

ELBERT COUNTY SCHOOL DISTRICT NO. 200

ELBERT COUNTY, COLORADO

BASIC FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

JUNE 30, 2018



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ELBERT COUNTY SCHOOL DISTRICT NO. 200

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BASIC FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2018

ELBERT COUNTY SCHOOL DISTRICT NO. 200
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	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds	13
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	14
Statement of Revenues, Expenditures and Changes in Fund Balances	
Governmental Funds	15
Reconciliation of Revenues, Expenditures and Changes in Fund Balances	
of Governmental Funds to the Statement of Activities	16
Notes to Financial Statements	17
<u>Required Supplementary Information:</u>	
Combining and Individual Fund Statements and Schedules:	
Statement of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual (Budget Basis) - General Fund	45
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual:	
Designated Purpose Grants Fund	46
Pupil Activity Fund	47
Food Service Fund	48
Schedule of District's Proportionate Share of Net Pension Liability	49
Schedule of Contributions and Related Ratios - Pension	50
Schedule of District's Proportionate Share of Other Post Employment Benefits (OPEB) Liability	51
Schedule of Contributions and Related Ratios - OPEB	52
<u>Other Supplementary Information:</u>	
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual:	
Capital Projects Fund	53
Bond Redemption Fund	54
COLORADO DEPARTMENT OF EDUCATION AUDITOR'S	
INTEGRITY REPORT	
Colorado Dept. of Education Auditor's Integrity Report	55

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Elbert County School District No. 200
Elbert, Colorado

I have audited the accompanying financial statements of the governmental activities, each major fund, of the Elbert County School District No. 200, Elbert County, 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 of 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 conformity 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 and OPEB liabilities, the schedule of contributions and related ratios of the pension and OPEB, 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 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. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado
September 10, 2018



Elbert School District #200
Year Ended June 30, 2018
Management's Discussion and Analysis 2017-18

As management of the Elbert School District #200, we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

Financial Highlights

- The primary government has government-wide net position totaling over \$12,163,891 at the end of the current fiscal year. This is a decrease in net position of \$188,301 due to depreciation of existing assets that is not recorded in the fund financial statements and the increase in the net pension liability.
- Governmental activities have an unrestricted net position (deficit) of \$5,090,848. As required by the Governmental Accounting Standards Board, much of this deficit is the result of the implementation of GASB 68/71 & 75 (Net Pension and OPEB Liabilities).
- Fund balance of the District's governmental funds increased by \$386,595 in 2017-18. This increase was a fund balance increase across multiple funds.

Overview of the Financial Statements

The Management's Discussion and Analysis is intended to serve as an introduction to the District's financial statements. The Elbert School District #200's basic financial statements are comprised of two components, Basic Financial Statements and Supplemental Information. The Basic Financial Statements have the three sections: 1) Government-wide Financial Statements and 2) Fund Financial Statements, and 3) Notes to the Financial Statements. The Other Supplementary Information is comprised of the combining and individual fund statements and schedules.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers a broad overview of Elbert School District #200's financial activities in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities. The difference between assets and liabilities is reported as net position. Over time, changes in net position 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 net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying events occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employee's vacation leave).

The government-wide financial statements consolidate governmental and internal service type activities that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or most of their costs through user fees and charges. Governmental activities consolidate all of the following Elbert School District #200 funds: General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Capital Projects Fund and Bond Redemption Fund.

Fund Financial Statements

These statements focus on individual parts of the District. The District's operations are in more detail than the government-wide statements.

Governmental Funds

The governmental funds statements show how basic services such as instruction were financed in the short-term as well as what remains (fund balances) for the future spending (budgeting).

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Required Other Supplementary Information

In addition to the financial statements and accompanying notes, this report also contains required supplemental information concerning the District's Special Revenue Funds. The combining statements of the special revenue governmental funds are presented after the notes to the financial statements.

Government-wide Financial Analysis

Government-wide Net Position

The assets of Elbert School District #200 are classified as current assets and capital assets. Cash, property taxes receivables and governmental accounts receivables are the current assets. These assets are available to provide the resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

The assets of the District exceed liabilities by \$12,163,891. The liabilities of the district 2017-18 school-year were accounts payable, accrued salaries and benefits, capital lease payable, net pension and OPEB liabilities and matching bonds payable of \$12,833,736.

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Total % Change</u>
	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017-18</u>
Assets							
Current	\$ 2,130,916	\$ 2,364,605	0	0	\$ 2,130,916	\$ 2,364,605	+1%
Capital/Net depreciation	<u>\$19,829,938</u>	<u>\$19,320,374</u>	<u>0</u>	<u>0</u>	<u>\$19,829,938</u>	<u>\$19,320,374</u>	-1%
Total Assets	\$21,994,740	\$21,684,854	0	0	\$21,994,740	\$21,684,854	-0%
Deferred outflows of resources	\$ 3,377,890	4,166,900	0	0	\$ 3,377,890	4,166,900	12%
Liabilities							
Current	\$ 380,064	\$ 229,225	0	0	\$ 380,064	\$ 229,225	1.65%
Noncurrent	<u>\$ 12,579,970</u>	<u>\$ 12,604,511</u>	<u>0</u>	<u>0</u>	<u>\$ 12,579,970</u>	<u>\$ 12,604,511</u>	<u>10%</u>
Total Liabilities	\$ 7,886,347	\$ 12,833,736	0	0	\$ 7,886,347	\$ 12,833,736	11.65%
Deferred inflows of resources	\$ 162,399	\$ 854,252	0	0	\$ 162,399	\$ 854,252	50%
Net Position							
Invested in Capital	\$17,359,367	\$16,985,502	0	0	\$17,359,367	\$16,985,502	- .19%
Restricted	\$ 262,604	\$ 269,237	0	0	\$ 262,604	\$ 269,237	1.02%
Unrestricted	<u>\$ -5,025,596</u>	<u>\$ -5,090,848</u>	<u>0</u>	<u>0</u>	<u>\$ -5,025,596</u>	<u>\$ -5,090,848</u>	<u>1%</u>
Total Net Position	\$12,596,375	\$12,163,891	0	0	\$12,596,375	\$12,163,891	1.8%

The major change in the net position from 2016-17 to 2017-18 is that total assets decreased by \$275,875 and liabilities increased by about \$253,766.

Total Liabilities Net Position 2016-17

	Governmental	Business-Type	Total
Total Liabilities, Deferred inflows and Net Position	\$25,338,744	\$0	\$25,338,744

Total Liabilities Net Position 2017-18

	Governmental	Business-Type	Total
Total Liabilities, Deferred inflows and Net Position	\$25,851,879	\$0	\$25,851,879

Government Activities/Business Type

The governmental activities decreased the net position of the District by \$188,301 during the current fiscal year ended June 30, 2018 mainly because of depreciation and the increase in the PERA pension and OPEB expenses that is recorded in the government-wide financial statements. There is now a \$10,175,153 net pension liability and \$232,357 OPEB liability on the District's Statement of Net Position.

	Governmental	Business-Type	Total
Net position, July 1, 2018	\$12,352,192		\$12,352,192
Net position, June 30, 2017	\$12,163,891		\$12,163,891
Net position, July 1, 2017	\$12,596,375		\$12,596,375
Net position, June 30, 2016	\$14,857,583		\$14,857,583

The following is a comparison of the District's general revenues, program revenues and governmental activities for the years 2015-16 and 2016-17:

Comparison of Revenues and Expenses			
	<u>2016-2017</u>	<u>2017-2018</u>	<u>Increase(decrease)</u>
General Revenues:			
Local property taxes	\$ 606,722	\$ 632,173	\$ 25,451
Specific ownership taxes	108,196	121,627	13,431
State equalization	2,005,676	2,115,028	109,352
Other	167,283	126,875	(56,815)
Program Revenues:			
Charges for svcs.-govt	70,438	86,830	16,392
Charges for svcs.-food	26,753	38,165	11,412
Operating grant -food	23,954	25,766	1,812
Operating grant-inst.	52,540	132,781	80,241
Operating grant-transp.	25,639	30,326	2,083
Capital grant/contrib.	0	0	0
Total Revenues	<u>\$ 3,094,066</u>	<u>\$ 3,309,571</u>	<u>\$ 215,505</u>
Expenses:			
Instruction	\$ 3,035,420	\$ 1,919,037	\$ (1,116,383)
Pupil/Instructional	566,614	374,033	(192,581)
Administration/Business	821,622	464,509	(357,113)
Operations/Maintenance	351,477	280,157	(71,320)
Transportation	261,938	174,751	(87,187)
Other	84,641	82,383	(2,258)
Facility Acquisitions	0	7,814	7,814
Debt Service -Interest	77,180	72,751	(4,429)
Food services	<u>156,382</u>	<u>122,437</u>	<u>(33,945)</u>
Total Expenses	<u>\$ 5,355,274</u>	<u>\$ 3,497,872</u>	<u>1,857,402</u>
Change in Net Position	<u>(2,261,208)</u>	<u>(188,301)</u>	
Net Position begin of year	<u>14,857,583</u>	<u>12,352,192</u>	
Net Position end of year	<u>\$ 12,596,375</u>	<u>\$ 12,163,891</u>	

Financial Analysis of the Government's Funds

Elbert School District #200 uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements.

The General Fund is the primary major governmental fund (General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Capital Projects Fund and Bond Redemption Fund) for Elbert School District #200. The ending fund balance for the General Fund 2017-18 is \$1,791,286. Tabor reserves of \$81,000 are set aside. The fund balance is an increase from 16-17 of \$331,451.

The Special Revenue funds (Food Service Fund, Pupil Activity and Designated Purpose Grants Fund), Building Fund, Capital Projects Fund and the Bond Redemption Fund are the remaining funds that make up the major governmental fund.

The Designated Purpose Grants Fund is for our Title programs and the REAP grant.

The Pupil Activity Fund balance was increased by \$12,391. The end of the year fund balance was \$77,442.

The Capital Project Fund balance was increased by \$41,132. This increase was from a transfer from General Fund as a savings for future equipment and building expenses.

The Food Service fund is funded by the sale of lunches and monies from the federal lunch program. The fund balance decreased by \$6,491.

General Fund Budgetary Highlights

The District budget is prepared according to Colorado law. The most significant budgeted fund is the General Fund.

Elbert School District #200 began budget development for the 2017-18 budgets in February of 2017. In February all teaching staff and department heads are given budget request for their input into the needs of the District.

A mid-year analysis for 2017-18 is completed in early March and enrollment projections and revenues estimated to begin a preliminary budget, which is submitted in first draft form to the Board of Education. The Accountability Committee, representing students, staff and citizens of the community review budget prior to a Budget Workshop held in May. The Board has budget discussion on the draft proposed budget in April, May and June. Adoption of the 2017-18 District budget occurred in June of 2017.

No additional budget appropriations were made during the fiscal year to the General Fund budget.

The 2017-18 Budget included the following:

- Received Rural Education Achievement Program grant of \$29,402.00 which allowed for enhancing teacher/staff development, enhanced educational programs through the use of technology, i.e., Supplementing the Title I Program, Summer school, educational information technology between staff and students. Other uses of these funds have been used for innovative programs.
- A lease purchase of 20 chrome books was entered in 2015 to help complete the secondary students to a ratio of 1 to 1, allowing for a computer device for every student from 3rd through 12th grade. This will be the final payment for the lease.
- A lease purchase of 6 years was entered into in the 14-15 school year to upgrade to old buses with newer low mileage buses. The district purchased two route buses. A payment in 17-18 now has the lease down to 2 more annual payments.
- The school website was updated and enhanced for student, staff and community contact. The State passed the Public School Financial Transparency Act, Article 44 of Title 22, C.R.S. Part 3 which has various reports, statements and document on the school website for public viewing.
- At the High School level a CTE program for agricultural sciences was started in 17-18 which also includes a Future Farmers of America Program. This is the second year for FFA and the third year for growing the agricultural curriculum to the point that there is a 4 year range of classes for high school students.
- Since the building has been opened for four complete years, some maintenance is starting to take place. The school parking lot was crack-filled and seal coated. The track at the Athletic fields were resurfaced.
- All Staff received the first increase since 2014 along with a stipend from a Rural School initiative that allowed for each staff member to receive an extra duty stipend.

Capital Assets and Debt Administration

The District's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$19,320,374. Additional information on the District's capital assets and capital lease payable can be found in the notes of the Basic Financial Statements of this report. The Matching Bonds payable balance at June 30, 2018 is \$2,182,062 with \$123,932 due in the 2018/2019 fiscal year end.

Economic Factors and Next Year's Budgets

The ever changing financial crisis of the school funding in Colorado has caused the Elbert School District 200 Board of Education to be very conservative with all funding and expenditures.

According to the Education Act of 2009 (SB09-163), the State issues Performance Framework ratings for every public school in the state. The PF ratings gives each school a performance grade based on the state of Colorado Measures of Academics (CMAS) given to all students third through eleventh grades. School receiving an unsatisfactory grade for two or more years will be turned into a charter school under state law. Elbert School District #200 continues to be accredited.

The student population at the school has been relatively stable. No surges in growth have occurred in any given year except in the year, 2003-04 when the funded pupil count increased by 16 students. The 2004-05 budget year student count decreased by 5 students. The 2005-06 year funded population was 269.5. The 2006-07 year saw another year of declining enrollment in which the October 1 funded pupil count was 238. The 2007-08 funded pupil count was 235.5 which was a decrease of 2.5 students from the year prior. The 2008-09 funded pupil count was 252.5 which was an increase of 17 from 07-08. The 2009-10 funded pupil count was 223 which is a decrease of 29.5 from 08-09. The 2010-11 funded pupil count was 233.9 which is an increase of 10.9 from 09-10. The 2011-12 funded pupil count was 222.4 which is a decrease of 11.5 from 10-11. The 2012-13 funded pupil count was 214.3 which is a decrease of 8.1 from 2011-12. The enrollment for 2013-14 of the funded pupil count was 200.4. The enrollment for the 2014-15 of the funded pupil count was 209.6. Enrollment for 2015-16 of the funded pupil count was 205.1. Enrollment for 2016-2017 of the funded pupil count was 203.3. Enrollment for 2017-2018 determined by the funded pupil count was 206.5

Contacting the District's Financial Management

This report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Business Management Office, Elbert School District #200, 24489 Main St., Elbert, CO 80106.

BASIC FINANCIAL STATEMENTS

Elbert County School District No. 200
Statement of Net Position
June 30, 2018

	Primary Government Governmental Activities
Assets	
Current assets:	
Cash and cash equivalents	\$ 1,225,239
Cash with county treasurer	27,824
Investments	1,090,418
Property taxes receivable	3,160
Accounts receivable other governments	16,087
Grants receivable	-
Inventories - food service	1,073
Inventories - USDA commodities	804
Total current assets	<u>2,364,605</u>
Capital assets:	
Land and construction in progress	335,215
Depreciable assets	21,494,833
Accumulated depreciation	<u>(2,509,674)</u>
Capital assets, net of depreciation	<u>19,320,374</u>
Total assets	<u><u>21,684,979</u></u>
Deferred outflows of resources: See note 6	<u>4,157,918</u>
Deferred outflows of resources: See note 7	<u>8,982</u>
Liabilities	
Current liabilities:	
Deficit cash	-
Accounts payable	-
Accrued salaries and benefits	91,354
Capital lease payable - current	13,939
Matching bonds payable - current	<u>123,932</u>
Total current liabilities	<u>229,225</u>
Noncurrent liabilities:	
Capital lease payable	14,939
Net pension liability	10,175,153
Net OPEB liability	232,357
Matching bonds payable	<u>2,182,062</u>
Total noncurrent liabilities	<u>12,604,511</u>
Total liabilities	<u><u>12,833,736</u></u>
Deferred inflows of resources: See note 6	<u>840,023</u>
Deferred inflows of resources: See note 7	<u>14,229</u>
Net position	
Invested in capital assets, net of related debt	16,985,502
Restricted for:	
TABOR	81,000
Inventories	1,877
Debt service	186,360
Unrestricted (deficit)	<u>(5,090,848)</u>
Total net position	<u><u>\$ 12,163,891</u></u>

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Activities
Fiscal year ended June 30, 2018

Functions/Programs	Program Revenues				Net (Expenses) Revenue and Changes in Net Position Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Regular instruction	\$ 1,919,037	\$ 5,797	\$ 132,781	\$ -	\$ (1,780,459)
Cocurricular activities	190,601	81,033	-	-	(109,568)
Student services	37,906	-	-	-	(37,906)
Instructional staff	145,526	-	-	-	(145,526)
General administration	160,724	-	-	-	(160,724)
School administration	229,306	-	-	-	(229,306)
Support services - business	74,479	-	-	-	(74,479)
Operations and maintenance	280,157	-	-	-	(280,157)
Student transportation	174,751	-	30,326	-	(144,425)
Support services - central	49,629	-	-	-	(49,629)
Food service operations	122,437	38,165	25,766	-	(58,506)
Pike Peak BOCES	32,754	-	-	-	(32,754)
District-wide facility acquisitions	7,814	-	-	-	(7,814)
Debt service - interest	72,751	-	-	-	(72,751)
Total primary government	<u>\$ 3,497,872</u>	<u>\$ 124,995</u>	<u>\$ 188,873</u>	<u>\$ -</u>	<u>\$ (3,184,004)</u>
General revenues					
Taxes:					
					\$ 632,173
Local property taxes					121,627
Specific ownership taxes					2,115,028
State equalization					110,468
Other local sources					16,407
Interest on investments					-
Loss on disposal of assets					-
Transfers					-
Total general revenues and transfers					<u>2,995,703</u>
Change in net position					<u>(188,301)</u>
Net position July 1, 2017 (as restated)					12,352,192
Net position June 30, 2018					<u>\$ 12,163,891</u>

See accompanying notes to basic financial statements

Elbert County School District No. 200
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Food Service Fund	Capital Projects Fund	Bond Redemption Fund	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 889,203	\$ 2,868	\$ 57,980	\$ 862	\$ 93,323	\$ 181,003	\$ 1,225,239
Cash with county treasurer	22,467	-	-	-	-	5,357	27,824
Investments	948,855	-	-	-	141,563	-	1,090,418
Receivables from other governments	16,087	-	-	-	-	-	16,087
Property taxes receivable	3,160	-	-	-	-	-	3,160
Due from other funds	-	-	19,462	-	-	-	19,462
Inventories	-	-	-	1,877	-	-	1,877
Grants receivable	-	-	-	-	-	-	-
Total Assets	\$ 1,879,772	\$ 2,868	\$ 77,442	\$ 2,739	\$ 234,886	\$ 186,360	\$ 2,384,067
Liabilities and Fund Balances							
Liabilities:							
Deficit cash	\$ -	\$ -	-	\$ -	-	-	\$ -
Accounts payable	-	-	-	-	-	-	-
Accrued salaries and benefits	88,486	2,868	-	-	-	-	91,354
Due to other funds	-	-	-	-	19,462	-	19,462
Total liabilities	88,486	2,868	-	-	19,462	-	110,816
Fund Balances - spendable, reported in:							
Restricted fund balance:							
Inventories	-	-	-	1,877	-	-	1,877
Debt service	-	-	-	-	-	186,360	186,360
TABOR	81,000	-	-	-	-	-	81,000
Assigned fund balance:							
Other assigned fund balance	-	-	77,442	862	215,424	-	293,728
Unassigned fund balance:							
General fund	1,710,286	-	-	-	-	-	1,710,286
Total fund balances	1,791,286	-	77,442	2,739	215,424	186,360	2,273,251
Total Liabilities and Fund Balances	\$ 1,879,772	\$ 2,868	\$ 77,442	\$ 2,739	\$ 234,886	\$ 186,360	\$ 2,384,067

See accompanying notes to basic financial statements

Elbert County School District No. 200
Reconciliation of Governmental Funds Balance Sheet to
Statement of Net Position
June 30, 2018

Governmental funds total fund balances	\$ 2,273,251
Add:	
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds	21,830,048
Deferred outflows of resources - pension	4,157,918
Deferred outflows of resources - OPEB	8,982
Deduct:	
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition	(2,509,674)
Deferred inflows of resources - pension	(840,023)
Deferred inflows of resources - OPEB	(14,229)
Net pension liability	(10,175,153)
Net OPEB liability	(232,357)
Matching bonds payable	(2,305,994)
Capital lease payable	(28,878)
Governmental activities net positon	<u><u>\$ 12,163,891</u></u>

See accompanying notes to basic financial statements

Elbert County School District No. 200
Statement of Revenues, Expenditures and Changes
in Fund Balances - Governmental Funds
Fiscal Year Ended June 30, 2018

	General Fund	Designated Purpose Grants Fund	Pupil Activity Fund	Food Service Fund	Capital Projects Fund	Bond Redemption Fund	Total Governmental Funds
Revenues							
Local sources	\$ 684,122	\$ -	\$ 81,033	\$ 38,165	\$ 2,048	\$ 200,301	\$ 1,005,669
State sources	2,226,877	-	-	533	-	-	2,227,410
Federal sources	60	51,198	-	25,233	-	-	76,491
Total revenues	2,911,059	51,198	81,033	63,931	2,048	200,301	3,309,570
Expenditures							
Current:							
Regular instruction	1,228,024	51,198	-	-	-	-	1,279,222
Cocurricular activities	114,024	-	68,642	-	-	-	182,666
Student services	35,585	-	-	-	-	-	35,585
Instructional staff	136,507	-	-	-	-	-	136,507
General administration	148,555	-	-	-	-	-	148,555
School administration	208,174	-	-	-	-	-	208,174
Support services - business	67,688	-	-	-	-	-	67,688
Operations and maintenance	270,824	-	-	-	-	-	270,824
Student transportation	166,435	-	-	-	13,206	-	179,641
Support services - central	48,879	-	-	-	-	750	49,629
Food service operations	-	-	-	115,464	-	-	115,464
Pikes Peak BOCES	32,754	-	-	-	-	-	32,754
District-wide facility acquisitions	-	-	-	-	7,816	-	7,816
Debt service:							
Principal retirements	1,900	-	-	-	13,484	120,315	135,699
Interest and fiscal charges	217	-	-	-	1,410	71,124	72,751
Total expenditures	2,459,566	51,198	68,642	115,464	35,916	192,189	2,922,975
Excess(deficiency) of revenues over(under)							
Expenditures	451,493	-	12,391	(51,533)	(33,868)	8,112	386,595
Other financing sources (uses)							
Proceeds from issuance of capital leases	-	-	-	-	-	-	-
Transfer in	-	-	-	45,042	75,000	-	120,042
Transfer (out)	(120,042)	-	-	-	-	-	(120,042)
Total other financing sources (uses)	(120,042)	-	-	45,042	75,000	-	-
Net change in fund balances	331,451	-	12,391	(6,491)	41,132	8,112	386,595
Fund balances at beginning of year	1,459,835	-	65,051	9,230	174,292	178,248	1,886,656
Fund balances at end of year	\$ 1,791,286	\$ -	\$ 77,442	\$ 2,739	\$ 215,424	\$ 186,360	\$ 2,273,251

See accompanying notes to basic financial statements

Elbert County School District No. 200
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	\$ 386,595
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.	13,206
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.	(522,770)
Governmental funds report pension expenses as expenditures when paid. Pension obligations in the statement of activities is allocated and expensed for future pension costs.	(207,610)
Governmental funds report pension expenses as expenditures when paid. Pension obligations in the statement of activities is allocated and expensed for future pension costs.	6,579
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level:	
Proceeds from capital lease	-
Principal payments on general obligation bonds payable	120,315
Principal payments on capital lease	15,384
Change in net position of governmental activities	<u><u>\$ (188,301)</u></u>

See accompanying notes to basic financial statements

ELBERT COUNTY SCHOOL DISTRICT NO. 200
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1 - Summary of Significant Accounting Policies

The Elbert County School District No. 200 (the District) was formed in 1880 encompassing approximately 141 square miles of southern Elbert County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 250 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 Elbert County, Colorado. 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's reporting entity reflects no component units.

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. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities 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 governmental fund. Major individual governmental funds (General Fund, Food Service Fund, Pupil Activity Fund, Bond Redemption Fund, Building Fund and Capital Projects 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. 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 activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases net current assets and unreserved fund balance as measure of available spendable resources. 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.

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 funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, 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. Fund balance is unassigned except for Tabor, which is restricted.
2. Food Service Fund (Special Revenue Fund) – this fund accounts for all financial activities associated with the District’s school breakfast and lunch programs
3. Designated Purpose Grants Fund (Special Revenue Fund) – used to account for revenues and expenditures associated with federal grants.
4. Pupil Activity (Special Revenue Fund) – used to account for the resources to be used in various student athletic and co-curricular organizations. Fund balance is assigned as it is neither restricted nor committed.
5. Capital Projects Fund – used to account for the resources that are restricted or committed to be used for the acquisition or construction of building improvements. Fund balance is assigned as it is neither restricted nor committed.
6. Bond Redemption Fund – This fund accounts for the collection of property taxes and payments of principal and interest of general obligation bonds.

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.

Investments

The District’s investments consist of short-term maturities with Colotrust where the carrying value approximates fair market value.

Inventories

Inventories recorded in the Food Service Fund consist of purchased food 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 applicable government or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the 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	8 years
Furniture, fixtures and equipment	5 to 20 years
Buildings and improvements	20 to 50 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to 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.

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 assets. 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.

Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as expense and liability of these funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. During the current year, the District recorded no liability, as the amount is immaterial.

Fund Equity

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position 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 assets 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.

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.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of

the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgets and Budgeting Accounting

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

1. Prior to April 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 legally enacted through passage of an ordinance.
4. 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, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Bond Redemption Fund, and Capital Projects Fund.
6. Budgets for the General Fund, Special Revenue Funds, Bond Redemption Fund, Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

Note 2 -

Deposits and Investments

Deposits

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The 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 \$1,785,245. Of the bank balance, \$500,000 was covered by FDIC insurance, and

\$1,285,245 was exposed to custodial credit risk. 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 \$1,225,239. The difference between the District's bank balance and carrying balance is outstanding checks.

Investments

The District had invested \$1,090,418 (fair value) in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission's Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor's. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian's internal records identify the investments owned by the participating governments.

Interest Rate Risk – State statutes limits investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State law limits investments to those with specified ratings, as provided by nationally recognized statistical rating organizations, depending on the investment type.

Note 3 - Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 15 and are payable in full by April 30 or in two equal installments due February 28 and June 15 of the following year. Elbert County Treasurer bills and collects the District's property tax. District property tax revenues are accounted for in the General Fund. 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

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Non-depreciable assets:				
Land	\$ 335,215	\$ -	\$ -	\$ 335,215
Construction in Prog.	-	-	-	-
Total Non-depreciable	<u>\$ 335,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 335,215</u>

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
Depreciable Assets:				
Buildings & Sites	\$ 19,403,880	\$ -	\$ -	\$ 19,403,880
Equipment Furniture And Fixtures	1,615,927	-	-	1,615,927
Vehicles	<u>546,020</u>	<u>13,206</u>	<u>84,200</u>	<u>475,026</u>
Total Depreciable Assets	<u>\$ 21,565,827</u>	<u>\$ 13,206</u>	<u>\$ 84,200</u>	<u>\$ 21,494,833</u>

Less accumulated depreciation for:

Buildings & Sites	\$ (1,174,010)	\$ (400,275)	\$ -	\$ (1,574,285)
Equipment Furniture And Fixtures	(402,564)	(110,545)	-	(513,109)
Vehicles	<u>(494,530)</u>	<u>(11,950)</u>	<u>(84,200)</u>	<u>(422,280)</u>
Total Accumulated Depreciation	<u>\$ (2,071,104)</u>	<u>\$ (522,770)</u>	<u>\$ (84,200)</u>	<u>\$ (2,509,674)</u>
Total Capital Assets, Net	<u>\$ 19,829,938</u>	<u>\$ (509,564)</u>	<u>\$ -</u>	<u>\$ 19,320,374</u>

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

Governmental activities:

Regular instruction \$ 522,770

Note 5 - **Long Term Debt**

Following is a summary of long-term debt transactions for the year ended June 30, 2018:

<u>Governmental Activities</u>	<u>Balances 7/01/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances 6/30/2018</u>
Matching Money Bonds	\$ 2,426,309	\$ -	\$ 120,315	\$ 2,305,994
Capital Leases	<u>44,262</u>	<u>-</u>	<u>15,384</u>	<u>28,878</u>
Total	<u>\$ 2,470,571</u>	<u>\$ -</u>	<u>\$ 135,699</u>	<u>\$ 2,334,872</u>

Total amount of matching money bonds due within one year is \$123,932.

In November of 2012, the District authorized issuance of its General Obligation Bond Series 2012 (Matching Money Bonds) to the State of Colorado in the aggregate principal amount of \$ 2,874,635. Interest payments are due semi-annually on June 1 and December 1, commencing on June 1, 2013 at a rate of 3.0059%. Principal payments are due annually on December 1, with a final payment due on December 1, 2032.

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 123,932	\$ 67,453	\$ 191,385
2020	127,657	63,672	191,329
2021	131,494	59,777	191,271
2022	135,447	55,765	191,212
2023	139,518	51,632	191,150
2024-2028	763,077	191,693	954,770
2029-2032	<u>884,869</u>	<u>68,069</u>	<u>952,938</u>
Total	<u>\$2,305,994</u>	<u>\$ 558,061</u>	<u>\$2,864,055</u>

In 2015, the District entered into a capital lease agreement with Kansas State Bank of Manhattan for the acquisition of two school busses. The agreement requires annual lease payments of \$14,894 beginning in November of 2014 and ending in November 2019. Capital lease amount due within one year is \$13,939.

Minimum lease payments, to maturity, are as follows:

<u>Year Ended June 30,</u>	
2019	\$ 14,894
2020	<u>14,894</u>
Total payments under capital lease	29,788
Less: Interest portion of payments	<u>(910)</u>
Net obligation under capital lease	<u>\$ 28,878</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 \$283,581 for the year ended June 30, 2018.

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

At June 30, 2018 the District reported a liability of \$10,175,153 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 0.0314665163%, which was a decrease of 0.0016670348 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$207,610. 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	\$ 278,251	\$ 44,793
Changes of assumptions or other inputs	\$ 3,192,247	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 527,426	399,588
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 13,299	\$ 395,642
Contributions subsequent to the measurement date	\$ 146,695	N/A
Total	\$ 4,157,918	\$ 840,023

\$146,695 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	\$ 587,239
June 30, 2020	\$ 1,595,342
June 30, 2021	\$ 878,998
June 30, 2022	\$ 109,621
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	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	\$12,311,935	\$10,175,153	\$8,044,671

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 \$15,392 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 \$232,357 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 0.0178791489 percent, which was a decrease of 0.0009543337 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense (credit) of (\$6,579). At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,099	\$ -
Changes of assumptions or other inputs	\$ -	\$ -
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 3,887
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ -	\$ 10,342
Contributions subsequent to the measurement date	\$ 7,883	N/A
Total	\$ 8,982	\$ 14,229

\$7,883 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	\$ 2,788
June 30, 2020	\$ 2,788
June 30, 2021	\$ 2,788
June 30, 2022	\$ 2,787
June 30, 2023	\$ 1,816
Thereafter	\$ 163

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	\$ 185,886	\$ 232,357	\$ 278,828

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	\$ 264,887	\$ 232,357	\$ 199,827

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 Elbert County School District No. 200 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 (\$18,000 in 2017 and \$18,500 in 2018). 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 \$ 31,318. There were no employer contributions to the 401(k) Plan from the District for the year ended June 30, 2018.

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 \$32,754.

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.

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

Note 12 - Accrued Teachers' Salaries and Employee Benefits

Teacher 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 13 - Interfund Transactions

The following identifies amounts due to the Pupil Activity Fund at June 30, 2018:

<u>Fund</u>	<u>Due To</u>	<u>Due From</u>
Pupil Activity Fund	\$ 19,462	
Building Fund		\$ 19,462

Due To/Due From other funds are recorded at the fund level and are eliminated at the government-wide level. During the year District's General Fund transferred \$45,042 to the Food Service Fund and \$75,000 to the Capital Reserve Projects Fund.

Note 14 - Commitments and Contingencies

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

Tabor Amendment - 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 6, 2001, the voters of the district approved a referendum for Elbert County School District No. 200. The voters authorized the district to collect, retain and expend all revenues and other funds collected during 2002 and each subsequent year from any source notwithstanding the limitations of Article X, section 20 of the Colorado constitution, effective January 1, 2002, 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 Elbert County School District No. 200.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2018, the District's reserve of \$81,000 was recorded as a reservation of Government Activities Net Position.

Note 15- **Expenditures in Excess of Appropriations**

The District overspent its Designated Purpose Grants Fund and Food Service Fund by \$2,043 and \$7,706 respectively.

Note 16- **Evaluation of Subsequent Events**

The District's management has evaluated subsequent events through September 10, 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.

Note 17 - **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 \$244,183 (decrease).

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Elbert County School District No. 200
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
Revenues				
Local sources				
Property taxes	\$ 395,000	\$ 395,000	\$ 433,901	\$ 38,901
Specific ownership taxes	85,000	85,000	121,627	36,627
Delinquent taxes and interest	1,000	1,000	705	(295)
Tuition	3,800	3,800	5,797	1,997
Other local sources	55,000	55,000	109,763	54,763
Interest on investments	4,200	4,200	12,329	8,129
Total local sources	544,000	544,000	684,122	140,122
State sources				
State equalization	2,000,500	2,000,500	2,115,028	114,528
Transportation	25,000	25,000	30,326	5,326
Other state sources	80,545	80,545	81,523	978
Total state sources	2,106,045	2,106,045	2,226,877	120,832
Federal sources				
Other federal sources	-	-	60	60
Total federal sources	-	-	60	60
Total revenues	2,650,045	2,650,045	2,911,059	261,014
Expenditures				
Instruction and supporting services				
Regular instruction	1,223,552	1,223,552	1,228,024	(4,472)
Cocurricular activities	130,558	130,558	114,024	16,534
Student services	36,169	36,169	35,585	584
Instructional staff	129,768	129,768	136,507	(6,739)
General administration	151,954	151,954	148,555	3,399
School administration	200,384	200,384	208,174	(7,790)
Support services - business	67,663	67,663	67,688	(25)
Operations and maintenance	255,641	255,641	270,824	(15,183)
Student transportation	153,582	153,582	166,435	(12,853)
Support services - central	51,792	51,792	48,879	2,913
Pikes Peak BOCES	40,000	40,000	32,754	7,246
Debt service	-	-	2,117	(2,117)
Contingency	1,326,734	1,361,444	-	1,361,444
Total instruction and supporting services	3,767,797	3,802,507	2,459,566	1,342,941
Excess(deficiency) of revenues over expenditures	(1,117,752)	(1,152,462)	451,493	1,603,955
Other financing sources (uses)				
Proceeds from issuance of capital leases	-	-	-	-
Transfer in	-	-	-	-
Transfer out	(115,000)	(115,000)	(120,042)	(5,042)
Total other financing sources (uses)	(115,000)	(115,000)	(120,042)	(5,042)
Excess (deficiency) of revenues over expenditures and other sources (uses)	(1,232,752)	(1,267,462)	331,451	1,598,913
Fund balances at beginning of year	1,232,752	1,267,462	1,459,835	192,373
Fund balances at end of year	\$ -	\$ -	\$ 1,791,286	\$ 1,791,286

See the accompanying independent auditors' report

Elbert County School District No. 200
Designated Purpose Grants Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Federal sources				
REAP grant	\$ 27,694	\$ 27,694	\$ 29,402	\$ 1,708
Title I & IV A grant	18,100	18,100	18,434	334
Title II grant	3,361	3,361	3,362	1
Total federal sources	49,155	49,155	51,198	2,043
Expenditures				
Instruction and supporting services				
Regular instruction	49,155	49,155	51,198	(2,043)
Supporting services	-	-	-	-
Total instructional and supporting services	49,155	49,155	51,198	(2,043)
Excess(deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	-	-	-	-
Fund balances at beginning of year	-	-	-	-
Fund balances at end of year	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report

Elbert County School District No. 200
Pupil Activity 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 activities	\$ 140,000	\$ 140,000	\$ 81,033	\$ (58,967)
Interest on investments	200	200	-	(200)
Total local sources	140,200	140,200	81,033	(59,167)
Expenditures				
Current:				
Cocurricular activities	135,000	135,000	68,642	66,358
District-wide	-	-	-	-
Contingency	15,000	15,000	-	15,000
Total expenditures	150,000	150,000	68,642	81,358
Excess(deficiency) of revenues over expenditures	(9,800)	(9,800)	12,391	22,191
Other financing sources (uses)				
Transfer in	-	-	-	-
Transfer out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(9,800)	(9,800)	12,391	22,191
Fund balances at beginning of year	9,800	9,800	65,051	55,251
Fund balances at end of year	\$ -	\$ -	\$ 77,442	\$ 77,442

See the accompanying independent auditors' report

Elbert County School District No. 200
Food Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Fiscal Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Local sources	\$ 37,952	\$ 37,952	\$ 38,165	\$ 213
State sources	506	506	533	27
Federal sources	18,300	18,300	25,233	6,933
Total sources	56,758	56,758	63,931	7,173
Expenditures				
Food service operations	106,288	107,758	115,464	(7,706)
Total Food service operations	106,288	107,758	115,464	(7,706)
Excess(deficiency) of revenues over expenditures	(49,530)	(51,000)	(51,533)	(533)
Other financing sources (uses)				
Transfers in	40,000	40,000	45,042	5,042
Transfer out	-	-	-	-
Total other financing sources (uses)	40,000	40,000	45,042	5,042
Excess (deficiency) of revenues over expenditures and other sources (uses)	(9,530)	(11,000)	(6,491)	4,509
Fund balances at beginning of year	9,530	11,000	9,230	(1,770)
Fund balances at end of year	\$ -	\$ -	\$ 2,739	\$ 2,739

See the accompanying independent auditors' report

Elbert County School District No. 200
Schedule of the District's Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

	2017	2016	2015	2014
District' proportion (percentage) of the collective net pension liability	0.0314665163%	0.0331335511%	0.0338258712%	0.0332677658%
District's proportionate share of the collective pension liability	10,175,153	9,865,139	5,173,428	4,508,900
Employer's covered-employee payroll	1,451,513	1,469,264	1,497,960	1,427,922
District's proportionate share of the net pension liability as a percentage of it's employer's covered-employee payroll	14.27%	14.89%	28.95%	31.67%
Plan fiduciary net pension as a percentage of the total pension liability	43.96%	43.10%	59.20%	62.80%

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

See the accompanying Independent Auditors' Report

Elbert School District No. 200
Schedule of Contributions and Related Ratios - Pensions
Last 10 Fiscal Years

	2018	2017	2016	2015
As of June 30,				
Statutorily required contributions	\$ 283,581	\$ 264,286	\$ 264,138	\$ 246,288
Contributions in relation to the statutorily required contributions	283,581	264,286	264,138	246,288
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer's covered-employee payroll	1,501,903	1,438,059	1,489,733	1,373,694
Contribution as a percentage of employer's covered-employee payroll	18.88%	18.38%	17.73%	17.93%

See the accompanying Independent Auditors' Report

Elbert County School District No. 200
Schedule of the District's Proportionate Share of the Net OPEB Liability
Last 10 Fiscal Years

	<u>2017</u>
District' proportion (percentage) of the collective net OPEB liability	0.0178791489%
District's proportionate share of the collective OPEB liability	232,357
Employer's covered-employee payroll	1,451,513
District's proportionate share of the net pension liability as a percentage of it's employer's covered-employee payroll	624.69%
Plan fiduciary net OPEB as a percentage of the total OPEB liability	17.53%

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

See the accompanying Independent Auditors' Report

Elbert School District No. 200
Schedule of Contributions and Related Ratios (OPEB)
Last 10 Fiscal Years

	<u>2018</u>
As of June 30,	
Statutorily required contributions	\$ 15,392
Contributions in relation to the statutorily required contributions	<u>15,392</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>
Employer's covered-employee payroll	1,503,903
Contribution as a percentage of employer's covered-employee payroll	1.02%

See the accompanying Independent Auditors' Report

**OTHER
SUPPLEMENTARY
INFORMATION**

Elbert County School District No. 200
Capital Projects 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				
Other local sources	\$ -	\$ -	\$ -	\$ -
Interest on investments	600	600	2,048	1,448
Total local sources	600	600	2,048	1,448
Expenditures				
Current:				
Supporting services	14,894	14,894	13,206	1,688
District-wide facility acquisitions	40,000	45,706	7,816	37,890
Debt service	15,000	15,000	14,894	106
Contingency	193,000	193,000	-	193,000
Total expenditures	262,894	268,600	35,916	232,684
Excess(deficiency) of revenues over expenditures	(262,294)	(268,000)	(33,868)	234,132
Other financing sources (uses)				
Proceeds from issuance of capital leases	-	-	-	-
Transfer in	75,000	75,000	75,000	-
Transfer (out)	-	-	-	-
Total other financing sources (uses)	75,000	75,000	75,000	-
Excess (deficiency) of revenues over expenditures and other sources (uses)	(187,294)	(193,000)	41,132	234,132
Fund balances at beginning of year	187,294	193,000	174,292	(18,708)
Fund balances at end of year	\$ -	\$ -	\$ 215,424	\$ 215,424

See the accompanying independent auditors' report

Elbert County School District No. 200
Bond Redemption 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				
Property taxes	\$ 199,000	\$ 199,000	\$ 198,272	\$ (728)
Interest on investments	-	-	2,029	2,029
Total local sources	<u>199,000</u>	<u>199,000</u>	<u>200,301</u>	<u>1,301</u>
Expenditures				
Current:				
Supporting services	750	750	750	-
Debt service				
Principal	120,315	120,315	120,315	-
Interest	71,124	71,124	71,124	-
Contingency	6,811	6,811	-	6,811
Total expenditures	<u>199,000</u>	<u>199,000</u>	<u>192,189</u>	<u>6,811</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>8,112</u>	<u>8,112</u>
Other financing sources (uses)				
Proceeds from issuance of bonds	-	-	-	-
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>-</u>	<u>-</u>	<u>8,112</u>	<u>8,112</u>
Fund balances at beginning of year	-	-	178,248	178,248
Fund balances at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,360</u>	<u>\$ 186,360</u>

See the accompanying independent auditors' report

COLORADO DEPARTMENT OF EDUCATION

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
District 0950 - ELBERT 200
Fiscal Year 2017-18
Colorado School District#0005

Revenues, Expenditures, & Fund Balance by Fund				1000 - 5999 Total Revenues & 1001-0999 Total Expenditures & Other Sources		6700-6799 & Prior Per Adj (6880*) Ending Fund Balance	
Fund Type & Number	Big Fund Balance & Prior Per Adj (6880*)	+		Other Sources	Other Uses		
Governmental							
10 General Fund	1,459,835			2,791,017	2,459,566		1,791,287
18 Risk Mgmt Sub-Fund of General Fund	0			0	0		0
19 Colorado Preschool Program Fund	0			0	0		0
Sub-Total	1,459,835			2,791,017	2,459,566		1,791,287
11 Charter School Fund	0			0	0		0
20,26-29 Special Revenue Fund	0			0	0		0
21 Food Service Spec Revenue Fund	9,229			108,973	115,464		2,739
22 Govt Designated-Purpose Grants Fund	0			51,198	51,198		0
23 Pupil Activity Special Revenue Fund	65,051			81,033	68,642		77,442
24 Full Day Kindergarten Mill Levy Override	0			0	0		0
25 Transportation Fund	0			0	0		0
31 Bond Redemption Fund	178,248			206,302	192,189		146,360
39 Certificate of Participation (COP) Debt Service Fund	0			0	0		0
41 Building Fund	0			0	0		0
42 Special Building Fund	0			0	0		0
43 Capital Reserve Capital Projects Fund	174,952			77,040	35,915		215,424
46 Supplemental Cap Const, Tech, Main Fund	0			0	0		0
Totals	1,806,055			3,805,577	2,922,974		2,278,252
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
TOTALS				FINAL		0	