

cPa DIXON, WALLER & CO., INC.

KIOWA COUNTY SCHOOL

DISTRICT RE-2

SHERIDAN LAKE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS
JUNE 30, 2018

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KIOWA COUNTY SCHOOL DISTRICT RE-2
ROSTER OF SCHOOL OFFICIALS
June 30, 2018

BOARD OF EDUCATION

Howard Votruba	President
Amanda Koeller	Vice President
Sharon Scott	Treasurer
David Walker	Member
Kirbi Stum	Secretary

OTHER OFFICIALS

Yonda Leonard	Superintendent
Dawna Peck	Business Manager

FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education
Kiowa County School District RE-2
Sheridan Lake, Colorado 81071

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kiowa County School District RE-2, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kiowa County School District RE-2, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post employment benefit trend data on pages i through vii and 42 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kiowa County School District RE-2's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Aiton, Waller & Co., Inc

Trinidad, Colorado
November 29, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

Plainview School District Re-2
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

This Management's Discussion and Analysis (MD&A) of Plainview School District Re-2 is an element of reporting for the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this information presented here in conjunction with the District's financial statements following this section.

The District was required to implement GASB 68 in 2015. The 2018 net pension liability is \$3,370,537. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District.

The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$76,969. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased \$84,371 to \$(933,283) from \$(882,680) at the end of the previous fiscal year. Fiscal year 2017 financial information has not been restated because some of the comparable information is not available

Financial Highlights

The District's total assets and deferred outflows were less than the total liabilities and deferred inflows by \$(605,897) (total net position).

Governmental expenditures of \$2,037,179 were more than governmental revenues of \$2,055,221 by \$18,042.

The District had adequate resources available for all appropriations.

Overview of the Financial Statements

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

Plainview School District Re-2
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

District-Wide Financial Statements

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

The two district-wide statements report the district's net position and how it has changed. Net position, the difference between the District's assets, liabilities and deferred flows, are one way to measure the District's financial health or position. The difference between assets, liabilities and deferred flows 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 district-wide statements consist of governmental activities.

Governmental activities: Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities. This information is comprised of all of the Plainview School District Funds.

Fund Financial Statements

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

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

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

Proprietary Funds: Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district does not have any proprietary funds.

Plainview School District Re-2
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Fiduciary Funds: The district is the agent, or fiduciary, for assets that belong to others. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The district has no fiduciary funds types.

Notes to the Financial Statements

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

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

Financial Analysis of the District's Funds

State funding (equalization) for the General Fund is based upon a pupil count of 49 for the 2017-2018 school year. Pre-school and kindergarten students are funded at approximately one half of the full time student rate.

General Fund Budgetary Highlights

Expenditures exceed revenues by \$18,042. The district must maintain a 3% emergency reserve as part of the Taxpayer Bill of Rights (TABOR); at June 30, 2018, the district's TABOR reserve was \$60,000.

Financial Analysis of the District as a Whole

TABLE 1 NET POSITION

The district's total net position on June 30, 2018 was \$(605,897). Of the district's \$3,322,880 in assets, \$1,241,055 reflects an investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The district uses capital assets to provide services for students; consequently, these assets are not available for future spending. Unrestricted net position (deficit of \$1,932,233 at June 30, 2018) may be used to meet the district's ongoing financial obligations.

Plainview School District Re-2
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Table 1						
Net Position	2018			2017		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Assets						
Current & Other Assets	2,081,825		2,081,825	1,122,188		1,122,188
Capital Assets	1,241,055		1,241,055	362,028		362,028
Total Assets	3,322,880		3,322,880	1,484,216		1,484,216
Deferred outflow of Resources	1,036,743		1,036,743	1,331,021		1,331,021
Liabilities						
Current & other Liabilities	1,106,422		1,160,422	74,907		74,907
Long Term Liabilities				0		0
Net Pension Obligation	3,370,537		3,370,537	3,473,418		3,473,418
Total Liabilities	4,430,959		4,430,959	3,548,325		3,548,325
Deferred Inflow of Resources	534,561		534,561	149,593		149,593
Net Position						
Net Investment in Capital Assets	1,241,055		1,241,055	362,028		362,028
Restricted for:						
Tabor Reserve	60,000		60,000	33,500		33,500
Multi Year Obligations						
Preschool	21,682		21,682	7,566		7,566
Food Services	3,599		3,599	11		11
Unrestricted	(1,932,233)		(1,932,233)	(1,285,776)		(1,285,776)
Total	(605,897)		(605,897)	(882,681)		(882,681)

Plainview School District Re-2
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2018

Table 2 - Changes in Net Position

Changes in Net Position	2018			2017		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenues						
Charges for Services	28,387		28,387	33,218		33,218
Operating Grants & Contributions	141,655		141,655	125,649		125,649
Capital Grants & Contribution	870,802		870,802	0		0
Property Taxes	376,247		376,247	388,208		388,208
Specific Ownership Tax	59,584		59,584	62,681		62,681
Equalization	521,819		521,819	544,147		544,147
Earnings on Investments	2,893		2,893	2,159		2,159
Other Revenues	53,114		53,144	30,977		30,977
Transfers						
Total Revenues	2,054,501		2,054,501	1,187,039		1,187,039
Expenses						
Instructional Services	549,126		549,126	541,341		541,341
Students	67,367		67,367	58,772		58,772
Instructional Staff				677		677
District Admin	131,103		131,103	137,099		137,099
School Admin	32,393		32,393	36,306		36,306
Business	47,938		47,938	48,291		48,291
Operation & Maint of facilities	146,870		146,870	188,592		188,592
Transportation	47,728		47,728	58,938		58,938
Central	60,420		60,420	58,454		58,454
Capital Outlay						
Pension cost	568,963		568,963	502,117		502,117
Food Service	75,207		75,707	73,713		73,713
Total Expenses	1,727,115		1,727,115	1,704,300		1,704,300
Increase (Decrease) in Net Position	327,386		327,386	(517,261)		(517,261)

Plainview School District Re-2
 Management's Discussion and Analysis
 Fiscal Year Ended June 30, 2018

The following table shows the Districts major functions. It also shows the net costs (total costs less revenues generated by activities). The majority of costs for these services is financed with state equalization and property taxes.

Table 3

Governmental Activities

Table 3 – Governmental Activities by Major Function

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instructional Services	549,126	470,559	541,341	469,898
Students	67,367	20,344	58,772	36,542
Instructional Staff			677	677
District Administration	131,103	131,103	137,099	137,099
School Administration	32,393	32,393	36,306	36,306
Business	47,938	47,938	48,291	48,291
Operation & Maint of facilities	146,870	129,235	188,592	188,592
Transportation	47,728	33,873	58,938	41,808
Central	60,420	60,420	58,454	58,454
Capital Outlay		(865,707)		
Pension Cost	568,963	568,963	502,117	502,117
Food Services	75,207	30,471	73,713	25,649
Total	1,727,115	686,271	1,704,300	1,545,433

Plainview School District Re-2
 Management's Discussion and Analysis
 Fiscal Year Ended June 30, 2018

The following table shows the District's net capital assets by category. The total assets at June 30, 2018 were \$2,875,114 and accumulated depreciation was \$1,634,059.

Table 4: Capital Assets (Net of Depreciation)

	Business			Business		
	Governmental	Type	Total	Governmental	Type	Total
	2018	2018	2018	2017	2017	2017
Land & Sites	3,218		3,218	4,031		4,031
Building & Improvements	215,990		215,990	232,067		232,067
Equipment & Vehicles	95,593		95,593	125,930		125,930
Other	926,254		926,254			
Total Capital Assets	1,241,055		1,241,055	362,028		362,028

Major Effects on Financial Position, Economic Factors

The budget for 2018-2019 will continue to be impacted by enrollment, increased health insurance costs, utility costs, and fuel costs. The district is committed to reducing spending and increasing both PPOR and non PPOR revenues.

Contacting the District Financial Management

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

Ms. Yonda Leonard
 Superintendent of Schools
 Plainview School District Re-2
 13997 County Rd 71
 Sheridan Lake, CO 81071

BASIC FINANCIAL STATEMENTS

KIOWA COUNTY SCHOOL DISTRICT RE-2
STATEMENT OF NET POSITION
June 30, 2018

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	1,321,566	1,321,566
Investments	-	-
Accounts Receivable	720,691	720,691
Accrued Revenue	-	-
Property Taxes Receivable	36,000	36,000
Inventories	3,568	3,568
Capital Assets	2,875,114	2,875,114
Accumulated Depreciation	(1,634,059)	(1,634,059)
<u>Total Assets</u>	<u>3,322,880</u>	<u>3,322,880</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	1,034,002	1,034,002
Other Post Employment Benefits	<u>2,741</u>	<u>2,741</u>
<u>Total Deferred Outflows of Resources</u>	<u>1,036,743</u>	<u>1,036,743</u>
 <u>LIABILITIES</u>		
Accounts Payable	915,805	915,805
Accrued Salaries and Benefits	67,648	67,648
Other Liabilities - Due to CDE	-	-
Net Post Employment Benefits Liability	76,969	76,969
Net Pension Liability	<u>3,370,537</u>	<u>3,370,537</u>
<u>Total Liabilities</u>	<u>4,430,959</u>	<u>4,430,959</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	529,065	529,065
Other Post Employment Benefits	<u>5,496</u>	<u>5,496</u>
<u>Total Deferred Inflows</u>	<u>534,561</u>	<u>534,561</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	1,241,055	1,241,055
Restricted for:		
TABOR Reserve	60,000	60,000
Preschool	21,682	21,682
Food Service	3,599	3,599
Unrestricted	(1,932,233)	(1,932,233)
<u>TOTAL NET POSITION</u>	<u>(605,897)</u>	<u>(605,897)</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

FUNCTIONS	Net (Expenses) Revenue and Changes in Net Position				
	Primary Government				
	Expenses	Program Revenues		Governmental Activities	Total
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions		
Instructional Services	549,126	78,567	-	(470,559)	(470,559)
Supporting Services:					
Students	67,367	20,344	-	(47,023)	(47,023)
Instructional Staff	-	-	-	-	-
District Administration	131,103	-	-	(131,103)	(131,103)
School Administration	32,393	-	-	(32,393)	(32,393)
Business	47,938	-	-	(47,938)	(47,938)
Operation & Maintenance of Facilities	146,870	-	-	(129,235)	(129,235)
Transportation	47,728	13,855	-	(33,873)	(33,873)
Central	60,420	-	-	(60,420)	(60,420)
Community	-	-	-	-	-
Food Service	75,207	28,889	5,095	(30,471)	(30,471)
Capital Outlay	-	-	865,707	865,707	865,707
Pension and Other Post Employment Benefit Cost	568,963	-	-	(568,963)	(568,963)
<u>Total Governmental Activities</u>	<u>1,727,115</u>	<u>141,655</u>	<u>870,802</u>	<u>(686,271)</u>	<u>(686,271)</u>
<u>Total School District</u>	<u>1,727,115</u>	<u>141,655</u>	<u>870,802</u>	<u>(686,271)</u>	<u>(686,271)</u>
<u>General Revenues</u>					
Property Taxes Levied for General Purposes				376,247	376,247
Specific Ownership Taxes				59,584	59,584
Equalization				521,819	521,819
Earnings on Investments				2,893	2,893
Other Revenues				53,114	53,114
<u>Total General Revenues</u>				<u>1,013,657</u>	<u>1,013,657</u>
<u>Change in Net Position</u>				<u>327,386</u>	<u>327,386</u>
<u>Net Position, Beginning (as Restated)</u>				<u>(967,051)</u>	<u>(967,051)</u>
<u>Prior Period Adjustment</u>				<u>33,768</u>	<u>33,768</u>
<u>Net Position, Ending</u>				<u>(605,897)</u>	<u>(605,897)</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	<u>General</u>	<u>Capital Reserve Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	1,299,780	-	21,786	1,321,566
Accounts Receivable	21,867	698,824	-	-
Accrued Revenue	-	-	-	720,691
Due From Other Funds	-	212,445	-	212,445
Property Taxes Receivable	36,000	-	-	36,000
Inventories	-	-	3,568	3,568
<u>Total Assets</u>	<u>1,357,647</u>	<u>911,269</u>	<u>25,354</u>	<u>2,294,270</u>
<u>LIABILITIES:</u>				
Accounts Payable	4,536	911,269	-	915,805
Accrued Salaries and Benefits	64,493	-	3,155	67,648
Due To Other Funds	212,445	-	-	212,445
Other Payables – Due to CDE	-	-	-	-
<u>Total Liabilities</u>	<u>281,474</u>	<u>911,269</u>	<u>3,155</u>	<u>1,195,898</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Tax	<u>16,755</u>	-	-	<u>16,755</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	3,568	3,568
Restricted:				
Emergency Reserve	60,000	-	-	60,000
Food Service	-	-	3,599	3,599
Preschool	21,682	-	-	21,682
Assigned:				
Student Activities	-	-	15,032	15,032
Unassigned	<u>977,736</u>	-	-	<u>977,736</u>
<u>Total Fund Balances</u>	<u>1,059,418</u>	-	<u>22,199</u>	<u>1,081,617</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>1,357,647</u>	<u>911,269</u>	<u>25,354</u>	<u>2,294,270</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	1,081,617
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,875,114 and the accumulated depreciation is \$1,634,059.	1,241,055
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	16,755
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(3,370,537)
Net Other Post Employment Benefits Liability	(76,969)
Deferred Outflows	1,036,743
Deferred Inflows	<u>(534,561)</u>
 <u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	 <u>(605,897)</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	<u>General</u>	<u>Capital Reserve Capital Project</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	376,967	-	-	376,967
Specific Ownership Taxes	59,584	-	-	59,584
Earnings on Investments	2,893	-	15	2,908
Other Local Sources	66,371	-	39,096	105,467
State Aid	570,313	865,706	1,044	1,437,063
Federal Aid	<u>40,292</u>	<u>-</u>	<u>32,940</u>	<u>73,232</u>
Total Revenues	<u>1,116,420</u>	<u>865,706</u>	<u>73,095</u>	<u>2,055,221</u>
EXPENDITURES				
Current:				
Instructional Services	523,891	-	-	523,891
Supporting Services:				
Students	31,948	-	35,419	67,367
Instructional Staff	-	-	-	-
District Administration	131,103	-	-	131,103
School Administration	32,393	-	-	32,393
Business	47,938	-	-	47,938
Operation & Maintenance of Facilities	148,479	-	-	148,479
Transportation	41,204	-	-	41,204
Food Service	-	-	73,115	73,115
Central	60,420	-	-	60,420
Capital Outlay	<u>-</u>	<u>911,269</u>	<u>-</u>	<u>911,269</u>
Total Expenditure	<u>1,017,376</u>	<u>911,269</u>	<u>108,534</u>	<u>2,037,179</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>99,044</u>	<u>(45,563)</u>	<u>(35,439)</u>	<u>18,042</u>
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(73,436)</u>	<u>45,563</u>	<u>27,873</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(73,436)</u>	<u>45,563</u>	<u>27,873</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	25,608	-	(7,566)	18,042
FUND BALANCE – Beginning	1,000,042	-	29,765	1,029,807
PRIOR PERIOD ADJUSTMENT	<u>33,768</u>	<u>-</u>	<u>-</u>	<u>33,768</u>
FUND BALANCES – Ending	<u>1,059,418</u>	<u>-</u>	<u>22,199</u>	<u>1,081,617</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2018

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

Net Change in Fund Balances – Total Governmental Funds 18,042

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$1,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	929,831	
Capital Outlays more than \$1,000	(50,804)	879,027
Depreciation Expense	<u> </u>	

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. (720)

The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

	(573,610)	
Pension Cost	<u>4,647</u>	
Other Post Employment Benefits Cost	<u> </u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 327,386

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

NOTES TO BASIC FINANCIAL STATEMENTS

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Kiowa County School District RE-2 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Kiowa County School District RE-2. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Capital Reserve Capital Projects Fund – used to account for General Fund transfers and other revenue sources assigned for capital expenditures.

E. Cash and Investments

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

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

F. Receivables

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

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

H. Capital Assets

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

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

The monetary threshold for capitalization of assets is \$1,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. 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 a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position.

The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K. Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing Kiowa County School District RE-2 to collect, retain and expend (during 1996 and beyond) all revenues from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending. As of June 30, 2018 the District reserved \$60,000 for this purpose.

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Property Taxes

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

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

M. Accumulated Staff Leave

District policy allows for the accumulation of staff leave. Administrative, certified and non-certified staff can accumulate from 10 to 32 days depending on their position. Up to three days leave above the maximum is reimbursed annually.

The liability for accumulated leave is immaterial and is not recorded in the financial statements.

N. Use of Estimates

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

O. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

P. GASB Statement No. 54

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. GASB Statement No. 54 (Continued)

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>				
Inventories	-	-	3,568	3,568
<u>Restricted:</u>				
Emergencies	60,000	-	-	60,000
Food Service	-	-	3,599	3,599
Preschool	21,682	-	-	21,682
<u>Assigned:</u>				
Student Activities	-	15,032	-	15,032
<u>Unassigned</u>	<u>977,736</u>	<u>-</u>	<u>-</u>	<u>977,736</u>
<u>Total Fund Balances</u>	<u>1,059,418</u>	<u>15,032</u>	<u>7,167</u>	<u>1,081,617</u>

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliation's detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

The following transactions between funds have been eliminated in the government-wide statements:

	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	212,445	-	73,436	-
Capital Reserve				
Capital Project Fund	-	212,445	-	45,563
Pupil Activity Fund	-	-	-	-
Food Service	-	-	-	27,873
Total	<u>212,445</u>	<u>212,445</u>	<u>73,436</u>	<u>73,436</u>

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 3 BUDGETARY INFORMATION

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

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

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

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 4 CASH AND INVESTMENTS (Continued)

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,070,693	1,077,697
Cash with County Treasurer	373	-
Cash on Hand	500	-
<u>Total Cash and Deposits</u>	<u>1,321,566</u>	<u>1,327,697</u>

As presented above, deposits with a bank balance of \$1,077,697 and a carrying balance of \$1,070,693 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2018</u>
<u>Depreciable Assets:</u>				
Buildings	1,256,991	3,300	-	1,260,291
Site-Improvements	71,101	-	-	71,101
Vehicles	241,466	-	12,999	228,467
Food Service Equipment	56,230	7,695	-	63,925
Equipment	332,494	7,567	-	340,061
Construction in Progress	-	911,269	-	911,269
<u>Total Depreciable Assets</u>	<u>1,958,282</u>	<u>929,831</u>	<u>12,999</u>	<u>2,875,114</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Buildings	1,024,924	19,377	-	1,044,301
Site Improvements	67,070	813	-	67,883
Vehicles	225,142	6,524	12,999	218,667
Food Service Equipment	46,848	2,092	-	48,940
Equipment	232,270	21,998	-	254,268
<u>Total Accumulated</u>	<u>1,596,254</u>	<u>50,804</u>	<u>12,999</u>	<u>1,634,059</u>
<u>Depreciation</u>	<u>1,596,254</u>	<u>50,804</u>	<u>12,999</u>	<u>1,634,059</u>
<u>Total Capital Assets, Net</u>	<u>362,028</u>	<u>879,027</u>	<u>-</u>	<u>1,241,055</u>

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 CAPITAL ASSETS (Continued)

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

Governmental Activities:

Instruction	32,802
Transportation	6,524
Operations & Maintenance	9,386
Food Service	<u>2,092</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>50,804</u>

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2018, are estimated to be \$67,648. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Kiowa County School District RE-2 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 Kiowa County School District RE-2 are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at www.copera.org/investment/pera-financial-reports.

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 PENSION PLAN (Continued)

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 **PENSION PLAN (Continued)**

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

Contribution provisions as of June 30, 2018. Eligible employees and Kiowa County School District RE-2 are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Kiowa County School District RE-2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Kiowa County School District RE-2 were \$88,763 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 Kiowa County School District RE-2 reported a liability of \$3,370,537 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Kiowa County School District RE-2 proportion of the net pension liability was based on Kiowa County School District RE-2 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 Kiowa County School District RE-2 proportion was 0.0104 percent, which was a decrease of 0.0013 in its proportion measured as of December 31, 2016.

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 PENSION PLAN (Continued)

For the year ended June 30, 2018, the Kiowa County School District RE-2 recognized pension expense of \$573,610. At June 30, 2018, the Kiowa County School District RE-2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	61,970	-
Changes of assumptions or other inputs	860,623	(5,461)
Net difference between projected and actual earnings on pension plan investments	66,820	(199,184)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(324,420)
Contributions subsequent to the measurement date	44,589	N/A
Total	1,034,002	(529,065)

\$44,589 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	378,269
2020	173,594
2021	(41,719)
2022	(49,796)
2023	-
Thereafter	-

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 **PENSION PLAN (Continued)**

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 PENSION PLAN (Continued)

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 **PENSION PLAN (Continued)**

Sensitivity of the Kiowa County School District RE-2 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (6.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	4,257,562	3,370,537	2,647,714

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

Changes between the measurement date of the net pension liability and June 30, 2018.

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 **PENSION PLAN (Continued)**

At June 30 2018, the Kiowa County School District RE-2 reported a liability of \$3,370,537 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the Kiowa County School District RE-2's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	1,522,780

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$1,573,388 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Kiowa County School District RE-2 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2018, program members contributed \$8,113.

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8

OTHER POST EMPLOYMENT BENEFITS

Defined Benefit And Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Kiowa County School District RE-2 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 Plan description. Eligible employees of the Kiowa County School District RE-2 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.

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Kiowa County School District RE 2 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Kiowa County School District RE-2 were \$4,796 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 Kiowa County School District RE-2 reported a liability of \$76,969 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 Kiowa County School District RE-2 proportion of the net OPEB liability was based on Kiowa County School District RE-2 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 Kiowa County School District RE-2 proportion was 0.0060 percent, which was a decrease of 0.0003 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Kiowa County School District RE-2 recognized OPEB expense of \$(4,647). At June 30, 2018, the Kiowa County School District RE-2 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	364	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(1,288)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(4,200)
Contributions subsequent to the measurement date	2,377	N/A
Total	2,741	(5,496)

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

\$2,377 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	(1,077)
2020	(1,077)
2021	(1,077)
2022	(1,077)
2023	(755)
Thereafter	(69)

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 8

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 8

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 8

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Kiowa County School District RE-2 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	74,851	76,969	79,519

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.

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Kiowa County School District RE-2 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	86,537	76,969	68,802

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.

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 9 JOINT VENTURE

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

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicated that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information for the year ended June 30, 2017, the latest year for which audited information is available, is as follows:

Assets and Deferred Outflows	3,380,566
Liabilities and Deferred Inflows	<u>6,557,276</u>
Net Position	<u>(3,176,710)</u>
Revenues	2,479,802
Expenses	<u>3,215,297</u>
Change in Net Position	<u>(735,495)</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. An audited financial statement is filed annually with the Colorado State Auditor's Office.

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (CSDIP)

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, and other coverage. The Board of Directors is composed of nine persons; all of whom are appointed by the Board of Directors of CSDIP. The Pool is managed by an Executive Director chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 10 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (CSDIP) (Continued)

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

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

NOTE 11 RISK MANAGEMENT

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

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

NOTE 12 INTERFUND BALANCES

	<u>Transfer To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	73,436	-	212,445	-
Capital Reserve – Capital Project Fund	-	45,563	-	212,445
Student Activity Special Revenue Fund	-	-	-	-
Food Service Fund	-	<u>27,873</u>	-	-
	<u>73,436</u>	<u>73,436</u>	<u>212,445</u>	<u>212,445</u>

Transfers were made in the normal course of operations to support funding needs. Amounts due to other funds will be repaid within the upcoming year.

NOTE 13 COMPLIANCE WITH BUDGET LAWS

- The following conditions were noted and may be a violation of Colorado Law:
- Expenditures in the Food Service Fund exceeded budgeted amounts by \$8,754.
 - A budget was not adopted for the Capital Reserve Capital Projects Fund.

KIOWA COUNTY SCHOOL DISTRICT RE-2
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 14 RESTATEMENT OF BEGINNING NET POSITION

The net position of the governmental activities has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$(882,680) has been changed by the net OPEB liability at June 30, 2017 of \$(81,822) and related deferred flows of \$(2,549), resulting in a restated beginning net position of \$(967,051).

NOTE 15 PRIOR PERIOD ADJUSTMENT

In 2017, expenditures eligible for a grant awarded in that year were made in the amount of \$33,768. No grant receivable was recognized in the June 30, 2017 financial statements for the grant revenue earned in that amount. An adjustment was made to recognize the grant revenue and receivable in the fiscal year ended June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	298,131	298,131	376,967	78,836
Specific Ownership Taxes	70,740	70,740	59,584	(11,156)
Earnings on Investments	1,200	1,200	2,893	1,693
Delinquent Penalty & Interest	1,000	1,000	1,798	798
Other	35,120	35,120	64,573	29,453
<u>State Sources</u>				
Equalization	568,950	568,950	521,819	(47,131)
Transportation	20,000	20,000	13,856	(6,144)
Vocational Education	-	-	-	-
Special Education	5,000	5,000	5,626	626
Other	3,500	3,500	29,012	25,512
<u>Federal Sources</u>				
Designated Purpose Grants	28,436	28,436	40,292	11,856
Other	-	-	-	-
<u>Total Revenues</u>	<u>1,032,077</u>	<u>1,032,077</u>	<u>1,116,420</u>	<u>84,343</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	362,174	362,174	358,013	4,161
Employee Benefits	135,659	135,659	101,380	34,279
Purchased Services - Professional	6,000	6,000	12,854	(6,854)
Purchased Services - Property	-	-	-	-
Purchased Services - Other	8,250	8,250	8,582	(332)
Supplies and Materials	14,450	14,450	11,045	3,405
Property	19,536	19,536	19,763	(227)
Other Objects	2,900	2,900	12,254	(9,354)
<u>Total Instruction</u>	<u>548,969</u>	<u>548,969</u>	<u>523,891</u>	<u>25,078</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services - Professional	2,000	2,000	2,000	-
Purchased Services - Property	-	-	-	-
Purchased Services - Other	29,500	29,500	29,700	(200)
Supplies and Materials	300	300	248	52
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>31,800</u>	<u>31,800</u>	<u>31,948</u>	<u>(148)</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	-	-	-	-
<u>Total Instructional Staff</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>General Administration</u>				
Salaries	65,000	65,000	70,550	(5,550)
Employee Benefits	27,125	27,125	36,678	(9,553)
Purchased Services – Professional	13,300	13,300	9,447	3,853
Purchased Services – Other	5,500	5,500	4,977	523
Supplies and Materials	2,150	2,150	2,479	(329)
Property	-	-	-	-
Other Objects	4,800	4,800	6,972	(2,172)
<u>Total General Administration</u>	<u>117,875</u>	<u>117,875</u>	<u>131,103</u>	<u>(13,228)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	20,000	20,000	18,119	1,881
Employee Benefits	4,280	4,280	3,853	427
Purchased Services – Professional	1,900	1,900	2,024	(124)
Purchased Services – Other	700	700	1,632	(932)
Supplies and Materials	7,000	7,000	6,765	235
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>33,880</u>	<u>33,880</u>	<u>32,393</u>	<u>1,487</u>
<u>Business Services</u>				
Salaries	30,691	30,691	30,691	-
Employee Benefits	11,494	11,494	11,070	424
Purchased Services – Professional	2,500	2,500	4,785	(2,285)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	900	900	955	(55)
Supplies and Materials	1,000	1,000	362	638
Property	-	-	-	-
Other Objects	100	100	75	25
<u>Total Business Services</u>	<u>46,685</u>	<u>46,685</u>	<u>47,938</u>	<u>(1,253)</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	43,000	43,000	41,023	1,977
Employee Benefits	13,215	13,215	9,727	3,488
Purchased Services – Professional	21,050	21,050	22,132	(1,082)
Purchased Services – Property	39,600	39,600	14,370	25,230
Purchased Services – Other	3,093	3,093	2,741	352
Supplies and Materials	65,950	65,950	51,433	14,517
Property	2,300	2,300	6,653	(4,353)
Other Objects	200	200	400	(200)
<u>Total Operations and Maintenance</u>	<u>188,408</u>	<u>188,408</u>	<u>148,479</u>	<u>39,929</u>
<u>Student Transportation</u>				
Salaries	36,175	36,175	20,194	15,981
Employee Benefits	10,578	10,578	4,764	5,814
Purchased Services – Professional	500	500	345	155
Purchased Services – Property	6,000	6,000	2,811	3,189
Purchased Services - Other	300	300	-	300
Supplies and Materials	19,500	19,500	13,090	6,410
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>73,053</u>	<u>73,053</u>	<u>41,204</u>	<u>31,849</u>
<u>Central Support</u>				
Purchased Services – Property	15,000	15,000	20,400	(5,400)
Purchased Services – Other	35,000	35,000	40,020	(5,020)
<u>Total Central Support</u>	<u>50,000</u>	<u>50,000</u>	<u>60,420</u>	<u>(10,420)</u>
<u>Total Supporting Services</u>	<u>541,701</u>	<u>541,701</u>	<u>493,485</u>	<u>48,216</u>
<u>Appropriated Reserves</u>	<u>903,552</u>	<u>903,552</u>	-	<u>903,552</u>
<u>Total Expenditures</u>	<u>1,994,222</u>	<u>1,994,222</u>	<u>1,017,376</u>	<u>976,846</u>
<u>Revenues Over (Under) Expenditures</u>	(962,145)	(962,145)	99,044	
<u>Other Financing Sources (Uses)</u>				
Transfers	(37,896)	(37,896)	(73,436)	(35,540)
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	(1,000,041)	(1,000,041)	25,608	
<u>FUND BALANCE, July 1</u>	1,000,041	1,000,041	1,000,042	
<u>PRIOR PERIOD ADJUSTMENT</u>	-	-	33,768	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,059,418</u>	

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	0.0104%	0.0117%	0.0126%	0.0127%	0.0138%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,370,537	\$3,473,418	\$1,925,434	\$1,723,986	\$1,756,709	-	-	-	-	-
District's covered-employee payroll	\$470,198	\$501,106	\$520,732	\$550,150	\$544,839	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	717%	693%	369%	313%	322%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%	62.80%	64.06%	-	-	-	-	-

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 88,763	\$ 92,070	\$ 92,559	\$ 93,027	\$ 87,096	\$ 85,896	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(88,763)</u>	<u>\$(92,070)</u>	<u>\$(92,559)</u>	<u>\$(93,027)</u>	<u>\$(87,096)</u>	<u>\$(85,896)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered-employee payroll	\$470,198	\$501,106	\$520,732	\$550,150	\$544,839	\$569,525	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.88%	18.37%	17.77%	16.91%	15.99%	15.08%	-	-	-	-

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.0060%	0.0063%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$76,969	\$76,787	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$470,198	\$501,106	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	16.37%	15.32%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%	-	-	-	-	-	-	-	-

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 4,796	\$ 5,111	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (4,796)</u>	<u>\$ (5,111)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$470,198	\$501,106	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Pupil Activity Fund – This fund is used to accumulate gate receipts, transfers and other local revenues used to support co-curricular instructional expenditures and other pupil support costs.

MAJOR GOVERNMENTAL FUNDS

Capital Project Fund

Capital Reserve Capital Project Fund – This fund is used to account for capital acquisitions and property improvements funded by capital grants and District sources.

KIOWA COUNTY SCHOOL DISTRICT RE-2
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2018

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Pupil</u>	<u>Food</u>	<u>Non-Major</u>
	<u>Activity</u>	<u>Service</u>	<u>Governmental</u>
			<u>Funds</u>
<u>ASSETS</u>			
Cash	15,032	6,754	21,786
Investments	-	-	-
Accounts Receivable	-	-	-
Accrued Revenue	-	-	-
Due From Other Funds	-	-	-
Inventories	-	3,568	3,568
Receivables – Other	-	-	-
<u>Total Assets</u>	<u>15,032</u>	<u>10,322</u>	<u>25,354</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries	-	3,155	3,155
Due To Other Funds	-	-	-
Other Payables	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>3,155</u>	<u>3,155</u>
<u>Fund Balances:</u>			
<u>Nonspendable:</u>			
Inventories	-	3,568	3,568
<u>Restricted:</u>			
Food Service	-	3,599	3,599
<u>Assigned:</u>			
Student Activities	15,032	-	15,032
Undesignated	-	-	-
<u>Total Fund Balances</u>	<u>15,032</u>	<u>7,167</u>	<u>22,199</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>15,032</u>	 <u>10,322</u>	 <u>25,354</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2018

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Pupil Activity</u>	<u>Food Service</u>	
REVENUES:			
Earnings on Investments	-	15	15
Other Local Sources	28,344	10,752	39,096
State Aid	-	1,044	1,044
Federal Aid	-	32,940	32,940
<u>Total Revenues</u>	<u>28,344</u>	<u>44,751</u>	<u>73,095</u>
EXPENDITURES:			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	35,419	-	35,419
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation & Maintenance of Facilities	-	-	-
Transportation	-	-	-
Central	-	-	-
Food Service	-	73,115	73,115
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>35,419</u>	<u>73,115</u>	<u>108,534</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(7,075)	(28,364)	(35,439)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	27,873	27,873
<u>NET CHANGE IN FUND BALANCES</u>	(7,075)	(491)	(7,566)
<u>FUND BALANCES, Beginning</u>	<u>22,107</u>	<u>7,658</u>	<u>29,765</u>
<u>FUND BALANCES, Ending</u>	<u>15,032</u>	<u>7,167</u>	<u>22,199</u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 FOOD SERVICES – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	11,000	10,413	(587)
Earnings on Investments	10	15	5
Other	75	339	264
<u>State Sources</u>			
School Lunches and Breakfast	680	1,044	364
<u>Federal Sources</u>			
School Lunches and Breakfast	14,700	24,521	9,821
Commodities	-	3,324	3,324
Equipment Grant	-	5,095	5,095
<u>Total Revenues</u>	<u>26,465</u>	<u>44,751</u>	<u>18,286</u>
 <u>EXPENDITURES</u>			
Salaries	30,082	29,370	712
Employee Benefits	9,567	10,958	(1,391)
Purchased Services – Professional	-	-	-
Purchased Services – Property	-	-	-
Purchased Services - Other	350	229	121
Food Purchases	21,762	22,191	(429)
Capital Outlay	100	5,095	(4,995)
Commodities	-	3,324	(3,324)
Non-Food Supplies	2,500	1,948	552
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>64,361</u>	<u>73,115</u>	<u>(8,754)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(37,896)</u>	<u>(28,364)</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>37,896</u>	<u>27,873</u>	<u>(10,023)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>-</u>	<u>(491)</u>	
<u>FUND BALANCE, July 1</u>	<u>7,658</u>	<u>7,658</u>	
<u>FUND BALANCE, June 30</u>	<u>7,658</u>	<u>7,167</u>	

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
PUPIL ACTIVITY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local Revenues	<u>10,000</u>	<u>28,344</u>	<u>18,344</u>
<u>Total Revenues</u>	<u>10,000</u>	<u>28,344</u>	<u>18,344</u>
 <u>EXPENDITURES:</u>			
Student Activities	15,000	35,419	(20,419)
Appropriated Reserves	<u>21,737</u>	<u>-</u>	<u>21,737</u>
<u>Total Expenditures</u>	<u>36,737</u>	<u>35,419</u>	<u>1,318</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (26,737)	 (7,075)	
 <u>TRANSFERS</u>	 -	 -	
 <u>FUND BALANCE, July 1</u>	 <u>26,737</u>	 <u>22,107</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>15,032</u>	

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

KIOWA COUNTY SCHOOL DISTRICT RE-2
 CAPITAL RESERVE CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
State Grant - BEST	-	865,706	865,706
<u>Total Revenues</u>	-	865,706	865,706
 <u>EXPENDITURES:</u>			
Building	-	911,269	(911,269)
<u>Total Expenditures</u>	-	911,269	(911,269)
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	(45,563)	
 <u>TRANSFERS</u>	-	45,563	
 <u>FUND BALANCE, July 1</u>	-	-	
 <u>FUND BALANCE, June 30</u>	-	-	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 1440 - PLAINVIEW RE-2
 Fiscal Year 2017-18
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
30 General Fund	1,026,253	998,484	987,002	1,037,735
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	7,556	44,098	30,372	21,682
Sub-Total	1,033,809	1,042,582	1,017,374	1,059,417
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
21 Food Service Spec Revenue Fund	7,557	72,624	73,116	7,166
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	22,106	28,344	35,419	15,032
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	91,270	91,270	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,063,572	2,053,220	2,057,778	1,061,415
Proprietary				
56 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.51-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
76 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District 1440 - PLAINVIEW RE-2
 Fiscal Year 2017-18
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Services Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Cash and Investments (8100-8104,8111)	1,299,407	0	0	15,032	0	6,754	0	0	0	0	0	0	0	0	1,321,194	
Cash with Fiscal Agent (8105)	373	0	0	0	0	0	0	0	0	0	0	0	0	0	373	
Taxes Receivable (8121,8122)	36,000	0	0	0	0	0	0	0	0	0	0	0	0	0	36,000	
Interfund Loans Receivable (8131,8132)	0	0	24,666	0	0	0	0	212,445	0	0	0	0	0	0	237,111	
Grants Accounts Receivable (8142)	21,867	0	0	0	0	0	0	698,824	0	0	0	0	0	0	720,691	
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Inventories (8171,8172,8173)	0	0	0	0	0	3,567	0	0	0	0	0	0	0	0	3,567	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	1,357,646	0	24,666	15,032	0	10,321	0	911,270	0	0	0	0	0	0	2,318,936	

	Governmental							Proprietary					Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
LIABILITIES & FUND EQUITY														
LIABILITIES														
Interfund Payables (7401,7402)	237,111	0	0	0	0	0	0	0	0	0	0	0	0	237,111
Intergovernmental Payables (7411)	3,920	0	0	0	0	0	0	0	0	0	0	0	0	3,920
Other Payables (7421-7423)	316	0	0	0	0	0	0	0	0	0	0	0	0	316
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	911,270	0	0	0	0	0	911,270
Accrued Expenses (7461)	61,509	0	2,984	0	0	3,155	0	0	0	0	0	0	0	67,648
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	300	0	0	0	0	0	0	0	0	0	0	0	0	300
Deferred Inflow (7800)	16,755	0	0	0	0	0	0	0	0	0	0	0	0	16,755
Total Liabilities	319,911	0	2,984	0	0	3,155	0	911,270	0	0	0	0	0	1,237,320

Fiduciary

Proprietary

Governmental

FUND EQUITY	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Non-spendable Fund Balance 6710	0	0	0	0	0	3,567	0	0	0	0	0	0	0	0	3,567	
Restricted Fund Balance 6720	0	0	0	0	0	3,599	0	0	0	0	0	0	0	0	3,599	
TABOR 3% Emergency Reserve 6721	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000	
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	21,682	0	0	0	0	0	0	0	0	0	0	0	21,682	
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unassigned Fund Balance 6770	943,967	0	0	15,032	0	0	0	0	0	0	0	0	0	0	958,999	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	33,768	0	0	0	0	0	0	0	0	0	0	0	0	0	33,768	
Total Fund Equity	1,037,735	0	21,682	15,032	0	7,166	0	0	0	0	0	0	0	0	1,081,615	

Total Liabilities & Fund Equity	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
1,357,646	0	0	24,666	15,032	0	10,321	0	911,270	0	0	0	0	0	0	2,318,935	

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

For Each Fund Type:
Do Assets=Liability+Fund Equity