

cPa DIXON, WALLER & CO., INC.

LA VETA PUBLIC SCHOOLS

LA VETA, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

DIXON, WALLER & CO., INC.

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LA VETA PUBLIC SCHOOLS

FINANCIAL STATEMENTS

JUNE 30, 2018

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LA VETA PUBLIC SCHOOLS
ROSTER OF SCHOOL OFFICIALS
June 30, 2018

BOARD OF EDUCATION

Edward Donovan	President
John Albright	Vice-President
Larry Morgan	Member
Polly Nelder	Member
Matthew Dobbs	Member

SCHOOL OFFICIALS

Bree Lessar	Superintendent
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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
La Veta Public Schools
La Veta, CO 81055

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the La Veta Public Schools, 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 La Veta Public Schools, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through xvi and 43 through 51 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 La Veta Public Schools' 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.

Deitz, Waller & Co., Inc.

Trinidad, Colorado
November 27, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LA VETA SCHOOL DISTRICT RE-2
PO BOX 85, 126 EAST GARLAND
LA VETA, COLORADO 81055
719-742-3562 FAX 719-742-3959**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FY 2017/2018**

This section of the La Veta School District RE-2's annual financial report offers readers of the La Veta RE-2 School District financial statements, a narrative summary, and an analysis of the District's financial performance during the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

In 2003/2004 La Veta School District RE-2 adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*, the District is required to restate prior financial periods for the purpose of providing a comparative analysis from one fiscal year to the next.

Financial Highlights

- At the close of FY 2017/2018, the District's net position changed from (1,907,537) at the end of FY 2017 to \$4,317,051 at the end of FY 2018. Affecting the District's net position are the accounting requirements of GASB 68, the Accounting and Financial Reporting for Pensions. GASB 68 affects the financial statement of Colorado PERA-affiliated employers. GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflow of resources, and expenditures for the PERA defined benefit pension plan. GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. At the end of FY 2018, LaVeta RE-2 reported liability of \$11,440,998 for its proportionate share of the net pension liability, an increase from \$849,925 from the end of FY 2017. Also reported was \$261,264 for net OPEB, other post-employment benefits, liabilities. Notes to the financial statement include additional information regarding GASB 68.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$2.65 million or 77.49 percent of all revenues. Governmental activity expenses totaling \$5,573,998 were offset by \$769,780 of program specific revenues; charges for services, operating grants and contributions, and capital grants and contributions.

- The District's General Fund, which includes Fund 10/General Fund and Fund 19/Colorado Preschool Program (CPP), began FY 2018 with a \$824,272 fund balance. General Fund received \$2,741,262 in revenues and expended \$2,738,359 in expenditures and transfers. The fund balance in the General Fund increased by \$2,903 from July 1, 2017 to June 30, 2018. The ending fund balance in the General Fund on June 30, 2018 was \$827,175.
- The FY 2018 ending fund balance in Fund 21, the Food Service Fund, was \$16,951, a decrease of \$9,360.
- The Government Designated Purpose Grants, Fund 22, accounted for \$260,034 in revenue and expenditures related to governmental activities.
- The Activities Account, Fund 23, received \$107,328 in revenues and expended \$99,364. The ending fund balance in the Activities Account was \$56,619.
- Bond Redemption, Fund 31, had a beginning fund balance of \$111,391. Total revenues totaled \$82,112. Bond property taxes accounted for \$81,437 of the total revenues. Principal and interest paid on the Series 2002 Bonds was \$78,880. The School District's long term debt was reduced by \$60,000 leaving a principal balance of \$350,000. The Bond Redemption fund balance on June 30, 2018 was \$113,973.
- Fund 43, Capital Reserve/Capital Projects, had a beginning fund balance of \$49,592. CRCP received \$170,782 in revenue, a \$130,782 BEST Grant from CDE and \$40,000 transferred from the General Fund. Expenses totaled \$201,335. The ending fund balance in the Capital Reserve/Capital Projects Fund was \$19,039, a decrease of \$30,553.
- The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$261,264. 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 \$255,280 to \$2,162,817 from \$1,907,537 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

Overview of the Financial Statements

The Management's Discussion and Analysis statement is intended to serve as an introduction to La Veta School District RE-2's basic financial statements. The basic financial statements consist of three components: (1) District-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Additionally, this report contains other supplementary information in conjunction with the basic financial statements.

The basic financial statements include two kinds of statements that present different views of the District. The basic financial statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services were financed in the short-term as well as what remain for future spending.
- Proprietary fund statements offer short and long term financial information about the activities that the District operates like businesses. The District no longer has a proprietary fund.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements.

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the finances of La Veta School District RE-2, in a manner similar to private-sector business.

The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The Statement of Net Program presents information on all of the District's assets and liabilities, with the differences between the two reported as net program. Over time, increases or decreases in net program may serve as a useful indicator of whether the financial position of LaVeta School District RE-2 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of school buildings and other facilities.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net program are reported as soon as the underlying

event giving rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of La Veta RE2's financial activities are included in governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Certain funds are required by law. Other funds control and manage money for particular purposes (such as federal grants or student activity). The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

La Veta School District RE-2 maintains seven governmental funds: General Fund, which includes the Colorado Preschool Program, the Food Service Fund, Government Designated Grants, Student Activities, Bond Redemption, Building Fund, and Capital Reserve Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. Included in the required supplementary information section is budget-to-actual information for all government funds as required by State law.

- **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.

La Veta School District RE-2 currently does not have any proprietary funds.

- **Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes stated 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.

La Veta School District RE-2 currently does not have any fiduciary funds

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes budget-to-actual information for all funds as dictated by State law.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

All financial activities of the District are reported on the accrual basis of accounting. This section explains the differences between the current and prior year's assets, liabilities, and changes in the net assets.

Table 1 provides a comparison of the District's net position as of June 30, 2017 to June 30, 2018.

NET POSITION	FY 2017			FY 2018		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
ASSETS						
Current and Other Assets	1,566,972	-	1,566,972	1,590,719	-	1,590,719
Capital Assets	3,564,246	-	3,564,246	3,501,322	-	3,501,322
Total Assets	5,131,218	-	5,131,218	5,092,041	-	5,092,041
DEFERRED OUTFLOW OF RESOURCES						
District contributions subsequent to pension measurement date	152,952	-	152,952	3,654,103	-	3,654,103
Difference in actual & projected pension investment earnings	4,155,805	-	4,155,805	-	-	-
Other Post-Employment Benefits (OPEB)	-	-	-	10,241	-	10,241
Total Deferred Outflow of Resources	4,308,757	-	4,308,757	3,664,344	-	3,664,344
LIABILITIES						
Current and Other Liabilities	265,301	-	265,301	280,805	-	280,805
Net PERA Pension Liability	10,591,063	-	10,591,063	11,440,988	-	11,440,988
Net OPEB Liability	-	-	-	261,264	-	261,264
Long Term Liabilities	410,000	-	410,000	350,000	-	350,000
Total Liabilities	11,266,364	-	11,266,364	12,333,057	-	12,333,057
DEFERRED INFLOW OF RESOURCES						
Difference in Pension Expected & Actual Experience	81,148	-	81,148	740,379	-	740,379
NET ASSETS						
Invested in capital assets, Net of Related Debt	3,154,246	-	3,154,246	3,151,322	-	3,151,322
Restricted for:						
Tabor Reserve	85,000	-	85,000	91,000	-	91,000
Multi Year Obligations	-	-	-	-	-	-
Preschool	-	-	-	-	-	-
Food Service	26,311	-	26,311	11,006	-	11,006
Insurance	-	-	-	-	-	-
Debt	111,391	-	111,391	113,973	-	113,973
Unrestricted	(5,284,485)	-	(5,284,485)	(7,684,352)	-	(7,684,352)
TOTAL NET POSITION	(1,907,537)	-	(1,907,537)	(4,317,051)	-	(4,317,051)

The Statement of Net Position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2018, consisting of accounts payable, accrued salaries and benefits, and internal payables. The difference between the District's assets and liabilities is its net program. In FY 2018, the District-wide net program decreased by \$2,409,514.

Changes in Net Program

The District's Governmental Activities are reported on the accrual basis of accounting. A condensed financial comparison of revenues and expenditures from FY 2017 to FY 2018 shows the District's net program in total government activities increased by \$135,272.

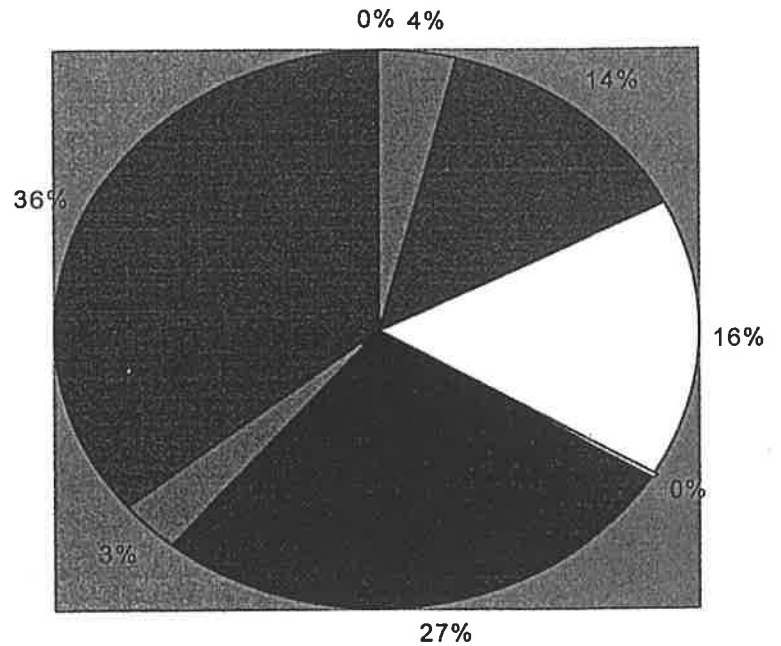
Table 2 provides a summary and comparison of the changes in the net program from FY 2017 to FY 2018.

Changes in Net Program	2017			2018		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenues						
Charges for Services	232,046	-	232,046	154,374	-	154,374
Operating Grants and Contributions	400,117	-	400,117	484,624	-	484,624
Capital Grants and Contributions	35,000	-	35,000	130,782	-	130,782
Property taxes	1,027,442	-	1,027,442	947,528	-	947,528
Specific Ownership Taxes	108,292	-	108,292	114,199	-	114,199
Equalization	1,414,524	-	1,414,524	1,513,688	-	1,513,688
Earnings on investments	3,677	-	3,677	7,061	-	7,061
Other Revenues	118,868	-	118,868	67,508	-	67,508
Transfers	-	-	-	-	-	-
TOTAL REVENUES	3,339,966	-	3,339,966	3,419,764	-	3,419,764
Expenses						
Instructional Services	1,891,272	-	1,891,272	1,871,168	-	1,871,168
Student Support	178,583	-	178,583	177,560	-	177,560
Instructional Staff	91,465	-	91,465	133,206	-	133,206
District Administration	193,619	-	193,619	214,292	-	214,292
School Administration	81,495	-	81,495	121,880	-	121,880
Business Support	156,489	-	156,489	156,530	-	156,530
Operation and Maintenance of Facilities	344,337	-	344,337	349,853	-	349,853
Transportation	98,780	-	98,780	100,971	-	100,971
Central Support	139,010	-	139,010	146,461	-	146,461
Capital Outlay	-	-	-	-	-	-
Food Service	118,682	-	118,682	123,226	-	123,226
Interest on Long Term Liabilities	22,060	-	22,060	19,298	-	19,298
Pension Amortization	1,765,271	-	1,765,271	2,158,182	-	2,158,182
OPEB (Other Post -Employment Benefits)	-	-	-	1,371	-	1,371
TOTAL EXPENSES	5,081,063	-	5,081,063	5,573,998	-	5,573,998
Change in Net Position	(1,741,097)	-	(1,741,097)	(2,154,234)	-	(2,154,234)
Net Position, Beginning (As Restated)	(166,440)	-	(166,440)	(2,162,817)	-	(2,162,817)
Prior Period Adjustment	-	-	-	-	-	-
Net Position, Ending	(1,907,537)	-	(1,907,537)	(4,317,051)	-	(4,317,051)

TABLE 3

**La Veta School District RE-2
Government-Wide
Total Revenues FY 2018
TABLE 3**

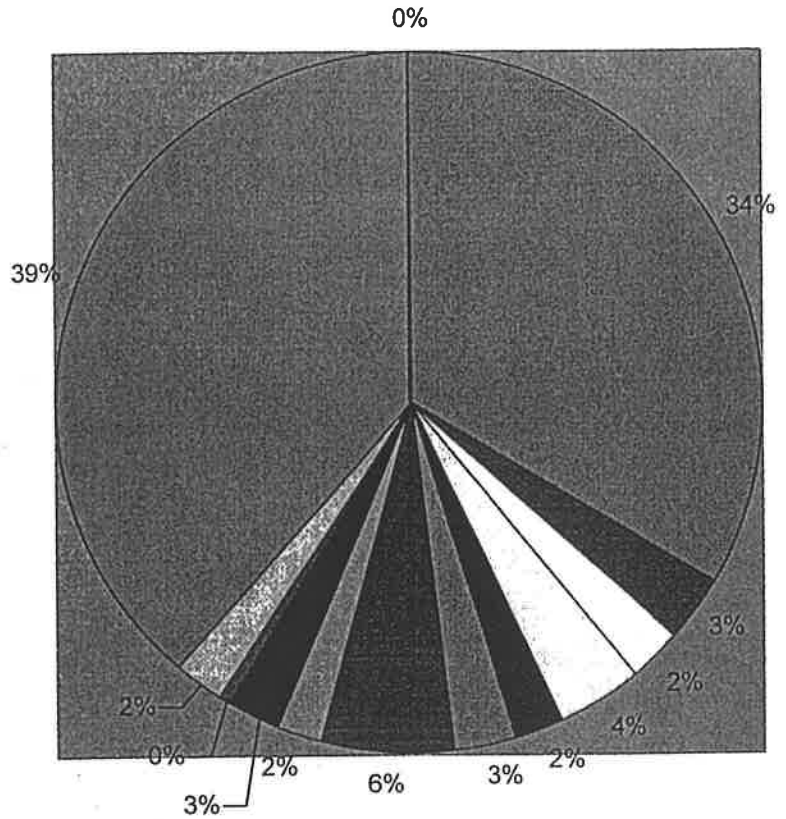
- Charges for Service
- Operating Grants & Contributions
- Capital Grants & Contributions
- Other Revenue
- Local Property Tax
- Specific Ownership Tax
- Equalization
- Earning on Investments



PRIMARY GOVERNMENT REVENUE	
(Government Activities and Business Type Activities)	
FY 2018	
Charges for Services	\$ 154,374
Operating Grants and Contributions	\$ 484,624
Capital Grants and Contributions	\$ 130,782
Local Property Tax	\$ 947,528
Specific Ownership Tax	\$ 114,199
Equalization	\$ 1,513,688
Earnings on Investment	\$ 7,061
Other Revenue	\$ 67,508
Total Primary Government Revenue	\$ 3,419,764

**Table 4
La Veta School District RE-2
Government-Wide
Total Expenditures FY 2018**

- Instruction
- Student Support
- Instructional Staff
- District Administration
- School Administration
- Business Support
- Operations & Maintenance
- Transportation
- Central Support
- Interest Long Term Debt
- Food Service
- Pension Expense
- OPEB



Primary Government Expenditures	
(Includes Government Activities and Business-Type Activities)	
FY 2018	
Instruction	\$ 1,871,168
Student Support	\$ 177,560
Instructional Support	\$ 133,206
District Administration	\$ 214,292
School Administration	\$ 121,880
Business Support	\$ 156,530
Operation & Maintenance	\$ 349,853
Transportation	\$ 100,971
Central Support	\$ 146,461
Food Service	\$ 123,226
Capital Outlay	\$ -
Interest on Long Term Debt	\$ 19,298
Pension Expense	\$ 2,158,182
OPEB	\$ 1,371
Total Primary Government Expenditures	\$ 5,573,998

2018

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this Act, the District received \$11,551.51 per funded in-school student in FY 2018. The per-funded pupil amount included an 11.04% negative factor adjustment which totaled (\$307,100). Total program per-pupil funding would have been \$12,985.22 without the negative factor adjustment. The total funded pupil count for FY 2018 was 214.2, which included 5 CPP slots and 11 ECare slots. The funded pupil count in FY 2017 was 212.2.

Funding for the School Finance Act comes from property taxes, specific ownership taxes, and state equalization. In the General Fund, the District received \$2,575,415 in funding from these sources: 58.78% from state equalization, 36.79% from local property taxes, and 4.43% from specific ownership taxes.

The statement of activities provides the cost of program services and the related changes for services and grants offsetting those costs. Table 5 reflects each programs net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs).

Governmental Activities by Major Function	2017			2018		
	Total Cost of Service	Program Revenue & Aid	Net Cost of Service	Total Cost of Service	Program Revenue & Aid	Net Cost of Service
Governmental Activities						
Instructional Services	1,891,272	520,541	(1,370,731)	1,871,168	554,587	(1,316,581)
Support Services						
Student Support	178,583		(178,583)	177,560		(177,560)
Instructional Staff	91,465		(91,465)	133,206		(133,206)
District Administration	193,619		(193,619)	214,292		(214,292)
School Administration	81,495		(81,495)	121,880		(121,880)
Business Support	156,489		(156,489)	156,530		(156,530)
Operation and Maintenance of Facilities	344,337	45,000	(299,337)	349,853	130,782	(219,071)
Transportation	98,780	21,586	(77,194)	100,971	11,765	(89,206)
Central Support	139,010		(139,010)	146,461		(146,461)
Food Service	118,682	80,036	(38,646)	123,226	72,646	(50,580)
Capital Outlay	-		-	-		-
Interest on Long Term Liabilities	22,060		(22,060)	19,298		(19,298)
Pension Amortization	1,765,271		(1,765,271)	2,158,182		(2,158,182)
OPEB Expense				1,371		(1,371)
Business-Type Activities						
Food Service Program	\$ -		-	\$ -		-
Total	5,081,063	667,163	(4,413,900)	5,573,998	769,780	(4,804,218)

Table 6 is a summary of the Districts capital assets.

Table 6							
Capital Assets (Net of Depreciation)							
FY 2018							
	Governmental	Business	Total	Governmental	Business	Total	
	FY 2017	Type	FY 2017	FY 2018	Type	FY 2018	
		FY 2017			FY 2018		
Capital Assests Not Being Depreciated							
Land & Sites	332,177		332,177	332,177			332,177
Construction in Progress	-		-	-			-
Capital Assests Being Depreciated							
Buildings & Improvements	3,064,268		3,064,268	2,960,323			2,960,323
Equipment & Vehicles	159,265		159,265	201,506			201,506
Food Service	8,536		8,536	7,316			7,316
Total Capital Assets	3,564,246	-	3,564,246	3,501,322	-		3,501,322

Table 7 is a summary of the La Veta School District RE-2 long-term debt transactions in FY 2018. A bond principal payment in the amount of \$60,000 was made on the General Obligation Bonds, Series 2002, leaving a balance of \$350,000.

Table 7				
CHANGES IN LONG TERM DEBT				
FY 2018				
	Balance	Additions	Deletions	Balance
	7/1/2017			6/30/2018
Compensated Absences	22,560		8,875	13,685
General Obligation Bonds Series 2000	410,000	-	60,000	350,000
Total	432,560	-	68,875	363,685

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

General Fund (Includes Fund 10/General Fund and Fund 19/Colorado Preschool Program (CPP))

The General Fund is the major operating fund of the District, providing the majority of the resources for the education and support programs. The Board of Education approved a budget in June 2017 based on a funded pupil count of 213.7, for the 2017/2018 school year.

In January 2018, the Board of Education approved a revised/finalized issuance of the budget. The primary reasons for the revision were a more precise student enrollment count (total program per-pupil funding) and an updated beginning fund balance. The FY 2018 October count was 227, including 17 preschool students and 15 kindergarten students, which are counted as .5 FTE's. The final FY 2018 FTE count was 204.0. After averaging, the total funded pupil count was 214.2.

The FY 2018 beginning fund balance in the General Fund, Fund 10 and Fund 19, was 824,272. Revenues for the General Fund totaled \$2,741,262 and actual expenditures totaled \$2,658,359. The General Fund also transferred \$40,000 to Food Service and \$40,000 to Capital Reserve Capital Projects. The fund balance in the District's General Fund at the end of FY 2018 was \$827,175, and increase of \$2,903.

Food Service (Fund 21)

The Food Service Fund changed from a proprietary fund to a special revenue fund and is accounted for in Fund 21. Operating revenues totaled \$72,646 which includes \$20,410 in student revenue and \$4,873 in adult revenue. The District's General Fund continues to subsidize the food service program and transferred \$40,000 in FY 2018. The ending fund balance in the Food Service Fund was \$16,951, a decrease of \$9,360.

Government Designated Grants (Fund 22)

Fund 22, Government Designated Grants, is used to record financial transactions for grants received for designated programs funded by federal, state, and local sources. In FY 2018, the Government Designated Purpose Grants, Fund 22, accounted for \$260,035 in revenue and expenditures related to governmental activities. The Federal Title Programs accounted for \$128,217 of the revenues and expenditures. The remaining funds were received from Carl Perkins, the School Health Professional Grant, the Comprehensive Health Education Grant, and the Colorado Health Foundation Grant.

Bond Redemption (Fund 31)

District voters approved a general obligations bond of \$1,000,000 in 2002. General Obligation Bonds, Series 2002, were issued on December 15, 2002, for the original amount of \$1,000,000. In 2002, the mill levy was set to provide property tax revenue sufficient to pay principal and interest as required by the bond amortization schedules. The Bond Redemption mill levy certified in December 2017 was 2.574 mills.

Revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest, are recorded in the Bond Redemption Fund, but are administered by a third-party custodian. The District's approved third-party custodian for the Bond Redemption Fund is UMB Corporate Trust Services. Property tax revenue in the Bond Redemption Fund totaled \$81,437. Specific ownership tax revenues generated by the bond mill levy are deposited directly into the General Fund account. Bond principal and interest payments in the amount of \$79,530 were made. The balance owed on the bond at the end of FY 2018 was \$350,000. The Bond Redemption fund balance as of June 30, 2018 was \$113,973.

Student Activity (Fund 23)

The Student Activity Fund is used to record financial transactions related to school-sponsored pupil intra-scholastic and inter-scholastic athletics and other related activities. These activities are supported in whole or in part by revenue generated from fund-raising activities and donations. The FY 2018 beginning fund balance in the Student Activity Fund was \$48,655. Revenues in the Student Activity Fund totaled \$107,328 and expenditures totaled \$99,364. The fund balance in the student activity fund as of June 30, 2018 was \$56,619.

Capital Reserve/Capital Projects (Fund 43)

Capital Reserve/Capital Project Fund (Fund 43) is used to account for the acquisitions of sites, buildings, equipment, and vehicles.

The beginning fund balance in Fund 43, Capital Reserve Capital Projects was \$49,592. The General Fund transferred \$40,000 to CRCP in FY 2018. A CDE BEST grant in the amount of \$130,782 was received for the replacement of the bleachers and heating units in the Roger Brunelli Gymnasium. The District's match for the project totaled \$70,553. The CRCP fund balance at the end of FY 2018 was \$19,039, a decrease of \$30,553.

Governmental Activities
FY 2018 Budget-to-Actual Summary Statement

	FY 2018 Original Budget (June 2016)	FY 2018 Final Budget (January 2017)	2018 Actual	Variance
General Fund (Fund 10) BFB - July 1, 2017	807,893	824,272	824,272	
General Fund Revenue	2,769,153	2,710,824	2,741,262	30,438
General Fund Direct CPP Allocation	(40,612)	(86,559)	(86,601)	(42)
General Fund Operating Transfers (In/Out)	(100,000)	(22,294)	34,640	56,934
General Fund Operating Expenditures	2,696,934	2,758,324	2,686,398	71,926
General Fund Reserves	739,500	667,919	0	667,919
General Fund EFB - June 30, 2018	0	0	827,175	
General Fund - Change in Fund Balance				2,903
Colorado Preschool Program (Fund 19) BFB-July 1, 2017	0	0	0	
CPP - Preschool Tuition	8,100	0		
CPP Allocation from General Fund	40,612	86,636	86,601	(35)
CPP Transfers (In/Out)	0	(34,654)	(34,640)	14
CPP Expenditures	40,612	51,982	51,961	21
CPP EFB - June 30, 2018	0	0	(0)	
CPP Change in Fund Balance				(0)
Food Service (Fund 21) BFB-July 1, 2017	21,058	26,311	26,311	
Food Service Revenue	72,300	75,300	72,646	(2,654)
Food Service Transfer (In/Out)	40,000	40,000	40,000	0
Food Service Expenditures	133,358	141,611	122,006	19,605
Food Service EFB - June 30, 2018	0	0	16,951	
Food Service - Change in Fund Balance				(9,360)
Designated Grants (Fund 22) BFB-July 1, 2017	0	0	0	
Designated Grants Revenue	270,259	184,910	107,328	(77,582)
Designated Grants Expenditures	270,259	184,910	99,364	85,546
Designated Grants EFB - June 30, 2018	0	0	7,964	
Designated Grants - Change in Fund Balance				7,964
Pupil Activity Fund (Fund 23) BFB-July 1, 2017	0	0	36,592	
Pupil Activity Fund Revenue	154,760	175,932	148,317	(27,615)
Pupil Activity Fund Transfer (In/Out)	0	0	0	0
Pupil Activity Fund Expenditures	154,760	175,932	136,254	39,678
Pupil Activity EFB - June 30, 2018	0	0	48,655	
Pupil Activity Fund - Change in Fund Balance				12,063
Bond Redemption (Fund 31) BFB-July 1, 2017	115,308	115,046	111,391	
Bond Redemption Revenues	81,430	81,430	82,112	682
Bond Redemption Expenditures	80,960	80,698	79,530	1,168
Bond Redemption Reserve	115,778	115,778	0	115,778
Bond Redemption EFB - June 30, 2018	0	0	113,973	
Bond Redemption Fund - Change in Fund Balance				2,582
CRCP (Fund 43) BFB-July 1, 2017	69,197	49,592	49,592	
CRCP Revenues	130,782	130,782	130,782	0
CRCP Transfer (In/Out)	60,000	40,000	40,000	0
CRCP Expenditures	259,979	220,374	201,335	19,039
CRCP Reserves	0	0	0	0
CRCP EFB - June 30, 2018	0	0	19,039	
CRCP - Change in Fund Balance				(30,553)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future:

- State shortfalls continue to create an overall decrease to what would be considered full funding for LaVeta RE-2. The “negative factor,” the underfunding of the school finance act, will reduce total program funding for La Veta RE-2 by approximately \$308,687 in FY 2019. The “negative factor” continues to create significant restraints on the District’s budget.
- Amendment 73, a result of the citizen’s ballot initiative #93, is a statewide school funding initiative that will be on the November 2018 ballot. Amendment 73 is an increase in taxes for approximately 8% of Colorado tax filers with taxable income over \$150,000 and an increase of 1.37% to the state corporate income tax rate for “C” corporations. Property taxes would decrease for business property owners, farmers, and ranchers. The Amendment was designed to stabilize and increase funding statewide for preschool through twelfth grades public education. It would raise \$1.6 billion in revenue that would be deposited in the Quality Public Education Fund, a fund that can only be used for public education. If Colorado voters approve Amendment 73, it is estimated that La Veta RE-2 would receive approximately \$0.5 million in additional ongoing revenue.
- It is anticipated that enrollment will remain stable in FY 2019. The FY 2019 budget, submitted in June 2018, was based on a student FTE count of 208.5 and a funded pupil count of 207.7. The District will pursue additional ECare slots for FY 2019, though there is no guarantee to receive them.
- The teacher’s salary base in LaVeta RE-2 continues to be low in comparison to other schools in the State. The school board approved increasing the teacher salary base to \$32,200 for FY 2019, a 1.87% increase to the base of the teacher salary schedule. The extra duty and coaching stipends will also be increased by 1.87%. In order to become more competitive with school districts in the surrounding area, it is desirable to again increase the teacher’s base salary by 1%, possibly 2%, for FY 2020.
- The District share of PERA increased to 20.15% in January 2018. Senate Bill 18-200 was passed by the Colorado General Assembly on May 9, 2018 and signed by Governor Hickenlooper on June 4, 2018. Provisions in SB 200 affect both the District and the employees. Employee PERA contribution will increase by 2% of pay, phased in beginning July 1, 2019, totaling 10% by July 1, 2021. The District’s contribution rate will increase to 20.40% beginning July 1, 2019. The District share of PERA will increase by approximately \$32,000 in FY 2019 due to the increase in salaries and the .025% increase to the District’s PERA contribution.
- In June 2018, the Spring Fire resulted in severe damage to homes and property within the La Veta RE-2 school boundaries. The taxable assessed valuation will probably be substantially reduced over the next couple of years. The District must also plan for potential flooding due to damage caused by the fire.

- In FY 2017, a Building Facilities Taskforce Committee was formed to study and explore options for renovations or replacement of facilities. The Board approved a contract with Bennett, Wagner, Grody Architects to develop a district facilities master plan.

In FY 2018, the Building Facilities Taskforce Committee recommended the La Veta RE-2 School Board move forward with building a new school on the district owed property, north of town, by the football field. A BEST Construction Grant was written and submitted to the Colorado Department of Education in February 2018. A presentation was made to the State Board of Education in June 2018. The grant application was approved, but it was not ranked in a level to be funded. The BEST Grant Board provided comments for ways to modify the grant for resubmittal in 2019.

The La Veta RE-2 School Board voted to continue with the pursuit of a new school. The Board voted to approve a bond question on the November 2018 ballot to increase the District's debt by \$5.5 million and taxes be increased for repayment of the bond. This general obligation bond will provide the local match required for the District to receive BEST Grant funding. If the \$5.5 million bond is approved by the voters, another BEST Construction Grant application will be submitted in February 2019.

CONTACTING THE FINANCIAL MANAGEMENT TEAM OF LA VETA SCHOOL DISTRICT RE-2

This financial report is designed to provide the District's taxpayers, citizens, investor, and creditors with a general overview of the District's financial status and to demonstrate the District's accountability for the money it receives.

If there are questions regarding this report or additional information is needed, please contact Superintendent Bree Lessar or Business Manager Toni Brgoch at La Veta School District, 126 East Garland, La Veta, CO 81055, 719-742-3562.

BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
June 30, 2018

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	1,218,551	1,218,551
Accounts Receivable	7,346	7,346
Grants Receivable	34,008	34,008
Property Taxes Receivable	324,700	324,700
Prepaid Assets	169	169
Inventories	5,945	5,945
Capital Assets	8,993,042	8,993,042
Accumulated Depreciation	<u>(5,491,720)</u>	<u>(5,491,720)</u>
<u>TOTAL ASSETS</u>	<u>5,092,041</u>	<u>5,092,041</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	3,654,103	3,654,103
Other Post Employment Benefits	<u>10,241</u>	<u>10,241</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>3,664,344</u>	<u>3,664,344</u>
<u>LIABILITIES</u>		
Accounts Payable	35,773	35,773
Accrued Salaries	219,359	219,359
Accrued Interest Payable	1,458	1,458
Compensated Absences	13,685	13,685
Deferred Revenue	10,530	10,530
Net Pension Liability	11,440,988	11,440,988
Net OPEB Liability	261,264	261,264
Debt Payable – Current	65,000	65,000
Debt Payable – Long-Term	<u>285,000</u>	<u>285,000</u>
<u>TOTAL LIABILITIES</u>	<u>12,333,057</u>	<u>12,333,057</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	734,751	734,751
Other Post Employment Benefits	<u>5,628</u>	<u>5,628</u>
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>740,379</u>	<u>740,379</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,151,322	3,151,322
Restricted for:		
TABOR Reserve	91,000	91,000
Preschool	-	-
Food Service	11,006	11,006
Debt	113,973	113,973
Unrestricted	<u>(7,684,352)</u>	<u>(7,684,352)</u>
<u>TOTAL NET POSITION</u>	<u>(4,317,051)</u>	<u>(4,317,051)</u>

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

LA VETA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	<u>General Fund</u>	<u>Designated Purpose Grants Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	1,007,284	7,570	203,697	1,218,551
Accounts Receivable	5,174	-	2,172	7,346
Grants Receivable	6,385	27,623	-	34,008
Due From Other Funds	-	615	477	1,092
Property Taxes Receivable	301,900	-	22,800	324,700
Prepaid Assets	-	169	-	169
Inventories	-	-	5,945	5,945
<u>Total Assets</u>	<u>1,320,743</u>	<u>35,977</u>	<u>235,091</u>	<u>1,591,811</u>
<u>LIABILITIES</u>				
Accounts Payable	29,764	1,778	4,231	35,773
Accrued Salaries	191,712	23,669	3,978	219,359
Due To Other Funds	1,092	-	-	1,092
Interest Payable	-	-	-	-
Deferred Revenue	-	10,530	-	10,530
<u>Total Liabilities</u>	<u>222,568</u>	<u>35,977</u>	<u>8,209</u>	<u>266,754</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	<u>271,000</u>	<u>-</u>	<u>20,300</u>	<u>291,300</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	5,945	5,945
Restricted for:				
Emergencies	91,000	-	-	91,000
Preschool	-	-	-	-
Food Service	-	-	11,006	11,006
Debt Service	-	-	113,973	113,973
Committed for:				
Capital Outlay	-	-	19,039	19,039
Assigned for:				
Pupil Activities	-	-	56,619	56,619
Instruction	-	-	-	-
Unassigned	<u>736,175</u>	<u>-</u>	<u>-</u>	<u>736,175</u>
<u>Total Fund Balances</u>	<u>827,175</u>	<u>-</u>	<u>206,582</u>	<u>1,033,757</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>1,320,743</u>	<u>35,977</u>	<u>235,091</u>	<u>1,591,811</u>

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

LA VETA PUBLIC SCHOOLS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2018

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

<u>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</u>	1,033,757
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$8,993,042 and the accumulated depreciation is \$5,491,720.	3,501,322
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.	291,300
Accrued interest that is not due and payable on long term debt is not reported in the funds.	(1,458)
Compensated absences are not reported as a liability in the funds.	(13,685)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(350,000)
The District's portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(11,440,988)
The District's portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(261,264)
Deferred flows for contributions made toward the net pension obligation from December 31, 2017 until June 30, 2018 is not reported in the funds.	168,897
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2017 until June 30, 2018 is not reported in the funds.	9,005
Net deferred pension flows – Plan Level	2,663,825
Net deferred pension flows – Employer Level	86,630
Net deferred OPEB flows – Plan Level	(3,135)
<u>Net deferred OPEB flows – Employer Level</u>	<u>(1,257)</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>(4,317,051)</u>

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

LA VETA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	General Fund	Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	840,491	-	81,437	921,928
Specific Ownership Taxes	114,199	-	-	114,199
Earnings on Investments	6,587	-	475	7,062
Other Local Sources	91,522	-	130,360	221,882
State Aid	1,688,314	115,179	135,037	1,938,530
Federal Aid	149	144,855	45,559	190,563
Allocation to Reserves	-	-	-	-
<u>Total Revenues</u>	<u>2,741,262</u>	<u>260,034</u>	<u>392,868</u>	<u>3,394,164</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	1,287,300	260,034	99,364	1,646,698
Supporting Services:				
Students	177,560	-	-	177,560
Instructional Staff	129,451	-	-	129,451
District Administration	214,292	-	-	214,292
School Administration	121,880	-	-	121,880
Business	156,530	-	-	156,530
Operation & Maintenance of Facilities	347,010	-	-	347,010
Transportation	77,875	-	-	77,875
Central Support	146,461	-	-	146,461
Food Service	-	-	122,006	122,006
Debt Service:				
Principal Retirement	-	-	60,000	60,000
Interest and Fiscal Charges	-	-	19,530	19,530
Capital Outlay	-	-	201,335	201,335
<u>Total Expenditures</u>	<u>2,658,359</u>	<u>260,034</u>	<u>502,235</u>	<u>3,420,628</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>82,903</u>	<u>-</u>	<u>(109,367)</u>	<u>(26,464)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(80,000)	-	80,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(80,000)</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>2,903</u>	<u>-</u>	<u>(29,367)</u>	<u>(26,464)</u>
<u>FUND BALANCES – Beginning</u>	<u>824,272</u>	<u>-</u>	<u>235,949</u>	<u>1,060,221</u>
<u>FUND BALANCES – Ending</u>	<u>827,175</u>	<u>-</u>	<u>206,582</u>	<u>1,033,757</u>

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

LA VETA PUBLIC SCHOOLS
 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 (26,464)

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

	Capital Outlays more than \$5,000	207,475	
	Depreciation Expense	(270,399)	(62,924)

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

25,600

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

8,875

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

	Accrued Interest	232	
	Debt Payment	60,000	60,000

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

	Change in net pension obligation	(849,925)	
	Change in net OPEB obligation	887	887
	Deferred flows from net pension obligations	(1,308,257)	(1,308,257)
	Deferred flows from net OPEB obligations	(2,258)	(2,258)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (2,154,234)

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

NOTES TO BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of La Veta Public Schools (District) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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 La Veta Public Schools. The District receives funding from local, state, and federal government sources and must comply with 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.

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 Designated Purpose Grants 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 unassigned fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

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.

LA VETA PUBLIC SCHOOLS
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)

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 revenue when levied and as revenues when due for collection in the following year and determined to be available.

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
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, fund equity, deferred inflows, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

• Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Designated Purpose Grants Fund – this fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

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 inflows, 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.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

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

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

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

I. Long-Term Obligations

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

J. Constitutional Amendment

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

In November of 1999 the registered voters approved a ballot resolution authorizing the District to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (Continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2018 the District reserved \$91,000 for this purpose.

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

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2017 property tax calendar for Huerfano 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

L. Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2018 the District has recorded an estimated liability of \$13,685 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Accumulated Sick Leave	<u>22,560</u>	<u>-</u>	<u>8,875</u>	<u>13,685</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

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.

LA VETA PUBLIC SCHOOLS
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)
Order of Fund Balance Spending Policy (Continued)

Fund Balance Classification by Fund:

	<u>General</u>	<u>Bond Fund</u>	<u>Pupil Activity</u>	<u>CRCP</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>						
Inventories	-	-	-	-	5,945	5,945
<u>Restricted:</u>						
Emergencies	91,000	-	-	-	-	91,000
Preschool	-	-	-	-	-	-
Food Service	-	-	-	-	11,006	11,006
Debt Service	-	113,973	-	-	-	113,973
<u>Committed:</u>						
Capital Outlay	-	-	-	19,039	-	19,039
<u>Assigned:</u>						
Pupil Activities	-	-	56,619	-	-	56,619
<u>Unassigned</u>	<u>736,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,175</u>
<u>Total Fund Balances</u>	<u>827,175</u>	<u>13,973</u>	<u>56,619</u>	<u>19,039</u>	<u>16,951</u>	<u>1,033,757</u>

O. Deferred Outflows / Inflows of Resources

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were not included in the government wide statements during the consolidation of governmental activities.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
 (Continued)

	Items Eliminated	
	Due From Other Funds	Due To Other Funds
General Fund	-	1,092
Designated Purpose Grants Fund	615	-
Food Service	373	-
Capital Reserve Capital Projects	-	-
Pupil Activity Fund	104	-
	<u>1,092</u>	<u>1,092</u>
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	80,000	-
Food Service	-	40,000
Capital Reserve Capital Projects	-	40,000
	<u>80,000</u>	<u>80,000</u>

NOTE 3 BUDGETARY INFORMATION

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 4 CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	185,500	101,323
Cash with County Treasurer	44,117	-
Cash with Fiscal Agent	101,091	-
Cash on Hand	560	-
<u>Total Cash and Deposits</u>	<u>581,268</u>	<u>351,323</u>

As presented above, deposits with a bank balance of \$101,323 and a carrying balance of \$185,500 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2018, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Value</u>
COLOTRUST	State Pool	Under 60 Day Average	637,283

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment in COLOTRUST were rated AAA by Standard & Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no recurring fair value measurements as of June 30, 2018;

- COLOTRUST – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>Capital Assets Not Being</u>				
<u>Depreciated</u>				
Land	332,177	-	-	332,177
Construction in Progress	-	-	-	-
<u>Total Capital Assets Not Being</u>				
<u>Depreciated</u>	<u>332,177</u>	-	-	<u>332,177</u>
 <u>Capital Assets Being Depreciated</u>				
<u>Buildings &</u>				
Site Improvements	6,993,687	115,931	-	7,109,618
Equipment & Vehicles	1,424,491	91,544	-	1,516,035
Food Service	<u>35,212</u>	-	-	<u>35,212</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>8,453,390</u>	<u>207,475</u>	-	<u>8,660,865</u>
 <u>Less Accumulated</u>				
<u>Depreciation for:</u>				
<u>Building &</u>				
Site Improvements	3,929,419	219,876	-	4,149,295
Equipment & Vehicles	1,265,226	49,303	-	1,314,529
Food Service	<u>26,676</u>	<u>1,220</u>	-	<u>27,896</u>
<u>Total Accumulated Depreciation</u>	<u>5,221,321</u>	<u>270,399</u>	-	<u>5,491,720</u>
 <u>Total Capital Assets Being</u>				
<u>Depreciated, Net</u>	<u>3,232,069</u>	<u>(62,924)</u>	-	<u>3,169,145</u>
 <u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>3,564,246</u>	<u>(62,924)</u>	-	<u>3,501,322</u>

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

Governmental Activities

Instruction	233,345
Instructional Support	3,755
Operations and Maintenance	8,983
Transportation	23,096
Food Service	<u>1,220</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>270,399</u>

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. La Veta Public Schools 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 La Veta Public Schools 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:

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 6 PENSION PLAN (Continued)

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

Contribution provisions as of June 30, 2018. Eligible employees and La Veta Public Schools 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 La Veta Public Schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from La Veta Public Schools were \$320,003 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 La Veta Public Schools reported a liability of \$11,440,988 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 La Veta Public Schools proportion of the net pension liability was based on La Veta Public Schools 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 La Veta Public Schools proportion was 0.0354 percent, which was a decrease of 0.0002 to its proportion measured as of December 31, 2016.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 6 PENSION PLAN (Continued)

For the year ended June 30, 2018, the La Veta Public Schools recognized pension expense of \$2,158,182. At June 30, 2018, the La Veta Public Schools 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	210,352	-
Changes of assumptions or other inputs	2,921,309	(18,538)
Net difference between projected and actual earnings on pension plan investments	226,812	(676,110)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	126,733	(40,103)
Contributions subsequent to the measurement date	168,897	N/A
Total	3,654,103	(734,751)

\$168,897 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	1,877,725
2020	1,039,192
2021	2,566
2022	(169,028)
2023	-
Thereafter	-

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 6 **PENSION PLAN (Continued)**

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

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

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

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

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

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

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

NOTE 6

PENSION PLAN (Continued)

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

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

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

LA VETA PUBLIC SCHOOLS
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NOTE 6 **PENSION PLAN (Continued)**

Sensitivity of the La Veta Public Schools 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	14,451,914	11,440,988	8,987,428

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.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 6 **PENSION PLAN (Continued)**

At June 30 2018, the La Veta Public Schools reported a liability of \$11,440,988 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 La Veta Public Schools'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%	5,168,939

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 \$5,340,725 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 La Veta Public Schools 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 \$8,446.

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit And Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. La Veta Public Schools 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 La Veta Public Schools 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.

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the La Veta Public Schools is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from La Veta Public Schools were \$17,279 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 La Veta Public Schools reported a liability of \$261,264 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 La Veta Public Schools proportion of the net OPEB liability was based on La Veta Public Schools 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 La Veta Public Schools proportion was 0.0201 percent, which was a decrease of 0.0001 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the La Veta Public Schools recognized OPEB expense of \$1,371. At June 30, 2018, the La Veta Public Schools 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	1,236	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(4,371)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(1,257)
Contributions subsequent to the measurement date	9,005	N/A
Total	10,241	(5,628)

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

\$9,005 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	(1,097)
2020	(1,097)
2021	(1,097)
2022	(1,096)
2023	(4)
Thereafter	(1)

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.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the La Veta Public Schools 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	254,075	261,264	269,922

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.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the La Veta Public Schools 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	293,743	261,264	233,542

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

NOTE 8 RISK MANAGEMENT

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

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

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

Total Assets	<u>42,273,940</u>
Total Liabilities	<u>11,655,251</u>
Total Equity	<u>30,618,689</u>
Revenue	7,429,394
Underwriting Expenses	<u>4,126,717</u>
Underwriting Gain (Loss)	<u>3,302,677</u>
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>
Capital Contributions from Members	-
Unassigned Surplus	<u>30,618,689</u>

NOTE 10 LONG TERM DEBT

The following is a summary of the transaction in the School District's long-term debt:

	<u>Balance at</u> <u>7-1-2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>6-30-2018</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds Series 2002	<u>410,000</u>	<u>-</u>	<u>60,000</u>	<u>350,000</u>	65,000

General Obligation Bonds

During the fiscal year ended June 30, 2003, the District issued general obligation bonds for the purpose of renovating school buildings within the District. The issue was made as described below:

General Obligation Bonds, Series 2002 – These bonds issued December 31, 2002 for the original amount of \$1,000,000 mature serially on December 1 in denominations of \$5,000 with interest from 2.5% to 5.0% payable semi-annually.

Bonds maturing on or after December 1, 2013 are callable for redemption at the option of the District. Additionally, the bonds bear additional interest evidenced by detachable registered coupons yielding between 2.1% and 2.7%.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 10 LONG TERM DEBT (Continued)

General Obligation Bonds, Series 2002 (continued)

The repayment schedule of the General Obligation Bonds as of June 30, 2018 is as follows:

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	5	65,000	15,875	80,875
2020	5	65,000	12,625	77,625
2021	5	70,000	9,250	79,250
2022	5	75,000	5,625	80,625
2023	5	<u>75,000</u>	<u>1,875</u>	<u>76,875</u>
<u>Total</u>		<u>350,000</u>	<u>45,250</u>	<u>395,250</u>

NOTE 11 INVENTORIES

Food Service Fund inventories at June 30, 2018, consisted of USDA, purchased food, and non-food amounting to \$1,812, \$3,382 and \$751 respectively. Purchased inventories are state at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 12 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2018 are estimated to be \$219,359. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 13 LITIGATION

None.

NOTE 14 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2018

NOTE 15 JOINT VENTURES

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2018. The joint venture summary audited financial information as of June 30, 2017 is as follows:

Total Assets and Deferred Outflows	<u>8,560,496</u>
Total Liabilities and Deferred Inflows	15,288,841
Net Position	<u>(6,728,345)</u>
	<u>8,560,496</u>
Revenues	4,056,258
Expenditures	<u>5,961,309</u>
Excess (Deficiency)	<u>(1,905,051)</u>

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

NOTE 16 INTERFUND BALANCES AND TRANSFERS

<u>Interfund Balances</u>	<u>Due From</u>	<u>Due To</u>
<u>Major Governmental Funds</u>		
General Fund	-	1,092
Designated Purpose Grants Fund	615	-
<u>Non Major Governmental Funds</u>		
Pupil Activity Fund	104	-
Food Service	373	-
Capital Reserve Capital Projects	-	-
	<u>1,092</u>	<u>1,092</u>

These interfund balances occurred due to expenditures paid on behalf of another fund.

Interfund balances are expected to be paid within one year from the date of the financial statements.

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Governmental Fund</u>		
General Fund	-	80,000
<u>Non Major Governmental Funds</u>		
Food Service	40,000	-
Capital Reserve Capital Projects	40,000	-
	<u>80,000</u>	<u>80,000</u>

Transfers were made from the General Fund for the purpose of assisting operations.

NOTE 17 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 \$(1,907,537) has been changed by the net OPEB liability at June 30, 2017 of \$(262,151) and related deferred flows of \$6,871, resulting in a restated beginning net position of \$(2,162,817).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION 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.

Designated Purpose Grant Fund

The Designated Purpose Grant Fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

Pension Trend Data

Other Post Employment Benefit Trend Data

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	907,047	864,342	840,491	(23,851)
Specific Ownership Taxes	104,000	104,000	114,199	10,199
Earnings on Investments	1,500	6,000	6,587	587
Delinquent Taxes & Interest	2,500	2,500	2,205	(295)
Other	76,100	75,467	89,317	13,850
<u>State Sources</u>				
Equalization	1,539,337	1,512,500	1,513,688	1,188
Transportation	16,000	11,738	11,764	26
Vocational Education	17,000	20,000	24,912	4,912
Other	113,769	114,127	137,950	23,823
<u>Federal Sources</u>				
Other	-	150	149	(1)
<u>TOTAL REVENUES</u>	<u>2,777,253</u>	<u>2,710,824</u>	<u>2,741,262</u>	<u>30,438</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	858,995	883,482	877,653	5,829
Employee Benefits	271,208	277,463	269,654	7,809
Purchased Services – Professional	550	550	150	400
Purchased Services - Property	200	200	-	200
Purchased Services – Other	92,100	96,955	81,533	15,422
Supplies and Materials	73,305	73,305	52,600	20,705
Property	17,000	17,000	1,598	15,402
Other Objects	5,400	5,400	4,112	1,288
<u>Total Instruction</u>	<u>1,318,758</u>	<u>1,354,355</u>	<u>1,287,300</u>	<u>67,055</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	91,275	91,275	92,438	(1,163)
Employee Benefits	25,183	25,183	23,495	1,688
Purchased Services - Professional	-	-	805	(805)
Purchased Services - Property	-	-	-	-
Purchased Services - Other	48,226	48,226	51,396	(3,170)
Supplies and Materials	1,000	9,700	8,747	953
Property	-	-	-	-
Other Objects	1,200	1,200	679	521
<u>Total Student Services</u>	<u>166,884</u>	<u>175,584</u>	<u>177,560</u>	<u>(1,976)</u>
<u>Instructional Staff</u>				
Salaries	75,656	75,656	83,923	(8,267)
Employee Benefits	25,846	25,846	27,543	(1,697)
Purchased Services - Professional	3,200	3,200	1,480	1,720
Purchased Services - Property	-	-	-	-
Purchased Services - Other	5,500	5,500	10,567	(5,067)
Supplies and Materials	5,750	5,750	5,938	(188)
Property	-	-	-	-
Other Objects	500	500	-	500
<u>Total Instructional Staff</u>	<u>116,452</u>	<u>116,452</u>	<u>129,451</u>	<u>(12,999)</u>
<u>General Administration</u>				
Salaries	121,060	121,060	121,385	(325)
Employee Benefits	43,016	43,016	43,119	(103)
Purchased Services - Professional	20,950	38,450	13,374	25,076
Purchased Services - Property	-	-	-	-
Purchased Services - Other	17,500	17,500	15,041	2,459
Supplies and Materials	10,250	10,250	11,810	(1,560)
Property	2,500	2,500	1,500	1,000
Other Objects	6,800	6,800	8,063	(1,263)
<u>Total General Administration</u>	<u>222,076</u>	<u>239,576</u>	<u>214,292</u>	<u>25,284</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	104,058	90,410	89,358	1,052
Employee Benefits	32,741	29,816	28,576	1,240
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	119	(119)
Supplies and Materials	1,800	1,800	707	1,093
Property	1,000	1,000	3,120	(2,120)
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>139,599</u>	<u>123,026</u>	<u>121,880</u>	<u>1,146</u>
 <u>Business Services</u>				
Salaries	93,232	93,232	94,936	(1,704)
Employee Benefits	25,585	25,585	25,593	(8)
Purchased Services – Professional	9,450	9,450	9,702	(252)
Purchased Services - Property	16,500	16,500	14,086	2,414
Purchased Services - Other	4,200	4,200	2,929	1,271
Supplies and Materials	9,550	9,550	8,624	926
Property	2,500	2,500	260	2,240
Other Objects	540	540	400	140
<u>Total Business Services</u>	<u>161,557</u>	<u>161,557</u>	<u>156,530</u>	<u>5,027</u>
 <u>Operations and Maintenance</u>				
Salaries	113,036	106,735	105,873	862
Employee Benefits	46,853	44,561	44,196	365
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	64,000	64,000	31,397	32,603
Purchased Services - Other	2,800	2,800	170	2,630
Supplies and Materials	159,100	159,100	153,050	6,050
Property	10,000	10,000	12,324	(2,324)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>395,789</u>	<u>387,196</u>	<u>347,010</u>	<u>40,186</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	50,318	44,832	42,518	2,314
Employee Benefits	12,951	11,775	11,282	493
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	7,500	7,500	1,419	6,081
Purchased Services – Other	9,814	9,814	8,062	1,752
Supplies and Materials	23,000	23,000	14,594	8,406
Property	2,500	2,500	-	2,500
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>106,083</u>	<u>99,421</u>	<u>77,875</u>	<u>21,546</u>
<u>Central Support</u>				
Salaries	21,534	21,534	21,965	(431)
Employee Benefits	5,398	5,398	5,494	(96)
Purchased Services – Professional	23,000	23,000	42,250	(19,250)
Purchased Services – Property	1,000	1,000	2,586	(1,586)
Purchased Services – Other	65,078	65,078	68,392	(3,314)
Supplies and Materials	13,000	10,000	4,355	5,645
Property	4,000	4,000	1,419	2,581
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>133,010</u>	<u>130,010</u>	<u>146,461</u>	<u>(16,451)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,441,450</u>	<u>1,432,822</u>	<u>1,371,059</u>	<u>61,763</u>
<u>APPROPRIATED RESERVES</u>	<u>724,938</u>	<u>667,919</u>	<u>-</u>	<u>667,919</u>
<u>TOTAL EXPENDITURES</u>	<u>3,485,146</u>	<u>3,455,096</u>	<u>2,658,359</u>	<u>796,737</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(707,893)</u>	<u>(744,272)</u>	<u>82,903</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(100,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u>	<u>(807,893)</u>	<u>(824,272)</u>	<u>2,903</u>	
<u>FUND BALANCE, Beginning</u>	<u>807,893</u>	<u>824,272</u>	<u>824,272</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>827,175</u>	

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

LA VETA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
DESIGNATED PURPOSE GRANTS – MAJOR SPECIAL REVENUE FUND
For the Year Ended June 30, 2018

	Budget			Variance- Favorable
	Original	Budget	Actual	(Unfavorable)
<u>REVENUES:</u>				
Local Sources	-	-	-	-
State Sources	123,709	123,709	115,179	(8,530)
Federal Sources	<u>146,550</u>	<u>146,550</u>	<u>144,855</u>	<u>(1,695)</u>
<u>Total Revenues</u>	<u>270,259</u>	<u>270,259</u>	<u>260,034</u>	<u>(10,225)</u>
<u>EXPENDITURES:</u>				
Salaries	173,044	173,044	175,794	(2,750)
Employee Benefits	56,806	56,806	53,484	3,322
Purchased Services - Professional	4,335	4,335	2,980	1,355
Purchased Services – Property	-	-	-	-
Purchased Services - Other	10,349	10,349	6,671	3,678
Supplies and Materials	12,475	12,475	8,632	3,843
Property	13,000	13,000	11,596	1,404
Other Objects	<u>250</u>	<u>250</u>	<u>877</u>	<u>(627)</u>
<u>Total Expenditures</u>	<u>270,259</u>	<u>270,259</u>	<u>260,034</u>	<u>10,225</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	-	
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers	-	-	-	
<u>Total Other Financing Sources (Uses)</u>	-	-	-	
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	-	-	
<u>FUND BALANCES, July 1</u>	-	-	-	
<u>FUND BALANCES, June 30</u>	-	-	-	

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.0353%	0.0356%	0.0339%	0.0330%	0.0344%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$11,440,988	\$10,591,063	\$5,194,071	\$4,475,632	\$4,387,968	-	-	-	-	-
District's covered-employee payroll	\$1,693,983	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	675%	661%	334%	311%	326%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.20%	62.80%	64.06%	-	-	-	-	-

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

LA VETA PUBLIC SCHOOLS
 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	\$ 320,003	\$ 294,527	\$ 276,322	\$ 243,349	\$ 215,166	\$ 214,098	-	-	-	-
Contributions in relation to the contractually required contributions	\$ (320,003)	\$ (294,527)	\$ (276,322)	\$ (243,349)	\$ (215,166)	\$ (214,098)	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered-employee payroll	\$1,693,983	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	\$1,418,319	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.89%	18.39%	17.75%	16.90%	15.99%	15.10%	-	-	-	-

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

L.A. VETA PUBLIC SCHOOLS
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.0201%	0.0202%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$261,264	\$262,151	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,693,983	\$1,601,884	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	15.42%	16.37%	-	-	-	-	-	-	-	-
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.

LA VETA PUBLIC SCHOOLS
 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	\$ 17,279	\$ 16,339	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	\$ (17,279)	\$ (16,339)	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,693,983	\$1,601,884	-	-	-	-	-	-	-	-
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

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital Reserve Capital Project Fund

This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Debt Service Fund

Bond Fund

This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Pupil Activity Fund

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

Food Service Fund

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

LA VETA PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2018

	Capital Reserve Capital Projects Fund	Bond Fund	Pupil Activity	Food Service	Total NonMajor Governmental Funds
ASSETS					
Cash and Investments	19,039	111,473	55,635	17,550	203,697
Accounts Receivable	-	-	880	1,292	2,172
Grants Receivable	-	-	-	-	-
Due From Other Funds	-	-	104	373	477
Property Taxes Receivable	-	22,800	-	-	22,800
Inventories	-	-	-	5,945	5,945
<u>Total Assets</u>	<u>19,039</u>	<u>134,273</u>	<u>56,619</u>	<u>25,160</u>	<u>235,091</u>
LIABILITIES					
Accounts Payable	-	-	-	4,231	4,231
Accrued Salaries	-	-	-	3,978	3,978
Due To Other Funds	-	-	-	-	-
Interest Payable	-	-	-	-	-
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,209</u>	<u>8,209</u>
DEFERRED INFLOW OF RESOURCES					
Property Taxes	-	20,300	-	-	20,300
FUND BALANCES					
Nonspendable:					
Inventories	-	-	-	5,945	5,945
Restricted:					
Debt Service	-	113,973	-	-	113,973
Food Service	-	-	-	11,006	11,006
Committed:					
Capital Outlay	19,039	-	-	-	19,039
Assigned:					
Pupil Activities	-	-	56,619	-	56,619
Unassigned	-	-	-	-	-
<u>Total Fund Balances</u>	<u>19,039</u>	<u>113,973</u>	<u>56,619</u>	<u>16,951</u>	<u>206,582</u>
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES					
	<u>19,039</u>	<u>134,273</u>	<u>56,619</u>	<u>25,160</u>	<u>235,091</u>

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

LA VETA PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2018

	<u>Capital Reserve Capital Projects Fund</u>	<u>Bond Fund</u>	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total NonMajor Governmental Funds</u>
REVENUES:					
Property Taxes	-	81,437	-	-	81,437
Specific Ownership Taxes	-	-	-	-	-
Earnings on Investments	-	475	-	-	475
Other Local Sources	-	200	107,328	22,832	130,360
State Aid	130,782	-	-	4,255	135,037
Federal Aid	-	-	-	45,559	45,559
<u>Total Revenues</u>	<u>130,782</u>	<u>82,112</u>	<u>107,328</u>	<u>72,646</u>	<u>392,868</u>
EXPENDITURES:					
Current:					
Instructional Services	-	-	99,364	-	99,364
Supporting Services:					
Students	-	-	-	-	-
Instructional Staff	-	-	-	-	-
District Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Business	-	-	-	-	-
Operation & Maintenance of Facilities	-	-	-	-	-
Transportation	-	-	-	-	-
Central	-	-	-	-	-
Food Service	-	-	-	122,006	122,006
Debt Service:					
Principal Retirement	-	60,000	-	-	60,000
Interest and Fiscal Charges	-	19,530	-	-	19,530
Capital Outlay	<u>201,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,335</u>
<u>Total Expenditures</u>	<u>201,335</u>	<u>79,530</u>	<u>99,364</u>	<u>122,006</u>	<u>502,235</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(70,553)</u>	<u>2,582</u>	<u>7,964</u>	<u>(49,360)</u>	<u>(109,367)</u>
OTHER FINANCING SOURCES (USES)					
Transfers	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>80,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(30,553)</u>	<u>2,582</u>	<u>7,964</u>	<u>(9,360)</u>	<u>(29,367)</u>
<u>FUND BALANCES, Beginning</u>	<u>49,592</u>	<u>111,391</u>	<u>48,655</u>	<u>26,311</u>	<u>235,949</u>
<u>FUND BALANCES, Ending</u>	<u>19,039</u>	<u>113,973</u>	<u>56,619</u>	<u>16,951</u>	<u>206,582</u>

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

LA VETA PUBLIC SCHOOLS
CAPITAL RESERVE – CAPITAL PROJECTS 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	-	-	-
Grant Revenue	130,782	130,782	-
Other Local	-	-	-
<u>Total Revenues</u>	<u>130,782</u>	<u>130,782</u>	<u>-</u>
<u>EXPENDITURES</u>			
Land and Land Sites	-	-	-
Building and Improvements	220,374	201,335	19,039
Equipment	-	-	-
Vehicles	-	-	-
Other	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>220,374</u>	<u>201,335</u>	<u>19,039</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(89,592)</u>	<u>(70,553)</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	40,000	40,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(49,592)</u>	<u>(30,553)</u>	
<u>FUND BALANCE, July 1</u>	<u>49,592</u>	<u>49,592</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>19,039</u>	

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

LA VETA PUBLIC SCHOOLS
 BOND REDEMPTION 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>			
Property Taxes	81,000	81,437	437
Earnings on Investments	30	475	445
Other Local	<u>400</u>	<u>200</u>	<u>(200)</u>
<u>Total Revenues</u>	<u>81,430</u>	<u>82,112</u>	<u>682</u>
 <u>EXPENDITURES:</u>			
Debt Service:			
Principal Retirement	60,000	60,000	-
Interest and Fiscal Charges	136,476	19,530	116,946
Other	-	-	-
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>196,476</u>	<u>79,530</u>	<u>116,946</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (115,046)	 2,582	
 <u>FUND BALANCE, Beginning</u>	 <u>115,046</u>	 <u>111,391</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>113,973</u>	

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

LA VETA PUBLIC SCHOOLS
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>			
Local Sources	184,910	107,328	(77,582)
<u>Total Revenues</u>	<u>184,910</u>	<u>107,328</u>	<u>(77,582)</u>
<u>EXPENDITURES:</u>			
Student Activities	184,910	99,364	85,546
Contingency	-	-	-
<u>Total Expenditures</u>	<u>184,910</u>	<u>99,364</u>	<u>85,546</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	7,964	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	7,964	
<u>FUND BALANCE, July 1</u>	-	48,655	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>56,619</u>	

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

LA VETA PUBLIC SCHOOLS
 FOOD SERVICE – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	20,500	22,832	2,332
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	4,300	4,255	(45)
<u>Federal Sources</u>			
School Lunches	47,500	41,166	(6,334)
Commodities	<u>3,000</u>	<u>4,393</u>	<u>1,393</u>
<u>Total Revenues</u>	<u>75,300</u>	<u>72,646</u>	<u>(2,654)</u>
 <u>EXPENDITURES</u>			
Salaries	45,940	45,792	148
Employee Benefits	20,807	20,528	279
Purchased Services – Professional	-	-	-
Purchased Services – Property	1,500	1,319	181
Purchased Services - Other	750	87	663
Supplies and Materials	62,800	48,464	14,336
Capital Outlay	9,814	1,423	8,391
Other	-	-	-
Commodities	-	4,393	(4,393)
<u>Total Expenditures</u>	<u>141,611</u>	<u>122,006</u>	<u>19,605</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(66,311)	(49,360)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(26,311)	(9,360)	
<u>FUND BALANCE, Beginning</u>	<u>26,311</u>	<u>26,311</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>16,951</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: 1400 - LA VETA RE-2
 Fiscal Year 2017-18
 Colorado School District/BOCES

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	+	1000-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	824,272		2,609,301		2,606,398		827,175
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		51,961		51,961		0
Sub-Total	824,272		2,661,262		2,659,359		827,175
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	26,311		112,646		122,006		16,951
22 Govt Designated-Purpose Grants Fund	0		260,035		260,035		0
23 Pupil Activity Special Revenue Fund	48,655		107,328		99,364		56,619
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	111,391		82,112		79,530		113,973
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	49,592		170,762		201,335		18,039
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Total	1,000,577		3,044,165		3,038,629		1,033,757
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60, 65-69 Other Internal Service Funds	0		0		0		0
Total	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GRASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Total	0		0		0		0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District 1400 - LA VETA RE-2
 Fiscal Year 2017-18
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45-47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50-52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85		
Cash and Investments (8100-8104,8111)	964,713	0	8,836	63,204	0	17,550	111,473	19,039	0	0	0	0	0	0	1,184,817	
Cash with Fiscal Agent (8105)	33,735	0	0	0	0	0	0	0	0	0	0	0	0	0	33,735	
Taxes Receivable (8121,8122)	301,900	0	0	0	0	0	22,800	0	0	0	0	0	0	0	324,700	
Interfund Loans Receivable (8131,8132)	0	0	0	720	0	373	0	0	0	0	0	0	0	0	1,092	
Grants Accounts Receivable (8142)	6,385	0	0	27,623	0	0	0	0	0	0	0	0	0	0	34,007	
Other Receivables (8151-8154,8161)	5,174	0	0	880	0	1,292	0	0	0	0	0	0	0	0	7,346	
Inventories (8171,8172,8173)	0	0	0	0	0	5,945	0	0	0	0	0	0	0	0	5,945	
Prepaid Expenses 8181,8182)	0	0	0	169	0	0	0	0	0	0	0	0	0	0	169	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	1,311,907	0	8,836	92,596	0	25,161	134,273	19,039	0	0	0	0	0	0	1,591,812	

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	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	1,092	0	0	0	0	0	0	0	0	0	0	0	0	0	1,092
Other Payables (7421-7423)	29,764	0	0	1,778	0	4,232	0	0	0	0	0	0	0	0	35,775
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	182,876	0	8,836	23,669	0	3,978	0	0	0	0	0	0	0	0	219,358
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	10,530	0	0	0	0	0	0	0	0	0	0	10,530
Deferred Inflow (7800)	271,000	0	0	0	0	0	20,300	0	0	0	0	0	0	0	291,300
Total Liabilities	484,732	0	8,836	35,977	0	8,209	20,300	0	0	0	0	0	0	0	558,055

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	5,945	0	0	0	0	0	0	0	0	5,945		
Restricted Fund Balance 6720	0	0	0	0	0	11,006	113,973	0	0	0	0	0	0	0	124,979		
TABOR 3% Emergency Reserve 6721	91,000	0	0	0	0	0	0	0	0	0	0	0	0	0	91,000		
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	0	0	0	0	0	0	0	0	0	0	0	0	0		
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Committed Fund Balance 6750	0	0	0	0	0	0	0	19,039	0	0	0	0	0	0	19,039		
Assigned Fund Balance 6760	0	0	0	56,619	0	0	0	0	0	0	0	0	0	0	56,619		
Unassigned Fund Balance 6770	736,175	0	0	0	0	0	0	0	0	0	0	0	0	0	736,175		
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Fund Equity	827,175	0	0	56,619	0	15,951	113,973	19,039	0	0	0	0	0	0	1,033,757		

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		
1,311,907	0	0	8,836	92,596	0	25,161	134,273	19,039	0	0	0	0	0	0	1,591,812		

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		