

**PLATTE CANYON SCHOOL DISTRICT 1
BAILEY, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEAR ENDING
JUNE 30, 2018**

PLATTE CANYON SCHOOL DISTRICT 1
BAILEY, COLORADO
ROSTER OF SCHOOL OFFICIALS
JUNE 30, 2018

BOARD OF EDUCATION

Katie Spodyak – President
Katy Davis – Vice-President
Joe Burgett– Secretary
Frank VanDeHey – Treasurer
Jon DeStefano - Director

ADMINISTRATIVE STAFF

Brenda Krage
Superintendent of Schools

Ashley Stephen
Business Manager

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited)

Platte Canyon School District RE 1

Management Discussion and Analysis

As management of Platte Canyon School District RE 1, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The liabilities of the District exceeded its assets as of June 30, 2018, by \$17,977,470 (net position). The negative net position is due to GASB Statement No. 75 on pension disclosures which reflects the District's proportionate share of the pension plan's unfunded pension liability.
- The District's net position decreased by \$5,701,526 from 2017.
- The District's General Fund had a fund balance of \$3,500,843, or 41% of total General Fund Expenditures.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements– The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. The government-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information on all the District's assets and liabilities, 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 the financial health of the District.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event effecting the 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 and changes in long-term compensated absences).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services, food services and student activities. Such services include activities relating to building maintenance, technology and administration.

The government-wide financial statements can be found on pages 1 and 2 of this report.

Fund Financial Statements

A fund is a grouping of self-balancing, related accounts that are used to maintain control over resources that have been segregated for specific purposes. Our District uses fund accounting to ensure and demonstrate compliance with financial and government fund and proprietary funds.

Government Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on current sources and uses of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

The District's most significant, or "major" governmental funds include the General Fund, Grant Fund, and Bond Redemption Fund.

The District adopts an annual appropriated budget for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with state budget statutes.

The basic major governmental fund statements start on page 3.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds *are not* reported in the government-wide or governmental fund financial statements because the resources of those funds *are not* available to support the District's own programs.

The statement of fiduciary position can be found on page 9 of this report.

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

An annual review of net position may serve as a useful indicator of a government's financial position. The District's liabilities exceeded assets by \$17,977,470. In the previous year of 2017, the liabilities exceeded assets by \$12,925,136. This includes prior period restatements of \$(649,192) see note 14 for full breakdown of the prior period restatements.

The assets of the District are classified as current assets and capital assets. Current assets are available to provide resources for the near-term operations of the District. The majority of the current assets are the result of the property tax receivables and cash and investments.

Capital assets are made up of land, buildings, equipment, and construction in progress. Current and long-term liabilities are classified based upon anticipated liquidation, either in the near-term or in the future.

Platte Canyon School District No.1 Net Position

	Governmental Activities	
	<u>2017</u>	<u>2018</u>
Assets:		
Current Assets	\$ 4,185,091	\$ 5,350,216
Non Current Assets	<u>14,618,991</u>	<u>14,009,534</u>
Total Assets	<u>18,804,082</u>	<u>19,359,750</u>
Deferred Outflows of Financial Resources		
Pension related deferred outflow	14,010,337	11,935,239
Deferred charges	<u>10,340</u>	<u>30,203</u>
Total deferred outflows of resources	<u>14,020,677</u>	<u>11,965,442</u>
Liabilities:		
Current Liabilities	665,534	504,191
Long-Term Liabilities	<u>43,060,793</u>	<u>44,337,491</u>
Total Liabilities	<u>43,726,327</u>	<u>44,841,682</u>
Deferred Inflows of Financial Resources:	<u>1,374,376</u>	<u>4,460,980</u>
Net Position:		
Net Investment in Capital Assets	8,881,928	8,283,670
Restricted Net Position	1,034,079	1,164,349
Unrestricted Net Position	<u>(22,191,951)</u>	<u>(27,425,489)</u>
Total Net Position	<u>\$ (12,275,944)</u>	<u>\$ (17,977,470)</u>

Of the District's total assets, 72% are capital assets (e.g. land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students.

Net position for governmental activities decreased by \$5,052,334, not including the restatement. The following schedule summarizes the District's change in net position:

Platte Canyon School District No.1 Net Position

	Governmental Activities	
	<u>2017</u>	<u>2018</u>
Program Revenues:		
Charges for Services	\$ 426,016	\$ 470,094
Operating Grants	982,308	1,129,322
Total Program Revenues	<u>1,408,324</u>	<u>1,599,416</u>
General Revenues:		
Taxes	3,843,328	4,322,594
State Equalization	5,178,675	4,865,470
Investment Income	16,635	33,207
Other Revenues & Debt Proceeds	291,014	180,449
Total General Revenues	<u>9,329,652</u>	<u>9,401,720</u>
Total Revenues	<u>10,737,976</u>	<u>11,001,136</u>
Expenses		
Instruction	8,581,234	8,874,321
Supporting Services	7,052,099	6,975,678
Interest on Long Term Debt	144,714	203,471
Total Expenses	<u>15,778,047</u>	<u>16,053,470</u>
Change in Net Position	<u>(5,040,071)</u>	<u>(5,052,334)</u>
Net Position - Beginning	(7,235,873)	(12,275,944)
Prior Period Restatement	-	(649,192)
Net Position - Beginning Restated	<u>(7,235,873)</u>	<u>(12,925,136)</u>
Net Position - Ending	<u>\$ (12,275,944)</u>	<u>\$ (17,977,470)</u>

Property taxes, specific ownership tax, and per pupil state formula revenue (School Finance Act-State Equalization) account for most of the District's revenue. The remaining revenue comes from grants and contributions with the remainder from fees charged for services and miscellaneous sources. The District's expenses predominantly relate to instruction and support services, which include support for students and instructional staff. Given that the District is a service organization providing education services to students, the majority of the expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Financial Highlights: With decreasing enrollment numbers the District focused many of its resources on reallocating personnel within schools and combining positions to help keep a balanced budget from FY18 as we transitioned into FY19. By refocusing on current programs and expanding on curriculum needs the district was able to change trajectory while focusing on student centric learning and programs. Expansion of the District STEAM program, focusing on Science Technology, Engineering, Art, and Math was continued throughout the district with the creation and completion of Makers Space Labs in all three school and additional materials purchased with funds allocated from the district Energy Project. The final stages of the Energy project itself were also completed with the installation of new windows in several district buildings. And finally, the district completed installation of projectors in classrooms in all schools.

Financial Transitions: Mid-year saw several changes for fiscal reporting with the most noticeable being the transition of the utilities from central program to site allocations to better track building performance and energy project results along with the location change for the Fund 19 Early Childhood Education program from a location 90 to a location 101. While these are minute changes in the reporting structure they do reflect changes for the district in regards to CDE and GASB mandated reporting structure and to the overall allocation of expenses to sites and locations within the district.

Financial Analysis of the District's Funds: As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$4,440,638 which is an increase of \$876,031 from the restated prior year ending fund balances.

General Fund Budgetary Highlights: The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The original budget is prepared based on a conservative estimate of student growth. This guarantees the District does not overstaff or overextend its financial capabilities. The General Fund's actual results were under budgeted appropriations by \$1,040,271.

Capital Assets and Debt Administration: The District's investment in capital assets for governmental activities as of June 30, 2018, amounts to \$14,000,917 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment and construction in progress.

	Balance 06/30/17	Additions	Deletions	Balance 06/30/18
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated:				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Capital Assets, being depreciated:				
Buildings and Improvements	23,896,253	-	-	23,896,253
Site Improvements	1,832,993	-	-	1,832,993
Equipment	1,837,510	137,039	-	1,974,549
Total Capital Assets being depreciated	27,566,756	137,039	-	27,703,795
Accumulated Depreciation:				
Buildings and Improvements	(11,702,629)	(607,287)	-	(12,309,916)
Site Improvements	(1,192,406)	(58,821)	-	(1,251,227)
Equipment	(1,413,260)	(89,005)	-	(1,502,265)
Total Accum. Depreciation	(14,308,295)	(755,113)	-	(15,063,408)
Net Governmental Capital Assets	\$ 14,618,991	\$ (618,074)	\$ -	\$ 14,000,917

Long Term Debt: As of June 30, 2018, the District had outstanding debt of \$6,085,058 not including the PERA and OPEB obligations.

	Restated Balance 6/30/17	Advances	Payments	Balance 6/30/18	Current Portion
<u>Governmental Activities</u>					
General Obligation 2015 Bonds	\$ 5,220,000	\$ -	\$ 705,000	\$ 4,515,000	\$ 720,000
Bond Premiums	267,505	-	38,215	229,290	-
PERA Net Pension Obligation	36,220,517	1,177,894	-	37,398,411	-
HCTF Net OBEP Obligation	896,534	-	42,512	854,022	-
Accrued Compensated Absences	135,205	-	3,316	138,521	-
Capital Leases Obligations	1,150,123	127,019	74,895	1,202,247	85,470
Total Long-Term Obligations	\$ 43,889,884	\$ 1,304,913	\$ 863,938	\$ 44,337,491	\$ 805,470

Economic Factors and Next Year's Budget: The Public School Finance Act of 1994 is the largest source of revenue for the District's operating funds. The School Finance Act calculates per-pupil funding by school District based upon a formula that takes into consideration the cost of living, number of students, District size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula: Total Program Funding = local property taxes + general specific ownership taxes + state equalization.

Next Year's Budget and Fund Balance: The District's General Fund balance at the end of fiscal year 2018 is \$3,500,843. The subsequent year's budget for fiscal year 2019 is fiscally balanced.

Request for Information:

This financial report is designed to provide a general overview of Platte Canyon School District RE 1's finances for all those with an interest in the District's finances. Questions concerning any of the information in this report or requests for additional financial information should be addressed to the Business Services Manager, Platte Canyon School District, 57393 US Hwy 285 or P.O. Box 1069, Bailey, Colorado 80421.

Holscher, Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Platte Canyon School District 1
Bailey, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Platte Canyon School District 1, Colorado, as of and for the year ended June 30, 2018, which collectively comprise the basic financial statements of the District, 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 the 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 controls. 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.

Opinion

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 Platte Canyon School District 1, Colorado, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 14 to the financial statements, the 2017 financial statements have been restated to reflect the adoption of GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the standard required restatement of the beginning June 30, 2018 fiscal year net position. The District also recorded prior period restatements related to deferred property taxes and accounts payable. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 and pension schedules on pages 45-48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 49-52 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. In addition, the budgetary comparison schedules on pages 53-59 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The 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. Such 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 basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report Figures and Bolded Balance Sheet reports pages 60-63 are presented for state regulatory compliance and are 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Holscher, Mayhew + Company, LLC

Englewood, CO
February 22, 2019

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2018.

PLATTE CANYON SCHOOL DISTRICT 1
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	\$ 4,651,900
Cash with Fiscal Agent	222,219
Taxes Receivable	206,945
Grants Receivable	246,685
Other Accounts Receivable	1,065
Inventory	21,402
Total Current Assets	5,350,216
Noncurrent Assets	
Bond Issuance Costs	8,617
Capital Assets, not being depreciated	1,360,530
Capital Assets, being depreciated	12,640,387
Total Noncurrent Assets	14,009,534
TOTAL ASSETS	19,359,750
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows Pensions	11,935,239
Net Deferred Outflows OPEB	30,203
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	11,965,442
TOTAL ASSETS AND DEFERRED OUTFLOWS	\$ 31,325,192
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Interfund Accounts Payable	\$ 4,711
Accounts Payable	72,772
Accrued Interest	13,084
Accrued Salaries & Benefits	413,624
Total Current Liabilities	504,191
Noncurrent Liabilities	
Due Within One Year	188,562
Due In More Than One Year	44,148,929
Total Noncurrent Liabilities	44,337,491
TOTAL LIABILITIES	44,841,682
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Deferred Grant Revenue	349,208
Net Deferred Inflows Pensions	4,060,268
Net Deferred Inflows OPEB	51,504
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	4,460,980
NET POSITION	
Net Investment in Capital Assets	8,283,670
Restricted Net Position	1,164,349
Unrestricted Net Position	(27,425,489)
TOTAL NET POSITION	(17,977,470)
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	\$ 31,325,192

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

PLATTE CANYON SCHOOL DISTRICT 1
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenues			Net (Expense)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Change in Net Position
Primary Government				
Governmental Activities				
Instruction	\$ 8,874,321	\$ 167,135	\$ 740,671	\$ (7,966,515)
Supporting Services	6,975,678	302,959	388,651	(6,284,068)
Interest on Long Term Debt	203,471	-	-	(203,471)
Total Primary Government	<u>\$ 16,053,470</u>	<u>\$ 470,094</u>	<u>\$ 1,129,322</u>	<u>(14,454,054)</u>
				General Revenues
				Property Taxes
				3,842,679
				Specific Ownership Taxes
				479,915
				State Equalization
				4,865,470
				Investment Earnings
				33,207
				Other Revenues
				53,430
				Debt Proceeds
				<u>127,019</u>
				Total General Revenues and Transfers
				<u>9,401,720</u>
				Change in Net Position
				<u>(5,052,334)</u>
				Beginning Net Position
				(12,275,944)
				Prior Period Restatement
				<u>(649,192)</u>
				Beginning Net Position (As Restated)
				<u>(12,925,136)</u>
				Ending Net Position
				<u>\$ (17,977,470)</u>

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

PLATTE CANYON SCHOOL DISTRICT 1
Balance Sheet
Governmental Funds
June 30, 2018

		Debt Service		Totals
		Bond	Other	
		Redemption	Governmental	
	General Fund	Fund	Funds	2018
ASSETS				
Cash and Investments	\$ 3,641,528	\$ 802,258	\$ 208,114	\$ 4,651,900
Cash with Fiscal Agent	209,315	12,904	-	222,219
Taxes Receivable	159,494	47,451	-	206,945
Interfund Accounts Receivable	247,232	-	41,414	288,646
Grants Receivable	87,202	-	159,483	246,685
Other Accounts Receivable	1,065	-	-	1,065
Inventory	-	-	21,402	21,402
TOTAL ASSETS	\$ 4,345,836	\$ 862,613	\$ 430,413	\$ 5,638,862
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ -	\$ 13,785	\$ 279,572	\$ 293,357
Accounts Payable	71,679	-	1,093	72,772
Accrued Salaries & Benefits	374,074	-	39,550	413,624
Total Liabilities	445,753	13,785	320,215	779,753
Deferred Inflows of Financial Resources				
Deferred Revenue	53,382	15,881	3,350	69,263
Deferred Grant Revenue	345,858	-	-	349,208
Total Deferred Inflows of Financial Resources	399,240	15,881	3,350	418,471
Fund Balance				
Nonspendable Fund Balance	-	-	21,402	21,402
Restricted Fund Balance				
Restricted for Debt Service	-	832,947	-	832,947
Restricted for TABOR Emergencies	310,000	-	-	310,000
Assigned Fund Balance				
Other Assigned Fund Balance	-	-	87,724	85,446
Unassigned Fund Balance	3,190,843	-	(2,278)	3,190,843
Total Fund Balance	3,500,843	832,947	106,848	4,440,638
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 4,345,836	\$ 862,613	\$ 430,413	\$ 5,638,862

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

PLATTE CANYON SCHOOL DISTRICT 1
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2018

Fund Balance - Governmental Funds		\$ 4,440,638	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	1,360,530		
Capital assets, being depreciated	27,703,795		
Accumulated depreciation	<u>(15,063,408)</u>	14,000,917	
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds			
Deferred Revenues			69,263
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds			
PERA Pension			
Net pension deferred outflows	11,935,239		
Net pension liability	(37,398,411)		
Net pension deferred inflows	<u>(4,060,268)</u>	(29,523,440)	
PERA Health Care Trust Fund (OPEB)			
Net OPEB deferred outflows	30,203		
Net OPEB liability	(854,022)		
Net OPEB deferred inflows	<u>(51,504)</u>	(875,323)	
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds			
Charge on refunding - net of amortization	8,617		
Bond premiums - net of amortization	<u>(229,290)</u>	(220,673)	
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable	(4,515,000)		
Capital leases payable	(1,202,247)		
Accrued interest payable	(13,084)		
Accrued compensated absences	<u>(138,521)</u>	(5,868,852)	
Total Net Position - Governmental Activities			<u>\$ (17,977,470)</u>

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

PLATTE CANYON SCHOOL DISTRICT 1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2018

		Debt Service		Totals
		Bond Redemption	Other	
	General Fund	Fund	Governmental Funds	2018
REVENUES				
Local Sources	\$ 3,753,895	\$ 896,470	\$ 289,813	\$ 4,940,178
Intermediate Sources	167,989	-	-	167,989
State Sources	5,227,244	-	3,686	5,230,930
Federal Sources	43,982	-	539,891	583,873
TOTAL REVENUES	9,193,110	896,470	833,390	10,922,970
EXPENDITURES				
Instruction	4,550,864	-	367,282	4,918,146
Pupil Support	237,762	-	-	237,762
Staff Support	370,350	-	56,004	426,354
General Administration	314,173	1,126	-	315,299
School Administration	696,905	-	-	696,905
Business Services	242,753	-	-	242,753
Operations and Maintenance	923,307	-	-	923,307
Transportation	638,507	-	-	638,507
Other Central Support	179,608	-	-	179,608
Risk Management	149,175	-	-	149,175
Food Service	-	-	253,872	253,872
Community Support	-	-	160,011	160,011
Facilities	140,858	-	-	140,858
Debt Service	53,701	837,700	-	891,401
TOTAL EXPENDITURES	8,497,963	838,826	837,169	10,173,958
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	695,147	57,644	(3,779)	749,012
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	127,019	-	-	127,019
Transfer In (Out) - net	(25,000)	-	25,000	-
TOTAL OTHER FINANCING SOURCES (USES)	102,019	-	25,000	127,019
CHANGE IN FUND BALANCE	797,166	57,644	21,221	876,031
BEGINNING FUND BALANCE	2,566,381	761,079	85,627	3,413,087
Prior Period Adjustment	137,296	14,224	-	151,520
BEGINNING FUND BALANCE (As Restated)	2,703,677	775,303	85,627	3,564,607
ENDING FUND BALANCE	\$ 3,500,843	\$ 832,947	\$ 106,848	\$ 4,440,638

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

PLATTE CANYON SCHOOL DISTRICT 1
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2018

Change in Fund Balance - Governmental Funds	\$	876,031	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases		137,039	
Depreciation Expense		<u>(755,113)</u>	(618,074)
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds			
Change in Deferred Revenue			(48,853)
Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
PERA Pension			
Change in deferred pension outflows		(2,075,098)	
Change in net pension liability		(1,177,894)	
Change in deferred pension inflows		<u>(2,685,892)</u>	(5,938,884)
PERA Health Care Trust Fund (OPEB)			
Change in deferred OPEB outflows		1,824	
Change in net OPEB liability		42,512	
Change in deferred OPEB inflows		<u>(51,504)</u>	(7,168)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Proceeds from debt issuances		(127,019)	
Principal payments on bonds payable		705,000	
Principal payments on capital leases		74,895	
Change in accrued interest payable		(1,438)	
Amortization of premiums and discounts		36,492	
Change in accrued compensated absences		<u>(3,316)</u>	<u>684,614</u>
Change in Net Position - Governmental Activities	\$		<u><u>(5,052,334)</u></u>

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

PLATTE CANYON SCHOOL DISTRICT 1
Statement of Fiduciary Net Position
Fiduciary Funds
Pupil Activity Fund
June 30, 2018

	<u>Totals</u> <u>2018</u>
ASSETS	
Cash and Investments	\$ 115,693
Interfund Accounts Receivable	<u>4,981</u>
TOTAL ASSETS	<u>120,674</u>
LIABILITIES	
Interfund Accounts Payable	\$ 270
Accounts Payable	<u>4,468</u>
NET POSITION	
Restricted Net Position (Due to Student Groups)	<u><u>\$ 115,936</u></u>

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Platte Canyon School District 1 (the "District") conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity" as amended.

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

Jointly Governed Organizations

The District is a participant among three districts in a jointly governed organization to operate the Mt. Evans Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 10595 Highway 119 Black Hawk, CO 80422 or from their website, <http://mtevansboces.com/financial-transparency/>

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental and fiduciary – are presented.

The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service (Bond Redemption) Fund – This fund was established to account for the repayment of the District's general obligation debt.

The District also reports the following nonmajor governmental funds:

Special Revenue (Food Service, Designated Grants and Swimming Pool) Funds – These funds account for the food service program, grants and swimming pool resources that are dedicated to providing those special projects and services, respectively.

The District reports the following fiduciary fund:

Agency (Pupil Activity) Fund – This fund is used to account for the money held in trust by the District for student organizations and for scholarships. This fund is custodial and does not measure the results of operations.

Measurement Focus and Basis of Accounting

Government-Wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Government-Wide and Fiduciary Fund Financial Statements (Continued)

Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance

Cash – The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

Cash and Cash Equivalents – The government's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories – Inventory of the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

The District's capitalization policy is those items having a useful life of more than one year and an original cost of at least \$5,000. Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Land Improvements	20 – 50 years
Buildings	10 – 50 years
Equipment	10 – 20 years

Tax Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2017 property taxes were both measurable and available at June 30, 2018, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2018 but not collected by June 30, 2018. Taxes not received within 60 days subsequent to year end have been reported as a deferred inflow.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2018, the District has recorded accrued leave as disclosed in Note 6.

Long-Term Debt – The District's note payable and capital leases are paid through the Capital Reserve Fund and are shown as expenditures in that fund. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports 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. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Notes 7 and 9.

In addition to liabilities, the statement of financial position reports 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. The District reports deferred inflows for property taxes as described above, deferred revenue, and pension and OPEB related deferrals as further described in Notes 7 and 9.

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance (Continued)

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

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 2: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investment categories in this footnote are as follows:

Unrestricted	\$ 3,849,642
Restricted for debt service	<u>802,258</u>
Total Governmental Activities cash and investments	\$ 4,651,900
Fiduciary	<u>115,693</u>
Total Cash and Investments	<u>\$ 4,767,593</u>

Deposits & Investments	\$ 784,520
Investments	3,982,873
Cash on hand	<u>200</u>
Total Cash and Investments	<u>\$ 4,767,593</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2018, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank	Carrying
	<u>Balance</u>	<u>Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	<u>662,888</u>	<u>534,520</u>
Total Deposits	<u>\$ 912,888</u>	<u>\$ 784,520</u>

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The District has invested in Colotrust offered through UMB Corporate Trust Services, as custodian of the District's Bond Redemption Fund investments. These amounts are held for repayment of the District's general obligation debt.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the U.S. 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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

During the year ended June 30, 2018, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. 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 interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2018, the District did not have any investments requiring safekeeping.

A summary of the District's investments is as follows:

	Carrying	Weighted Average Maturity	
	Value	(in Years)	Rating
Local Government Investment Pools	\$ 3,180,615	-	AAAm
Local Govt Invest Pools (Bond Trustee)	802,258	-	AAAm
Total Investments	\$ 3,982,873		

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2018, of \$21,402, consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt plus an allowance for any processing charges paid to the third party vendor.

NOTE 4: CAPITAL ASSETS

Activity for governmental activities capital assets is summarized below:

	Balance 06/30/17	Additions	Deletions	Balance 06/30/18
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated:				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Capital Assets, being depreciated:				
Buildings and Improvements	23,896,253	-	-	23,896,253
Site Improvements	1,832,993	-	-	1,832,993
Equipment	1,837,510	137,039	-	1,974,549
Total Capital Assets being depreciated	27,566,756	137,039	-	27,703,795
Accumulated Depreciation:				
Buildings and Improvements	(11,702,629)	(607,287)	-	(12,309,916)
Site Improvements	(1,192,406)	(58,821)	-	(1,251,227)
Equipment	(1,413,260)	(89,005)	-	(1,502,265)
Total Accum. Depreciation	(14,308,295)	(755,113)	-	(15,063,408)
Net Governmental Capital Assets	\$ 14,618,991	\$ (618,074)	\$ -	\$ 14,000,917

Depreciation is allocated between functions as follows:

Instruction	\$ 398,963
Support Services	356,150
Governmental Depreciation Allocation	<u>\$ 755,113</u>

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months.

The salaries and benefits earned, but unpaid, in the General, Preschool, Food Service and Grants Funds as of June 30, 2018, are \$358,384, \$15,689, \$5,283 and \$34,268 respectively. Accordingly, the accrued compensation is reflected as a liability in the funds in the accompanying financial statements.

NOTE 6: LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2018:

	Restated					
	Balance			Balance	Current	Interest
	6/30/17	Advances	Payments	6/30/18	Portion	Expense
<u>Governmental Activities</u>						
General Obligation 2015 Bonds	\$ 5,220,000	\$ -	\$ 705,000	\$ 4,515,000	\$ 720,000	\$ 138,575
Bond Premiums	267,505	-	38,215	229,290	-	-
PERA Net Pension Obligation	36,220,517	1,177,894	-	37,398,411	-	-
HCTF Net OBEP Obligation	896,534	-	42,512	854,022	-	-
Accrued Compensated Absences	135,205	-	3,316	138,521	-	-
Capital Leases Obligations	1,150,123	127,019	74,895	1,202,247	85,470	38,435
Total Long-Term Obligation	\$ 43,889,884	\$ 1,304,913	\$ 863,938	\$ 44,337,491	\$ 805,470	\$ 177,010

2015 General Obligation Bonds

The District's 2005 general obligation bonds were partially refunded through the issuance of \$5,995,000 of Series 2015 General Obligation Bonds. The bonds require annual principal payments by December 1st of each year and semi-annual interest payments. The bonds bear interest at rates ranging from 2% to 4% and mature December 1, 2023. Payments are made through the District's Bond Redemption Fund.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

Annual debt service requirements for the bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 720,000	\$ 125,650	\$ 845,650
2020	730,000	111,250	841,250
2021	735,000	96,650	831,650
2022	750,000	81,950	831,950
2023	775,000	63,200	838,200
2024	805,000	32,200	837,200
Total	<u>\$ 4,515,000</u>	<u>\$ 510,900</u>	<u>\$ 5,025,900</u>

2018 Capital Lease

In 2018 the District entered into a capital lease arrangement for the purchase of copiers. The lease was for \$127,019 and requires 60 monthly principal payments of \$2,397 through 2022 at 11.7% interest. The District has capitalized assets related to this lease in the amount of \$127,019 with a remaining basis of \$114,317.

Future minimum lease payments under capital lease are as follows:

<u>For Year Ended June 30</u>	<u>Amount</u>
2019	\$ 28,764
2020	28,764
2021	28,764
2022	<u>26,367</u>
Total minimum lease payments	112,659
Less Interest at 11.7%	<u>(10,537)</u>
Present value of minimum lease payments	<u>\$ 102,122</u>

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

2016 Capital Lease

In 2016 the District entered into a capital lease arrangement for the upgrade of lighting throughout the District. The lease was for \$1,196,074 and requires annual principal payments on May 1st through 2031 at 2.85% interest. The District has capitalized assets related to this lease in the amount of \$1,109,074 with a remaining basis of \$1,035,136.

Future minimum lease payments under capital lease are as follows:

<u>For Year Ended June 30</u>	<u>Amount</u>
2019	\$ 91,544
2020	93,590
2021	95,691
2022	97,847
2023	100,062
2024-2028	535,674
2029-2031	<u>325,313</u>
Total minimum lease payments	1339,721
Less Interest at 2.85%	<u>(239,596)</u>
Present value of minimum lease payments	<u>\$ 1,100,125</u>

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: 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.

General Information about the Pension Plan

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

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

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions. Eligible employees and the District are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq.* Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below:

January 1st through December 31st	2014¹	2015¹	2016¹	2017¹
Employer contribution rate	10.15%	10.15%	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%	5.00%
Total employer contribution rate to the SCHDTF	16.43%	17.33%	18.13%	18.63%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$993,908 for the plan year ended December 31, 2017 and \$1,018,434 for the fiscal year ended June 30, 2018.

At June 30, 2018, the District reported a liability of \$37,398,411 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017.

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

The District's proportion of the net pension liability was based on 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 .11565%, which was a decrease of .006% from its proportion measured as of December 31, 2016.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2018 the District recognized pension expense of \$6,928,692. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 702,408	\$ -
Changes of assumptions or other inputs	\$ 9,894,066	\$ (67,021)
Net difference between projected and actual earnings on pension plan	\$ 821,898	\$ (2,210,076)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (1,783,171)
Contributions subsequent to the measurement date	\$ 516,867	\$ -
Total	\$ 11,935,239	\$ (4,060,268)

\$516,867 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Total
2019	\$ 5,258,865
2020	2,835,193
2021	(183,435)
2022	(552,519)
Total	\$ 7,358,104

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial assumptions. The total pension liability as of December 31, 2016 actuarial valuation was determined based on the December 31, 2015 actuarial valuation using the following rollforward assumptions and other inputs:

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2008 through December 31, 2011, adopted by PERA's Board on November 13, 2012, and an economic assumption study, adopted by PERA's Board on November 15, 2013 and January 17, 2014.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using 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 analysis of the long-term expected rate of return, adopted by the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	10 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

- Updated economic and demographic actuarial assumptions adopted by PERA's Board on November 16, 2016.
- 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 3.5%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce estimated amount to total service costs for future plan members.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Based on the above assumptions and methods, the GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond 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 Board of Governors of the Federal Reserve System, was applied to periods on or after 2014 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.83 percent, resulting in a discount rate of 4.78%.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

As of the prior measurement date, the GASB Statement No. 67 projection test indicated the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments of 7.50 percent was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate and the discount rate was 7.50 percent.

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 5.26%, 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 (4.26%) or 1-percentage-point higher (6.26%) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension asset (liability)	\$ (47,240,553)	\$ (37,398,411)	\$ (29,378,188)

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

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

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

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

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Changes between the measurement date of the net pension liability and June 30, 2018 (Continued)

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

At June 30, 2018, the District reported a liability of \$37,398,411 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 BOCES's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

**Estimated Discount
Rate Calculated Using
Plan Provisions
Required by SB 18-200
(pro forma)**

7.25%

**Proportionate Share of the
Estimated Net Pension
Liability Calculated Using
Plan Provisions Required
by SB 18-200 (pro forma)**

\$16,896,278

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 \$17,457,812 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 8: 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 for the Plan. 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 contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2018 program members contributed \$41,310.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan Description.

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

Benefits Provided

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$54,417 for the plan year ended December 31, 2017 and \$52,200 for the fiscal year ended June 30, 2018.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

At June 30, 2018, the District reported a liability of \$854,022 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The District's proportion of the net OPEB liability was based on 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 0.06571%, which was a decrease of .00343% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$59,368. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 4,039	\$ -
Net difference between projected and actual earnings on pension plan	\$ -	\$ (14,288)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (37,216)
Contributions subsequent to the measurement date	\$ 26,164	\$ -
Total	\$ 30,203	\$ (51,504)

\$26,164 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2019	\$ (10,090)
2020	(10,090)
2021	(10,090)
2022	(10,090)
2023	(6,518)
2024	(587)
Total	\$ (47,465)

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.00 % for 2017, gradually rising to 4.25% in 2023

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

- **Males:** Mortality improved 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Proportionate share of the net OPEB asset (liability)	\$ (830,524)	\$ (854,022)	\$ (882,323)

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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 4.78 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	3.78%	4.78%	5.78%
Proportionate share of the net OPEB asset (liability)	\$ (960,189)	\$ (854,022)	\$ (763,405)

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

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The District continues to carry commercial insurance for all other risks of loss, including boiler and machinery coverage. The District has not materially changed its coverage from previous years. Settled claims resulting from these risks have not exceeded commercial or District coverage in any of the past three years. The District has not recorded any liability for unpaid claims at June 30, 2018.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations.

The District is subject to the TABOR Amendment. In the November 2001 election, the District's electorate allowed the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitation under TABOR.

The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$161,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

The District has also restricted all available resources in the Bond Redemption Fund for future debt service.

NOTE 12: INTERFUND TRANSFERS

The District has recorded the following routine transfers:

General Fund transfer to Food Service Fund	\$ (25,000)
Food Service transfer from General Fund	<u>25,000</u>
Net Transfers	<u><u>\$ -</u></u>

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 12: INTERFUND TRANSFERS (Continued)

The District also reported balances that were due (to) and from other funds, and also between Governmental Activities and Fiduciary Activities as follows:

General Fund due from other funds	\$ 247,232
Swimming Pool Fund due from other funds	41,414
Pupil Activity Fund due from other funds	<u>4,981</u>
Total due from other funds	<u>\$ 293,627</u>
Food Service Fund due to other funds	(157,707)
Designated Grants Fund due to other funds	(121,865)
Bond Redemption Fund due to other funds	(13,785)
Pupil Activity Fund due from other funds	<u>(270)</u>
Total due to other funds	<u>\$ (293,627)</u>
Fiduciary due from Governmental Activities	\$ 4,711
Governmental Activities due to Fiduciary	<u>(4,711)</u>
Net Activities due (to) from	<u>\$ -</u>

NOTE 13: DEFICIT NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$27,432,724 primarily due to the PERA net pension liability of \$37,398,411, as further described in Note 7 and the net OPEB liability of \$854,022, as further discussed in Note 9. As the District has no control over pension and OPEB related benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 14: PRIOR PERIOD RESTATEMENT

For the fiscal year, the District adopted GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement places a long-term obligation, as well as related deferred outflows and inflows, on the Statement of Net Position related to future postemployment benefit obligations. The District has restated the beginning net position for the governmental activities for those balances that were applicable as of June 30, 2017. This restatement resulted in a net decrease in governmental activity net position of \$868,155.

As part of the June 30, 2018 fiscal year audit, it was determined that certain prior year balances required restatement at the fund level. These adjustments consisted of the overstatement of General Fund and Bond Fund deferred property taxes, as well as the overstatement of General Fund accounts payable.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 14: PRIOR PERIOD RESTATEMENT (Continued)

These restatements are as follows:

	General	Bond Redemption	Governmental Activities
Beginning Equity	<u>\$ 2,566,381</u>	<u>\$ 761,079</u>	<u>\$ (12,275,944)</u>
Adjust Deferred Property Taxes	39,163	14,224	53,387
Adjust Accounts Payable	98,133	-	98,133
Adjust Comp. Absences Liability	-	-	67,443
Record OPEB Liability	<u>-</u>	<u>-</u>	<u>(868,155)</u>
Net Restatements	<u>137,296</u>	<u>14,224</u>	<u>(649,192)</u>
Beginning Equity (As Restated)	<u><u>\$ 2,703,677</u></u>	<u><u>\$ 775,303</u></u>	<u><u>\$ (12,925,136)</u></u>

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REQUIRED SUPPLEMENTARY INFORMATION

(Pension and OPEB Schedules Unaudited)

PLATTE CANYON SCHOOL DISTRICT 1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

	6/30/18	6/30/17	6/30/16
District's proportion of the net pension asset (liability)	0.115654%	0.062242%	0.063618%
District's proportionate share of the net pension asset (liability)	\$ (37,398,411)	\$ (18,531,734)	\$ (9,729,850)
District's covered payroll	\$ 5,334,985	\$ 2,793,515	\$ 2,772,437
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	701.00%	663.38%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

<u>6/30/15</u>	<u>6/30/14</u>
0.063179%	0.067195%
\$ (8,562,897)	\$ (8,570,743)
\$ 2,646,753	\$ 2,708,857
323.52%	316.40%
62.84%	64.07%

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
Contractually required contributions	\$ 993,908	\$ 506,464	\$ 480,463
Actual contributions	<u>(993,908)</u>	<u>(506,464)</u>	<u>(480,463)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,334,985	\$ 2,793,515	\$ 2,772,437
Contributions as a percentage of covered payroll	18.63%	18.13%	17.33%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

<u>6/30/15</u>	<u>6/30/14</u>
\$ 434,862	\$ 420,685
<u>(434,862)</u>	<u>(420,685)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 2,646,753	\$ 2,708,857
16.43%	15.53%

PLATTE CANYON SCHOOL DISTRICT 1

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

	<u>06/30/18</u>	<u>06/30/17</u>
District's proportion of the net pension asset (liability)	0.065714%	0.069148%
District's proportionate share of the net pension asset (liability)	\$ (854,022)	\$ (896,534)
District's covered payroll	\$ 5,334,984	\$ 2,793,529
District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	16.01%	32.09%
Plan fiduciary net position as a percentage of the total pension liability	17.53%	16.70%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

	<u>06/30/18</u>	<u>06/30/17</u>
Contractually required contributions	\$ 54,417	\$ 28,494
Actual contributions	<u>(54,417)</u>	<u>(28,494)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,334,984	\$ 2,793,529
Contributions as a percentage of covered payroll	1.02%	1.02%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES

(Required Supplementary Information)

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Local Sources				
Property Taxes	\$ 2,019,349	\$ 2,410,738	\$ 2,442,153	\$ 31,415
Specific Ownership Taxes	385,000	423,698	479,915	56,217
Delinquent Taxes	1,000	1,000	(1,612)	(2,612)
MLO For Transmission	430,820	462,672	458,232	(4,440)
Tuition From Individuals	90,000	120,000	167,135	47,135
Tuition Within the BOCES	100,000	100,000	65,830	(34,170)
Transportation Fees	45,000	45,000	46,533	1,533
Investment Earnings	7,820	15,720	27,740	12,020
Rent Revenue	3,000	3,500	5,454	1,954
Donations	2,000	2,500	12,000	9,500
Other Local	60,323	61,425	50,515	(10,910)
Total Local Sources	<u>3,144,312</u>	<u>3,646,253</u>	<u>3,753,895</u>	<u>107,642</u>
Intermediate Sources				
Mineral Leases	1,500	955	955	-
Payments in Lieu of Taxes	-	-	166,752	166,752
Other Intermediate Source Revenue	-	18,219	282	(17,937)
Total Intermediate Sources	<u>1,500</u>	<u>19,174</u>	<u>167,989</u>	<u>148,815</u>
State Sources				
State Share (Equalization)	5,377,927	4,967,485	4,865,470	(102,015)
Hold Harmless	31,400	34,370	34,319	(51)
State Transportation	183,700	172,741	173,147	406
State Grants from CDE				
State ELPA: Professional Development and Student Support	-	1,112	1,236	124
State ELPA	500	836	929	93
State Share - Colorado Preschool Program (CPP)	27,500	-	-	-
Implementing State Educational Priorities	31,495	30,675	-	(30,675)
Small Rural Schools Additional Funding	345,327	345,327	-	(345,327)
Additional At-Risk Funding	8,000	8,000	3,189	(4,811)
READ Act	27,950	21,978	21,978	-
State Grants to Libraries	4,000	3,500	3,500	-
State Vocational Education	36,900	15,226	46,879	31,653
State Grants Provided through BOCES	1,000	-	76,598	76,598
Total State Sources	<u>6,075,699</u>	<u>5,601,250</u>	<u>5,227,245</u>	<u>(374,005)</u>
Federal Sources				
Federal Grants from CDE				
Title IIa Best	-	-	3,987	3,987
Race to the Top - Early Childhood Readiness Assessment	-	587	587	-
Medicaid Reimbursement	63,000	35,000	39,408	4,408
Total Federal Sources	<u>63,000</u>	<u>35,587</u>	<u>43,982</u>	<u>8,395</u>
TOTAL REVENUES	<u>9,284,511</u>	<u>9,302,264</u>	<u>9,193,111</u>	<u>(109,153)</u>

(Continued)

See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
(Continued)				
EXPENDITURES				
Instruction				
Salaries	3,136,590	3,149,700	2,969,311	180,389
Benefits	1,069,010	1,078,490	902,659	175,831
PS - Professional	172,927	101,138	71,762	29,376
PS - Property	2,750	2,750	739	2,011
PS - Other	361,750	537,349	366,555	170,794
Supplies	130,350	135,683	197,584	(61,901)
Property	27,795	28,795	30,930	(2,135)
Other Expenses	53,970	11,200	11,325	(125)
Total Instruction	<u>4,955,142</u>	<u>5,045,105</u>	<u>4,550,865</u>	<u>494,240</u>
Supporting Services				
Pupil Support				
Salaries	140,300	127,800	124,768	3,032
Benefits	46,600	44,900	37,806	7,094
PS - Professional	221,900	101,502	72,868	28,634
Supplies	3,890	4,390	2,320	2,070
Total Pupil Support	<u>412,690</u>	<u>278,592</u>	<u>237,762</u>	<u>40,830</u>
Staff Support				
Salaries	213,361	220,997	146,513	74,484
Benefits	75,900	68,600	45,138	23,462
PS - Professional	21,400	21,238	30,673	(9,435)
PS - Property	9,100	9,100	5,774	3,326
PS - Other	108,050	109,150	94,065	15,085
Supplies	23,200	26,000	18,615	7,385
Property	25,900	28,500	29,572	(1,072)
Other Expenses	400	400	-	400
Total Staff Support	<u>477,311</u>	<u>483,985</u>	<u>370,350</u>	<u>113,635</u>
General Administration				
Salaries	169,100	169,100	183,176	(14,076)
Benefits	59,500	59,500	46,045	13,455
PS - Professional	40,800	43,750	55,994	(12,244)
PS - Other	7,700	7,700	7,685	15
Supplies	2,300	2,300	3,763	(1,463)
Property	200	200	-	200
Other Expenses	17,200	17,200	17,510	(310)
Total General Administration	<u>296,800</u>	<u>299,750</u>	<u>314,173</u>	<u>(14,423)</u>
School Administration				
Salaries	499,300	504,600	533,522	(28,922)
Benefits	163,808	164,866	153,686	11,180
PS - Other	1,200	1,200	1,839	(639)
Supplies	6,300	6,300	6,177	123
Property	2,900	2,900	139	2,761
Other Expenses	2,420	2,470	1,543	927
Total School Administration	<u>675,928</u>	<u>682,336</u>	<u>696,906</u>	<u>(14,570)</u>

(Continued)
See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
(Continued)				
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Business Services				
Salaries	148,700	138,010	111,137	26,873
Benefits	43,300	39,900	30,008	9,892
PS - Professional	22,000	51,000	61,117	(10,117)
PS - Property	500	500	-	500
PS - Other	7,000	9,500	11,364	(1,864)
Supplies	32,500	32,500	28,437	4,063
Property	500	500	-	500
Other Expenses	1,200	1,200	690	510
Total Business Services	255,700	273,110	242,753	30,357
Operations and Maintenance				
Salaries	464,339	466,500	366,361	100,139
Benefits	166,090	166,190	113,182	53,008
PS - Professional	45,000	45,000	31,317	13,683
PS - Property	49,700	50,950	55,301	(4,351)
PS - Other	570	570	-	570
Supplies	330,570	351,470	354,403	(2,933)
Property	4,325	4,325	2,743	1,582
Total Operations and Maintenance	1,060,594	1,085,005	923,307	161,698
Transportation				
Salaries	372,500	377,900	390,523	(12,623)
Benefits	127,200	126,600	116,630	9,970
PS - Professional	8,000	8,000	3,040	4,960
PS - Property	500	500	239	261
PS - Other	8,760	13,475	5,831	7,644
Supplies	63,250	67,650	77,081	(9,431)
Property	45,176	45,176	45,163	13
Total Transportation	625,386	639,301	638,507	794
Other Central Support				
Salaries	61,800	73,700	65,845	7,855
Benefits	21,500	25,300	17,714	7,586
PS - Professional	1,700	2,300	2,932	(632)
PS - Property	43,500	43,500	74,451	(30,951)
PS - Other	4,000	4,000	2,567	1,433
Supplies	22,690	22,690	15,583	7,107
Property	900	900	516	384
Total Other Central Support	156,090	172,390	179,608	(7,218)
Risk Management				
PS - Professional	3,400	3,400	2,494	906
PS - Other	181,988	182,688	146,681	36,007
Property	685	685	-	685
Total Risk Management	186,073	186,773	149,175	37,598

(Continued)

See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2018

	2018			
	Original Budget	Final Budget	Actual	Variance with Final Budget
Facilities/Capital Outlay				
PS - Professional	-	-	5,554	(5,554)
PS - Property	220,000	220,000	8,285	211,715
Equipment	30,000	30,000	127,019	(97,019)
Non-Capitalized Equipment	52,000	52,000	-	52,000
Other Capital Outlay	5,027	5,027	-	5,027
Total Facilities/Capital Outlay	<u>307,027</u>	<u>307,027</u>	<u>140,858</u>	<u>166,169</u>
Debt Service				
Principal	61,262	52,083	27,186	24,897
Interest	<u>31,300</u>	<u>32,779</u>	<u>26,515</u>	<u>6,264</u>
Total Debt Service	<u>92,562</u>	<u>84,862</u>	<u>53,701</u>	<u>31,161</u>
TOTAL EXPENDITURES	<u>9,501,303</u>	<u>9,538,236</u>	<u>8,497,965</u>	<u>1,040,271</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(216,792)	(235,972)	695,146	931,118
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	-	-	127,019	127,019
Transfers	<u>(5,166)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>(221,958)</u>	<u>(260,972)</u>	<u>797,165</u>	<u>1,058,137</u>
BEGINNING FUND BALANCE	-	-	2,566,381	2,566,381
PRIOR PERIOD RESTATEMENT	-	-	<u>137,296</u>	<u>137,296</u>
BEGINNING FUND BALANCE (As Restated)	-	-	<u>2,703,677</u>	<u>2,703,677</u>
ENDING FUND BALANCE	<u>\$ (221,958)</u>	<u>\$ (260,972)</u>	<u>\$ 3,500,842</u>	<u>\$ 3,761,814</u>

See accompanying Independent Auditors' Report.

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OTHER SUPPLEMENTARY INFORMATION

PLATTE CANYON SCHOOL DISTRICT 1
Balance Sheet
Governmental Funds
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue			Totals
	Food Service Fund	Designated Grants Fund	Swimming Pool Fund	2018
ASSETS				
Cash and Investments	\$ 160,711	\$ -	\$ 47,403	\$ 208,114
Interfund Accounts Receivable	-	-	41,414	41,414
Grants Receivable	-	159,483	-	159,483
Inventory	21,402	-	-	21,402
TOTAL ASSETS	\$ 182,113	\$ 159,483	\$ 88,817	\$ 430,413
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ 157,707	\$ 121,865	\$ -	\$ 279,572
Accounts Payable	-	-	1,093	1,093
Accrued Salaries & Benefits	5,282	34,268	-	39,550
Total Liabilities	162,989	156,133	1,093	320,215
Deferred Inflows of Financial Resources				
Deferred Revenues	-	3,350	-	3,350
Fund Balance				
Nonspendable Fund Balance	21,402	-	-	21,402
Assigned Fund Balance				
Other Assigned Fund Balance	-	-	87,724	87,724
Unassigned Fund Balance	(2,278)	-	-	(2,278)
Total Fund Balance	19,124	-	87,724	106,848
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 182,113	\$ 159,483	\$ 88,817	\$ 430,413

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue			Totals
	Food Service	Designated Grants	Swimming Pool	
	Fund	Fund	Fund	2018
REVENUES				
Local Sources	\$ 120,214	\$ -	\$ 169,599	\$ 289,813
State Sources	3,011	675	-	3,686
Federal Sources	117,280	422,611	-	539,891
TOTAL REVENUES	<u>240,505</u>	<u>423,286</u>	<u>169,599</u>	<u>833,390</u>
EXPENDITURES				
Instruction	-	367,282	-	367,282
Staff Support	-	56,004	-	56,004
Food Service	253,872	-	-	253,872
Community Support	-	-	160,011	160,011
TOTAL EXPENDITURES	<u>253,872</u>	<u>423,286</u>	<u>160,011</u>	<u>837,169</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(13,367)	-	9,588	(3,779)
OTHER FINANCING SOURCES (USES)				
Transfer In (Out) - net	25,000	-	-	25,000
CHANGE IN FUND BALANCE	11,633	-	9,588	21,221
BEGINNING FUND BALANCE	7,491	-	78,136	85,627
ENDING FUND BALANCE	<u>\$ 19,124</u>	<u>\$ -</u>	<u>\$ 87,724</u>	<u>\$ 106,848</u>

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

Debt Service Fund (Bond Redemption Fund) – This fund was established to account for the repayment of the District's general obligation debt.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2018

	2018		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local Sources			
Property Taxes	\$ 783,000	\$ 889,883	\$ 106,883
Delinquent Taxes	500	1,121	621
Investment Earnings	1,200	5,466	4,266
TOTAL REVENUES	<u>784,700</u>	<u>896,470</u>	<u>111,770</u>
EXPENDITURES			
Supporting Services			
General Administration			
PS - Professional	<u>1,000</u>	<u>1,126</u>	<u>(126)</u>
Debt Service			
Principal	705,000	705,000	-
Interest	<u>125,650</u>	<u>132,700</u>	<u>(7,050)</u>
Total Debt Service	<u>830,650</u>	<u>837,700</u>	<u>(7,050)</u>
Contingency	<u>729,313</u>	<u>-</u>	<u>729,313</u>
TOTAL EXPENDITURES	<u>1,560,963</u>	<u>838,826</u>	<u>722,137</u>
CHANGE IN FUND BALANCE	<u>(776,263)</u>	<u>57,644</u>	<u>833,907</u>
BEGINNING FUND BALANCE	<u>776,263</u>	<u>761,079</u>	<u>(15,184)</u>
PRIOR PERIOD RESTATEMENT	<u>-</u>	<u>14,224</u>	<u>14,224</u>
BEGINNING FUND BALANCE (As Restated)	<u>776,263</u>	<u>775,303</u>	<u>(960)</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 832,947</u>	<u>\$ 832,947</u>

See accompanying Independent Auditors' Report.

SPECIAL REVENUE FUND

Food Service, Designated Grants and Swimming Pool Funds – These funds account for the food service, grants and swimming pool resources that are dedicated to providing those special projects and services, respectively.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2018

	2018		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local Sources			
Investment Earnings	\$ 100	\$ -	\$ (100)
Food Service Revenue	129,000	120,214	(8,786)
Total Local Sources	129,100	120,214	(8,886)
State Sources			
State Matching Child Nutrition	2,013	2,013	-
Start Smart Nutrition	3,000	212	(2,788)
School Lunch Protection Program: Free and Reduced for Pre-K th 4	850	786	(64)
Total State Sources	5,863	3,011	(2,852)
Federal Sources			
Federal Grants from CDE			
School Breakfast Program	20,000	13,023	(6,977)
National School Lunch Program	95,000	87,743	(7,257)
Federal Grants from Other State Agencies			
National School Lunch Program - Commodities	15,000	16,514	1,514
Total Federal Sources	130,000	117,280	(12,720)
TOTAL REVENUES	264,963	240,505	(24,458)
EXPENDITURES			
Supporting Services			
Food Service			
Salaries	109,450	99,786	9,664
Benefits	34,140	28,434	5,706
PS - Professional	4,373	4,971	(598)
PS - Other	500	112	388
Supplies	9,000	6,697	2,303
Food	117,000	93,271	23,729
Commodities	15,000	16,515	(1,515)
Other Expenses	500	4,087	(3,587)
TOTAL EXPENDITURES	289,963	253,873	36,090
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(25,000)	(13,368)	11,632
OTHER FINANCING SOURCES (USES)			
Transfers	25,000	25,000	-
CHANGE IN FUND BALANCE	-	11,632	11,632
BEGINNING FUND BALANCE	-	7,492	7,492
ENDING FUND BALANCE	\$ -	\$ 19,124	\$ 19,124

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Designated Grants Fund
For the Year Ended June 30, 2018

	2018		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
State Sources			
Computer Science Ed Grant	\$ -	\$ 675	\$ 675
Federal Sources			
Federal Grants from CDE			
NCLB Title I, Part A - Improving Basic Programs Operated by Schools	128,461	145,876	17,415
NCLB Title II, Part A - Teacher & Principal Training	26,232	26,404	172
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	-	10,000	10,000
Other Old Federal Grant Codes	(10,000)	-	10,000
Carl Perkins Vocational & Applied Technology Education Act, Title I, Vocational Education	9,765	6,719	(3,046)
Federal Provided through BOCES	219,047	233,612	14,565
Total Federal Sources	373,505	422,611	49,106
TOTAL REVENUES	373,505	423,286	49,781
EXPENDITURES			
Instruction			
Salaries	283,191	257,281	25,910
Benefits	94,924	95,778	(854)
PS - Professional	2,276	4,239	(1,963)
PS - Other	3,500	418	3,082
Supplies	-	9,566	(9,566)
Property	2,000	-	2,000
Other Expenses	50	-	50
Total Instruction	385,941	367,282	18,659
Staff Support			
Salaries	24,748	27,236	(2,488)
Benefits	7,491	9,168	(1,677)
PS - Professional	1,000	18,925	(17,925)
PS - Other	3,142	675	2,467
Supplies	850	-	850
Total Staff Support	37,231	56,004	(18,773)
TOTAL EXPENDITURES	423,172	423,286	(114)
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(49,667)	-	49,667
OTHER FINANCING SOURCES (USES)			
Transfers	20,000	-	(20,000)
CHANGE IN FUND BALANCE	(29,667)	-	29,667
BEGINNING FUND BALANCE	-	-	-
ENDING FUND BALANCE	\$ (29,667)	\$ -	\$ 29,667

See accompanying Independent Auditors' Report.

MIAMI-YODER SCHOOL DISTRICT JT60
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Swimming Pool Fund
For the Year Ended June 30, 2018

	2018		
	Final Budget	Actual	Variance with Final Budget
REVENUES			
Local Sources			
MLO For Transmission	\$ 98,000	\$ 101,755	\$ 3,755
Community Service Revenue	42,000	47,839	5,839
Rent Revenue	15,000	17,089	2,089
Other Local	3,500	2,916	(584)
TOTAL REVENUES	<u>158,500</u>	<u>169,599</u>	<u>11,099</u>
EXPENDITURES			
Community Support			
Salaries	110,328	96,514	13,814
Benefits	29,000	26,329	2,671
PS - Professional	1,500	803	697
PS - Property	2,000	-	2,000
PS - Other	600	43	557
Supplies	49,500	32,261	17,239
Property	7,000	2,785	4,215
Other Expenses	22,000	1,276	20,724
TOTAL EXPENDITURES	<u>221,928</u>	<u>160,011</u>	<u>61,917</u>
CHANGE IN FUND BALANCE	(63,428)	9,588	73,016
BEGINNING FUND BALANCE	-	78,136	78,136
ENDING FUND BALANCE	<u>\$ (63,428)</u>	<u>\$ 87,724</u>	<u>\$ 151,152</u>

See accompanying Independent Auditors' Report.

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups. The agency funds are custodial in nature and do not involve measurement of results of operations.

Pupil Activity Fund

The District has established an agency fund to account for various student activity groups and contributions from private organizations.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenses and Changes in Fiduciary Net Position
Budget and Actual
Fiduciary Funds
Student Activity Fund
For the Year Ended June 30, 2018

	2018		
	Final Budget	Actual	Variance with Final Budget
ADDITIONS			
Local Sources	\$ 140,392	\$ 152,851	\$ 12,459
DEDUCTIONS			
Instruction	253,849	150,372	103,477
CHANGE IN NET POSITION	(113,457)	2,479	115,936
BEGINNING NET POSITION	113,457	113,457	-
ENDING NET POSITION	<u>\$ -</u>	<u>\$ 115,936</u>	<u>\$ 115,936</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

This report includes information required by the Colorado Department of Education.

Colorado Department of Education
Auditors Integrity Report
 District: 2600 - PLATTE CANYON 1
 Fiscal Year 2017-18
 Colorado School District/BOCES



See accompanying Independent Auditors Report.

Revenues, Expenditures, & Fund Balance by Fund		1000 - 5999 Total Revenues & Other Sources		0001-0999 Total Expenditures & Other Uses		6700-6799 & Prior Per Adj (6880*) Ending Fund Balance	
Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+				=	
Governmental							
00 General Fund	2,703,678		9,160,360	8,363,194		3,500,843	
8 Risk Mgmt Sub-Fund of General Fund	0		0	0		0	
9 Colorado Preschool Program Fund	0		134,769	134,769		0	
Sub- Total	2,703,678		9,295,128	8,497,963		3,500,843	
1 Charter School Fund	0		0	0		0	
026-29 Special Revenue Fund	0		0	0		0	
06 Supplemental Cap Const. Tech. Main. Fund	0		0	0		0	
11 Food Service Spec Revenue Fund	7,492		265,505	253,873		19,124	
22 Govt Designated-Purpose Grants Fund	0		423,286	423,286		0	
23 Pupil Activity Special Revenue Fund	78,136		169,599	160,011		87,724	
24 Full Day Kindergarten Mill Levy Override	0		0	0		0	
25 Transportation Fund	0		0	0		0	
31 Bond Redemption Fund	775,303		896,470	838,826		832,947	
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0	
41 Building Fund	0		0	0		0	
42 Special Building Fund	0		0	0		0	
43 Capital Reserve Capital Projects Fund	0		0	0		0	
46 Supplemental Cap Const. Tech. Main Fund	0		0	0		0	
Totals	3,564,608		11,049,988	10,173,959		4,440,637	
Proprietary							
50 Other Enterprise Funds	0		0	0		0	
64 (63) Risk-Related Activity Fund	0		0	0		0	
60.65-69 Other Internal Service Funds	0		0	0		0	
Totals	0		0	0		0	
Fiduciary							
70 Other Trust and Agency Funds	0		0	0		0	
72 Private Purpose Trust Fund	0		0	0		0	
73 Agency Fund	0		0	0		0	
74 Pupil Activity Agency Fund	113,456		152,851	150,372		115,936	
79 GASB 34-Permanent Fund	0		0	0		0	
85 Foundations	0		0	0		0	
Totals	113,456		152,851	150,372		115,936	
FINAL							



Colorado Department of Education
Bolded Balance Sheet Report
District: 2600 - PLATTE CANYON 1
Fiscal Year 2017-18
Colorado School District/BOCES

Page: 1

See accompanying Independent Auditors' Report.

ASSETS	Governmental						Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104, 8111)	3,641,528	0	0	47,403	0	160,711	802,258	0	0	0	0	0	115,693	0
Cash with Fiscal Agent (8105)	209,315	0	0	0	0	0	12,905	0	0	0	0	0	0	0
Taxes Receivable (8121, 8122)	159,494	0	0	0	0	0	47,451	0	0	0	0	0	0	0
Interfund Loans Receivable (8131, 8132)	228,473	0	18,759	41,414	0	0	0	0	0	0	0	0	4,980	0
Grants Accounts Receivable (8142)	87,202	0	0	159,483	0	0	0	0	0	0	0	0	0	0
Other Receivables (8151-8154, 8161)	1,065	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171, 8172, 8173)	0	0	0	0	0	21,402	0	0	0	0	0	0	0	0
Prepaid Expenses 8181, 8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Depreciation on Site Improvements (8222)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241, 8242, 8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	4,327,077	0	18,759	248,301	0	182,113	862,613	0	0	0	0	0	120,673	0
														5,759,536

Governmental

Proprietary

Fiduciary

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk- Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401-7402)	0	0	0	121,865	0	157,707	13,785	0	0	0	0	0	270	0	293,627
Other Payables (7421-7423)	68,611	0	3,069	1,093	0	0	0	0	0	0	0	0	4,468	0	77,241
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	358,384	0	15,689	34,268	0	5,283	0	0	0	0	0	0	0	0	413,624
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	53,382	0	0	0	0	0	15,881	0	0	0	0	0	0	0	69,263
Deferred Inflow Grants (7801)	345,858	0	0	3,350	0	0	0	0	0	0	0	0	0	0	349,208
Total Liabilities	826,235	0	18,759	160,576	0	162,989	29,667	0	0	0	0	0	4,737	0	1,202,963

See accompanying Independent Auditors' Report.

Governmental										Proprietary					Fiduciary	
FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Non-spendable Fund Balance 6710	0	0	0	0	0	21,402	0	0	0	0	0	0	0	0	21,402	
Restricted Fund Balance 6720	0	0	0	0	0	0	818,723	0	0	0	0	0	0	0	818,723	
TABOR 3% Emergency Reserve 6721	310,000	0	0	0	0	0	0	0	0	0	0	0	0	0	310,000	
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	87,724	0	0	0	0	0	0	0	0	0	0	87,724	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unassigned Fund Balance 6770	3,053,546	0	0	0	0	-2,278	0	0	0	0	0	0	115,936	0	3,167,204	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6880	137,296	0	0	0	0	0	14,224	0	0	0	0	0	0	0	151,520	
Total Fund Equity	3,500,843	0	0	87,724	0	19,124	832,947	0	0	0	0	0	115,936	0	4,556,573	
Total Liabilities & Fund Equity																
	4,327,077	0	18,759	248,301	0	182,113	862,613	0	0	0	0	0	120,673	0	5,759,536	
For Each Fund Type:																
Do Assets=Liability+Fund Equity																
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes