service Special Revenue Fund increased by \$10,536.

The District has had adequate resources available for all appropriations.

Overview of the Financial Statements

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) Notes to the Financial Statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating.

The government-wide statements show all of the governmental activities and indicate all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2018
(continued)

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental funds - most of the District's activities are reported in governmental funds, which 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 position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2018
 (continued)

Financial Analysis of the District as a Whole:

The District's total net position was \$2,817,436 at June 30, 2018.

Table 1
 Fiscal Year Ended June 30, 2018
 Net Position

	<u>Government Activities</u>	
	<u>6/30/2018</u>	<u>6/30/2017</u>
Current and other assets	3,079,579	2,742,592
Capital assets	<u>8,110,838</u>	<u>8,440,188</u>
Total assets	11,190,417	11,182,780
Deferred Outflows	3,081,009	3,838,048
Current liabilities	209,507	250,735
Long term liabilities	<u>10,734,872</u>	<u>9,794,077</u>
Total Liabilities	10,944,379	10,044,812
Deferred Inflows	509,611	140,814
Net Position		
Invested in capital assets	8,110,838	8,440,188
Restricted		
For TABOR	100,111	100,101
For Scholarship	54,165	54,165
For Preschool	0	0
For Debt Service	0	0
Unrestricted	<u>(5,447,679)</u>	<u>(3,759,252)</u>
Total Net Position	<u><u>2,817,436</u></u>	<u><u>4,835,202</u></u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2018
(continued)

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Cheyenne County School District RE-5, assets exceed liabilities by approximately \$2,817,436, a decrease of \$2,017,766 from 2017.

Of the District's \$11,90,417 in total assets, \$8,110,838 (72%) 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.

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2018
(continued)

Table 2 takes the information from that statement, rearranges it slightly, so you can see our total revenues for the year.

Table 2
Fiscal Year Ended June 30, 2018
Change in Net Position

	<u>Government Activities</u>	
REVENUES	<u>6/30/2018</u>	<u>6/30/2017</u>
Program Revenues		
Charges for service	97,080	103,301
Operating grants	360,979	253,831
Capital Grants/Contributions	0	0
General Revenues		
Property taxes	1,238,478	1,253,515
Auto taxes	142,957	129,591
State Equalization	1,640,263	1,569,556
Other	55,292	37,827
Sale of Assets	<u>0</u>	<u>(35,710)</u>
Total Revenues	3,535,050	3,311,911
EXPENSES		
Instruction	3,032,392	2,818,450
Pupil services	141,963	128,552
Instructional services	186,940	140,034
General administration	356,164	299,267
School administration	453,090	435,994
Operations & maintenance	489,152	530,008
Pupil transportation	324,091	216,848
Central services	80,405	79,145
Debt service	0	11,629
Noninstructional	61,195	80,591
Food Services	<u>193,291</u>	<u>179,859</u>
Total Expenses	5,318,682	4,920,377
Increase (decrease) in net position	<u>(1,783,632)</u>	<u>(1,608,466)</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Management Discussion and Analysis
 Year Ended June 30, 2018
 (continued)

Table 3 shows the District's nine largest functions and unallocated depreciation expense. It also shows the net costs (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenues.

Fiscal Year Ended June 30, 2018
 Government Activities

Functions/Programs	Total Cost of Programs	Net Cost of Services	Prior Year
Instruction	3,032,392	2,754,480	2,656,794
Pupil services	141,963	141,963	128,552
Instructional services	186,940	186,940	140,034
General administration	356,164	356,164	299,267
School administration	453,090	453,090	435,994
Operations & maintenance	489,152	489,152	530,008
Pupil transportation	324,091	290,769	179,922
Central services	80,405	80,405	79,145
Non Instructional	61,195	22,704	29,767
Food Service	193,291	84,956	72,132
Debt Services	<u>0</u>	<u>0</u>	<u>11,629</u>
Total Governmental Activities	5,318,682	4,860,622	4,563,244
Less State Equalization		<u>1,640,263</u>	<u>1,569,556</u>
Total needs from local taxes and other revenue		<u><u>3,220,359</u></u>	<u><u>2,993,689</u></u>

The District Funds

At June 30, 2018, the District governmental funds reported a combined fund balance of \$2,870,072, which is an increase of \$378,215. The primary reasons for this increase is:

In the General Fund, revenues exceeded the expenditures by \$362,429. Revenues increased \$196,831 from 2017, while expenditures decreased \$39,232, the excess was up \$236,063 from the prior year.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2018
(continued)

Financial Analysis of the District's Funds:

Revenues in General Fund that increased were \$70,414 from local sources, \$123,577 from state sources and \$2,842 from federal sources.

General Fund expenditures decreased by \$39,232. Instruction increased by \$56,221 and operations and maintenance decreased by \$101,426.

The Food Service Fund showed an increase of \$10,536. Revenues increased \$608 and expenditures decreased \$608. The General Fund transferred \$29,000 to the Food Service Fund this year, which is an increase of \$12,093 from prior year.

The Student Activity Fund showed an increase of \$5,251.

General Fund Budget

No revisions were made to the original budget.

Capital Assets and Debt Administration

At June 30, 2018, the District had \$8,110,838 invested in capital assets. This represents a net decrease (including additions and depreciation) of \$329,350. Depreciation expense was \$379,219. Capital purchases included 2 new gym a/c units for \$44,824 and volleyball standards for \$5,045.

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Sites & Improvements	205,368	205,368
Buildings	10,988,260	10,988,260
Equipment	2,075,811	2,025,942
Transportation	<u>505,024</u>	<u>505,024</u>
Total capital assets	13,774,462	13,724,593
Accumulated depreciation	<u>(5,663,624)</u>	<u>(5,284,405)</u>
Total capital assets	<u><u>8,110,838</u></u>	<u><u>8,440,188</u></u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Management Discussion and Analysis
Year Ended June 30, 2018
(continued)

Long-Term Debt

There was \$18,510 of compensated absences due.

	<u>2018</u>	<u>2017</u>
Compensated Absences		
General Fund	17,265	17,790
Food Services	<u>1,245</u>	<u>2,295</u>
Total	18,510	20,085

Economic Factors and Next Year's Budget and Rates:

Factors that will continue to affect next year's budget are the concerns with the changing economy, the adjustments in school finance funding in regards to the "budget stabilization factor", the effect of oil prices and production which will affect our assessed valuation and property taxes, if student enrollment continues to decline, increased costs to employee health insurance, workman's compensation, and liability insurance, and ballot issues affecting funding for public schools. The Board of education approved staff salary increases of a step plus \$1,000 increase to the base salary for certified employees and a .75 cent increase per hour for classified employees to try and meet the Federal Minimum Wage requirements by 2020. A major expenditure was replacing the roof over the mezzanine/wrestling room this past year. The Board of Education has plans to put a Bond Issue on the ballot in November of 2019 to address deferred maintenance of our school which will include a new roof, HVAC system, new windows and doors. The school will be 19 years old by the time the work would be completed. Some general fund monies would be used to hire consultants for the bond issue and if the bond issue passes, general fund monies would be used to offset some costs for the building projects listed

The prediction is that the current state of the economy will continue to grow and get stronger and continue to impact the farming community, oil and gas production, and local business positively that are located with the school district. The school district continues to experience a slight decrease in student enrollment, however future student enrollment projections show a slight increase in student enrollment over the next 5 years. The four year student averaging used to calculate the funded count will probably be at a lesser funded count than in 2016.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of Schools at Cheyenne County School District RE-5, P O Box 577, Cheyenne Wells, CO 80810.

BASIC FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Net Position
 June 30, 2018

Governmental
Activities

ASSETS	
Current Assets	
Cash and cash equivalents	1,850,902
Certificates of deposit	1,157,200
Inventory	8,974
Accrued property taxes receivable	56,647
Grants Receivable	5,175
Accounts receivable	<u>681</u>
Total Current Assets	3,079,579
Capital assets, net of accumulated depreciation	<u>8,110,838</u>
Total Assets	11,190,417
DEFERRED OUTFLOWS	3,081,009
LIABILITIES	
Current Liabilities	
Accounts payable	(930)
Accrued salaries payable	208,244
Unearned Revenue	<u>2,193</u>
Total Current Liabilities	209,507
Noncurrent Liabilities	
Compensated absences due within one year	3,090
Compensated absences due within more than one year	15,420
Net Health Care Trust Fund Liability	239,107
Net Pension Liability	<u>10,477,255</u>
Total Noncurrent Liabilities	<u>10,734,872</u>
Total Liabilities	10,944,379
DEFERRED INFLOWS	509,611
NET POSITION	
Invested in capital assets	8,110,838
Restricted for TABOR	100,111
Restricted for Music	54,165
Unrestricted	<u>(5,447,679)</u>
Total Net Position	<u><u>2,817,436</u></u>

CHEYENNE WELLS SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Activities
 For the Year Ended June 30, 2018

		<u>Program Revenues</u>		
		<u>Charges for</u>	<u>Operating Grants</u>	<u>Capital Grants</u>
	<u>Expenses</u>	<u>Service</u>	<u>& Contributions</u>	<u>& Contributions</u>
Governmental Activities				
Instructional	3,032,392	20,027	257,885	
Support Services				
Pupil services	141,963			
Instructional services	186,940			
General administration	356,164			
School administration	453,090			
Operations & maintenance	489,152			
Pupil transportation	324,091		33,322	
Central services	80,405			
Non Instructional	61,195	38,490		
Food Services	<u>193,291</u>	<u>38,563</u>	<u>69,772</u>	<u>0</u>
Total Governmental Activities	5,318,682	97,080	360,979	0

General revenues:

Taxes

Property taxes, levied for general purposes

Specific ownership taxes

State Equalization

Miscellaneous

Investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Prior Year Adjustment-Note 2E

Net Position - Ending

Net (Expense) Revenue and
Changes in Net Position

Governmental
Activities

(2,754,480)

(141,963)

(186,940)

(356,164)

(453,090)

(489,152)

(290,769)

(80,405)

(22,704)

(84,956)

(4,860,622)

1,238,478

142,957

1,640,263

45,653

9,639

3,076,991

(1,783,632)

4,835,202

(234,135)

2,817,436

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Balance Sheet
 Governmental Funds
 June 30, 2018

	<u>General</u>	NonMajor <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS			
Cash and cash equivalents	1,818,155	32,747	1,850,902
Certificates of deposit	1,157,200	0	1,157,200
Inventory	0	8,974	8,974
Accrued property taxes receivable	56,647	0	56,647
Grants Receivable	5,175	0	5,175
Accounts receivable	<u>0</u>	<u>681</u>	<u>681</u>
Total Assets	<u>3,037,178</u>	<u>42,402</u>	<u>3,079,579</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	(930)	0	(930)
Accrued salaries payable	200,873	7,371	208,244
Unearned Revenue	<u>0</u>	<u>2,193</u>	<u>2,193</u>
Total Liabilities	199,943	9,564	209,507
Fund Balances			
Restricted			
For TABOR	100,111	0	100,111
For Music	54,165	0	54,165
Nonspendable	0	8,974	8,974
Assigned	0	23,863	23,863
Unassigned	<u>2,682,958</u>	<u>0</u>	<u>2,682,958</u>
Total Fund Balances	<u>2,837,235</u>	<u>32,837</u>	<u>2,870,072</u>
 Total Liabilities and Fund Balances	 <u>3,037,178</u>	 <u>42,402</u>	 <u>3,079,579</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Balance Sheet
Governmental Funds
June 30, 2018

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

Total Governmental Fund Balances	2,870,072
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	8,110,838
Deferred outflows of resources are not financial resources and thus are not reported as assets in governmental funds	3,081,009
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,734,872)
Deferred inflows of resources are not financial resources and thus are not reported as assets in governmental funds	<u>(509,611)</u>
Net Position of Governmental Activities	<u><u>2,817,436</u></u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2018

	<u>General</u>	NonMajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
REVENUES			
Local Sources			
Property Taxes	1,238,478	0	1,238,478
Specific Ownership Taxes	142,957	0	142,957
Interest	9,639	0	9,639
Other	113,150	77,053	190,203
Intergovernmental			
State Sources			
Equalization	1,640,263	0	1,640,263
Other	182,781	1,634	184,415
Federal Sources	<u>60,956</u>	<u>68,138</u>	<u>129,094</u>
Total Revenues	3,388,225	146,825	3,535,050
EXPENDITURES			
Current			
Instruction	1,553,108	0	1,553,108
Supporting Services			
Students	82,042	0	82,042
Instructional staff services	67,285	0	67,285
General administration	249,412	0	249,412
School administration	249,233	0	249,233
Operations & maintenance	376,290	0	376,290
Pupil transportation	147,335	0	147,335
Central services	25,083	0	25,083
Non Instructional	0	61,195	61,195
Food Service	0	126,799	126,799
Debt Service	0	0	0
Capital Outlay	<u>214,008</u>	<u>5,045</u>	<u>219,053</u>
Total Expenditures	<u>2,963,796</u>	<u>193,039</u>	<u>3,156,835</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2018
 (continued)

	<u>General</u>	NonMajor Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
Revenues over (under) Expenditures	424,429	(46,213)	378,215
Other Financing Sources (Uses)			
Operating Transfers In (Out)	<u>(62,000)</u>	<u>62,000</u>	<u>0</u>
Revenues & Other Sources over (under) Expenditures & Other Sources	362,429	15,787	378,215
Fund Balance - Beginning	<u>2,474,806</u>	<u>17,051</u>	<u>2,491,857</u>
Fund Balance - Ending	<u>2,837,235</u>	<u>32,837</u>	<u>2,870,072</u>

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

Net change in fund balances - total governmental funds	378,215
--	---------

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlays	49,869	
Depreciation expense	<u>(379,219)</u>	(329,350)

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
For the Year Ended June 30, 2018

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

Some expenses reported in the statement of activities do not
require the use of current financial resources and, therefore,
are not reported as expenditures in governmental funds.

Pension expenses	(1,829,211)
Other post-employment benefit expenses	(2,565)

The issuance of long-term debt (e.g. bonds & leases) provides
current financial resources to governmental funds, while the
repayment of principal of long-term debt consumes the current
financial resources of governmental funds. Neither transaction,
however, has any effect on net assets.

Sick leave	<u>(720)</u>
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Change in net position of governmental activities	<u>(1,783,632)</u>
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CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Statement of Fiduciary Net Position
Student Activity Agency Fund
June 30, 2018

	Student Activity <u>Fund</u>
ASSETS	
Cash in bank	85,638
LIABILITIES	
Due to Student Activities	<u>85,638</u>
NET POSITION	<u>0</u>

NOTES TO THE FINANCIAL STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018

Cheyenne County School District RE-5 is an independent governmental entity organized under provisions of the Colorado Revised Statutes. It operates entirely within Cheyenne County but is not part of the County government. There are no component units that should be included in these financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Cheyenne County School District RE-5 have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles and the District is following the *Financial Policies and Procedures Handbook*. The following is a summary of the significant policies:

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. It has no component units. Neither is it a component unit of any other entity.

This report includes all funds of Cheyenne County School District RE-5.

B. Basis of Presentation

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 school district. As a general rule, the effect of interfund activity has been eliminated from these statements. Government 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 given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or segment. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment. In addition, program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements are also provided in the report for all of the governmental funds, and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

Additionally the District reports the Student Activity agency fund which accounts for cash held by the District for related organizations. It is custodial in nature and does not involve measurement of results of operations.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary 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. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar -

Submission of a proposed budget to the Board of Education is due by May 31. On June 10 or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection.

The last date for final adoption of the budget and appropriation resolution is June 30.

January 31 is last date to change adopted budget.

By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

E. Encumbrances

Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

F. Assets, Liabilities and Fund Balances/Net position or Equity

1. Deposits

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

State statutes authorize the District to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is insured or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds". Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide statements as "internal balances".

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

3. Inventories

The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken as of June 30, 2018 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

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

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

Property, plant and equipment are depreciated in the proprietary funds using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	30
Buildings	20-50
Equipment	5-25
Vehicles	7-10

The District does not have any infrastructure assets.

5. Compensated Absences

Compensated Absences - The district allows the accumulation of 30 days sick leave per employee with all excess over 30 days paid in cash each year on September 1. The accumulated sick leave is payable to employees at termination, resignation, retirement or death.

Salaries and related benefits of certain school-based personnel are paid over a twelve-month period beginning in September, but are earned during a school year of approximately nine months. The salaries and benefits earned, but unpaid, as of June 30, 2018 are:

General Fund	\$ 200,873
Food Service	<u>7,371</u>
Total	208,244

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

The amounts of unpaid vacation leave accumulated by District employees are accrued as expenses when incurred. Employees are limited in the number of unused vacation hours they may carry forward at year-end. The District records the accrued liability for unpaid vacation leave in the accompanying basic financial statements as liabilities.

7. 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. Actual results could differ from those estimates.

8. Fund Balances and Net Position

In the government-wide financial statements, net position is classified in the following categories;

Invested in Capital Assets, Net of related debt - this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation.

Unrestricted Net Position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditures in future periods.

When both restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories;

Nonspendable – amounts that cannot be spent because they are either in nonspendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources are either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body the Superintendent who has been delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

When committed, assigned, or unassigned funds are available, committed is first spent, then assigned.

At June 30, 2018 the amounts restricted were \$100,111 for the TABOR Reserve, and \$54,165 for music.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

In November 1997, voters of the District approved a ballot issue which allows the District to collect, retain, and expend revenues from all sources, without limit.

- B. The District is in compliance with Financial Policies and Procedures handbook prepared by the Colorado Department of Education.
- C. In November 2013, taxpayers approved a mill levy override of 6.1 mills.
- D. For the fiscal year ended June 30, 2018, the District implemented GASB 75, reporting for Other Post-Employment Benefits (OPEB) associated with the PERA Health Care Trust Fund (HCTF). As a result, a prior year adjustment was required that included the amount \$241,983 of net HCTF liability for the District as computed by HCTF, less the amount the District submitted to HCTF of \$7,848 after HCTF's year end. The net prior year adjustment is \$234,135.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - all are in a single financial institution and carried at cost. Deposits are displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit".

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State 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 specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

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

Custodial Credit Risk - the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018

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

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured (FDIC)	\$ 500,000	\$ 496,170
Deposits collateralized in a single institution pool	2,402,834	2,597,010
Cash on hand	<u>0</u>	<u>560</u>
Total Deposits	2,902,834	3,093,740
Shown as Certificates of Deposits		(1,157,200)
In Agency Fund		<u>(85,638)</u>
Cash		1,850,902

As presented above, deposits with a bank balance of \$2,402,834 and a carrying balance of \$2,597,010 as of June 30, 2018, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

- B. Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notice of delinquencies are mailed in September, and tax sales scheduled for November.

- C. Changes in General Fixed Assets

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Land	174,600	0	0	174,600
Site Improvements	30,768	0	0	30,768
Buildings	10,988,259	0	0	10,988,259
Equipment	2,025,941	49,869	0	2,075,810
Transportation	<u>505,024</u>	<u>0</u>	<u>0</u>	<u>505,024</u>
Total	13,724,593	49,869	0	13,774,461
Less Accumulated Depreciation				
Site Improvements	8,290	1,026	0	9,316
Buildings	3,506,874	230,400	0	3,737,274
Equipment	1,373,433	124,310	0	1,497,743
Transportation	<u>395,808</u>	<u>23,483</u>	<u>0</u>	<u>419,291</u>
Total	<u>5,284,405</u>	<u>379,219</u>	<u>0</u>	<u>5,663,624</u>
Governmental Activities				
Capital Assets, Net	<u>8,440,188</u>	<u>(329,350)</u>	<u>0</u>	<u>8,110,837</u>

Depreciation expense for the governmental activities was allocated \$354,474 to instruction, \$23,483 to transportation and \$1,262 to food service.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

D. Changes in Long-Term Debt

<u>Issue</u>	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Compensated Absences	17,790	3,810	3,090	18,510
Net Health Care Trust Fund Liability	241,983	19,868	22,744	239,107
Net Pension Liability	<u>9,776,287</u>	<u>2,208,955</u>	<u>1,507,987</u>	<u>10,477,255</u>
Total Change in Noncurrent	9,794,077	2,474,616	1,533,821	10,734,872

(4) OTHER INFORMATION

- A. Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSI for its property and casualty and workers' compensation insurance coverage. The intergovernmental agreement of formation of CSDSI provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all risks or loss, including workers' compensation and employee's health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. The General Fund transferred \$29,000 and \$33,000, respectively, to the Food Service and Student Activity Special Revenue Fund, for general operating purposes.
- D. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

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

General Information about the Pension Plan

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

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

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

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

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.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$304,017 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$10,477,256 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 0.0324007632 percent, which was a decrease of 0.0004343622 from its proportion measured as of December 31, 2016.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

For the year ended June 30, 2018 the District recognized pension expense of \$1,829,211. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	192,633	-0-
Changes of assumptions or other inputs	2,675,233	16,976
Net difference between projected and actual earnings on pension plan investments	-0-	411,452
Changes in proportion and differences between contributions recognized and proportionate share of contributions	42,112	74,273
Contributions subsequent to the measurement date	161,714	N/A
Total	3,071,691	502,701

There is \$161,714 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, which 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	(11,716)
2020	(10,584)
2021	(9,860)
2022	-0-
2023	-0-
Thereafter	-0-

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (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.

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.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

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

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

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(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%.
- 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.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

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

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	13,234,555	10,477,255	8,230,371

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.

Payables to the pension plan

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.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

At June 30, 2018, the District reported a liability of \$10,477,256 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 4,733,533

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 \$4,733,533 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

E. Other Post-Employment Benefits

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

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

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

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

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.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$15,573 for the year ended June 30, 2018.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

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

At June 30, 2018, the District reported a liability of \$239,106 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on Districts contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District's proportion was 0.0183984685 percent, which was a decrease of 0.0002654072 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$2,565. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	1,131	-0-
Changes of assumptions or other inputs	-0-	-0-
Net difference between projected and actual earnings on OPEB plan investments	-0-	4,000
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	2,911
Contributions subsequent to the measurement date	8,186	N/A
Total	9,317	6,911

There is \$8,186 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, 2018. 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	(572)
2020	(572)
2021	(572)
2022	(572)
2023	(572)
Thereafter	(51)

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

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

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

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

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

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%

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

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.

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
Cheyenne Wells, Colorado
Notes to the Financial Statements
June 30, 2018
(continued)

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	232,528	239,106	247,030

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Notes to the Financial Statements
 June 30, 2018
 (continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	268,831	239,106	213,736

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.

- F. Joint Venture - The District participates in the East Central Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board has final authority for all budgeting and financing of the joint venture.

Each member pays a \$2,500 membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members.

At June 30, 2017, total assets were \$2,759,621, deferred outflows were \$6,370,494, total liabilities were \$17,087,255, deferred inflows were \$423,405, net position was (\$8,380,545), revenues were \$8,591,775, and expenses were \$10,871,227.

Complete financial statements may be obtained from BOCES office at 820 Second Street, Limon, CO 80828.

REQUIRED SUPPLEMENTARY INFORMATION

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Budgetary Comparison Schedule - General Fund
 For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Local sources	1,352,215	1,352,215	1,504,225	152,010
State Sources	1,830,956	1,830,956	1,823,044	(7,912)
Federal Sources	<u>80,282</u>	<u>80,282</u>	<u>60,956</u>	<u>(19,327)</u>
Total Revenues	3,263,453	3,263,453	3,388,225	124,772
EXPENDITURES				
Current				
Instruction	1,681,568	1,681,568	1,553,108	128,460
Supporting Services				
Pupils	88,859	88,859	82,042	6,817
Instructional Staff - Library	72,393	72,393	67,285	5,108
General Administration	306,770	306,770	249,412	57,358
School Administration	259,435	259,435	249,233	10,202
Operations & Maintenance	428,507	428,507	376,290	52,217
Pupil Transportation	210,806	210,806	147,335	63,470
Central Support	45,972	45,972	25,083	20,888
Capital Outlay	234,293	234,293	214,008	20,285
Appropriated reserves	<u>2,316,413</u>	<u>2,316,413</u>	<u>0</u>	<u>2,316,413</u>
Total Expenditures	<u>5,645,015</u>	<u>5,645,015</u>	<u>2,963,796</u>	<u>2,681,219</u>
Excess of revenues over (under)				
Expenditures	(2,381,562)	(2,381,562)	424,429	2,805,991
Other Financing Uses				
Operating Transfers In (Out)	(11,534)	(11,534)	(62,000)	(50,466)
SWAP	<u>(904)</u>	<u>(904)</u>	<u>0</u>	<u>904</u>
Excess of Revenues over (under)				
Expenditures & Other Uses	(2,394,000)	(2,394,000)	362,429	2,756,429
Fund Balance - Beginning	<u>2,394,000</u>	<u>2,394,000</u>	<u>2,474,806</u>	<u>80,806</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>2,837,235</u>	<u>2,837,235</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5

Cheyenne Wells, Colorado

Schedule of District's Proportionate Share of the Net Pension Liability-PERA School Division Trust Fund

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion (percentage) of the collective net pension liability	0.032401%	0.032835%	0.032125%	0.032826%	0.035099%
Proportionate share of the collective net pension liability	10,477,255	9,776,287	4,913,368	4,449,056	4,359,001.92
Covered payroll	1,493,674	1,473,699	1,294,208	1,374,547	1,455,823.62
Proportionate share of the net pension liability as a percentage of its covered employee payroll	701.44%	663.38%	379.64%	323.67%	299.42%
Plan fiduciary net position as a percentage of total pension liability	43.96%	43.10%	59.20%	62.80%	64.06%

Note 1: The amounts presented for each year were determined as of December 31.

Note 2: Information is not currently available for years prior to 2013; additional years will be displayed as they become available.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Schedule of Contributions and Related Ratios-PERA School Division Trust Fund
 Last 10 Fiscal Years

As of June 30,	<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>
Statutorily required contributions	304,017	273,472	255,383	234,170	219,722	219,862	208,347	207,107	191,761
Contributions in relation to the statutorily required contribution	<u>304,017</u>	<u>273,472</u>	<u>255,383</u>	<u>234,170</u>	<u>219,722</u>	<u>219,862</u>	<u>208,347</u>	<u>207,107</u>	<u>191,761</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered-employee payroll	1,526,737	1,486,788	1,438,090	1,385,157	1,373,013	1,455,824	1,467,641	1,557,256	1,547,298
Contributions as a percentage of covered-employee payroll	19.91%	18.39%	17.76%	16.91%	16.00%	15.10%	14.20%	13.30%	12.39%

Note 1: Information above is presented as of the District's fiscal year.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5

Cheyenne Wells, Colorado

Schedule of District's Proportionate Share of the Other Post-Employment Benefit Liability-Health Care Trust Fund

	<u>2017</u>	<u>2016</u>
Proportion (percentage) of the collective net pension liability	0.0183984685%	0.0186638757%
Proportionate share of the collective net pension liability	239,106	241,983
Covered payroll	1,493,674	1,473,699
Proportionate share of the net pension liability as a percentage of its covered employee payroll	16.01%	16.42%
Plan fiduciary net position of the total pension liability	17.53%	N/A

Note 1: The amounts presented for each year were determined as of December 31.

Note 2: Information is not currently available for years prior to 2016; additional years will be displayed as they become available.

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KIT CARSON COUNTY SCHOOL DISTRICT NUMBER R-5
 Cheyenne Wells, Colorado
 Schedule of Contributions and Related Ratios-Health Care Trust Fund

As of June 30,	<u>2018</u>	<u>2017</u>
Statutorily required contributions	15,573	15,165
Contributions in relation to the statutorily required contributions	<u>15,573</u>	<u>15,165</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>
Covered-employee payroll	1,526,737	1,486,788
Contributions as a percentage of covered-employee payroll	1.02%	1.02%

Note 1: Information above is presented as of the District's fiscal year.

Note 2: Information is not currently available for years prior to 2016; additional years will be displayed as they become available.

OTHER INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Combining Balance Sheet
 NonMajor Governmental Funds
 June 30, 2018

ASSETS	<u>Food Service</u>	<u>Student Activity</u>	<u>Total</u>
Current Assets			
Cash	25,194	7,553	32,747
Accounts/Grants Receivable	681	0	681
Inventory	<u>8,974</u>	<u>0</u>	<u>8,974</u>
Total Current Assets	<u>34,849</u>	<u>7,553</u>	<u>42,402</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accrued Salaries & Benefits	7,371	0	7,371
Unearned Revenue	<u>2,193</u>	<u>0</u>	<u>2,193</u>
Total Current Liabilities	9,564	0	9,564
Fund Balance			
Nonspendable	8,974	0	8,974
Assigned	<u>16,310</u>	<u>7,553</u>	<u>23,863</u>
Total Fund Balance	<u>25,284</u>	<u>7,553</u>	<u>32,837</u>
Total Liabilities and Fund Balance	<u>34,849</u>	<u>7,553</u>	<u>42,402</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance
 NonMajor Governmental Funds
 For Year Ended June 30, 2018

REVENUES	Food <u>Service</u>	Student <u>Activity</u>	<u>Total</u>
Local	38,563	38,490	77,053
State	1,634	0	1,634
Federal	<u>68,138</u>	<u>0</u>	<u>68,138</u>
Total Revenues	108,335	38,490	146,825
EXPENDITURES			
Current			
Athletic	0	66,240	66,240
Food Service	<u>126,799</u>	<u>0</u>	<u>126,799</u>
Total Expenditures	<u>126,799</u>	<u>66,240</u>	<u>193,039</u>
Excess of Revenues over (under) Expenditures	(18,464)	(27,749)	(46,213)
Other Financing Sources			
Operating Transfers In	<u>29,000</u>	<u>33,000</u>	<u>62,000</u>
Excess of Revenues and Other Sources Over (under) Expenditures	10,536	5,251	15,787
Fund Balance - Beginning	<u>14,748</u>	<u>2,302</u>	<u>17,051</u>
Fund Balance - Ending	<u>25,284</u>	<u>7,553</u>	<u>32,837</u>

GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. It is the most significant fund in relation to the District's overall operation.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Comparative Balance Sheet

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
ASSETS			
Cash In Bank	1,818,155	1,916,044	(97,889)
Certificates of Deposit	1,157,200	766,377	390,823
Accrued Property Tax Receivable	56,647	33,137	23,510
Grants Receivable	5,175	0	5,175
Accounts Receivable	<u>0</u>	<u>445</u>	<u>(445)</u>
Total Assets	<u>3,037,178</u>	<u>2,716,004</u>	<u>321,174</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	(930)	45,481	(46,411)
Accrued Salaries and Benefits Payable	<u>200,873</u>	<u>195,717</u>	<u>5,156</u>
Total Liabilities	199,943	241,197	(41,255)
Fund Balance			
Restricted			
For TABOR	100,111	100,101	10
For Music	54,165	54,165	0
Unassigned	<u>2,682,958</u>	<u>2,320,540</u>	<u>362,418</u>
Total Fund Balance	<u>2,837,235</u>	<u>2,474,806</u>	<u>362,429</u>
Total Liabilities and Fund Balance	<u>3,037,178</u>	<u>2,716,004</u>	<u>321,174</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5

Cheyenne Wells, Colorado

General Fund

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

			Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES	<u>Budget</u>	<u>Actual</u>		
Local Sources				
Property Taxes	1,232,749	1,238,478	5,729	1,255,160
Specific Ownership Taxes	72,166	142,957	70,791	129,591
Investment Interest	4,500	9,639	5,139	8,325
Other	42,800	113,150	70,350	37,333
Sale of Assets	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,402</u>
Total Local Sources	1,352,215	1,504,225	152,010	1,433,811
State Sources				
Equalization	1,664,888	1,640,263	(24,625)	1,569,556
Transportation	35,000	33,322	(1,678)	36,926
Vocational Education	32,760	45,839	13,079	45,712
BOCES Flowthrough	35,466	30,943	(4,523)	36,885
Other	<u>62,842</u>	<u>72,678</u>	<u>9,836</u>	<u>10,389</u>
Total State Sources	1,830,956	1,823,044	(7,912)	1,699,468
Federal Sources				
Grants	14,783	17,902	3,119	14,768
BOCES Flowthrough	<u>65,499</u>	<u>43,053</u>	<u>(22,446)</u>	<u>43,346</u>
Total Federal Sources	<u>80,282</u>	<u>60,956</u>	<u>(19,327)</u>	<u>58,114</u>
Total Revenues	3,263,453	3,388,225	124,772	3,191,393
Expenditures	<u>5,645,015</u>	<u>2,963,796</u>	<u>2,681,219</u>	<u>3,003,028</u>
Excess of Revenues over (under) Expenditures	(2,381,562)	424,429	2,805,991	188,365
Other Financing Sources (Uses)				
Operating Transfers In (Out)	(11,534)	(62,000)	(50,466)	71,492
SWAP	<u>(904)</u>	<u>0</u>	<u>904</u>	<u>0</u>
Excess of Revenues and Other Sources over (under) Expenditures & Other Uses	(2,394,000)	362,429	2,756,429	259,857
Fund Balance - Beginning	<u>2,394,000</u>	<u>2,474,806</u>	<u>80,806</u>	<u>2,214,949</u>
Fund Balance - Ending	<u>0</u>	<u>2,837,235</u>	<u>2,837,235</u>	<u>2,474,806</u>

See auditor's report and notes to the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

			Variance Favorable (Unfavorable)	Actual Prior Year
INSTRUCTION	<u>Budget</u>	<u>Actual</u>		
Current				
Salaries	1,018,152	978,796	39,356	956,291
Employee Benefits	390,788	348,449	42,339	343,506
Purchased Services	188,910	174,107	14,803	153,821
Supplies and Material	83,718	51,755	31,963	57,053
Capital Outlay	<u>49,293</u>	<u>46,140</u>	<u>3,153</u>	<u>32,357</u>
Total Instruction	1,730,861	1,599,248	131,613	1,543,028
 SUPPORTING SERVICES				
Pupil				
Current				
Salaries	60,811	58,861	1,950	58,735
Benefits	19,998	19,044	954	18,763
Purchased Services	2,900	833	2,067	1,582
Supplies and Material	5,150	3,304	1,846	266
Capital Outlay	<u>600</u>	<u>0</u>	<u>600</u>	<u>0</u>
Total Pupil	89,459	82,042	7,417	79,346
 Instructional Staff Services				
Current				
Salaries	36,500	35,563	937	33,854
Employee Benefits	21,818	21,577	241	7,668
Purchased Services	8,225	4,344	3,881	1,349
Supplies and Material	5,850	5,802	48	3,593
Capital Outlay	<u>5,500</u>	<u>394</u>	<u>5,106</u>	<u>0</u>
Total Instructional Staff	77,893	67,679	10,214	46,464

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017
 (continued)

SUPPORTING SERVICES (continued)			Variance Favorable (Unfavorable)	Actual Prior Year
General Administration	<u>Budget</u>	<u>Actual</u>		
Current				
Salaries	113,541	119,985	(6,444)	102,821
Employee Benefits	59,429	51,217	8,212	46,948
Purchased Services	101,100	51,039	50,061	47,858
Supplies and Material	32,700	24,562	8,138	35,877
Other	0	2,609	(2,609)	2,516
Capital Outlay	<u>9,000</u>	<u>454</u>	<u>8,546</u>	<u>1,250</u>
Total General Administration	315,770	249,866	65,904	237,271
School Administration				
Current				
Salaries	175,244	175,674	(430)	182,438
Employee Benefits	75,091	68,290	6,801	68,861
Purchased Services	4,100	2,574	1,526	2,652
Supplies and Material	5,000	2,694	2,306	3,537
Other	0	0	0	0
Capital Outlay	<u>10,000</u>	<u>600</u>	<u>9,400</u>	<u>400</u>
Total School Administration	269,435	249,833	19,602	257,888
Operations and Maintenance				
Current				
Salaries	114,000	92,235	21,765	95,784
Employee Benefits	45,807	40,536	5,271	35,423
Purchased Services	106,200	110,043	(3,843)	155,565
Supplies and Material	162,500	133,476	29,024	142,446
Capital Outlay	<u>133,100</u>	<u>166,420</u>	<u>(33,320)</u>	<u>214,918</u>
Total Operations & Maintenance	561,607	542,710	18,897	644,136

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017
 (continued)

			Variance Favorable (Unfavorable)	Actual Prior Year
SUPPORTING SERVICES (continued)	<u>Budget</u>	<u>Actual</u>		
Pupil Transportation				
Current				
Salaries	102,000	70,788	31,212	66,109
Employee Benefits	27,720	21,684	6,036	20,022
Purchased Services	29,586	20,906	8,680	21,813
Supplies and Material	51,500	33,957	17,543	35,566
Capital Outlay	<u>25,000</u>	<u>0</u>	<u>25,000</u>	<u>19,100</u>
Total Transportation	235,806	147,335	88,470	162,610
Central Support Services				
Current				
Purchased Services	45,972	25,083	20,888	32,285
Capital Outlay	<u>1,800</u>	<u>0</u>	<u>1,800</u>	<u>0</u>
Total Central Services	<u>47,772</u>	<u>25,083</u>	<u>22,688</u>	<u>32,285</u>
TOTAL SUPPORTING SERVICES	1,597,741	1,364,547	233,194	1,460,000
Appropriated Reserves	<u>2,316,413</u>	<u>0</u>	<u>2,316,413</u>	<u>0</u>
TOTAL EXPENDITURES	<u>5,645,015</u>	<u>2,963,796</u>	<u>2,681,219</u>	<u>3,003,028</u>



SPECIAL REVENUE FUNDS

Food Services Fund

To account for revenue and expenditures associated with providing meals to students, staff, and visitors.

Student Activity Fund

To account for the revenues reported and the expenditures of each of the activities reported.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Food Services Special Revenue Fund
 Comparative Balance Sheet

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash			
In Bank	25,159	9,027	16,132
On Hand	<u>35</u>	<u>35</u>	<u>0</u>
Total Cash	25,194	9,062	16,132
Accounts Receivable	681	5,403	(4,722)
Grants Receivable	0	1,287	(1,287)
Inventory	<u>8,974</u>	<u>8,534</u>	<u>439</u>
Total Current Assets	<u>34,849</u>	<u>24,286</u>	<u>10,562</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued Salaries & Benefits Payable	7,371	7,243	128
Unearned Revenue	2,193	0	2,193
Accrued Sick Leave	<u>0</u>	<u>2,295</u>	<u>(2,295)</u>
Total Liabilities	9,564	9,538	27
FUND BALANCE			
Nonspendable	8,974	8,534	439
Assigned	<u>16,310</u>	<u>6,214</u>	<u>10,096</u>
Total Fund Balance	<u>25,284</u>	<u>14,748</u>	<u>10,536</u>
Total Liabilities and Fund Balance	<u>34,849</u>	<u>24,286</u>	<u>10,562</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Food Services Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

			Variance Favorable (Unfavorable)	Actual Prior Year
REVENUES	<u>Budget</u>	<u>Actual</u>		
Charges for Service				
Student Meals	51,850	33,094	(18,756)	34,576
Adult Meals	7,200	5,031	(2,169)	7,245
Other	750	438	(312)	101
State Grants	3,100	1,634	(1,466)	1,442
Federal Aid				
Breakfast & Lunch	43,000	54,895	11,895	54,554
Donated Commodities	<u>100</u>	<u>13,243</u>	<u>13,143</u>	<u>9,809</u>
Total Revenues	106,000	108,335	2,335	107,727
EXPENSES				
Salaries	58,500	56,526	1,974	56,394
Benefits	25,357	24,401	956	25,116
Food & Milk	45,243	29,823	15,420	31,229
Commodities	0	13,243	(13,243)	9,809
Purchased Services	2,400	804	1,596	1,324
Non-Food	3,500	2,001	1,499	1,853
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,781</u>
Total Expenditures	<u>135,000</u>	<u>126,799</u>	<u>8,201</u>	<u>127,507</u>
Excess of Revenues over (under) Expenditures	(29,000)	(18,464)	10,536	(19,780)
Other Financing Sources				
Operating Transfers In	<u>29,000</u>	<u>29,000</u>	<u>0</u>	<u>16,907</u>
Excess of Revenues and Other Sources over (under) Expenditures	0	10,536	10,536	(2,873)
Fund Balance - Beginning	<u>0</u>	<u>14,748</u>	<u>14,748</u>	<u>17,622</u>
Fund Balance - Ending	<u>0</u>	<u>25,284</u>	<u>25,284</u>	<u>14,748</u>

See auditor's report and notes to the financial statements.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Special Revenue Fund
 Comparative Balance Sheet

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
ASSETS			
Cash			
In Bank	7,028	1,777	5,251
On Hand	<u>525</u>	<u>525</u>	<u>0</u>
Total Cash	7,553	2,302	5,251
 ASSIGNED FUND BALANCE	 <u>7,553</u>	 <u>2,302</u>	 <u>5,251</u>

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
 For the Year Ended June 30, 2018
 With Comparative Actual Amounts for the Year Ended June 30, 2017

			Variance Favorable (Unfavorable)	Actual Prior Year
REVENUE	<u>Budget</u>	<u>Actual</u>		
Interest Income	1,000	0	(1,000)	0
Gates admission	99,000	38,490	(60,510)	50,824
Donations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenue	100,000	38,490	(61,510)	50,824
 EXPENDITURES				
Non Instructional				
Athletic purchased services	100,000	13,373	86,627	12,665
Athletic supplies	0	30,074	(30,074)	37,298
Travel	0	17,748	(17,748)	30,628
Capital Outlay	<u>0</u>	<u>5,045</u>	<u>(5,045)</u>	<u>0</u>
Total Expenditures	<u>100,000</u>	<u>66,240</u>	<u>33,761</u>	<u>80,591</u>
 Excess of Revenue over (under) Expenditures	0	(27,749)	(27,749)	(29,767)
 Other Sources (Uses)				
Operating transfers In (Out)	<u>0</u>	<u>33,000</u>	<u>33,000</u>	<u>29,000</u>
 Excess of Revenues & Other Sources over (under) Expenditures	0	5,251	5,251	(767)
 Fund Balance - Beginning	<u>0</u>	<u>2,302</u>	<u>2,302</u>	<u>3,069</u>
 Fund Balance - Ending	<u>0</u>	<u>7,553</u>	<u>7,553</u>	<u>2,302</u>



AGENCY FUND

Student Activity Fund

To act as custodian for the classes and activities of the District.

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities - Budget and Actual
 For the Year Ended June 30, 2018

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Resale	1,992	10,339	10,862	1,469
Elementary	51	796	587	260
HS Student Council	2,006	0	1,341	665
Knowledge Bowl	172	0	0	172
FFA	4,464	8,277	5,914	6,827
Annual	7,860	3,853	3,728	7,985
Shop Resale	6,223	1,769	6,505	1,487
National Honor Society	2,842	2,092	2,807	2,127
HS Cheerleaders	8,488	12,814	11,432	9,870
JH Cheerleaders	5,695	2,926	2,651	5,970
JH Student Council	157	45	202	0
Art Resale	1,046	445	818	673
Principal's Account	0	968	968	0
RIF Book Fairs	63	3,700	3,700	63
Music Scholarship	554	0	0	554
Science Club	2,394	0	0	2,394
FBLA	1,943	2,040	1,815	2,169
Library Fund	14	1,600	1,608	6
Music Resale	38	0	0	38
Football Field Reserve	96	0	0	96
Flower Fund	113	650	680	82
Drama	0	0	0	0
Elementary Enrichment	40	1,027	940	126
Pre/Play Club	5,035	2,148	4,558	2,625
Vo Ag Resale	349	0	0	349
JH Volleyball	0	627	0	627
Baseball Resale	586	100	175	511
Gymnastics Resale	892	0	494	398
Football Resale	562	3,529	1,846	2,244
Volleyball Resale	2,305	1,491	671	3,125
Boys BB Resale	5,064	1,095	3,803	2,356
Girls Golf Resale	449	1,746	1,502	692
Wrestling Resale	106	1,461	1,497	70

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

CHEYENNE COUNTY SCHOOL DISTRICT RE-5
 Cheyenne Wells, Colorado
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities - Budget and Actual
 For the Year Ended June 30, 2018
 (continued)

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Track Resale	941	646	1,441	147
Girls BB Resale	818	9,463	7,900	2,381
FFA District	505	45	481	69
Boys Golf Resale	2,138	0	0	2,138
Concessions	4,626	20,688	23,779	1,535
Class of 2017	691	0	691	0
Class of 2018	12,230	2,906	14,602	534
Class of 2019	3,965	4,432	2,200	6,196
Class of 2020	(47)	18,012	1,359	16,607
Class of 2021	<u>0</u>	<u>9</u>	<u>9</u>	<u>0</u>
Total	87,467	121,737	123,566	85,638
 Budget	 <u>0</u>	 <u>185,000</u>	 <u>185,000</u>	 <u>0</u>
 Variance - Favorable (Unfavorable)	 <u>87,467</u>	 <u>(63,263)</u>	 <u>61,434</u>	 <u>85,638</u>

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
District: 0520 - CHEYENNE COUNTY RE-5
Fiscal Year 2017-18
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	2,474,806		3,326,225	2,963,796		2,837,235
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	2,474,806		3,326,225	2,963,796		2,837,235
11 Charter School Fund	0		0	0		0
20,26-29 Special Revenue Fund	0		0	0		0
21 Food Service Spec Revenue Fund	14,748		137,335	126,799		25,284
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	2,302		71,490	66,240		7,553
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	0		0	0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	0		0	0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	2,491,857		3,535,050	3,156,835		2,870,072
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60,65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	87,466		121,737	123,566		85,638
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	87,466		121,737	123,566		85,638
			FINAL			

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