

***Logan County School District
No. Re-1 Valley
Sterling, Colorado***

Financial Statements

For the Year ended June 30, 2018

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Independent Auditors' Report

Board of Education
Logan County School District No. Re-1 Valley
Sterling, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Logan County School District No. Re-1 Valley (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 District as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note M to the financial statements, in 2018 the District adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

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 historical pension and other post-employment benefit plan information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards 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 other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2018, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 26, 2018

Logan County School District NO. RE-1 Valley
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2018

This section of School District RE-1 Valley's annual financial report presents its discussion and analysis of the District's financial performance during the year ended June 30, 2018

Financial Highlights

- The liabilities and deferred inflows of resources of School District Re-1 Valley exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by (\$40,170,254) (net position - deficit).
- The district's total net position decreased by (\$10,250,661), primarily due to changes in pension and OPEB assumptions.
- General revenues accounted for \$19,680,877 or 83% of the \$23,717,586 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for \$4,036,709 or 17% of total revenues of \$23,717,586.
- The general fund ending fund balance reached \$2,358,476.

Overview of Financial Statements

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

Government-wide Statements

The Government-wide financial statements are designed to provide readers with information about the School District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net position includes all of the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to change 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 flows in future fiscal periods (e.g., uncollected taxes). In the government-wide financial statements, the School District's activities are listed in one category.

- **Governmental activities:** The School District's basic services are included here, such as instruction, transportation, maintenance and operations, administration and food service. Taxes and intergovernmental revenues principally support these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has two kinds of funds: governmental funds and fiduciary funds.

Governmental Funds

Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds' statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the School District's program.

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

The School District maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the general fund, governmental designated purpose grants fund and bond redemption fund, which are considered to be major funds. Data for the other five governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-22 of this report.

Fiduciary Funds

Fiduciary funds are used to count for resources held for the benefit of parties outside the school district. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 23-24 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 25-52 of this report.

Other information

In addition to the basic financial statements, this report also presents other supplementary information concerning the School District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets, schedule of District contributions and schedule of the District's proportionate share of the net pension liability. Budgeted amounts may be found on pages 76-97.

Financial Analysis of the School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position.

81% of the School District's assets are its net investment in capital assets (e.g., land, buildings and equipment, net of accumulated depreciation). The school District uses these assets to provide instruction and related services to its students.

The following table provides a summary of the district's net assets (liabilities) as of June 30, 2018.

	Governmental Activities		Total Percentage Change 2017-2018
	2018	2017	
Current and Other assets	\$ 8,820,679	\$ 7,577,146	16.41%
Capital assets	36,473,020	36,162,624	0.86%
Total assets	45,293,699	43,739,770	3.55%
Deferred outflows of resources	25,658,938	30,273,380	-15.24%
Total assets and deferred outflows of resources	\$ 70,952,637	\$ 74,013,150	-4.14%
Long term liabilities	\$ 99,512,524	\$ 98,330,603	1.20%
Other liabilities	2,522,490	2,636,710	-4.33%
Total liabilities	102,035,014	100,967,313	1.06%
Deferred inflows of resources	9,087,877	1,124,390	708.25%
Net investment in capital assets	16,945,900	15,339,775	10.47%
Restricted	3,981,533	3,584,912	11.06%
Unrestricted	(61,097,687)	(47,003,240)	29.99%
Total net position	(40,170,254)	(28,078,553)	43.06%
Total liabilities, deferred inflows of resources and net position	\$ 70,952,637	\$ 74,013,150	-4.14%

Following is a summary of the School District's change in net position.

	Governmental Activities		Total Percentage
	2018	2017	Change 2017-2018
Revenues			
Program Revenues			
Charges for services	\$ 368,160	\$ 420,013	-12.35%
Operating Grants & Contributions	3,346,708	2,971,108	12.64%
Capital Grants & Contributions	321,841	413,898	-22.24%
General Revenue			
Property taxes	8,596,092	8,397,507	2.36%
State equalization	9,805,795	9,514,836	3.06%
Other	1,278,990	468,249	173.14%
Total Revenue	23,717,586	22,185,611	6.91%
Expenses			
Instruction	19,572,716	19,994,892	-2.11%
Pupil & Instructional Services	3,331,564	2,884,015	15.52%
Administration & Business	3,463,517	3,560,150	-2.71%
Maintenance & Operations	3,224,651	3,338,028	-3.40%
Transportation	1,100,093	936,272	17.50%
Other	3,275,706	3,573,286	-8.33%
Total Expenses	33,968,247	34,286,643	-0.93%
Change in net position	\$ (10,250,661)	\$(12,101,032)	-15.29%

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the School District received \$7,390.77 per funded student. In fiscal year 2017-18 the funded pupil count was 2,126.1. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The School District receives approximately 60 percent of this funding from state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation generated \$5,877,360 in property taxes levied for general purposes for fiscal year 2017-2018.

Governmental Funds

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

At the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of \$5,990,298 an increase of \$1,299,529 in comparison with the prior year. The general fund had a fund balance increase of \$1,024,812, the bond fund increased by \$369,168 and other governmental funds had a fund balance decrease of (\$94,451).

General Fund Budget Highlights

- The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund. The district Board of Education approved a review/change for any anticipated expenditures exceeding the original FY 2018 budget in January 2018.

Capital Assets and Debt Administration

Capital Assets

The School District's net investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$36,473,020 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, equipment, construction in progress, and capital leases all with an original cost greater than \$5,000.

Capital asset additions during the current fiscal year include the following:

- Land improvements \$11,658
- Construction in progress \$1,106,711
- Buildings and improvements \$406,655
- Furniture and equipment \$279,745
- Licensed Vehicles \$27,470

The School District's total capital assets on June 30, 2018 net, of accumulated depreciation were as follows:

	Governmental Activities		Percent Change 2017-2018
	2018	2017	
Land and improvements	\$ 1,122,862	\$ 1,273,113	-11.80%
Construction in progress	1,955,518	848,807	130.38%
Buildings and improvements	32,634,453	33,315,080	-2.04%
Furniture and equipment	514,091	669,721	-23.24%
Licensed vehicles	246,096	55,903	340.22%
Total	\$36,473,020	\$36,162,624	0.86%

Additional information on the School District's capital assets can be found in note E to the basic financial statements.

Long-Term Debt

At year-end, the School District's long-term debt of \$99,512,524 consisted of the following:

	Governmental Activities		Percent Change 2017-2018
	2018	2017	
Compensated Absences	\$ 202,422	\$ 191,434	5.74%
Net Pension Liability	77,423,471	76,678,963	0.97%
Net OPEB Liability	1,768,024	1,897,970	-6.85%
Certificate of Participation	4,620,000	4,830,000	-4.35%
General Obligation Bonds	13,785,000	14,740,000	-6.48%
Bond Premium	1,713,607	1,890,206	-9.34%
Total	\$ 99,512,524	\$100,228,573	-0.71%

At year-end, the School District reported a liability of \$77,423,471 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of the December 31, 2016. At December 31, 2017 the District's proportion was .2394%. For the year, the District recognized pension expense of \$15,229,106.

There are note disclosures and required supplementary information required by GASB Statement No. 68 found in note H.

At year-end, the School District reported a liability of \$1,768,024 for its proportionate share of the net OPEB liability. The net OPEB liability 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 the December 31, 2016. At December 31, 2017 the District's proportion was .1360%. For the year, the District recognized pension expense of \$115,880.

There are note disclosures and required supplementary information required by GASB Statement No. 75 found in note J.

Economic Factors

Due to state budget constraints, funding from the state continues to fall below the formula from the 1994 School Finance Act and the required increases to keep up with inflation described in Amendment 23, passed by voters in 2000. From 2011 to 2018 a total of 15.2 million dollars has been withheld from the district allocation in the state calculations referred to as the "budget stabilization factor".

The District will continue to monitor potential impacts regarding declining financial support from the state and increasing health insurance and pension fund increases for the current and future year's budgets.

Changes in student enrollment directly impact the financial resources of the District. Declining enrollment is the long term trend in School District Re-1 Valley, but the current trend appears to have stabilized. The District will continue to track enrollment trends and use that data in building future years' budgets. The District will also address cost containments and reductions that will be commensurate with the overall state funding reductions to ensure that the District maintains adequate General Fund reserves.

Contacting the Districts Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional information, contact School District RE-1 Valley, 301 Hagen Street, Sterling, CO 80751.

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Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
Assets	
Cash	\$ 4,167,335
Cash with fiscal agent	3,093,585
Investments	556,572
Receivables	694,396
Due from fiduciary funds	4,049
Prepaid expenses	207,152
Inventory	77,011
Capital assets, net of depreciation	36,473,020
Other assets, net of amortization	20,579
Total assets	<u>45,293,699</u>
Deferred outflows of resources	
Pension and other post-employment benefit deferrals	25,088,029
Deferred charges on refundings of bonds	570,909
Total deferred outflows of resources	<u>25,658,938</u>
Total assets and deferred outflows of resources	<u><u>\$ 70,952,637</u></u>

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

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	\$ 429,087
Accrued salaries and benefits	1,760,651
Payroll deductions and withholdings	28,381
Unearned grant revenue	251,507
Unearned revenue	23,699
Accrued interest payable	29,165
Noncurrent liabilities	
Due within one year	1,210,000
Due in more than one year	<u>98,302,524</u>
Total liabilities	102,035,014
Deferred inflows of resources	
Pension and other post-employment benefit deferrals	9,087,877
Net position	
Net investment in capital assets	16,945,900
Restricted for:	
Emergencies	560,000
Food service program	238,496
Library purposes	42,127
Debt service	3,045,962
Instructional supplies and equipment	94,948
Unrestricted (deficit)	<u>(61,097,687)</u>
Total net position (deficit)	<u>(40,170,254)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 70,952,637</u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Statement of Activities
For the Year Ended June 30, 2018

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 19,572,716	\$ 53,776	\$ 2,228,107	
Supporting services				
Students	2,338,595		324,494	
Instructional staff	992,969		86,267	
General administration	812,067		135	
School administration	2,181,513		642	
Business services	469,937			
Operations and maintenance	3,224,651			
Student transportation	1,100,093	37,038	148,381	
Central support services	174,067			
Food service operations	1,015,487	173,648	550,485	
Community services	135,908	103,698	8,197	
Facilities acquisition	996			\$ 321,841
Unallocated depreciation*	1,336,596			
Interest and fiscal charges	612,652			
Total governmental activities	<u>\$ 33,968,247</u>	<u>\$ 368,160</u>	<u>\$ 3,346,708</u>	<u>\$ 321,841</u>

* This amount excludes depreciation that is included in the direct expenses of the various programs.

General revenues
 Taxes
 Property taxes, levied for general purposes
 Property taxes, levied for debt services
 Specific ownership taxes
 Delinquent taxes and interest
 State categorical aid
 Earnings on investments
 Other
 Capital contributions

Total general revenues

Change in net position

Net position (deficit) at beginning of year, as originally reported

Prior period adjustment

Net position (deficit) at beginning of year, as restated

Net position (deficit) at end of year

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

Net (Expenses)
Revenues and
Changes in
Net Position

Governmental
Activities

\$ (17,290,833)

(2,014,101)

(906,702)

(811,932)

(2,180,871)

(469,937)

(3,224,651)

(914,674)

(174,067)

(291,354)

(24,013)

320,845

(1,336,596)

(612,652)

(29,931,538)

5,877,360

1,854,711

846,875

17,146

9,805,795

38,119

763,525

477,346

19,680,877

(10,250,661)

(28,078,553)

(1,841,040)

(29,919,593)

\$ (40,170,254)

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Governmental Designated Purpose Grants Fund	Bond Redemption Fund	Other Governmental Funds
Assets				
Cash	\$ 3,362,143	\$ 53,127		\$ 752,065
Cash with fiscal agent	90,139		\$ 3,003,446	
Investments	556,572			
Due from other funds	129,049			238
Intergovernmental receivables	4,287			4,647
Property taxes receivable	215,391		71,399	
Grants receivable	30,952	349,650		9,085
Other receivables	2,671			6,314
Inventory	35,000			42,011
Total assets	\$ 4,426,204	\$ 402,777	\$ 3,074,845	\$ 814,360
Liabilities				
Accounts payable	\$ 354,695	\$ 14,319		\$ 5,440
Due to other funds	238	125,000		
Intergovernmental payable			\$ 107	300
Contracts payable				39,500
Accrued salaries and benefits	1,597,850	137,295		25,506
Payroll deductions and withholdings	28,381			
Unearned revenue	6,015	16,951		733
Unearned grant revenue		109,212		142,295
Other current liabilities				14,726
Total liabilities	1,987,179	402,777	107	228,500
Deferred inflows of resources				
Deferred property tax revenues	80,549		28,776	
Fund balance				
Nonspendable inventory	35,000			42,011
Restricted for:				
Emergencies	560,000			
Food service program				238,496
Library purposes				42,127
Debt service			3,045,962	
Instructional supplies and equipment				94,948
Committed to:				
Capital projects				155,998
After day school activities				12,280
Unassigned	1,763,476			
Total fund balance	2,358,476	-	3,045,962	585,860
Total liabilities, deferred inflows of resources and fund balance	\$ 4,426,204	\$ 402,777	\$ 3,074,845	\$ 814,360

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

<u>Total</u>
\$ 4,167,335
3,093,585
556,572
129,287
8,934
286,790
389,687
8,985
77,011
<u>\$ 8,718,186</u>
\$ 374,454
125,238
407
39,500
1,760,651
28,381
23,699
251,507
14,726
<u>2,618,563</u>
109,325
77,011
560,000
238,496
42,127
3,045,962
94,948
155,998
12,280
<u>1,763,476</u>
<u>5,990,298</u>
<u>\$ 8,718,186</u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2018

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

Total fund balance - governmental funds	\$ 5,990,298
Capital and other assets, net, used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	36,493,599
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	25,658,938
Property taxes receivable will be collected next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.	109,325
Some expenditures in the governmental funds relate to next fiscal year and therefore are treated as prepaid expenses and deferred charges in the government-wide statements.	207,152
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, not reported in the governmental funds.	(9,087,877)
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(29,165)
Long-term liabilities, including bonds payable, net pension and OPEB liabilities and accrued compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.	<u>(99,512,524)</u>
Net position (deficit) of the governmental activities	<u><u>\$ (40,170,254)</u></u>

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

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LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General Fund	Governmental Designated Purpose Grants Fund	Bond Redemption Fund	Other Governmental Funds
Revenues				
Local sources	\$ 7,601,784	\$ 120,000	\$ 1,892,668	\$ 261,486
Intermediate sources	2,215			
State sources	11,398,921	129,460		217,194
Federal sources		1,073,637		535,132
Total revenues	19,002,920	1,323,097	1,892,668	1,013,812
Expenditures				
Instruction	10,099,144	783,164		5,654
Supporting services	7,505,870	539,933		822,523
Capital outlay				288,417
Debt service				
Principal retirement	210,000		955,000	
Interest and fiscal charges	154,763		568,500	
Total expenditures	17,969,777	1,323,097	1,523,500	1,116,594
Excess of revenues over (under) expenditures	1,033,143	-	369,168	(102,782)
Other financing sources				
Transfers in				8,331
Transfers out	(8,331)			
Total other financing sources (uses)	(8,331)	-	-	8,331
Net change in fund balances	1,024,812	-	369,168	(94,451)
Fund balance at beginning of year	1,333,664	-	2,676,794	680,311
Fund balance at end of year	<u>\$ 2,358,476</u>	<u>\$ -</u>	<u>\$ 3,045,962</u>	<u>\$ 585,860</u>

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

<u>Total</u>
\$ 9,875,938
2,215
11,745,575
<u>1,608,769</u>
23,232,497
10,887,962
8,868,326
288,417
1,165,000
<u>723,263</u>
<u>21,932,968</u>
1,299,529
8,331
<u>(8,331)</u>
-
<u>1,299,529</u>
<u>4,690,769</u>
<u><u>\$ 5,990,298</u></u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
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 - governmental funds	\$ 1,299,529
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	291,567
Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	7,743
Governmental funds report pension contributions as expenditures. However, in the statement of activities, pension service costs, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from the pensions are reported as pension expense.	(13,182,971)
In the statement of activities, certain expenses - compensated absences, interest, bond premium amortization, insurance and refunding deferred charges amortization are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	168,471
Repayment of principal on bond obligations is an expenditure in the governmental funds, but the repayment reduces long-term debt liabilities in the statement of net position.	<u>1,165,000</u>
Change in net position of governmental activities	<u><u>\$ (10,250,661)</u></u>

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Private Purpose Trust Fund	Agency Fund
Assets		
Cash	\$ 10,428	\$ 602,684
Certificates of deposit		23,598
Total assets	<u>\$ 10,428</u>	<u>\$ 626,282</u>
Liabilities		
Accounts payable		\$ 138
Due to other funds		4,049
Due to student groups		622,095
Total liabilities	<u>\$ -</u>	<u>\$ 626,282</u>
Net position		
Held in trust for scholarships	<u>10,428</u>	
Total liabilities and net position	<u>\$ 10,428</u>	

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	<u>Private Purpose Trust Fund</u>
Additions	
Earnings on investments	\$ -
Total additions	-
Deductions	
Scholarship awards	<u>600</u>
Total deductions	<u>600</u>
Change in net position	(600)
Net position at beginning of year	<u>11,028</u>
Net position at end of year	<u>\$ 10,428</u>

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Logan County School District No. Re-1 Valley's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

A.1 – Reporting entity

The Logan County School District No. Re-1 Valley is a school district governed by an elected seven-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not have any proprietary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, certain capital outlay expenditures, risk-related transactions, debt service, food service operations, after school programs, scholarships, and pupil activities.

Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest, and other fiscal charges.

The following are the District's nonmajor governmental funds:

Food Service Fund – This fund is an special revenue fund used to account for the financial activities associated with the District's food service operations.

Campbell Library Fund – This fund is a special revenue fund used to account for expenditures relating to the Campbell School Library. This fund was created by a private contribution specifying that the funds be spent on the library.

Walsh Family Foundation Fund – This fund is a special revenue fund used to account for the proceeds of a contribution from a private donor and the related expenditures thereof.

After Day School Fund – This fund is a special revenue fund used to account for the financial activities associated with the District's after school programs.

Building Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Revenues are primarily derived from the issuance of debt. This fund was closed out during the year.

Capital Reserve Capital Projects Fund – This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Fiduciary Funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the District's own programs. The District has one private-purpose trust fund, the Melendy Scholarship Trust Fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. The District has one agency fund, the Pupil Activity Fund.

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The District's fiduciary funds are presented in the fiduciary fund financial statements by type (private-purpose trust and agency). Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the District, these funds are not incorporated into the government-wide financial statements.

A.4 – Basis of accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

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

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

Expenditures – The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

A.5 – Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year’s budget.

A.6 – Short-term interfund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.7 – Inventories

General Fund – Purchased inventories consist of general supply items and are stated at cost as determined by the first-in, first-out method.

Food Service Fund – Purchased inventories are stated at costs as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture’s assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their consumption.

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net position and in the respective fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	8 years

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.9 – Compensated absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated vacation leave benefits are paid to employees upon termination of employment.

Vacation leave allowances are awarded to twelve-month employees according to the following schedule:

<u>Years of service</u>	<u>Annual accrual days</u>	<u>Maximum accrual</u>
1-7 years	10 days	30 days
8-15 years	15 days	35 days
16-20 years	20 days	40 days
21 & over	25 days	45 days

Sick leave allowances are awarded to employees according to the following schedule:

<u>Contract months</u>	<u>Annual accrual days</u>	<u>Maximum accrual</u>
9 months	10 days	100 days
10 months	11 days	101 days
11 months	12 days	102 days
12 months	13 days	103 days

Employees are paid \$20 per day for unused sick leave accumulation between 90 and 100 days at the end of each school year. Employees with ten or more consecutive years of service to the District will be awarded, immediately prior to retirement, \$10 per day of accumulated sick leave up to 90 days and \$1,000 in total if the full 90 days have been accumulated.

Unused compensatory time off can accrue to a maximum of 240 hours. Any hours over 240 are paid currently. The entire compensated absence liability is reported on the government-wide financial statements.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported. The amounts recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

A.10 – Accrued liabilities and long-term obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums, bond discounts, and amounts deferred upon refunding are amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

A.11 – Fund balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different type 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 listed below.

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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,

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

Unassigned fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

A.12 – Net position

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.13 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B – Cash and investments

Cash and deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$5,254,010, of which \$1,189,738 was insured and \$4,064,272 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note B – Cash and investments (Continued)

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District’s own investment policies and procedures. Investments of the District may include:

- Obligations of the U.S. Government, such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2018, the District had invested \$556,572 in COLOTRUST PRIME, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Colotrust	\$ 556,572	\$ 556,572	\$ -	\$ -

The investment in Colotrust is maintained in the General Fund.

Interest rate risk – The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note B – Cash and investments (Continued)

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District's investment in Colotrust was rated AAA by Standard and Poor's.

The following table provides a reconciliation of cash, cash with fiscal agent, and investments on the statement of net position:

Cash in bank	\$ 4,779,397
Cash on hand	1,050
Cash with fiscal agent	3,093,585
Certificates of deposit	23,598
Investments in Colotrust	<u>556,572</u>
Total	<u>\$ 8,454,202</u>

Statement of net position

Cash	\$ 4,167,335
Cash with fiscal agent	3,093,585
Investments	<u>556,572</u>
Subtotal	7,817,492

Statement of fiduciary net position

Cash	613,112
Certificates of deposit	<u>23,598</u>
Subtotal	<u>636,710</u>

Total	<u>\$ 8,454,202</u>
-------	---------------------

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 286,790
Intergovernmental receivable	8,934
Grants receivable	389,687
Other receivables	<u>8,985</u>
Total	<u>\$ 694,396</u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note C – Receivables (Continued)

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Logan County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the county are remitted to the District in the subsequent month.

Note D – Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General Fund	\$ 129,049	\$ 238
Governmental Designated Purpose Fund	-	125,000
Other Governmental Funds	<u>238</u>	<u>-</u>
Subtotal	129,287	125,238
<u>Fiduciary funds</u>		
Agency Fund	<u>-</u>	<u>4,049</u>
Total	<u>\$ 129,287</u>	<u>\$ 1,287</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General Fund	\$ -	\$ 8,331
Other Governmental Funds	<u>8,331</u>	<u>-</u>
Total	<u>\$ 8,331</u>	<u>\$ 8,331</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred \$8,331 from the General Fund to the Food Service Fund to subsidize the costs of maintaining the District's food service operations.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land and water rights	\$ 185,127	\$ -	\$ -	\$ 185,127
Construction in progress	<u>848,807</u>	<u>1,106,711</u>	<u>-</u>	<u>1,955,518</u>
Total capital assets, not being depreciated	1,033,934	1,106,711	-	2,140,645
Capital assets, being depreciated:				
Land improvements	2,637,082	11,658	-	2,648,740
Buildings and improvements	54,133,758	406,655	-	54,540,413
Furniture and equipment	1,605,478	279,745	(32,518)	1,852,705
Licensed vehicles	<u>2,081,617</u>	<u>27,470</u>	<u>-</u>	<u>2,109,087</u>
Total capital assets, being depreciated	<u>60,457,935</u>	<u>725,528</u>	<u>(32,518)</u>	<u>61,150,945</u>
Total capital assets	61,491,869	1,832,239	(32,518)	63,291,590
Less accumulated depreciation for:				
Land improvements	(1,605,448)	(105,557)	-	(1,711,005)
Buildings and improvements	(20,653,354)	(1,252,606)	-	(21,905,960)
Furniture and equipment	(1,272,313)	(90,909)	24,608	(1,338,614)
Licensed vehicles	<u>(1,771,391)</u>	<u>(91,600)</u>	<u>-</u>	<u>(1,862,991)</u>
Total accumulated depreciation	<u>(25,302,506)</u>	<u>(1,540,672)</u>	<u>24,608</u>	<u>(26,818,570)</u>
Governmental activities capital assets, net	<u>\$ 36,189,363</u>	<u>\$ 291,567</u>	<u>\$ (7,910)</u>	<u>\$ 36,473,020</u>

Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Instruction	\$ 63,628
General administration	4,726
Operations and maintenance	24,229
Student transportation	104,858
Food service	6,635
Unallocated depreciation	<u>1,336,596</u>
Total depreciation expense	<u>\$ 1,540,672</u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note F – Accrued salaries and benefits

Salaries and 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 not paid at year-end are estimated to be \$1,760,651. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Transfers/ Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
Governmental activities					
Compensated absences	\$ 191,434	\$ 10,988	\$ -	\$ 202,422	\$ -
Net pension liability	76,678,963	744,508	-	77,423,471	-
Net OPEB liability	1,897,970	-	(129,946)	1,768,024	-
Certificates of Participation	4,830,000	-	(210,000)	4,620,000	215,000
Bonds payable	14,740,000	-	(955,000)	13,785,000	995,000
Bond premium	<u>1,890,206</u>	<u>-</u>	<u>(176,599)</u>	<u>1,713,607</u>	<u>-</u>
Total	<u>\$100,228,573</u>	<u>\$ 755,496</u>	<u>\$(1,471,545)</u>	<u>\$ 99,512,524</u>	<u>\$ 1,210,000</u>

Payments on the bonds payable are made in the Bond Redemption Fund, while payments on the certification of participation are made in the General Fund. The net pension and OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General Fund, as well as the compensated absences. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Bonds payable

General obligation bonds payable consist of the following individual issue:

\$8,070,000 general obligation refunding bonds, dated December 30, 2011, due in annual installments beginning in fiscal year 2013 ranging from \$90,000 to \$1,190,000; varying annual interest rates from 2.00% to 4.00%, payable semi-annually on June 15th and December 15th.

\$ 6,660,000

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note G – Long-term debt (Continued)

\$7,230,000 general obligation refunding bonds, dated July 19, 2016, due in annual installments ranging from \$15,000 to \$1,490,000; varying annual interest rates from 2.00% to 4.00%, payable semi-annually on December 15 th and June 15 th .	<u>7,125,000</u>
Total general obligation bonds	<u>\$ 13,785,000</u>

The following schedule represents the District’s debt service requirements to maturity for all outstanding bonded indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 995,000	\$ 529,100	\$ 1,524,100
2020	1,030,000	488,875	1,518,875
2021	1,080,000	446,850	1,526,850
2022	1,120,000	403,050	1,523,050
2023	1,160,000	357,625	1,517,625
2024-2028	4,110,000	1,318,050	5,428,050
2029-2031	<u>4,290,000</u>	<u>262,000</u>	<u>4,552,000</u>
Totals	<u>\$ 13,785,000</u>	<u>\$ 3,805,550</u>	<u>\$ 17,590,550</u>

Prior year defeasance of debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At year-end, \$23,884,990 of bonds outstanding are considered defeased.

Certificates of participation

In June 2014, the District issued \$5,235,000 Certificates of Participation, Series 2014. Principal payments are due in annual installments beginning in fiscal year 2016 ranging from \$200,000 to \$355,000; varying annual interest rates from 2.00% to 4.00%, payable semi-annually on June 15th and December 15th.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note G – Long-term debt (Continued)

The following schedule represents the District’s debt service requirements to maturity for all outstanding certificates of participation indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 215,000	\$ 149,012	\$ 364,012
2020	215,000	144,713	359,713
2021	220,000	140,363	360,363
2022	225,000	134,787	359,787
2023	235,000	128,475	363,475
2024-2028	1,280,000	523,775	1,803,775
2029-2033	1,535,000	270,900	1,805,900
2034-2035	<u>695,000</u>	<u>26,344</u>	<u>721,344</u>
Totals	<u>\$ 4,620,000</u>	<u>\$ 1,518,369</u>	<u>\$ 6,138,369</u>

Note H – Defined benefit pension plan

Summary of significant accounting policies

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

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

General information about the pension plan

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

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

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

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

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

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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% 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.

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

Contributions provisions as of June 30, 2018. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. Section 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:

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$2,051,192 for the year ended.

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

At year-end, the District reported a liability of \$77,423,471 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 0.2394 percent, which was a decrease of 0.0181 percent from its proportion measured as of December 31, 2016.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

For the year ended June 30, 2018, the District recognized pension expense of \$15,229,106. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,462,135	\$ -
Changes of assumptions or other inputs	20,810,167	138,356
Net difference between projected and actual earnings on pension plan investments	1,689,923	4,575,374
Changes in proportion and differences between contributions recognized and proportionate share of contributions	26,243	4,232,473
Contributions subsequent to the measurement date	<u>1,035,962</u>	<u>-</u>
Total	<u>\$ 25,024,430</u>	<u>\$ 8,946,203</u>

\$1,035,962 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30, ___</u>	<u>Amount</u>
2019	\$ 11,156,944
2020	5,612,030
2021	(582,865)
2022	<u>(1,143,844)</u>
Totals	<u>\$ 15,042,265</u>

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:

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>1.00%</u>	0.20%
 Total	 <u>100.00%</u>	

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

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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

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

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

	1% Decrease <u>(3.78%)</u>	Current Discount Rate <u>(4.78%)</u>	1% Increase <u>(5.78%)</u>
Proportionate share of the net pension liability	<u>\$ 97,799,012</u>	<u>\$ 77,423,471</u>	<u>\$ 60,819,732</u>

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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 the 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.

At year end, the District reported a liability of \$77,423,471 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note H – Defined benefit pension plan (Continued)

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%	\$34,979,253

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 \$36,141,760 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Note I – Defined contribution pension plan

Voluntary Investment Program

Plan description. Employees of the District 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. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended, program members contributed \$111,479 for the Voluntary Investment Program.

Note J – Defined benefit other post-employment benefit (OPEB) plan

Summary of significant accounting policies

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

General information about the OPEB plan

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

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and 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. Section 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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 the 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. Section 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 charges 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 the 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.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$110,821 for the year ended.

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At year-end, the District reported a liability of \$1,768,024 for its proportionate share of the net OPEB liability. The net pension OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District's proportion was 0.1360 percent, which was a decrease of 0.0104 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$115,880. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 8,362	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	29,579
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	112,095
Contributions subsequent to the measurement date	<u>55,237</u>	<u>-</u>
Total	<u>\$ 63,599</u>	<u>\$ 141,674</u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

\$55,237 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended</u> <u>June 30, _____</u>	<u>Amount</u>
2019	\$ (27,774)
2020	(27,774)
2021	(27,775)
2022	(27,775)
2023	(20,380)
2024	<u>(1,834)</u>
Totals	<u>\$ (133,312)</u>

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

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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 costs between employers of each fund to that point.

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

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

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

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

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as show 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.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>1.00%</u>	0.20%
Total	<u>100.00%</u>	

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

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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	<u>3.25%</u>	<u>4.25%</u>	<u>5.25%</u>
Net OPEB Liability	\$ 1,719,379	\$ 1,768,024	\$ 1,826,614

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.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (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 District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the 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	\$ 1,987,815	\$ 1,768,024	\$ 1,580,427

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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.

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution covering the fiscal year was \$157,132. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

Litigation

The District was involved in various pending or threatened lawsuits during the fiscal year arising from its operations. After consulting with legal counsel, the District's management has concluded that the potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Financial Statements

Note L – Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 5, 1996, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$560,000 for the emergency reserve.

Budget law

Expenditures in the Designated Purpose Grants Fund and the Building Fund exceeded appropriations by \$40,140 and \$2,971, respectively and may be in violation of Colorado Local Government Budget Laws.

Note M – Prior period restatement

The District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires the District to recognize a liability for its proportionate share of the net OPEB liability of PERA's Health Care Trust Fund (see Note J), as well as OPEB expense, and to report deferred outflows of resources and deferred inflows of resources related to OPEB for its proportionate shares of collective OPEB expense and collective deferred outflows of resources and deferred inflows of resources related to OPEB. The District has reduced the beginning net position of its governmental activities by \$1,841,040 due to the adoption of this statement.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Governmental Designated Purpose Grants Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of District Contributions – PERA's School Division Trust Fund
- Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of District Contributions – PERA's Health Care Trust Fund

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 6,409,799	\$ 6,993,428	\$ 7,601,784	\$ 608,356
Intermediate sources		2,215	2,215	-
State sources	11,536,820	11,292,546	11,398,921	106,375
Total revenues	17,946,619	18,288,189	19,002,920	714,731
Expenditures				
Instruction	10,587,571	10,663,792	10,099,144	564,648
Supporting services	6,705,892	6,832,138	7,505,870	(673,732)
Debt service				
Principal retirement	210,000	210,000	210,000	-
Interest and fiscal charges	153,263	154,763	154,763	-
Appropriated reserves	2,441,533	1,990,448		1,990,448
Total expenditures	20,098,259	19,851,141	17,969,777	1,881,364
Excess of revenues over (under) expenditures	(2,151,640)	(1,562,952)	1,033,143	2,596,095
Other financing uses				
Transfers out	(225,000)	(225,000)	(8,331)	216,669
Net change in fund balance	\$ (2,376,640)	\$ (1,787,952)	1,024,812	\$ 2,812,764
Fund balance at beginning of year			1,333,664	
Fund balance at end of year			\$ 2,358,476	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Governmental Designated Purpose Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources			\$ 120,000	\$ 120,000
State sources	\$ 58,882	\$ 58,882	129,460	70,578
Federal sources	1,224,075	1,224,075	1,073,637	(150,438)
Total revenues	1,282,957	1,282,957	1,323,097	40,140
Expenditures				
Instruction				
Salaries			445,312	(445,312)
Employee benefits			140,479	(140,479)
Purchased services			159,523	(159,523)
Supplies and materials			37,535	(37,535)
Other			315	(315)
Total instruction	-	-	783,164	(783,164)
Supporting services				
Salaries			240,936	(240,936)
Employee benefits			100,428	(100,428)
Purchased services			61,027	(61,027)
Supplies and materials			16,868	(16,868)
Property			120,000	(120,000)
Other			674	(674)
Total supporting services	-	-	539,933	(539,933)
Appropriated reserves	1,282,957	1,282,957		1,282,957
Total expenditures	1,282,957	1,282,957	1,323,097	(40,140)
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Schedule of the District's Proportionate Share of the Net Pension Liability¹
PERA's School Division Trust Fund
June 30, 2018

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
District's proportion of the net pension liability	0.2394%	0.2575%	0.2641%	0.2629%
District's proportionate share of the net pension liability	\$77,423,471	\$76,678,963	\$40,385,542	\$35,635,713
District's covered payroll	\$11,044,664	\$11,558,793	\$11,507,509	\$11,014,838
District's proportionate share of the net pension liability as a percentage of its covered payroll	701.00%	663.38%	350.95%	323.52%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.10%	59.20%	62.84%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2014

0.2654%

\$33,620,921

\$10,698,930

314.25%

64.06%

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Schedule of District Contributions¹
PERA's School Division Trust Fund
June 30, 2018

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution	\$ 2,051,192	\$ 2,065,728	\$ 2,058,531	\$ 1,893,644
Contributions in relation to the contractually required contribution	<u>(2,051,192)</u>	<u>(2,065,728)</u>	<u>(2,058,531)</u>	<u>(1,893,644)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,864,814	\$ 11,240,052	\$ 11,607,294	\$ 11,210,552
Contributions as a percentage of covered payroll	18.88%	18.38%	17.73%	16.89%

¹ Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2014

\$ 1,716,260

(1,716,260)

\$ -

\$ 10,734,167

15.99%

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Schedule of the District's Proportionate Share of the Net OPEB Liability¹
PERA's Health Care Trust Fund
June 30, 2018

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
District's proportion of the net OPEB liability	0.1360%	0.1464%
District's proportionate share of the net OPEB liability	\$ 1,768,024	\$ 1,897,970
District's covered payroll	\$11,044,664	\$11,558,793
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Schedule of District Contributions¹
PERA's Health Care Trust Fund
June 30, 2018

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 110,821	\$ 114,649
Contributions in relation to the contractually required contribution	<u>(110,821)</u>	<u>(114,649)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 10,864,814	\$ 11,240,052
Contributions as a percentage of covered payroll	1.02%	1.02%

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to the Required Supplementary Information

Note A – Budgetary data

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.
7. Appropriations lapse at year-end.

Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules

Information about factors that significantly affect trends in the amounts reported in the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 5,272,816	\$ 5,857,063	\$ 5,871,053	\$ 13,990
Specific ownership taxes	883,258	850,640	846,875	(3,765)
Delinquent taxes and interest	8,000	15,000	12,930	(2,070)
Tuition	5,000	5,000	8,130	3,130
Transportation fees	38,925	38,925	37,038	(1,887)
Earnings on investments	1,800	1,800	1,835	35
Pupil activities and fees	50,000	50,000	45,646	(4,354)
Community services activities			25,288	25,288
Other revenues	150,000	175,000	752,989	577,989
Total local sources	6,409,799	6,993,428	7,601,784	608,356
Intermediate sources		2,215	2,215	-
State sources				
State equalization	10,373,416	9,788,248	9,805,795	17,547
Vocational education	175,000	125,000	107,816	(17,184)
Special education	634,397	634,397	653,991	19,594
ELPA professional development	26,393	26,393	30,115	3,722
English language proficiency	18,000	18,000	21,904	3,904
Gifted and talented	38,614	38,614	38,058	(556)
Transportation	156,000	156,000	148,183	(7,817)
Small attendance center aid	115,000	115,000	188,082	73,082
Gifted education universal screening		19,468	19,468	-
Small rural schools funding		371,426	371,426	-
At-risk funding			14,083	14,083
Total state sources	11,536,820	11,292,546	11,398,921	106,375
Total revenues	\$ 17,946,619	\$ 18,288,189	\$ 19,002,920	\$ 714,731

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LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Instruction				
Salaries	\$ 6,844,338	\$ 7,008,071	\$ 6,793,107	\$ 214,964
Employee benefits	2,595,431	2,510,496	2,401,813	108,683
Purchased services	529,031	586,743	500,938	85,805
Supplies and materials	398,070	391,833	300,421	91,412
Property	99,338	57,110	14,386	42,724
Other	121,363	109,539	88,479	21,060
Total instruction	10,587,571	10,663,792	10,099,144	564,648
Supporting services				
Students				
Salaries	530,523	565,523	656,558	(91,035)
Employee benefits	199,820	231,098	234,663	(3,565)
Purchased services	39,329	39,329	95,087	(55,758)
Supplies and materials	9,190	9,190	9,879	(689)
Other			265	(265)
Total students	778,862	845,140	996,452	(151,312)
Instructional staff				
Salaries	342,638	342,638	314,987	27,651
Employee benefits	167,675	117,675	94,830	22,845
Purchased services	12,646	12,646	57,686	(45,040)
Supplies and materials	60,027	49,749	18,122	31,627
Property	15,285	15,285		15,285
Other			972	(972)
Total instructional staff	598,271	537,993	486,597	51,396
General administration				
Salaries	264,187	264,187	277,480	(13,293)
Employee benefits	80,921	81,791	81,736	55
Purchased services	101,038	101,831	96,585	5,246
Supplies and materials	13,569	10,100	7,378	2,722
Property	3,057	3,057		3,057
Other	10,144	10,144	14,135	(3,991)
Total general administration	472,916	471,110	477,314	(6,204)

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	801,083	801,083	815,153	(14,070)
Employee benefits	301,900	301,107	295,973	5,134
Purchased services	50,490	50,490	48,527	1,963
Supplies and materials	37,100	37,100	47,982	(10,882)
Property	1,574	1,574	1,982	(408)
Other			1,886	(1,886)
Total school administration	1,192,147	1,191,354	1,211,503	(20,149)
Business services				
Salaries	178,489	178,489	170,175	8,314
Employee benefits	70,205	70,205	60,960	9,245
Purchased services	10,500	5,200	23,826	(18,626)
Supplies and materials	10,500	18,529	9,982	8,547
Property	2,500	2,500	661	1,839
Other			1,703	(1,703)
Total business services	272,194	274,923	267,307	7,616
Operations and maintenance				
Salaries	789,057	792,316	786,522	5,794
Employee benefits	342,638	343,335	317,978	25,357
Purchased services	716,020	707,112	424,237	282,875
Supplies and materials	734,565	729,565	811,300	(81,735)
Property	10,285	50,285	70,967	(20,682)
Other	29,002	29,002		29,002
Total operations and maintenance	2,621,567	2,651,615	2,411,004	240,611
Student transportation				
Salaries	278,608	281,866	310,326	(28,460)
Employee benefits	83,058	93,925	114,176	(20,251)
Purchased services	110,876	147,857	172,778	(24,921)
Supplies and materials	145,000	120,000	122,614	(2,614)
Property	115,000	115,000		115,000
Other	(117,962)	(100,000)	(88,095)	(11,905)
Total student transportation	614,580	658,648	631,799	26,849

(continued)

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2018

(Continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support				
Purchased services	122,208	122,208	177,830	(55,622)
Total central support	122,208	122,208	177,830	(55,622)
Community services				
Salaries	15,793	15,793	(9,505)	25,298
Employee benefits	5,308	5,308	(18,092)	23,400
Purchased services	6,347	6,347	2,797	3,550
Supplies and materials	5,597	5,597	1,434	4,163
Other	102	102	6	96
Total community services	33,147	33,147	(23,360)	56,507
Facilities acquisition services				
Property		46,000	869,424	(823,424)
Total supporting services	6,705,892	6,832,138	7,505,870	(673,732)
Debt services				
Principal retirement	210,000	210,000	210,000	-
Interest and fiscal charges	153,263	154,763	154,763	-
Total debt services	363,263	364,763	364,763	-
Appropriated reserves	2,441,533	1,990,448		1,990,448
Total expenditures	<u>\$ 20,098,259</u>	<u>\$ 19,851,141</u>	<u>\$ 17,969,777</u>	<u>\$ 1,881,364</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

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

- Food Service Fund – This is a special revenue fund is used to record financial transactions related to the District’s food service operations.
- Campbell Library Fund – This fund is a special revenue fund used to account for expenditures relating to the Campbell School Library. This fund was created by a private contribution specifying that the funds be spent on the library.
- Walsh Family Foundation Fund – This fund is a special revenue fund used to account for the proceeds of a contribution from a private donor and the related expenditures thereof.
- After Day School Fund – This fund is a special revenue fund used to account for the financial activities associated with the District’s after school programs.

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Building Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Revenues are primarily derived from the issuance of debt. This fund was closed out during the year.
- Capital Reserve Capital Projects Fund – This fund was established to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2018

	Food Service Fund	Campbell Library Fund	Walsh Family Foundation Fund	After Day School Fund
Assets				
Cash	\$ 268,151	\$ 42,127	\$ 94,948	\$ 9,046
Due from other funds				238
Intergovernmental receivables	4,178			469
Grants receivable	9,085			
Other receivables	1,755			4,559
Inventory	42,011			
Total assets	\$ 325,180	\$ 42,127	\$ 94,948	\$ 14,312
Liabilities				
Accounts payable	\$ 4,141			\$ 1,299
Intergovernmental payable	300			
Contracts payable				
Accrued salaries and benefits	25,506			
Unearned revenue				733
Unearned grant revenues				
Other current liabilities	14,726			
Total liabilities	44,673	\$ -	\$ -	2,032
Fund balance				
Nonspendable for inventory	42,011			
Restricted for:				
Food service program	238,496			
Library purposes		42,127		
Instructional supplies and equipment			94,948	
Committed to:				
After day school activities				12,280
Capital projects				
Total fund balance	280,507	42,127	94,948	12,280
Total liabilities and fund balance	\$ 325,180	\$ 42,127	\$ 94,948	\$ 14,312

Capital Reserve Capital Projects Fund	Totals
\$ 337,793	\$ 752,065
	238
	4,647
	9,085
	6,314
	42,011
<u>\$ 337,793</u>	<u>\$ 814,360</u>
	\$ 5,440
	300
\$ 39,500	39,500
	25,506
	733
142,295	142,295
	14,726
<u>181,795</u>	<u>228,500</u>
	42,011
	238,496
	42,127
	94,948
	12,280
<u>155,998</u>	<u>155,998</u>
<u>155,998</u>	<u>585,860</u>
<u>\$ 337,793</u>	<u>\$ 814,360</u>

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2018

	Food Service Fund	Campbell Library Fund	Walsh Family Foundation Fund	After Day School Fund
Revenues				
Local sources	\$ 185,148		\$ 1,107	\$ 75,231
State sources	15,353			
Federal sources	535,132			
Total revenues	735,633	\$ -	1,107	75,231
Expenditures				
Instruction			5,654	
Supporting services	730,638	3,236		88,649
Capital outlay				
Total expenditures	730,638	3,236	5,654	88,649
Excess of revenues over (under) expenditures	4,995	(3,236)	(4,547)	(13,418)
Other financing sources				
Transfers in	8,331			
Net change in fund balances	13,326	(3,236)	(4,547)	(13,418)
Fund balance at beginning of year	267,181	45,363	99,495	25,698
Fund balance at end of year	\$ 280,507	\$ 42,127	\$ 94,948	\$ 12,280

Building Fund	Capital Reserve Capital Projects Fund	Totals
		\$ 261,486
	\$ 201,841	217,194
		535,132
\$ -	201,841	1,013,812
		5,654
4,134	284,283	822,523
		288,417
4,134	284,283	1,116,594
(4,134)	(82,442)	(102,782)
		8,331
(4,134)	(82,442)	(94,451)
4,134	238,440	680,311
\$ -	\$ 155,998	\$ 585,860

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 310,000	\$ 310,000	\$ 185,148	\$ (124,852)
State sources			15,353	15,353
Federal sources	602,000	602,000	535,132	(66,868)
Total revenues	912,000	912,000	735,633	(176,367)
Expenditures				
Supporting services				
Salaries	329,000	329,000	234,050	94,950
Employee benefits	85,470	85,470	90,037	(4,567)
Purchased services	3,000	3,000	13,535	(10,535)
Supplies and materials	459,000	459,000	393,016	65,984
Property	84,000	84,000		84,000
Other	58,000	58,000		58,000
Appropriated reserves	173,530	173,530		173,530
Total expenditures	1,192,000	1,192,000	730,638	461,362
Excess of revenues over (under) expenditures	(280,000)	(280,000)	4,995	284,995
Other financing sources				
Transfers in			8,331	8,331
Net change in fund balance	\$ (280,000)	\$ (280,000)	13,326	\$ 293,326
Fund balance at beginning of year			267,181	
Fund balance at end of year			\$ 280,507	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Campbell Library Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Supporting services				
Supplies			3,236	(3,236)
Appropriated reserves	45,363	45,363		45,363
Total expenditures	45,363	45,363	3,236	42,127
Net change in fund balance	<u>\$ (45,363)</u>	<u>\$ (45,363)</u>	(3,236)	<u>\$ 42,127</u>
Fund balance at beginning of year			45,363	
Fund balance at end of year			<u>\$ 42,127</u>	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Walsh Family Foundation Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments			\$ 1,107	\$ 1,107
Total revenues	\$ -	\$ -	1,107	1,107
Expenditures				
Instruction				
Purchased services			231	(231)
Supplies and materials			5,423	(5,423)
Appropriated reserves	99,495	99,495		99,495
Total expenditures	99,495	99,495	5,654	93,841
Net change in fund balance	\$ (99,495)	\$ (99,495)	(4,547)	\$ 94,948
Fund balance at beginning of year			99,495	
Fund balance at end of year			\$ 94,948	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
After Day School Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 85,000	\$ 85,000	\$ 75,231	\$ (9,769)
Total revenues	85,000	85,000	75,231	(9,769)
Expenditures				
Supporting services				
Salaries	80,000	80,000	57,441	22,559
Employee benefits	25,500	25,500	20,898	4,602
Purchased services			3,276	(3,276)
Supplies and materials	7,436	7,436	5,256	2,180
Other			1,778	(1,778)
Total expenditures	112,936	112,936	88,649	24,287
Net change in fund balance	\$ (27,936)	\$ (27,936)	(13,418)	\$ 14,518
Fund balance at beginning of year			25,698	
Fund balance at end of year			\$ 12,280	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Capital outlay				
Purchased services			2,418	(2,418)
Supplies and materials			1,716	(1,716)
Property	1,163	1,163		1,163
Total expenditures	1,163	1,163	4,134	(2,971)
Net change in fund balance	\$ (1,163)	\$ (1,163)	(4,134)	(2,971)
Fund balance at beginning of year			4,134	
Fund balance at end of year			\$ -	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
State sources	\$ 234,000	\$ 234,000	\$ 201,841	\$ (32,159)
Total revenues	234,000	234,000	201,841	(32,159)
Expenditures				
Capital outlay				
Property	654,890	654,890	284,283	370,607
Appropriated reserves	190,110	190,110		190,110
Total expenditures	845,000	845,000	284,283	560,717
Excess of revenues over (under) expenditures	(611,000)	(611,000)	(82,442)	(592,876)
Other financing sources				
Transfers in	235,000	235,000		(235,000)
Net change in fund balance	\$ (376,000)	\$ (376,000)	(82,442)	\$ 528,558
Fund balance at beginning of year			238,440	
Fund balance at end of year			\$ 155,998	

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Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 1,850,000	\$ 1,850,000	\$ 1,853,275	\$ 3,275
Delinquent taxes and interest			4,216	4,216
Interest on investments	15,000	15,000	35,177	20,177
Total revenues	1,865,000	1,865,000	1,892,668	27,668
Expenditures				
Debt service				
Purchased services			750	(750)
Principal retirement	955,000	955,000	955,000	-
Interest and fiscal charges	571,250	571,250	567,750	3,500
Appropriated reserves	2,699,896	2,699,896		2,699,896
Total expenditures	4,226,146	4,226,146	1,523,500	2,702,646
Net change in fund balance	\$ (2,361,146)	\$ (2,361,146)	369,168	\$ 2,730,314
Fund balance at beginning of year			2,676,794	
Fund balance at end of year			\$ 3,045,962	

Budgetary Comparison Schedule – Fiduciary Funds

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds.

Private-purpose trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

- Melendy Scholarship Trust Fund – This fund is used to record the financial transactions related to the administration of a scholarship trust that is used to award scholarships to area students.

Agency funds – These funds are used to report resources held by the District in a purely custodial capacity (assets equal liabilities). These funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities. These activities are self-supporting and do not receive any direct or indirect support within the fund.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Pupil Activity Agency Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Additions				
Fundraising and other events	\$ 755,000	\$ 755,000	\$ 958,213	203,213
Total additions	755,000	755,000	958,213	203,213
Deductions				
Pupil activity expenditures	855,000	855,000	940,477	(85,477)
Appropriated reserves	200,000	200,000		200,000
Total deductions	1,055,000	1,055,000	940,477	114,523
Excess of additions over (under) deductions	\$ (300,000)	\$ (300,000)	17,736	\$ 317,736
Due to student groups at beginning of year			604,359	
Due to student groups at end of year			\$ 622,095	

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Melendy Scholarship Trust Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Scholarship awards	600	600	600	-
Appropriated reserves	17,428	17,428		17,428
Total expenditures	18,028	18,028	600	17,428
Change in net position	<u>\$ (18,028)</u>	<u>\$ (18,028)</u>	(600)	<u>\$ 17,428</u>
Net position at beginning of year			<u>11,028</u>	
Net position at end of year			<u>\$ 10,428</u>	

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Single Audit Section

The Single Audit Section contains the following:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Education</u>			
Pass-through programs from:			
Colorado Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4010	\$ 38,473
Supporting Effective Instruction State Grants	84.367	4367	13,541
Early Childhood Readiness	84.412	5412	1,542
State Board of Community Colleges:			
Career and Technical Education - Basic Grants to States	84.048	5048	<u>21,897</u>
Total U.S. Department of Education			75,453
<u>Child Nutrition Cluster</u>			
U.S. Department of Agriculture:			
Pass-through program from:			
Colorado Department of Human Services:			
Donated Commodities	10.555	4555	64,345
Colorado Department of Education:			
School Breakfast Program	10.553	4553	65,381
National School Lunch Program	10.555	4555	382,829
Summer Food Service Program for Children	10.559	4559	<u>22,577</u>
Total Child Nutrition Cluster			535,132
<u>Special Education Cluster (IDEA)</u>			
U.S. Department of Education:			
Pass-through program from:			
Colorado Department of Education:			
Special Education - Grants to States	84.027	4027	536,150
Special Education - Preschool Grants	84.173	4173	<u>33,984</u>
Total Special Education Cluster			<u>570,134</u>
Total expenditures of federal awards			<u>\$ 1,180,719</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Notes to Schedule of Expenditures of Federal Awards

Note A – Basis of presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Logan County School District No. Re-1 Valley and is presented on the modified accrual basis of accounting. Revenues are recognized when they become measurable and available as net current assets. Grant and entitlement revenues are recognized to the extent of related expenditures or when compliance with matching requirements are met. A receivable is established when the related expenditures exceed revenue receipts and an unearned grant revenue account is established when receipts exceed the related expenditures. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CRF) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note B – Nonmonetary assistance

Federal nonmonetary assistance is reported in the schedule at the fair value of the items received and disbursed during the year. The District received nonmonetary assistance for the year as follows:

CFDA No. 10.555	National School Lunch Program	\$ <u>64,345</u>
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Note C – Indirect Cost Rate

The District did not elect to use the 10% de minimis indirect cost rate.

Note D – Subrecipients

The District did not pass through any federal grants to subrecipients.

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**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Education
Logan County School District No. Re-1 Valley
Sterling, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Logan County School District No. Re-1 Valley (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 26, 2018



**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education
Logan County School District No. Re-1 Valley
Sterling, Colorado

Report on Compliance for Each Major Program

We have audited the Logan County School District No. Re-1 Valley's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 26, 2018

LOGAN COUNTY SCHOOL DISTRICT NO. RE-1 VALLEY
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

Summary of audit results

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Logan County School District No. Re-1 Valley (the District).
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the District expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any findings relative to the major federal award programs of the District.
7. The program tested as a major was:
 - Child Nutrition Cluster CFDA Nos. 10.553, 10.555 and 10.559
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The District qualified as a low-risk auditee.

Findings – Financial statement audit

We noted no findings that are required to be reported under *Government Auditing Standards*.

Findings and Questioned Costs

We noted no findings or questioned costs that are required to be reported in accordance with the Uniform Guidance.

Prior year findings

There were no findings or questioned costs reported for the year ended June 30, 2017.

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**Colorado Department of Education
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

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Independent Auditors' Report on Auditors' Integrity Report

Board of Education
Logan County School District No. Re-1 Valley
Sterling, Colorado

We have audited the basic financial statements of the Logan County School District No. Re-1 Valley (the District) as of and for the year ended June 30, 2018, and our report thereon dated October 26, 2018, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
October 26, 2018



Colorado Department of Education
Auditors Integrity Report
 District: 1828 - VALLEY RE-1
 Fiscal Year 2017-18
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	1,299,850	17,906,134	16,829,295	2,376,688
18 Risk Mgmt Sub-Fund of General Fund	33,814	1,088,455	1,140,482	-18,212
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	1,333,664	18,994,589	17,969,777	2,358,476
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	170,556	76,338	97,539	149,355
21 Food Service Spec Revenue Fund	267,181	743,964	730,638	280,507
22 Govt Designate-Purpose Grant Fund	0	1,323,097	1,323,097	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	2,676,794	1,892,668	1,523,500	3,045,962
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	4,134	0	4,134	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	238,440	201,841	284,284	155,998
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Totals	4,690,768	23,232,496	21,932,968	5,990,297
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
66,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	11,028	0	600	10,428
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	604,359	958,213	940,477	622,095
79 GASB 34: Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	615,387	958,213	941,077	632,522

FINAL

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