

**EDISON SCHOOL DISTRICT 54JT
YODER, COLORADO
COMPREHENSIVE ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2018**

CPA

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Office of the State Auditor

October 18, 2018

**EDISON SCHOOL DISTRICT 54JT
YODER, COLORADO
BASIC FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT
YEAR ENDED JUNE 30, 2018**

EDISON SCHOOL DISTRICT 54JT
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2018

TABLE OF CONTENTS

FINANCIAL SECTION	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
<u>Basic Financial Statements:</u>	
Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet - Governmental Funds	12
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	13
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	14
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements	16
<u>Required Supplementary Information:</u>	
Statement of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Budget Basis) - General Fund	45
Statement of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual:	
Food Service Fund	46
Pupil Activity Fund	47
Schedule of the District's Proportionate Share of the Net Pension Liability	48
Schedule of Contributions and Related Ratios - Pension	49
Schedule of the District's Proportionate Share of the Net OPEB Liability	50
Schedule of Contributions and Related Ratios - OPEB	51
<u>Other Supplementary Information:</u>	
Statement of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual:	
Debt Service Fund	52
Capital Projects - Building Fund	53
COLORADO DEPARTMENT OF EDUCATION AUDITOR'S INTEGRITY REPORT	
Colorado Department of Education Auditor's Integrity Report	54

INDEPENDENT AUDITORS' REPORT

The Board of Education
Edison School District 54JT
Yoder, Colorado

I have audited the accompanying financial statements of the governmental activities, each major fund, of the Edison School District 54JT, Yoder, Colorado (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund of the District 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

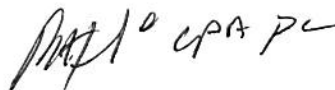
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension liability, the schedule of contributions and related ratios, and budgetary comparison information shown as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The statements included in the other supplementary information section and Colorado Department of Education Auditor's Integrity Report are presented for additional analysis and are not a required part of the basic financial statements.

The other supplementary information and Colorado Department of Education 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 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the other supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado
October 5, 2018

Handwritten signature in black ink, appearing to read "M. J. O. CPA PC".

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018**

The discussion and analysis of Edison School District 54JT's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

Financial Highlights – Financial Statements as of June 30, 2018

- The assets of the District exceed its liabilities at the close of June 30, 2018 by \$14,274,617 (net assets) as reported in the government-wide financial statements.
- The District's government-wide total net assets increased by \$1,706,946 over the prior fiscal year.
- Program revenues for \$2,463,825 offset expenses from governmental activities of \$3,434,773. General revenues from property taxes and state equalization amounted to \$2,541,984.
- At the close of June 30, 2018, the District reported \$1,569,859 combined fund balances (budget basis) for the Governmental Funds, an increase of \$195,161. Revenues exceeded Expenditures by \$195,161 before transfers. An additional \$26,063 was transferred to the Food Service Fund for operations.

Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018

Overview of the Financial Statements

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

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information about all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the current fiscal year. Changes in net assets are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Both of the government-wide financial statements distinguish functions of the District that are supported by taxes from other functions that are intended to recover all or most of their costs through user fees and charges (business-type activities). Governmental activities of the District include instruction and support services and facility construction.

The government-wide financial statements can be found on pages 6-7 of this report.

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

Governmental funds. Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the District's near-term financing requirements. The annual budget is provided on the basis of the governmental fund financial statements.

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

The District maintains three individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental fund Statement of Revenues,

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018**

Expenditures, and Changes in Fund Balances for the General Fund. Data from the one other governmental fund is combined into a single, aggregated presentation. Individual data for this fund is provided in the form of an individual statement in supplementary schedules with this report.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with this budget.

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

Other information. The combining and individual fund statements referred to earlier in connection with non-major governmental funds and enterprise funds are presented after the notes to the financial statements. A budget comparison is provided for each major fund and enterprise fund. The additional schedule required as part of the Colorado Public School Finance Act can also be found after the notes to the financial statements.

Government-wide Financial Analysis

The assets of the District are classified as current assets and capital assets. Cash, investments, receivables, inventories and other assets are current assets. These assets are available to provide resources for the near-term operations of the District. A good portion of the current assets is the result of the property tax collection process; the District receives about 86% of the annual property tax assessment between February and June.

Capital Assets are used in the operations of the District. These assets are land, improvements, buildings, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits and unearned revenues. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal 2018.

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$14,274,617 at the close of the most recent fiscal year.

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 1,779,347	\$ 2,213,776
Capital assets	18,124,916	16,443,900
Total Assets	<u>19,904,263</u>	<u>18,657,676</u>
Deferred outflow of resources	2,888,842	2,241,401
Current and other liabilities	253,132	883,994
Long-term liabilities outstanding	7,915,818	7,164,436
Total Liabilities	<u>8,168,950</u>	<u>8,048,430</u>
Deferred inflow of resources	349,538	120,299
Net Position		
Invested in capital assets, net of related debt	17,534,916	15,187,698
Restricted for:		
TABOR	75,000	72,000
Preschool Insurance		
Student Activities		
Debt Service	70,674	66,576
Capital Projects	0.00	37,963
Unrestricted	(3,405,973)	(2,633,889)
As restated		
Total Net Position	<u>\$ 14,274,617</u>	<u>\$ 12,730,348</u>

The District's reported assets consist of current assets of \$1,779,347 and capital assets of \$18,124,916. The ratio of Current Assets to Current Liabilities of 7.03 to 1 indicates the District's ability to meet current obligations.

Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018

	<u>Governmental Activities</u>	
	<u>2018</u>	<u>2017</u>
Charges for services	\$ 41,214	\$ 46,125
Operating and capital grants and contributions	2,422,611	12,645,213
General revenues:		
Property taxes	194,357	164,547
Specific ownership taxes	15,996	11,564
State Equalization	2,331,631	2,226,597
Other Sources	113,698	175,865
Interest	22,212	11,744
Total Revenues	<u>5,141,719</u>	<u>2,590,317</u>
Expenses:		
Instruction	2,165,806	2,450,259
Support services	1,120,909	1,392,967
Debt service – interest	24,540	25,560
Facilities construction	83,347	6,753
Food services	105,821	142,372
Total Expenses	<u>3,434,773</u>	<u>4,017,911</u>
 Change in Net Position	 1,706,946	 11,263,744
Net Position – Beginning, as restated	 12,567,671	 1,466,604
	<hr/>	<hr/>
Net Position – Ending	\$ <u>14,274,617</u>	\$ <u>12,730,348</u>

Governmental activities. Governmental activities increased the District’s net position in 2017 by \$11,263,744 and increased the net position in 2018 by \$1,706,946.

Financial Analysis of the Government’s Funds

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

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018**

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

As of the end of the current fiscal year, the District’s governmental funds reported a combined ending fund balance of \$1,569,859, an increase of \$195,161 on a budget basis.

- Revenue exceeded expenditures and transfers out of the General Fund by \$231,108 increasing fund balance to \$1,464,841.

General Fund Budgetary Highlights

The District is required to adopt a budget by June 30 for the following fiscal year. The Board of Education may make final changes to the previously adopted budget by January 30. The annual budget for Edison School District 54JT had significant differences between the original/final budgets in the General Fund. The original budget did not reflect an increase in salary expense for additional preschool staff hired that resulted in additional salary and benefit costs.

Capital Asset and Debt Administration

Capital assets. The District’s investment in capital assets for governmental activities as of June 30, 2018 amounts to \$18,124,916 (net of accumulated depreciation). This investment in capital assets includes land, buildings, service vehicles, buses and playground, food service equipment, office and instructional equipment.

	Governmental Activities	
	<u>2018</u>	<u>2017</u>
Governmental Fund	\$	\$
Capital Assets		
Land and Building	8,512	8,512
Improvement	19,041,592	3,602,001
Equipment	705,135	267,691
Vehicles	213,692	219,794
Construction in Progress		13,753,283
Less: Accumulated Depreciation	<u>19,968,931</u> <u>1,844,015</u>	<u>17,851,281</u> <u>1,407,381</u>
Total Governmental Funds Capital Assets	\$ 18,124,916	\$ 16,443,900

**Edison School District 54JT
Management Discussion and Analysis
For the fiscal year ended June 30, 2018**

Economic Factors and Next Year's Budget

- The overriding concern in this budget was the concern of the ever growing negative factor from the state. It looks as though the district will receive a slight increase in per pupil funding for the 2018-2019 school year. This is still not enough to fill in the funding gaps but will help.
- Property and personal taxes continue to decrease, resulting in more of the funding coming from the state. As the board passed a resolution in support of the Amendment 73 which if passed would play a large factor in a future budget.
- The cost of fuel, electricity, and maintenance items continue to increase. All warranty contracts for the new building are expiring and more of the upkeep and maintenance will be absorbed into those budgets.
- The 2015-2016 count was 117 plus 62 prep students. The 2016-2017 count was 131 plus 112 prep students. The 2017-2018 was 133 plus 95 prep students. The count for 2018-2019 will be 134 plus 97 prep students.
- The district purchased two used route buses and three used maintenance/utility vehicles to help with upkeep of the improved property.
- For the second year in a row Edison District raised the base on our salary schedule effective for the 2018-2019 school year in order for us to stay competitive in the labor market.
- The students are performing in the top of the state on state mandated tests as evidenced with our Accredited With Distinction rating this year.
- Edison's benefit package is lower than most districts in the state. Our benefits package will make staff recruitment difficult in coming years.
- BOCES costs will increase in the 2018-2019 school year as there is no windfall from the state due to change in Medicaid funding.
- Edison received a Small Rural Funding Grant for textbooks that allowed us to update our entire elementary math curriculum as well as update part of the secondary curriculum.
- Changes with PERA both at the state level as far as our contribution and the local level as we have a number of employees looking at retirement options.

Requests for Information

The financial report is designed to provide a general overview of Edison School District 54JT's finances for all those with an interest in the District's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Director of Finance, 14550 Edison Road, Yoder, Colorado 80864.

**BASIC FINANCIAL
STATEMENTS**

Edison School District 54JT
Statement of Net Position
June 30, 2018

	Primary Government Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,758,661
Cash with county treasurer	2,012
Accounts receivable	4,142
Property taxes receivable	7,774
Grants receivable	5,651
Inventories	1,107
Total current assets	1,779,347
Capital assets:	
Land & construction in progress	8,512
Depreciable assets	19,960,419
Accumulated depreciation	(1,844,015)
Capital assets, net of depreciation	18,124,916
Total assets	19,904,263
 Deferred outflows of resources - Pension: See note 6	 2,881,723
 Deferred outflows of resources - OPEB: See note 7	 7,119
Liabilities	
Current liabilities:	
Accounts payable	28,955
Accrued salaries and benefits	178,140
Accrued compensated absences	18,644
Grants unearned	2,393
General obligation bonds payable-current	25,000
Total current liabilities	253,132
Noncurrent liabilities:	
Accrued interest payable	2,173
General obligation bonds	565,000
Net OPEB liability	164,065
Net pension liability	7,184,580
Total noncurrent liabilities	7,915,818
Total liabilities	8,168,950
 Deferred inflows of resources - Pension: See note 6	 346,793
 Deferred inflows of resources - OPEB: See note 7	 2,745
Net position	
Invested in capital assets, net of related debt	17,534,916
Restricted for:	
Debt service	70,674
TABOR	75,000
Unrestricted (deficit)	(3,405,973)
Total net position	\$ 14,274,617

See accompanying notes to basic financial statements

Edison School District 54JT
Statement of Activities
Fiscal year ended June 30, 2018

	Expenses	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position in Net Position	
		Charges for Services	Operating Grants and Contributions	Governmental			Primary
Functions/Programs							
Governmental activities:							
Regular & special education instruction	\$ 2,058,534	\$ 2,425	\$ 67,784	\$ -	\$ -	\$ (1,988,325)	
Cocurricular activities	107,272	26,853	-	-	-	(80,419)	
Student services	20,595	-	-	-	-	(20,595)	
Instructional staff	36,808	-	-	-	-	(36,808)	
General administration	92,160	-	-	-	-	(92,160)	
School administration	90,750	-	-	-	-	(90,750)	
Support services - business	221,967	-	-	-	-	(221,967)	
Operations and maintenance	369,414	-	-	-	-	(369,414)	
Student transportation	121,929	-	30,547	-	-	(91,382)	
Support services - central	60,014	-	-	-	-	(60,014)	
Food production costs	105,821	11,936	60,356	-	-	(33,529)	
Pike Peak BOCES	41,622	-	-	-	-	(41,622)	
District-wide facilities acquisition	83,347	-	-	2,263,924	-	2,180,577	
Interest expense, unallocated	24,540	-	-	-	-	(24,540)	
Total primary government	\$ 3,434,773	\$ 41,214	\$ 158,687	\$ 2,263,924	\$ -	\$ (970,948)	
General revenues							
Taxes:							
Local property taxes					\$	194,357	
Specific ownership taxes						15,996	
State equalization						2,331,631	
Other state and local sources						113,698	
Interest on investments						22,212	
Total general revenues and transfers						2,677,894	
Change in net position						1,706,946	
Net position July 1, 2017, as restated						12,567,671	
Net position June 30, 2018						\$ 14,274,617	

See accompanying notes to basic financial statements

Edison School District 54JT
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Food Service Fund	Pupil Activity Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 1,650,402	\$ 21,893	\$ 18,319	\$ 68,047	\$ -	\$ 1,758,661
Cash with county treasurer	1,496	-	-	516	-	2,012
Property taxes receivable	5,663	-	-	2,111	-	7,774
Accounts receivable	2,662	1,480	-	-	-	4,142
Grants receivable	5,651	-	-	-	-	5,651
Inventories	-	1,107	-	-	-	1,107
Total Assets	\$ 1,665,874	\$ 24,480	\$ 18,319	\$ 70,674	\$ -	\$ 1,779,347
Liabilities						
Liabilities:						
Accounts payable	\$ 28,955	\$ -	\$ -	\$ -	\$ -	\$ 28,955
Accrued salaries and benefits	169,685	8,455	-	-	-	178,140
Grants unearned	2,393	-	-	-	-	2,393
Total liabilities	201,033	8,455	-	-	-	209,488
Fund Balances - nonspendable, inventories	-	1,107	-	-	-	1,107
Fund Balances -spendable, reported in:						
Restricted fund balance, reported in:						
TABOR	75,000	-	-	-	-	75,000
Debt service	-	-	-	70,674	-	70,674
Committed fund balances, reported in:						
Special revenue funds	-	14,918	18,319	-	-	33,237
Unassigned fund balances, reported in:						
General fund	1,389,841	-	-	-	-	1,389,841
Total fund balances	1,464,841	16,025	18,319	70,674	-	1,569,859
Total Liabilities and Fund Balances	\$ 1,665,874	\$ 24,480	\$ 18,319	\$ 70,674	\$ -	\$ 1,779,347

See accompanying notes to basic financial statements

Edison School District 54JT
Reconciliation of Governmental Funds Balance Sheet To
Statement of Net Position
June 30, 2018

Governmental funds total fund balances	\$	1,569,859
Add:		
Capital assets used in government activities are not considered current financial resources and, therefore, not reported in the governmental funds. reported in the governmental funds.		19,968,931
Deferred outflows of resources: Pension and OPEB		2,888,842
Deduct:		
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.		(1,844,015)
Long-term liabilities for general obligation debt are not due and payable in the current period and, therefore, not reported in the funds:		
2015 General obligation bonds	(330,000)	
2008 General obligation bonds	(260,000)	(590,000)
Net pension liability		(7,184,580)
Net OPEB liability		(164,065)
Deferred inflows of resources: Pension and OPEB		(349,538)
Compensated absences payable		(18,644)
Accrued interest payable		(2,173)
Government activities net position	<u>\$</u>	<u>14,274,617</u>

See accompanying notes to basic financial statements

Edison School District 54JT
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
Fiscal year ended June 30, 2018

	General Fund	Food Service Fund	Pupil Activity Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues						
Local sources	\$ 198,218	\$ 11,936	\$ 26,853	\$ 54,188	\$ -	\$ 291,195
State sources	2,466,893	1,815	-	-	2,263,924	4,732,632
Federal sources	59,351	58,541	-	-	-	117,892
Total revenues	<u>2,724,462</u>	<u>72,292</u>	<u>26,853</u>	<u>54,188</u>	<u>2,263,924</u>	<u>5,141,719</u>
Expenditures						
Current:						
Regular instruction	1,383,991	-	-	-	-	1,383,991
Cocurricular activities	72,166	-	28,231	-	-	100,397
Student services	20,595	-	-	-	-	20,595
Instructional staff	32,615	-	-	-	-	32,615
General administration	85,415	-	-	-	-	85,415
School administration	79,509	-	-	-	-	79,509
Support services - business	197,351	-	-	550	-	197,901
Operations and maintenance	354,177	-	-	-	-	354,177
Student transportation	114,117	-	-	-	-	114,117
Support services - central	60,014	-	-	-	-	60,014
Food production costs	-	99,059	-	-	-	99,059
Pikes Peak BOCES	41,622	-	-	-	-	41,622
District-wide facility acquisitions	25,719	-	-	-	2,301,887	2,327,606
Debt service:						
Principal retirements	-	-	-	25,000	-	25,000
Interest and fiscal charges	-	-	-	24,540	-	24,540
Total expenditures	<u>2,467,291</u>	<u>99,059</u>	<u>28,231</u>	<u>50,090</u>	<u>2,301,887</u>	<u>4,946,558</u>
Excess(deficiency) of revenues over(under)	257,171	(26,767)	(1,378)	4,098	(37,963)	195,161
Expenditures						
Other financing sources (uses)						
Proceeds from issuance of bonds	-	-	-	-	-	-
Transfer in	-	26,063	-	-	-	26,063
Transfer out	(26,063)	-	-	-	-	(26,063)
Total other financing sources (uses)	<u>(26,063)</u>	<u>26,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	231,108	(704)	(1,378)	4,098	(37,963)	195,161
Fund balances at beginning of year	1,233,733	16,729	19,697	66,576	37,963	1,374,698
Fund balances at end of year	<u>\$ 1,464,841</u>	<u>\$ 16,025</u>	<u>\$ 18,319</u>	<u>\$ 70,674</u>	<u>\$ -</u>	<u>\$ 1,569,859</u>

Edison School District 54JT
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

Governmental funds changes in fund balances	\$	195,161
Add:		
Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.		2,244,259
Principal retirement of District's long-term debt results in a reduction of accumulated resources on the fund financial statements. The government-wide statements show these reductions against the long-term liabilities.		25,000
Deduct:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		(563,243)
Interest expense is recorded on the cash basis in the funds:		
Change in accrued interest		-
Long-term payroll liabilities are expensed when paid in the funds:		
Compensated absences (accrued) paid		1,272
Pension and OPEB expense adjustment		(195,503)
Governmental activities change in net position	<u>\$</u>	<u>1,706,946</u>

See accompanying notes to basic financial statements

EDISON SCHOOL DISTRICT 54JT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - **Summary of Significant Accounting Policies**

The Edison School District 54JT (the District) was formed in 1916 and encompasses the counties of El Paso, Lincoln and Pueblo, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 150 students in-house and 70 on-line and college students.

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

Reporting Entity

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

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely, to a significant extent on fees and charges for support.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for

each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and others sources not described above.

Separate financial statements are provided for the governmental funds. Major individual governmental funds (General Fund, Pupil Activity Fund, Food Service Fund and Debt Service Fund) are reported as separated columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, deferred outflows current liabilities, and deferred inflows or resources generally are included on the balance sheet. This means that only current liabilities are generally included on their balance sheets.

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

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

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

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts. Unearned grant revenues are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of expenditures are recorded as unearned grant revenue.

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

Fund Accounting

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

- **Major Governmental Funds**

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond Redemption Debt Service Fund - used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
3. Food Service Fund (a Special Revenue Fund) – this fund accounts for all financial activities associated with the District’s school breakfast and lunch that are committed to for the programs.
4. Pupil Activity Fund (a Special Revenue Fund) – used to account for and report the proceeds of specific revenue sources, such as athletic and non-athletic fundraisers, that are restricted or committed to expenditure for specified purposes to be used in various student athletic and co-curricular organizations.
5. Capital Projects Fund – Building Fund – used to account for the construction costs of new buildings associated with the State’s BEST grant.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

Cash and Cash Equivalents

Cash of some funds are pooled into common pooled accounts in order to maximize investment opportunities. An individual fund’s pooled Cash and Cash Investments

are available upon demand and are considered to be “cash equivalents”. Negative balances incurred in pooled cash at year-end are treated as a liability of that fund.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2018. Property taxes levied in the current year but not received at year-end are identified as property taxes receivable and are presented net of an allowance for uncollectible taxes.

Inventories

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

Capital Assets

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

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

The monetary threshold for capitalization of assets is \$3,000. The District’s capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used by the proprietary fund is charged as an expense against their operations. Estimate useful lives are:

Vehicles	7-10 years
Furniture, fixtures and equipment	10 to 20 years
Buildings and improvements	20 to 40 years

Liabilities

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

Deferred Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period and so will not be recognized as an outflow of the resources (expenditure) until that time. In addition to liabilities, the statement of financial position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenues) until that time.

Compensated Absences/Sick Leave

It is the District's policy to permit employees to accumulate a limited amount of earned but unused sick pay benefits, which will be paid to employees upon separation from District service. All compensated absences liabilities are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignation and retirements. Employees earn 6 sick leave days for each year worked. After 3 years of employment with the District, the entire sum of sick leave accrued (limited to 30 days) is paid at termination at the rate of \$47.50 per day.

Budgets and Budgeting Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Budgets are required by state law for all funds. Prior to June 1, the District submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution of the Board.
4. Expenditures may not legally exceed appropriations at the fund level. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, Capital Project Fund, Debt Service Fund and Enterprise (Food Service) Fund.
6. Budgets for the General Fund, Special Revenue Funds, Capital Project Fund, Debt Service Fund and Enterprise (Food Service) Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Fund Equity

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net positions are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Fund balance should be reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, should be reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Debt Service – These reserves are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded reserves at June 30, 2018 are \$70,674.

Restricted for the Preschool Program – These reserves are established for amounts required to be set aside for preschool. Recorded reserves at June 30, 2018 are \$ 0.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements in those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

Note 2 - **Deposits and Investments**

Deposits

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District is authorized by Colorado State statutes to invest in the following:

- Obligations of the United States government and certain government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Checking with interest savings accounts

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end the District's bank balance was \$2,446,072. Of the bank balance, \$250,000 was covered by FDIC insurance. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA. The District's carrying balance as of June 30, 2018 was \$1,758,661 with the entire amount at Farmers State Bank. The difference between the District's carrying balance and bank balance is outstanding checks and deposits in transit.

Note 3 - **Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in December and are payable in full by April 30 or in two equal installments

due February 28 and June 15 of the following year. The El Paso County Treasurer collects property taxes for all taxing entities within the Districts boundaries. District property tax revenues are accounted for in the General and Debt Service Funds. Property taxes at the fund level are recorded as receivable and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Note 4 - **Capital Assets**

A summary of changes in capital assets follows:

Governmental Activities

	<u>Balance</u> <u>July 1,2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2018</u>
Non-depreciable assets:				
Land	\$ 8,512	\$ -	\$ -	\$ 8,512
Const.-in-progress	<u>13,753,283</u>	<u>2,293,412</u>	<u>16,046,695</u>	<u>-</u>
Total Non-depreciable	<u>\$13,761,795</u>	<u>\$ 2,293,412</u>	<u>\$16,046,695</u>	<u>\$ 8,512</u>

	<u>Balance</u> <u>July 1,2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,2018</u>
Depreciable Assets:				
Buildings & Sites	\$ 3,602,001	\$ 15,439,591	\$ -	\$ 19,041,592
Equipment Furniture And Fixtures	267,691	548,053	110,609	705,135
Vehicles	<u>219,794</u>	<u>9,898</u>	<u>16,000</u>	<u>213,692</u>
Total Depreciable Assets	<u>\$ 4,089,486</u>	<u>\$ 15,997,542</u>	<u>\$ 126,609</u>	<u>\$ 19,960,419</u>

Less accumulated depreciation for:

Buildings & Sites	\$ 1,034,788	\$ 471,884	\$ -	\$ 1,506,672
Equipment Furniture And Fixtures	222,871	64,211	110,609	176,473
Vehicles	<u>149,722</u>	<u>27,148</u>	<u>16,000</u>	<u>160,870</u>
Total Accumulated Depreciation	<u>\$ 1,407,381</u>	<u>\$ 563,243</u>	<u>\$ 126,609</u>	<u>\$ 1,844,015</u>
Total Capital Assets, Net	<u>\$ 16,443,900</u>	<u>\$ 17,727,711</u>	<u>\$ 16,046,695</u>	<u>\$ 18,124,916</u>

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

Governmental activities:

Regular instruction \$ 563,243

Note 5 - **Long-Term Debt**

The following is a summary of long-term debt:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2018</u>
G.O. Bonds-2008	\$ 340,000	\$ -	\$ 15,000	\$ 325,000
G.O. Bonds-2015	<u>275,000</u>	<u>-</u>	<u>10,000</u>	<u>265,000</u>
Totals G.O Bonds	<u>615,000</u>	<u>-</u>	<u>25,000</u>	<u>590,000</u>
Sick Leave	19,916	-	1,272	18,644
Total Long-Term Debt	<u>\$ 634,916</u>	<u>\$ -</u>	<u>\$ 26,272</u>	<u>\$ 608,644</u>

Amount of General Obligation Bonds due within one year \$ 25,000

In October of 2015, the District issued \$ 285,000 in general obligation bonds for the purpose of acquisition, construction, equipping and furnishing a new school. These bonds bear interest of 3.00% which is payable semi-annually on June 1 and December 1. The bonds mature on December 1 annually from 2016 through 2034.

The annual debt service requirements of the 2015 General Obligation Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 10,000	\$ 7,800	\$ 17,800
2020	10,000	7,500	17,500
2021	10,000	7,200	17,200
2022	10,000	6,900	16,900
2023	10,000	6,600	16,600
2024	10,000	6,300	16,300
2025	10,000	6,000	16,000
2026-2031	60,000	25,200	85,200
2032-2034	<u>135,000</u>	<u>12,825</u>	<u>147,825</u>
Total	<u>\$ 265,000</u>	<u>\$ 86,325</u>	<u>\$ 351,325</u>

In March of 2008, the District issued \$ 450,000 in general obligation bonds for the purpose of acquisition, construction, equipping and furnishing a new school. These bonds bear interest from 4.80% to 5.00% which is payable semi-annually on June 1 and December 1. The bonds mature on December 1 annually from 2008 through 2032.

The annual debt service requirements of the 2008 General Obligation Bonds are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 15,000	\$ 15,720	\$ 30,720
2020	15,000	15,000	30,000
2021	15,000	14,280	29,280
2022	20,000	13,440	33,440
2023	20,000	12,480	32,480

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025-2030	85,000	35,875	120,875
2031-2033	<u>135,000</u>	<u>17,645</u>	<u>152,645</u>
Total	<u>\$ 325,000</u>	<u>\$ 135,940</u>	<u>\$ 460,940</u>

Note 6 - **Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

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

Benefits provided. 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.
- The lifetime retirement benefit for all eligible retiring employees under the Denver Public Schools (DPS) Benefit Structure is the greater of the:
 - Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
 - \$15 times the first 10 years of service credit plus \$20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

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

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

Contributions. Eligible employees and the District are required to contribute to the 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, 2018	For the Year Ended December 31, 2017
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	5.50%	5.00%
Total Employer Contribution Rate to the SCHDTF ¹	19.13%	18.63%

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 \$200,153 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 \$7,184,580 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District proportion was 0.0222182104%, which was an increase of 0.0001442784 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$198,489. 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	\$ 192,523	\$ 29,314
Changes of assumptions or other inputs	\$ 2,199,936	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 347,904	\$ 282,145
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 38,914	\$ 35,334
Contributions subsequent to the measurement date	\$ 102,446	N/A
Total	\$ 2,881,723	\$ 346,793

\$102,446 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2018:	
June 30, 2019	\$ 1,303,451
June 30, 2020	\$ 968,939
June 30, 2021	\$ 230,631
June 30, 2022	\$ (70,537)
June 30, 2023	\$ -
Thereafter	\$ -

Actuarial assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following 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	3.90 – 9.70 percent
Long-term investment Rate of Return, net of pension	

plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26percent
Future 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

Based on the 2016 experience analysis and the October 28, 2016 actuarial assumptions workshop, revised economic and demographic assumptions were adopted by the PERA's Board on November 18, 2016 and effective as of December 31, 2016. These revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2015 to December 31, 2016:

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	
Discount rate	7.25 percent
Discount rate	5.26 percent
Future 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.

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	10 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 US Fixed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Real Estate	8.50%	4.90%
Opportunity Fund	6.0%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

Discount rate. The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the

actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

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

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

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$8,693,342	\$7,184,580	\$5,675,818

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

Changes between the measurement date of the net pension liability and <Insert Employer Year-End>.

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

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

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

Note 7 - **Defined Benefit Other Post Employment (OPEB) Plan**

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid. Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others. Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

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

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

DPS Benefit Structure

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF

or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$10,865 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$164,065 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF .

At December 31, 2017, the District's proportion was 0.0126243051 percent, which was an increase of 0.0000772173 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense (credit) of (\$2,986). 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	\$ 776	\$ -
Changes of assumptions or other inputs	\$ -	\$ -
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 2,745
Changes in proportion and differences between contributions	\$ 837	\$ -

recognized and proportionate share of contributions		
Contributions subsequent to the measurement date	\$ 5,506	N/A
Total	\$ 7,119	\$ 2,745

\$5,506 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2018:	
June 30, 2019	\$ (370)
June 30, 2020	\$ (370)
June 30, 2021	\$ (370)
June 30, 2022	\$ (371)
June 30, 2023	\$ 316
Thereafter	\$ 33

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	3.50percent
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%

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

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

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

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

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

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

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

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

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

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

- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

Asset Class	Target Allocation	10 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 US Fixed	1.84%	0.60%
Emerging Market Bonds	0.46%	3.90%
Real Estate	8.50%	4.90%
Opportunity Fund	6.0%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend	4.00%	5.00%	6.00%
Initial Medicare Part A trend	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend	3.25%	4.25%	5.25%
Net OPEB Liability	\$ 131,252	\$ 164,065	\$ 196,878

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

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

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit

payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 198,519	\$ 164,065	\$ 129,611

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.

Note 8 - **Defined Contribution Pension Plan**

Plan Description. The (CSSDTF) members of the Edison School District 54JT may voluntarily contribute to the Voluntary Investment Program 401(k) Plan, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary, and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the 401(k) Plan provisions to the State Legislature.

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS (\$18,500 in 2018 and \$18,000 in 2017). Beginning January 1, 2001, an employer match was legislated, which would match 100% of a member's eligible tax deferred retirement program contributions limited by 3.0% in 2002, 2.0% in 2003 and 1.0% in 2004 per payroll of the PERA-includable salary. Effective July 1, 2004, the State Legislature rescinded the matchmaking provision of this plan. The 401(k) Plan member contributions from the District for the year ended June 30, 2018 were \$22,050. The District has a policy whereas employees who are not receiving the District's portion of employer paid health insurance (\$150 per month) may have this amount contributed to their 401(k) plan by the District. Employer contributions to the 401(k) Plan from the District for the year ended June 30, 2018 were \$1,800.

Note 9 - **Joint Ventures**

The District participates in with the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by

participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2018 contribution amounted to \$41,622. The District's share of annual contributions to the joint venture was approximately 8% for the year ended June 30, 2018. Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

Note 10- **Auditor's Integrity Report**

The Colorado Department of Education requires the inclusion of the Auditor's Integrity Report as a supplemental schedule to the audited financial statements. The report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

Note 11- **Risk Management**

The District participates in Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the District Board approved a resolution that authorized the District to participate in the pool. The District has participated each year since then.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability or loss to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable cost. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members.

The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

Complete financial statements for the Pool can be obtained at their offices.

The District is exposed to various risks of loss related to torts, thefts of damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements in excess of coverage for the last three years.

Note 12 - **Interfund Transactions**

The following identifies cash transfers from the General Fund to the Food Service Fund at June 30, 2018:

<u>Fund</u>	<u>Transfer from</u>	<u>Transfer to</u>
General Fund	\$ 26,063	
Food Service Fund		\$ 26,063

Note 13 - **Accrued Teachers' Salaries and Employee Benefits**

Teachers' contracts are for a nine or ten-month period; but are paid in twelve equal payments. At the end of the fiscal year an accrual exists for the difference between the amounts due on the contract and the amounts paid.

Note 14 - **Operating Leases**

The District has entered into operating leases for several copiers and printers. Monthly rentals are \$1,381. Lease expense as of June 30, 2018 was \$19,664. The minimum annual rental commitments under these leases are as follows:

Year ended June 30:	
2019	\$ 16,572
2020	16,572
2021	<u>16,572</u>
Total	<u>\$ 49,716</u>

Note 15- **Commitments and Contingencies**

State of Colorado – The District has undergone an audit by the State of Colorado for pupil counts and educational expenditures in regards to the District's on-line education program. Any disallowed per pupil funding as a result of this audit, including amounts already collected, may constitute a reduction in state equalization to the District. The amount of expenditures and pupil counts, which were disallowed by the state, will be reduced from future state equalization allocations.

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and State of Colorado. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Tabor - In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue and debt limitations, which apply to the State of Colorado and all local governments, including school districts.

The District's financial activity provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenues in excess of the District's "spending limit" must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

On November 4, 1997, the voters of the district approved a referendum for Edison School District 54JT. The voters authorized the district to collect, retain and expend all revenues and other funds collected during 1998 and each subsequent year from any source notwithstanding the limitations of Article X, section 20 of the Colorado constitution, effective January 1, 1998, provided however, that no property tax mill

levy shall be increased at any time nor shall any new tax be imposed without the prior approval of the voters of Edison School District 54JT. TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

As of June 30, 2018 for budgetary purposes the District reserved \$75,000 in the General Fund.

Note 16 - **Restatement of Net Position**

The District's beginning net position within the governmental activities has been restated due to a prior year OPEB obligations due to the implementation of GASB 75. Total restatement was \$162,677 (decrease).

Note 17 - **Evaluation of Subsequent Events**

The District's management has evaluated subsequent events through October 5, 2018 (the date of the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Edison School District 54JT
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Local sources				
Property taxes	\$ 139,675	\$ 139,675	\$ 140,169	\$ 494
Specific ownership taxes	6,646	6,646	15,996	9,350
Delinquent taxes and interest	300	300	316	16
Tuition	2,000	2,000	2,425	425
Other local sources	15,926	15,926	17,100	1,174
Interest on investments	12,000	12,000	22,212	10,212
Total local sources	<u>176,547</u>	<u>176,547</u>	<u>198,218</u>	<u>21,671</u>
State sources				
State equalization	2,219,814	2,219,814	2,331,631	111,817
Transportation	30,475	30,475	30,547	72
Other state sources	130,341	130,341	104,715	(25,626)
Total state sources	<u>2,380,630</u>	<u>2,380,630</u>	<u>2,466,893</u>	<u>86,263</u>
Federal sources				
Reap grant	31,197	31,197	20,595	(10,602)
Other federal sources	30,777	30,777	38,756	7,979
Total federal sources	<u>61,974</u>	<u>61,974</u>	<u>59,351</u>	<u>(2,623)</u>
Total revenues	<u>2,619,151</u>	<u>2,619,151</u>	<u>2,724,462</u>	<u>105,311</u>
Expenditures				
Instruction and supporting services				
Regular & special education instruction	1,494,858	1,494,858	1,383,991	110,867
Cocurricular activities	78,085	78,085	72,166	5,919
Student services	31,197	31,197	20,595	10,602
Instructional staff	33,097	33,097	32,615	482
General administration	104,415	104,415	85,415	19,000
School administration	79,777	79,777	79,509	268
Support services - business	186,319	186,319	197,351	(11,032)
Operations and maintenance	298,667	298,667	354,177	(55,510)
Student transportation	132,213	132,213	114,117	18,096
Support services - central	69,985	69,985	60,014	9,971
Pikes Peak BOCES	39,256	39,256	41,622	(2,366)
Facilities acquisitions	223,096	223,096	25,719	197,377
Contingency	1,030,299	1,030,299	-	1,030,299
Total expenditures	<u>3,801,264</u>	<u>3,801,264</u>	<u>2,467,291</u>	<u>1,333,973</u>
Excess(deficiency) of revenues over expenditures	<u>(1,182,113)</u>	<u>(1,182,113)</u>	<u>257,171</u>	<u>1,439,284</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	(51,620)	(51,620)	(26,063)	25,557
Total other financing sources (uses)	<u>(51,620)</u>	<u>(51,620)</u>	<u>(26,063)</u>	<u>25,557</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(1,233,733)</u>	<u>(1,233,733)</u>	<u>231,108</u>	<u>1,464,841</u>
Fund balances at beginning of year	1,233,733	1,233,733	1,233,733	-
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,464,841</u>	<u>\$ 1,464,841</u>

See accompanying independent auditors' report.

Edison School District 54JT
Food Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Local sources				
Student and adult lunch sales	\$ 10,250	\$ 10,250	\$ 11,434	\$ 1,184
Other	179	179	502	323
Total local sources	10,429	10,429	11,936	1,507
State sources				
Start smart nutrition program	200	200	819	619
Other programs	150	150	996	846
Total state sources	350	350	1,815	1,465
Federal sources				
National breakfast and lunch program	18,600	18,600	52,856	34,256
Other federal programs	6,336	6,336	5,685	(651)
Total federal sources	24,936	24,936	58,541	33,605
Total revenues	35,715	35,715	72,292	36,577
Expenditures				
Current:				
Salaries and benefits	52,428	52,428	49,951	2,477
Purchase services	1,000	1,000	594	406
Supplies	4,250	4,250	5,615	(1,365)
Food costs	34,886	34,886	42,649	(7,763)
Other	11,500	11,500	250	11,250
Contingency	-	-	-	-
Total expenditures	104,064	104,064	99,059	5,005
Excess(deficiency) of revenues over expenditures	(68,349)	(68,349)	(26,767)	6,512
Other financing sources (uses)				
Transfer in(out)	-	-	-	-
Transfer in(out)	51,620	51,620	26,063	(25,557)
Total other financing sources (uses)	51,620	51,620	26,063	(25,557)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(16,729)	(16,729)	(704)	(19,045)
Fund balance at beginning of year	16,729	16,729	16,729	-
Fund balance at end of year	\$ -	\$ -	\$ 16,025	\$ (19,045)

See accompanying independent auditors' report.

Edison School District 54JT
Pupil Activity Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Local sources				
Student activities	\$ 28,544	\$ 28,544	\$ 26,853	\$ (1,691)
Interest on investments	-	-	-	-
Total local sources	<u>28,544</u>	<u>28,544</u>	<u>26,853</u>	<u>(1,691)</u>
Expenditures				
Current:				
Cocurricular activities	48,241	48,241	28,231	20,010
Contingency	-	-	-	-
Total expenditures	<u>48,241</u>	<u>48,241</u>	<u>28,231</u>	<u>20,010</u>
Excess(deficiency) of revenues over expenditures	<u>(19,697)</u>	<u>(19,697)</u>	<u>(1,378)</u>	<u>18,319</u>
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(19,697)</u>	<u>(19,697)</u>	<u>(1,378)</u>	<u>18,319</u>
Fund balance at beginning of year	19,697	19,697	19,697	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,319</u>	<u>\$ 18,319</u>

See accompanying independent auditors' report.

Edison School District 54JT
Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
District' proportion (percentage) of the collective net pension liability	0.0222182104%	0.0220739320%	0.0219419078%
District's proportionate share of the collective pension liability	7,184,580	6,572,263	3,355,860
Employer's covered-employee payroll	1,024,900	935,292	956,223
District's proportionate share of the net pension liability as a percentage of it's employer's covered-employee payrol	14.27%	14.23%	28.49%
Plan fiduciary net pension as a percentage of the total pension liability	43.96%	43.10%	59.20%

The amounts presented for each fiscal year were determined as of December 31.

See the accompanying Independent Auditors' Report

Edison School District 54JT
Schedule of Contributions and Related Ratios - Pension
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
As of June 30,				
Statutorily required contributions	\$ 200,153	\$ 183,235	\$ 172,001	\$ 163,658
Contributions in relation to the statutorily required contributions	<u>200,153</u>	<u>183,235</u>	<u>172,001</u>	<u>163,658</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's covered-employee payroll	1,060,246	994,553	969,741	970,138
Contribution as a percentage of employer's covered-employee payroll	18.88%	18.42%	17.74%	16.87%

See the accompanying Independent Auditors' Report

Edison School District 54JT
Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	<u>2017</u>
District' proportion (percentage) of the collective net OPEB liability	0.0126243051%
District's proportionate share of the collective OPEB liability	164,065
Employer's covered-employee payroll	1,024,900
District's proportionate share of the net OPEB liability as a percentage of it's employer's covered-employee payrol	624.69%
Plan fiduciary net OPEB as a percentage of the total pension liability	17.53%

The amounts presented for each fiscal year were determined as of December 31.

See the accompanying Independent Auditors' Report

Edison School District 54JT
Schedule of Contributions and Related Ratios - OPEB
Last 10 Fiscal Years

	<u>2018</u>
As of June 30,	
Statutorily required contributions	\$ 10,865
Contributions in relation to the statutorily required contributions	<u>10,865</u>
Contribution deficiency (excess)	<u>\$ -</u>
Employer's covered-employee payroll	1,060,246
Contribution as a percentage of employer's covered-employee payroll	1.02%
See the accompanying Independent Auditors' Report	

**OTHER SUPPLEMENTARY
INFORMATION**

Edison School District 54JT
Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Local sources				
Property taxes	\$ 48,000	\$ 48,000	\$ 54,188	\$ 6,188
Delinquent taxes and interest	-	-	-	-
Other	-	-	-	-
Total local sources	<u>48,000</u>	<u>48,000</u>	<u>54,188</u>	<u>6,188</u>
Expenditures				
Debt Service:				
Interest expense	24,540	24,540	24,540	-
Principal	25,000	25,000	25,000	-
Other	550	550	550	-
Contingency	64,486	64,486	-	64,486
Total debt service	<u>114,576</u>	<u>114,576</u>	<u>50,090</u>	<u>64,486</u>
Excess(deficiency) of revenues over expenditures	<u>(66,576)</u>	<u>(66,576)</u>	<u>4,098</u>	<u>70,674</u>
Other financing sources (uses)				
Transfer out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(66,576)</u>	<u>(66,576)</u>	<u>4,098</u>	<u>70,674</u>
Fund balance at beginning of year	<u>66,576</u>	<u>66,576</u>	<u>66,576</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,674</u>	<u>\$ 70,674</u>

See accompanying independent auditors' report.

Edison School District 54JT
Capital Projects - Building Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
State - Best Grant	\$ 2,893,405	\$ 2,893,405	\$ 2,263,924	\$ (629,481)
Interest on investments	-	-	-	-
Total revenues	<u>2,893,405</u>	<u>2,893,405</u>	<u>2,263,924</u>	<u>(629,481)</u>
Expenditures				
Current:				
Supporting services - central	-	-	-	-
District-wide facility acquisitions	2,931,368	2,931,368	2,301,887	629,481
Contingency	-	-	-	-
Total expenditures	<u>2,931,368</u>	<u>2,931,368</u>	<u>2,301,887</u>	<u>629,481</u>
Excess(deficiency) of revenues over expenditures	<u>(37,963)</u>	<u>(37,963)</u>	<u>(37,963)</u>	<u>-</u>
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>(37,963)</u>	<u>(37,963)</u>	<u>(37,963)</u>	<u>-</u>
Fund balance at beginning of year	<u>37,963</u>	<u>37,963</u>	<u>37,963</u>	<u>-</u>
Fund balance (deficit) at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COLORADO DEPARTMENT OF EDUCATION

AUDITOR'S ELECTRONIC FINANCIAL

DATA INTEGRITY CHECK FIGURES



Colorado Department of Education
Auditors Integrity Report
 District: 1120 - EDISON 54 JT
 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	1,233,733		2,650,411		2,419,303		1,464,841
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		47,988		47,988		0
Sub-Total	1,233,733		2,698,399		2,467,291		1,464,841
11 Charter School Fund	0		0		0		0
20:25-29 Special Revenue Fund	0		0		0		0
21 Food Service Spec Revenue Fund	16,729		98,354		99,059		16,025
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	19,697		26,853		28,231		18,319
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	66,576		54,188		50,090		70,674
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	37,963		2,263,924		2,301,887		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
46 Supplemental Cap Const. Tech. Main Fund	0		0		0		0
Totals	1,374,698		5,141,717		4,946,557		1,569,859
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	0		0		0		0
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0
FINAL							