

**RIO BLANCO COUNTY SCHOOL DISTRICT RE-1**  
**MEEKER, COLORADO**

FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
June 30, 2018

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Board of Education  
Rio Blanco County (Meeker) School District RE-1  
Meeker, Colorado

### **INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying financial statements of the governmental activities, each major fund, and each fiduciary fund type, of the Rio Blanco County (Meeker) School District No. RE-1 (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and each fiduciary fund type of the Rio Blanco County (Meeker) School District No. RE-1 as of June 30, 2018, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

The District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other than Pensions*. As a result of the implementation of GASB Statement No. 75 as described in Note 17 of the financial statements, the District reported a restatement for the change in accounting principle. Our opinions are not modified with respect to the restatement.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Other Supplemental Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "other supplemental information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, the debt covenant compliance schedules are presented for regulatory purposes, these schedules are not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 taken as a whole.



MAGGARD & HOOD, P.C.  
Glenwood Springs, Colorado  
December 5, 2018

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Rio Blanco County (Meeker) School District RE-1 is a public school district located in Rio Blanco County in Northwest Colorado. The District consists of Meeker Elementary, Middle and High School. The District is a political subdivision of the State of Colorado, and serves the town of Meeker, and portions of unincorporated Rio Blanco County.

The discussion and analysis of the Rio Blanco County (Meeker) School District RE-1's financial performance provides an overall review of the District's financial activities. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

**FINANCIAL HIGHLIGHTS**

Key financial highlights for the fiscal year ended June 30, 2018 are as follows:

- The District has implemented the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the current year which required a restatement of prior period Net Assets for the change in accounting principle. Similar to GASB Statement No. 68 which requires the reporting of the District's proportionate share of the total PERA net pension liability in its government-wide financial statements, GASB Statement No. 75 requires the District to report its proportionate share of the total PERA Health Care Trust Fund (HCTF) net Other Post-Employment Benefits (OPEB) in its government-wide financial statements. As of June 30, 2018, the District's share of the PERA net pension liability is \$25,810,216 and the District's share of the PERA HCTF net OPEB liability is \$589,525.
- Inclusive of the District's proportional share of the State PERA net pension liability, there was an overall decrease in net position of \$3,639,906 from the previous fiscal year.
- General Revenues accounted for \$8,876,816 or 88%, of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$1,209,012 or 12%, of the District's total revenues of \$10,085,828.
- The District had \$13,725,734 in expenses, of which \$1,209,012 were offset by program specific charges for services and sales, grants and contributions.

**USING THE BASIC FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Rio Blanco County (Meeker) School District RE-1 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Rio Blanco County (Meeker) School District RE-1, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**REPORTING THE DISTRICT AS A WHOLE**

*Statement of Net Position and Statement of Activities*

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the District, and its component units, except for fiduciary funds. As described below, the financial statements of the District's fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the District's activities. However, the financial statements of fiduciary funds are included in the District's financial statements because the District is financially accountable for those resources, even though they belong to other parties.

The two statements report the District's net position and changes therein. This change is important because it identifies whether the financial condition of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

The School District's activities as reflected on the Statement of Net Position and the Statement of Activities consist of the following:

**Governmental Activities** – Governmental activities are those that are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. The School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, and extracurricular activities.

**Proprietary Activities** – The District currently has no Business-type activities, which are those provided on a charge for goods or services basis to recover all expenses of the goods and services provided.

**Fiduciary Activities** – Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School District's own programs. The accounting use for the fiduciary funds is much like that used for proprietary funds. The District's two fiduciary funds are the Scholarship Fund and the Pupil Activity Fund. The Scholarship Fund is an agency fund which accounts for student scholarships and the Pupil Activity Fund is an agency fund which generally accounts for student generated revenues and expenditures related to non-classroom activities.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**FUND FINANCIAL STATEMENTS**

Fund financial reports provide detailed information about the District's major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. Fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and, (3) fiduciary funds.

**Governmental Funds** – The District's activities in governmental funds focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between government-wide activities and the governmental funds is reconciled in the financial statements. The District's major governmental funds are:

*General Fund* – The General Fund is the District's primary operating fund and accounts for the majority of the District's instruction and support operations, including preschool operations.

*Food Service Fund* – The Food Service Fund is a special revenue fund which accounts for the District's general food service activities with revenue sources specifically designated for such activities.

*Bond Redemption Fund* – The Bond Redemption Fund accounts for property tax collections and transactions related to the District's general obligation indebtedness.

*Capital Reserve Project Fund* – The Capital Projects Fund accounts for the District's funding for major capital needs.

**Proprietary Funds** – Proprietary (enterprise) funds use the same basis of accounting as business-type activities. The District currently has no proprietary funds (or business-type) activities.

**Fiduciary Funds** – Fiduciary (or *Agency*) funds are reported in a separate Statement of Fiduciary Net Position. This type of activity is excluded from governmental funds because the District cannot use these assets to finance its operations, and the District is acting solely as trustee or agent for the benefit of others to whom the resources belong, such as school activity accounts. The District's fiduciary funds are the:

*Scholarship Fund* – The Scholarship Fund accounts for scholarship funds held in a custodial capacity.

*Pupil Activity Fund* – The Pupil Activity Fund accounts for student athletic/nonathletic funds held in a custodial capacity.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**NOTES TO THE FINANCIAL STATEMENTS**

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

**SUPPLEMENTAL INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents supplemental information required by U.S. generally accepted accounting principles, as well as other supplemental information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education.

**THE DISTRICT AS A WHOLE**

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the current compared to the prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<b>ASSETS:</b>		<i>(RESTATED)</i>				<i>(RESTATED)</i>
Current and Other Assets	\$ 9,620	\$ 8,994	\$ -	\$ -	\$ 9,620	\$ 8,994
Capital Assets, Net	28,356	28,775	-	-	28,356	28,775
	37,976	37,769			37,976	37,769
<b>DEFERRED OUTFLOWS:</b>						
Charge on Refunding	2,230	2,240	-	-	2,230	2,240
Related to Pensions	7,805	8,535	-	-	7,805	8,535
Related to OPEBs	56	18	-	-	56	18
	10,091	10,793	-	-	10,091	10,793
<b>LIABILITIES:</b>						
Current & Other Liabilities	694	823	-	-	694	823
Long-term Liabilities	19,526	20,217	-	-	19,526	20,217
Net Pension Liability	25,810	22,113	-	-	25,810	22,113
Net Pension Liability	590	547	-	-	590	547
	46,620	43,700	-	-	46,620	43,700
<b>DEFERRED INFLOWS:</b>						
Related to Pensions	761	546	-	-	761	546
Related to OPEBs	10	-	-	-	10	-
	771	546	-	-	771	546
<b>NET POSITION:</b>						
Invested in Capital Assets, Net of Related Debt	12,426	12,711	-	-	12,426	12,711
Restricted	4,097	3,714	-	-	4,097	3,714
Unrestricted	(15,847)	(11,580)	-	-	(15,847)	(11,580)
	\$ 676	\$ 4,845	\$ -	\$ -	\$ 676	\$ 4,845

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are amounts set aside to satisfy debt service requirements and statutorily required emergency reserves.

The District's Statement of Net Position also includes the District's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The related negative unrestricted assets balance merely represents that there are *long-term* obligations, including pensions and OPEB benefits, in excess of *currently* available resources.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**THE DISTRICT AS A WHOLE -- CONTINUED**

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	<i>(Restated)</i>				<i>(Restated)</i>	
	2018	2017	2018	2017	2018	2017
<b>REVENUES:</b>						
<b>Program Revenues:</b>						
Charges for Services & Sales	\$ 173	\$ 163	\$ -	\$ -	\$ 173	\$ 163
Operating Grants & Contributions	963	729	-	-	963	729
Capital Grants and Contributions	73	428	-	-	73	428
Total Program Revenues	1,209	1,320	-	-	1,209	1,320
<b>General Revenues:</b>						
Property & Ownership Taxes	6,505	6,510	-	-	6,505	6,510
Grants and Entitlements	1,995	1,523	-	-	1,995	1,523
Federal Mineral & Forest Leasing	276	213	-	-	276	213
Interest & Investment Earnings	101	51	-	-	101	51
Other General Revenues	-	15	-	-	-	15
Total General Revenues	8,877	8,312	-	-	8,877	8,312
Total Revenues	10,086	9,632	-	-	10,086	9,632
<b>PROGRAM EXPENSES:</b>						
Instruction	5,411	4,948	-	-	5,411	4,948
<b>Support Services:</b>						
Students	31	75	-	-	31	75
Instructional Staff	163	168	-	-	163	168
General Administration	362	397	-	-	362	397
School Administration	561	538	-	-	561	538
Business Support Services	121	114	-	-	121	114
Operations and Maintenance	801	708	-	-	801	708
Student Transportation	177	235	-	-	177	235
Central Support Services	6	9	-	-	6	9
Food Services	276	268	-	-	276	268
Risk Management	-	117	-	-	-	117
Facilities Non-capitalized Expenses	57	19	-	-	57	19
Unallocated PERA Actuarial Adj.	4,643	3,174	-	-	4,643	3,174
Unallocated PERA OPEB Actuarial Adj.	15	529	-	-	15	529
Interest and Fiscal Charges	1,102	1,145	-	-	1,102	1,145
Total (Expenses)	13,726	12,444	-	-	13,726	12,444
Increase (Decrease) in Net Position	\$ (3,640)	\$ (2,812)	\$ -	\$ -	\$ (3,640)	\$ (2,812)

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. In fiscal year 2018, approximately 20% of SFA funding came from state equalization and 64% from taxes. For the fiscal year 2018, the net position of the District's governmental activities decreased by approximately \$3,640 thousand primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities. The District current has no business-type activities.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**THE DISTRICT AS A WHOLE -- NET COST OF SERVICES**

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	Fiscal Year 2018		Fiscal Year 2017	
	Total Cost of Services	Net Cost of Services	<i>(Restated)</i> Total Cost of Services	<i>(Restated)</i> Net Cost of Services
Instruction	\$ 5,411	\$ 4,560	\$ 4,948	\$ 4,211
Support Services:				
Students	31	28	75	72
Instructional Staff	163	163	168	168
General Administration	362	362	397	397
School Administration	561	561	538	538
Business Support Services	121	121	114	114
Operations and Maintenance	801	786	708	693
Student Transportation	177	75	235	188
Central Support Services	6	6	9	9
Food Services	276	38	268	31
Risk Management	-	-	117	117
Facilities Non-capitalized Expenses	57	57	19	(262)
Unallocated PERA Actuarial Adj.	4,643	4,643	3,174	3,174
Unallocated PERA OPEB Actuarial Adj.	15	15	529	529
Interest and Fiscal Charges	1,102	1,102	1,145	1,145
Total Expenses	\$ 13,726	\$ 12,517	\$ 12,444	\$ 11,124

The dependence on general revenues for governmental activities is apparent, whereas approximately 84% and 85% of instruction activities were supported through taxes and other general revenues in 2018 and 2017, respectively. In these years, overall general revenues support was 91% in 2018 and 89% in 2017. The community as a whole is the primary support for District students.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
For the Fiscal Year Ended June 30, 2018

**THE DISTRICT'S FUNDS**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds are accounted for using the modified accrual basis of accounting.

***Governmental Funds –***

The *General Fund* had an overall increase in fund balance of \$367,115. The ending fund balance of \$4,665,200 is the amount available for future spending.

The *Food Service Fund* had an overall increase in fund balance of \$5,464. The ending fund balance of \$24,716 is the amount available for future spending.

The *Bond Service Redemption* had an overall increase in fund balance of \$386,513. The ending fund balance of \$3,902,962 is the amount available for future spending.

The *Capital Reserve Projects Fund* had an overall decrease in fund balance of \$179,039. The ending fund balance of \$332,289 is the amount available for future spending.

***Fiduciary (Agency) Funds –***

The *Scholarship Fund* ended the year with \$186,125 available for future spending.

The *Pupil Activity Fund* ended the year with \$184,530 available for future spending.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**GENERAL FUND BUDGETING HIGHLIGHTS**

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(F)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year, the District amended its budget as needed.

For the General Fund, actual revenues and other financing sources in the amount of \$7,477,104 were above budgetary expectations of \$6,974,969 by \$502,135.

The District's General Fund actual expenditures and other financing uses of \$7,109,989 were \$202,477 below budgeted expenditures of \$7,312,466. These major differences between budgeted amounts and actual expenditures were primarily due to excess amounts budgeted for general support services, business support & transportation.

The Board of Directors and District management continue to strive to budget appropriate amounts for each individual line item. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity. The overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

**CAPITAL ASSETS**

At the end of fiscal year 2018, the District had a total of \$28,355,540 invested in capital assets for *governmental activities*. Additional information on the District's capital assets can be found in *Note 4* of the financial statements.

The following reflects the balances of fiscal year 2018 compared to fiscal year 2017:

<i>(In Thousands)</i>	Governmental Activities	
	2018	2017
<i>Net of Depreciation:</i>		
Land	\$ 725	\$ 725
Construction in Progress	-	56
Buildings & Improvements	27,311	27,712
Transportation Equipment	239	168
Food Service Equipment	3	5
Other Equipment	77	109
	\$ 28,355	\$ 28,775

**DEBT ADMINISTRATION**

At June 30, 2018 the School District's governmental activities had \$15,865,000 in outstanding general obligations bonds, \$40,000 of capital appreciation bonds plus \$992,363 interest thereon, deferred premiums on the outstanding bonds in the net amount of \$2,344,397, capital leases of \$24,427, and accrued compensated absences of \$259,321. Other long-term obligations consist of the District's proportionate share of the aforementioned State PERA Net Pension Liability and PERA OPEB liability (see Note 10, 11, 13 & 14) in the amount of \$25,810,216 and \$589,525, respectively. The bonds are being paid from a mill levy in the Bond Redemption fund while other long-term obligations are satisfied from the General Fund.

Additional debt information can be found in *Note 5* of the financial statements.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2018

**CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK**

The Public School Finance Act of 1994 (SFA) is the largest source of revenue for the District's operating funds. The SFA calculates per-pupil funding by school district based upon a formula using a number of factors including cost of living, number of students, district size, personnel vs. non-personnel costs, and number of at-risk students. The purpose of the SFA was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the SFA are derived by the following formula:

$$\textit{Total Program Funding} = \textit{local property taxes} + \textit{general specific ownership taxes} + \textit{state equalization}$$

The United States and the State of Colorado have experienced unprecedented economic decline. One impact of this budget crisis is the reduction in the State of Colorado's general fund revenues. Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District's revenues are directly impacted. The District has implemented many cost-savings measures, as well as planning for utilization of existing fund balances, to maintain faculty staffing levels. The Board and Administration continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

According to Colorado PERA, the overall statewide collective net pension liability for the PERA School Division Trust Fund is \$32.3 billion, an increase of approximately \$2.5 billion from the prior year. Changes in two actuarial assumptions primarily contributed to the increase in the collective net pension liability. In November 2016, the PERA Board decided to take a more conservative approach to the future of the market and lowered the long-term return expectation from 7.5 percent to 7.25 percent. Additionally, the Board conducted an experience study which showed that its members are now living longer – meaning PERA is paying benefits for a longer period of time. Additionally, other changes in actuarial assumptions adopted by the PERA Board resulted in an increase to the collective net pension liability for the School Division Trust Fund of approximately \$2.3 billion, while required application of the use of a blended discount rate of 5.26 percent resulted in an additional increase to the collective net pension liability of approximately \$11.3 billion. As a result, the District's proportionate share of the collective net pension liability increased approximately 12% in the current fiscal year. It is important to note that this reporting requirement does not necessarily reflect the financial condition of a governmental entity because a pension liability cannot be made immediately due and payable. Additionally, this has no impact on the District's fund level financial statements which are used for internal and budgetary use; rather, the change only effects the District's government-wide financial statement reporting in the year-end audited financial statements.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**  
For the Fiscal Year Ended June 30, 2018

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Rio Blanco County (Meeker) School District RE-1  
Attn: Finance Director  
P.O. Box 1089  
Meeker, CO 81641

GOVERNMENT - WIDE FINANCIAL STATEMENTS

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF NET POSITION**  
June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 9,323,169
Cash w/ County Treasurer	2,222
Receivables:	
Property Taxes	111,430
Intergovernmental	66,413
Other Receivables	108,207
Inventory	8,938
Total Current Assets	<u>9,620,379</u>
Capital Assets:	
Capital Assets, Non-depreciable	725,237
Capital Assets, Net of Depreciation	<u>27,630,303</u>
Total Capital Assets	<u>28,355,540</u>
TOTAL ASSETS	<u>37,975,919</u>
DEFERRED OUTFLOWS:	
Deferred Charge on Refunding	2,230,182
Pensions, Net of Accumulated Amortization	7,804,534
OPEBs, Net of Accumulated Amortization	<u>56,407</u>
TOTAL DEFERRED OUTFLOWS	<u>10,091,123</u>
LIABILITIES:	
Accounts Payable	1,090
Accrued Salaries and Benefits	617,199
Accrued Interest Payable	70,122
Unearned Revenues	6,017
Long-term Debt:	
Portion Due or Payable within One Year, Net	1,127,796
Portion Due or Payable After One Year, Net	18,397,712
Net Pension Liability	25,810,216
Net OPEB Liability	<u>589,525</u>
TOTAL LIABILITIES	<u>46,619,677</u>
DEFERRED INFLOWS:	
Pensions, Net of Accumulated Amortization	761,077
OPEBs, Net of Accumulated Amortization	<u>10,364</u>
TOTAL DEFERRED INFLOWS	<u>771,441</u>
NET POSITION:	
Invested in Capital Assets, Net of Related Debt	12,426,113
<i>Restricted for:</i>	
Debt Service	3,902,962
Emergencies	194,000
Unrestricted	<u>(15,847,151)</u>
TOTAL NET POSITION	<u>\$ 675,924</u>

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**STATEMENT OF ACTIVITIES**

For the Fiscal Year Ended June 30, 2018

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 5,411,110	\$ 47,157	\$ 791,344	\$ 12,735
Supporting Services:				
General Support Services:				
- Students	31,115	-	3,500	-
- Instructional Staff	163,393	-	-	-
- General Administration	361,757	-	-	-
- School Administration	560,683	-	-	-
Business Support Services:				
- Business Services	120,800	-	-	-
- Operations and Maintenance	800,610	14,400	-	-
Student Transportation	177,286	-	41,978	60,000
Central Support Services	6,502	-	-	-
Food Services	275,584	111,276	126,622	-
Facilities Non-capitalized Expenses	56,754	-	-	-
Unallocated PERA Actuarial Adjustments	4,643,024	-	-	-
Unallocated PERA OPEB Actuarial Adj.	14,644	-	-	-
Interest and other Costs of Long-term Debt	1,102,472	-	-	-
Total Governmental Activities	<u>13,725,734</u>	<u>172,833</u>	<u>963,444</u>	<u>72,735</u>
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 13,725,734</u>	 <u>\$ 172,833</u>	 <u>\$ 963,444</u>	 <u>\$ 72,735</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied For General Purposes

Property Taxes, Levied For Debt Service

Specific Ownership Taxes, for General Purposes

Grants and Entitlements Not Restricted to Specific Programs

Federal Mineral and Forest Leasing Revenues

Division of Wildlife

Unrestricted Interest and Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION—BEGINNING OF YEAR (*Restated*)

NET POSITION—END OF YEAR

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

NET (EXPENSE) REVENUE AND  
CHANGES IN NET POSITION

Governmental Activities	Business-type Activities	Total
\$ (4,559,874)	<i>(not applicable)</i>	\$ (4,559,874)
(27,615)		(27,615)
(163,393)		(163,393)
(361,757)		(361,757)
(560,683)		(560,683)
(120,800)		(120,800)
(786,210)		(786,210)
(75,308)		(75,308)
(6,502)		(6,502)
(37,686)		(37,686)
(56,754)		(56,754)
(4,643,024)		(4,643,024)
(14,644)		(14,644)
(1,102,472)		(1,102,472)
(12,516,722)		(12,516,722)
(12,516,722)		(12,516,722)
3,950,462		3,950,462
2,312,305		2,312,305
242,156		242,156
1,994,623		1,994,623
272,850		272,850
3,266		3,266
101,154		101,154
-		-
8,876,816		8,876,816
(3,639,906)		(3,639,906)
4,315,830		4,315,830
\$ 675,924		\$ 675,924

## FUND FINANCIAL STATEMENTS

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2018

	General Fund	Food Service Fund	Bond Redemption Fund
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,084,643	\$ 19,159	\$ 3,887,078
Cash w/ County Treasurer	1,395	-	827
Receivables:			
Property Taxes, Net	25,467	-	15,057
Intergovernmental	66,413	-	-
Other Receivables	106,338	1,869	-
Inventory	-	8,938	-
Due from Other Funds	-	767	-
	<u>-</u>	<u>767</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 5,284,256</u>	<u>\$ 30,733</u>	<u>\$ 3,902,962</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>Liabilities:</b>			
Accounts Payable	\$ 1,090	\$ -	\$ -
Accrued Salaries and Benefits	617,199	-	-
Due to Other Funds	767	-	-
Unearned Revenues	-	6,017	-
<b>Total Liabilities</b>	<u>619,056</u>	<u>6,017</u>	<u>-</u>
<b>Fund Balances:</b>			
Non-spendable	-	8,938	-
Restricted			
Debt Service	-	-	3,902,962
Emergencies	194,000	-	-
Committed			
Capital Projects	-	-	-
Food Service	-	15,778	-
Unassigned	4,471,200	-	-
<b>Total Fund Balances</b>	<u>4,665,200</u>	<u>24,716</u>	<u>3,902,962</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 5,284,256</u>	<u>\$ 30,733</u>	<u>\$ 3,902,962</u>

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

Capital Reserve Projects Fund	Total Governmental Funds
\$ 332,289	\$ 9,323,169
-	2,222
-	40,524
-	66,413
-	108,207
-	8,938
-	767
\$ 332,289	\$ 9,550,240

\$ -	\$ 1,090
-	617,199
-	767
-	6,017
-	625,073

-	8,938
-	3,902,962
-	194,000
332,289	332,289
-	15,778
-	4,471,200
332,289	8,925,167

\$ 332,289	\$ 9,550,240
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**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES**  
**TO NET POSITION OF GOVERNMENTAL ACTIVITIES**  
June 30, 2018

TOTAL GOVERNMENTAL FUND BALANCES \$ 8,925,167

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

Property taxes receivable that are due later than 60 days after year-end are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the governmental funds. 70,906

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital Assets	\$ 37,859,927	
Less Accumulated Depreciation	<u>(9,504,387)</u>	28,355,540

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Net Position, the premium is deferred and allocated over the term of the issuance as accretion of deferred premium. Deferred Charges related to the refunding of long-term debt are amortized over the life of the issue, but are not reported in the funds.

Current Portion Bond Premiums	\$ (10,299)	
Noncurrent Portion Bond Premiums, Net	(2,334,098)	
Deferred Charge on Refunding, Net	<u>2,230,182</u>	(114,215)

Some liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:

Accrued Interest Payable	\$ (70,122)	
Current Portion of Long-term Liabilities	<u>(1,117,497)</u>	(1,187,619)

Long-term liabilities are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

Bonds Payable, Net	\$ (14,802,637)	
Lease Payable	(9,293)	
Accrued Compensated Absences	(259,321)	
Accrued Capital Appreciation Bond Interest	(992,363)	
Net Pension Liability	(25,810,216)	
Net OPEB Liability	(589,525)	
Deferred Outflows of Resources Pension	7,804,534	
Deferred Inflows of Resources Pension	(761,077)	
Deferred Outflows of Resources - OPEB	56,407	
Deferred Outflows of Resources - OPEB	<u>(10,364)</u>	<u>(35,373,855)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 675,924

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Fiscal Year Ended June 30, 2018

	General Fund	Food Service Fund	Bond Redemption Fund
<b>REVENUES:</b>			
Local Sources	\$ 4,485,762	\$ 111,276	\$ 2,350,388
Intermediate Sources	276,116	-	-
State Sources	2,524,245	2,881	-
Federal Sources	190,981	123,741	-
Total Revenues	<u>7,477,104</u>	<u>237,898</u>	<u>2,350,388</u>
<b>EXPENDITURES:</b>			
Instruction	4,942,033	-	-
Supporting Services:			
Students	31,115	-	-
Instructional Staff	163,393	-	-
General Administration	223,095	-	-
School Administration	529,247	-	-
Business Services	113,709	-	-
Operations and Maintenance	796,000	-	-
Transportation	247,561	-	-
Central Services	6,502	-	-
Food Services	-	275,584	-
Facilities Acquisition/Construction	-	-	-
Debt Service:			
Principal	14,184	-	1,295,000
Interest	-	-	667,825
Other	-	-	1,050
Total Expenditures	<u>7,066,839</u>	<u>275,584</u>	<u>1,963,875</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>410,265</u>	<u>(37,686)</u>	<u>386,513</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	-	43,150	-
Transfers (Out)	(43,150)	-	-
Total Other Financing Sources (Uses)	<u>(43,150)</u>	<u>43,150</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	367,115	5,464	386,513
FUND BALANCE – BEGINNING	<u>4,298,085</u>	<u>19,252</u>	<u>3,516,449</u>
FUND BALANCE – ENDING	<u>\$ 4,665,200</u>	<u>\$ 24,716</u>	<u>\$ 3,902,962</u>

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

Capital Reserve Projects Fund	Total Governmental Funds
\$ 3,832	\$ 6,951,258
-	276,116
-	2,527,126
-	314,722
<u>3,832</u>	<u>10,069,222</u>
-	4,942,033
-	31,115
-	163,393
-	223,095
-	529,247
-	113,709
-	796,000
-	247,561
-	6,502
-	275,584
182,871	182,871
-	1,309,184
-	667,825
-	1,050
<u>182,871</u>	<u>9,489,169</u>
<u>(179,039)</u>	<u>580,053</u>
-	43,150
-	(43,150)
-	-
(179,039)	580,053
<u>511,328</u>	<u>8,345,114</u>
<u>\$ 332,289</u>	<u>\$ 8,925,167</u>

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
For the Fiscal Year Ended June 30, 2018

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 580,053

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year increased from the previous fiscal year: 16,606

Governmental Funds report capital outlays as expenditures; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In addition, the net book value of asset sales/dispositions is an adjustment to gain (loss) on the Statement of Activities.

Current Period Capitalized Outlay	\$ 231,701	
Current Period Depreciation	(644,354)	
Asset Sale/Disposal Gain (Loss)	<u>(6,618)</u>	(419,271)

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of bond premium. This is the amount of accretion of bond premiums recognized on the current year statement of activities. 74,701

Deferred Charges on refunding of long-term debt are recognized over the term of the long-term debt. This is the amount recognized on the current statement of activities. (9,697)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Increase in Compensated Absences	\$ (35,213)	
Current Period Debt Repayment	<u>1,309,184</u>	1,273,971

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due.

Change in Accrued Bond Interest	\$ -	
Accretion Capital Appreciation Bond Interest	<u>(498,601)</u>	(498,601)

Some expenses reported in the Statement of Activities do not require current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Net Pension Liability	\$ (3,697,596)	
Change in Net OPEB Liability	(42,191)	
Change in Deferred Outflows Pension	(730,358)	
Change in Deferred Inflows Pension	(215,070)	
Change in Deferred Outflows - OPEB	37,911	
Change in Deferred Inflows - OPEB	<u>(10,364)</u>	<u>(4,657,668)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (3,639,906)

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS**  
 June 30, 2018

	Scholarship Fund	Pupil Activity Fund	Total Fiduciary (Agency) Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ <u>186,125</u>	\$ <u>184,530</u>	\$ <u>370,655</u>
Total Assets	\$ <u><u>186,125</u></u>	\$ <u><u>184,530</u></u>	\$ <u><u>370,655</u></u>
<b>LIABILITIES:</b>			
Due to Student Groups/Agency	\$ <u>186,125</u>	\$ <u>184,530</u>	\$ <u>370,655</u>
Total Liabilities:	\$ <u><u>186,125</u></u>	\$ <u><u>184,530</u></u>	\$ <u><u>370,655</u></u>

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

The financial statements of the Rio Blanco (Meeker) School District RE-1 (the District) are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). In addition, the District conforms to the Colorado Department of Education Financial Policies and Procedures Handbook in all material respect, as required by Colorado statutes. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Financial Reporting Entity

The Rio Blanco (Meeker) School District RE-1 is a public school district organized under the laws of the State of Colorado and is governed by an elected Board of Education. Board of Education members are elected by the citizens of Rio Blanco County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent with the authority to: a) determine its budget without another government's authority to approve or modify; b) levy taxes or charges without another government's approval; and, c) issue bonded debt without approval by another government

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity. The District is not a component unit of any other governmental reporting entity. The District's financial statements include the accounts of all District operations.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

**B. Joint Venture: Rio Blanco County Board of Cooperative Educational Services (BOCES)**

The District is one of two districts participating in the Rio Blanco County Board of Cooperative Educational Services (BOCES). The BOCES is a regional education service unit created under the “Board of Cooperative Services Act of 1965” and is governed by a board consisting of representatives from each of the two districts.

The governing board of the BOCES has final authority over all funds of BOCES and fiscal responsibility including budgetary and reporting. As such, this joint venture does not meet the criteria for inclusion within the reporting entity. Additional information regarding the District’s participation in the joint venture is provided in *Note 9*.

**C. Basis of Presentation**

The District’s basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

*FUND FINANCIAL STATEMENTS*

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column with enterprise and fiduciary funds, when applicable, reported by type. The District currently considers all Funds as major Funds to segregate its overall activity.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

D. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The various funds are grouped, in the financial statements, as follows:

*GOVERNMENTAL FUNDS*

Governmental Funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported on the balance sheet as fund balance.

General Fund – The *General Fund* is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The individual special revenue fund revenues/resources are as follows: the *Food Service Fund* amounts are grants and other revenues for general food services.

Debt Service Funds – The District's *Bond Redemption Fund* is used to account for the accumulation of resources for, and the payment of, general long-term bond obligation principal, interest and related costs.

Capital Improvements Funds – The District's *Capital Reserve Projects Fund* is used to account for the District's general capital needs.

*PROPRIETARY FUNDS*

Enterprise Funds – Enterprise Funds are used to account for operations financed and operated in a manner similar to private business enterprises – where the intent is that a) the costs of goods or services provided to the general public on a continuing basis be financed or recovered primarily through user charges; or b) the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District currently has no Proprietary (Enterprise) Funds.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

D. Fund Accounting (continued)

*FIDUCIARY FUNDS*

Fiduciary fund reporting focuses on net position of agency activities. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are not available to support the District's own programs. The District currently has two Agency Funds.

Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's Agency Funds are the *Scholarship Fund* and the *Pupil Activity Fund*.

E. Measurement Focus and Basis of Accounting

*GOVERNMENT-WIDE FINANCIAL STATEMENTS*

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*FUND FINANCIAL STATEMENTS*

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and governmental fund statements.

Like the government-wide financial statements, enterprise funds, when applicable, are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operations are included a the statement of net position. For enterprise funds a statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) therein, while a statement of cash flows reflects how the fund finances and meets the cash flow needs. The District currently has no enterprise funds.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

E. Measurement Focus and Basis of Accounting – (continued)

*BASIS OF ACCOUNTING*

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements.

*Exchange and Non-exchange Transactions*

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The District considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except un-matured interest on general long-term debt is recorded when due.

Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds and agency funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus).

Proprietary fund types, when applicable, use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. The District currently has no proprietary (enterprise) funds.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

F. Budgets and Budgetary Accounting

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

- Budgets are required by Colorado School District Budget Law for all funds of the District. The District legally adopted annual budgets for all of the District's funds.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year, and the District's Board may adopt supplemental appropriations during the year. Original and final budgets are reflected in the budgetary comparison schedules included as required and other supplemental information.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is utilized by the District for management purposes and internal budgetary control during the year, but is not used for financial reporting purposes. Encumbrances outstanding at year end are closed out and the fund balance is not reserved for any encumbrances outstanding. All appropriations lapse at year-end whether or not encumbered.

G. Assets, Liabilities and Fund Equity

1) Cash and Investments

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. District policy limits investments to Certificates of Deposit in local banks and daily cash accumulation fund with ColoTrust. (See also Note 2.)

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

G. Assets, Liabilities and Fund Equity – (continued)

2) Receivables

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

3) Internal Balances

Internal balances arise from outstanding amounts due to/from the District’s various funds during the course of normal operations. Internal balances within governmental activities are eliminated on the government-wide Statement of Net Position. As of year-end, the following were outstanding internal balances:

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 767
Food Service Fund	767	-

4) Inventory

Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and USDA donated commodity items are valued at USDA unit pricing, substantially on a first in-first out basis. Freight and delivery charges are not included in inventory valuations.

5) Property Taxes Receivable/Property Tax Revenues

Property taxes are levied and collected on behalf of the District by Rio Blanco County and are reported as revenue when received by the county treasurer. Taxes receivable represent the 2017 assessed taxes yet to be collected in 2018. Amounts collectible subsequent to August 2018 have been accrued on the government-wide Statement of Net Position. The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary. Property taxes levied for 2017 and collected (including amounts receivable within 60 days of year-end) are recognized as revenue as follows:

<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
		<u>Levied</u>	<u>Received</u>	<u>Levied</u>
General Fund:				
\$ 585,410,040	6.500	\$ 3,805,165	\$ 3,735,138	98%
Debt Service Fund:				
\$ 585,410,040	3.843	\$ 2,249,731	\$ 2,280,329	98%

Property taxes are assessed on a calendar year basis and attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30<sup>th</sup>) or two equal installments (no later than February 28<sup>th</sup> and June 15<sup>th</sup>) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and accrued interest thereon become delinquent on June 16<sup>th</sup>.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

**G. Assets, Liabilities and Fund Equity (continued)**

6) Capital Assets

Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$5,000 (set by the Board) are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation of Equipment is on the straight-line basis with the mid-year convention, and Depreciation of Buildings and Improvements is on the straight-line method beginning in the year after they are placed in service, provided over the following estimated useful lives:

Buildings and Improvements	30-50 years
Vehicles and Other Equipment	10-15 years

7) Accrued Salaries and Benefits

The accrued salaries and benefits in the governmental funds represent the difference between wages earned and paid resulting from contracts being paid over a 12-month period, which are earned over a 9-month school year. Administrative and professional services employees that are given vacation time are 12-month employees. The amount of vacation and other compensation and benefit terms are spelled out in their individual contracts.

8) Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the government-wide financial statements, a long-term liability is accrued for vacation and sick pay as earned. At the governmental fund level, a liability is accrued only if matured, for example, as a result of employee resignations or retirements.

9) Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Bonds premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Proprietary (enterprise funds), when applicable, use this same method of reporting. Governmental funds report liabilities that, once incurred, are paid in a timely manner and in full from current financial resources as obligations of the funds and bonds are recognized as a liability when due. Bond premiums and discounts are recognized in the current period when incurred. The face amount of debt issued and premiums are reported as other financing sources and discounts as other financing uses. At both the government-wide and fund level, debt issuance costs, whether or not withheld from the actual debt proceeds received, are expensed as incurred.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

G. Assets, Liabilities and Fund Equity (continued)

10) Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

*Restricted* – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

*Unrestricted* – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

*Non-spendable* – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

*Restricted* – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed* – 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). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

*Assigned* – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

*Unassigned* – the residual for the general fund. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

At June 30, 2018, amounts were restricted for debt service and for required statutory Tabor Emergency reserves. Committed amounts were for insurance, capital projects and food service expenditures.

H. Unearned Revenues

Unearned Revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

I. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods, and deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

J. 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 purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

K. Post-Employment Benefits Other Than Pensions (OPEB)

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit OPEB plan administered by the Public Employees' Retirement Association of Colorado (PERA). For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the HCTF administered by PERA and additions to/deductions from the HCTF's fiduciary net position have been determined on the same basis as they are reported by the HCTF. For this purpose, the HCTF recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

L. Contributed Capital

When applicable, grants and contributions in an enterprise fund which may be used for either operations or capital expenditures at the discretion of the District, are recognized as non-operating revenues. If expenditure is the prime factor for eligibility, revenue or contributed capital is recognized at the time of making the expenditure.

M. Inter-fund Transactions

When applicable, transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as other financing sources/uses in governmental funds and non-operating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

*NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)*

N. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

*NOTE 2 - DEPOSITS AND INVESTMENTS*

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing the District's financial program. The District does not have a formally adopted deposit or investment policy in place to specifically address credit risk, custodial credit risk, concentration of credit risk, interest rate risk or foreign currency risk; however, it is the policy of the District to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds. The District limits investments to Certificates of Deposit in local banks and daily cash accumulation fund with local government investment pools. This policy applies to the investment of all financial assets of the District over which it exercises financial control. As summary of the District's deposits and investments follows:

	<u>Fair Value</u>
Checking/Savings/Certificates of Deposit	\$ 740,485
Colo Local Govt Liquid Asset Trust (COLOTRUST)	9,141,063
Cash with County Treasurer	2,222
Less Outstanding Items	(187,724)
Total Cash and Investments	\$ 9,696,046

This above amount is reflected in the accompanying financial statements within Governmental Activities \$9,325,391 and Fiduciary Activities \$370,655.

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. 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. There is no custodial credit risk for public deposits collateralized under PDPA.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

*NOTE 2 - DEPOSITS AND INVESTMENTS (continued)*

The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$740,485 of which \$250,000 was covered by FDIC insurance and \$490,485 by PDPA as described above.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

*Local Government Investment Pool (COLOTRUST)*

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard & Poor's, Fitch's and Moody's rating services.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 2 - DEPOSITS AND INVESTMENTS (continued)*

Local Government Investment Pool (COLOTRUST) (continued)

The custodian's internal records segregate investments owned by the Trust. As of June 30, 2018, the District had \$0 invested in COLOTRUST PRIME, and \$9,141,063 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

Maturities of the District's investments are as follows:

	<u>Rating</u>	<u>Fair Value</u>	<u>Maturities</u>
COLOTRUST	AAAm	\$ 9,141,063	< 1 year

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has investments in Colostrust with ratings as provided above.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The District's policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. 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 and to avoid undue concentration in any sector of the yield curve. Maturities are structured to accommodate readily identifiable cash flows as approved by the Board.

The District was not subject to foreign currency risk.

Additional disclosures for deposits and investments are included in *Note 1*.

*NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS*

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 4 - CAPITAL ASSETS*

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	Balances June 30, 2017	Additions	Reclassify/ Dispositions	Balances June 30, 2018
Land	\$ 725,237	\$ -	\$ -	\$ 725,237
Construction-in-Progress	56,203	24,247	(80,450)	-
Depreciable Capital Assets:				
Buildings	35,677,328	101,870	70,996	35,850,194
Transportation Equipment	946,227	105,584	(113,161)	938,650
Food Service Equipment	92,946	-	(5,000)	87,946
Other Equipment	298,751	-	(40,851)	257,900
Total Capital Assets	<u>37,796,692</u>	<u>231,701</u>	<u>(168,466)</u>	<u>37,859,927</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(7,964,901)	(576,783)	2,836	(8,538,848)
Transportation Equipment	(777,885)	(35,309)	113,161	(700,033)
Food Service Equipment	(88,817)	(826)	5,000	(84,643)
Other Equipment	(190,278)	(31,436)	40,851	(180,863)
Total Accum Depreciation	<u>(9,021,881)</u>	<u>(644,354)</u>	<u>161,848</u>	<u>(9,504,387)</u>
 GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 28,774,811</u>	<u>\$ (412,653)</u>	<u>\$ (6,618)</u>	<u>\$ 28,355,540</u>

Depreciation expense was charged to functions/programs as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	
Instruction	\$ 433,864
Supporting Services	<u>210,490</u>
Total for Governmental Activities	<u>\$ 644,354</u>

BUSINESS-TYPE ACTIVITIES

The District has no Business-type Activities as of June 30, 2018.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
 June 30, 2018

**NOTE 5 - LONG-TERM OBLIGATIONS**

Long-term obligation activity for the fiscal year ended June 30, 2018, was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Ser 2008 Capital Appreciation Bonds -					
Principal Portion	\$ 90,000	\$ -	\$ (50,000)	\$ 40,000	\$ 40,000
Accretion of Interest	1,668,762	498,601	(1,175,000)	992,363	992,363
Ser 2014 Gen Oblig Refunding Bonds	8,580,000	-	(30,000)	8,550,000	30,000
Ser 2015 Gen Oblig Refunding Bonds	7,355,000	-	(40,000)	7,315,000	40,000
Bond Premiums -					
Ser 2008 Premium	64,402	-	(64,402)	-	-
Ser 2014 Premium	1,288,007	-	(4,498)	1,283,509	4,498
Ser 2015 Premium	1,066,689	-	(5,801)	1,060,888	5,801
2015 Copier Capital Lease	38,611	-	(14,184)	24,427	15,134
Compensated Absences	224,108	35,213	-	259,321	-
<b>GOVERNMENTAL TOTAL</b>					
LONG-TERM DEBT, NET	<u>\$ 20,375,579</u>	<u>\$ 533,814</u>	<u>\$ (1,383,885)</u>	<u>\$ 19,525,508</u>	<u>\$ 1,127,796</u>

The District's bonds are paid from the Bond Redemption Fund. Compensated absences are liquidated by the General Fund.

General Obligation Bonds - Series 2008

General Obligation Bonds in the face amount of \$23,910,000 were issued December 12, 2008 for the purpose of financing capital construction. Interest rates range from 3.0% to 5.63% payable semi-annually on June 1 and December 1, with principal due and payable on December 1, and a final maturity date of December 1, 2028. On June 24, 2014 the District advance refunded \$8,315,000 of these bonds through the issuance of the 2014 General Obligation Refunding Bonds described below.

Capital Appreciation General Obligation Bonds - Series 2008

Capital Appreciation Bonds in the face amount of \$90,000 were issued December 12, 2008 in conjunction with the Series 2008 General Obligation Bonds. These bonds have a redemption amount of \$2,450,000. The District recognizes the current accretion on the bonds annually as an expenditure in governmental activities. The bonds mature at appreciated value in December 2018.

General Obligation Refunding Bonds - Series 2014

The District partial refunded its existing Series 2008 General Obligation Bonds on June 24, 2014 through the issuance of \$8,650,000 of Series 2014 General Obligation Refunding Bonds. The bonds advance refunded \$1,100,000 of the bonds maturing on December 1, 2024 and the remaining \$7,215,000 of bonds maturing after that date. The refunded bonds are expected to be called on December 1, 2018. Interest rates range from 2.0% to 4.5% payable semi-annually on June 1 and December 1, with principal due and payable on December 1. The District received \$1,297,003 of bond premiums which are being amortized over the life of the bonds. There was a net present value savings of \$701,495 on the refunding. The difference between book value of the refunded bonds and new bonds resulted in a net charge of \$1,302,583 which is being amortized over the life of the bonds.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 5 - LONG-TERM OBLIGATIONS- continued*

General Obligation Refunding Bonds – Series 2015

The District partial refunded its existing Series 2008 General Obligation Bonds on February 18, 2015 through the issuance of \$7,490,000 of Series 2015 General Obligation Refunding Bonds. The bonds advance refunded \$7,265,000 of the bonds maturing between December 1, 2019 and 2024. The refunded bonds are expected to be called on December 1, 2018. Interest rates range from 2.0% to 4.0% payable semi-annually on June 1 and December 1, with principal due and payable on December 1. The District received \$1,086,268 of bond premiums which are being amortized over the life of the bonds. There was a net present value savings of \$433,660 on the refunding. The difference between book value of the refunded bonds and new bonds resulted in a net charge of \$969,836 which is being amortized over the life of the bonds.

In conjunction with the issuance of the 2008, 2014 and 2015 bonds, the District is required to provide an annual report each year, as well as report certain material events if they occur, to the national reporting website for bond issuances, EMMA, which is located at emma.msrb.org. For the fiscal year ended June 30, 2018, the District believes it is in compliance with these requirements.

The annual requirements to amortize the Bond’s debt service are as follows:

<u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,295,000	\$ 1,851,425	\$ 3,146,425
2020	1,300,000	640,075	1,940,075
2021	1,350,000	587,600	1,937,600
2022	1,400,000	532,950	1,932,950
2023	1,455,000	476,200	1,931,200
2024-2028	8,370,000	1,395,888	9,765,888
2029	<u>1,920,000</u>	<u>43,200</u>	<u>1,963,200</u>
TOTAL	<u>\$ 17,090,000</u>	<u>\$ 5,527,338</u>	<u>\$ 22,617,338</u>
Less Cap Apprec	<u>(1,185,000)</u>		
NET BONDS	<u>\$ 15,905,000</u>		

Capital Lease

The District entered into a capital lease arrangement October 2014 for the purchase of copiers at a face amount of \$72,234 requiring monthly payments through January 2020 of \$1,356 including an estimated 6.5% interest. The District has capitalized assets of \$72,234 related to this lease. The future minimum lease payments are scheduled as follows:

<u>December 1</u>	<u>Principal</u>
2019	\$ 16,276
2020	<u>9,495</u>
Total Future Payments	25,771
Estim Interest at 6.5%	<u>(1,344)</u>
Present Value	<u>\$ 24,427</u>

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 5 - LONG-TERM OBLIGATIONS- continued*

Compensated Absences

Accumulated unpaid sick pay is service from other revenues in the General Fund. This liability is only recorded on the government-wide financial statements since it is not expected to be financed from current resources. All employees separating from service from the District shall be compensated for accumulated days up to 80 days at a rate equivalent to substitute pay for that employee's position. An employee can accumulate at a rate of eleven (11), twelve (12) or fourteen (14) days per year based on their termed employment contract.

BUSINESS-TYPE ACTIVITIES – LONG TERM OBLIGATIONS

The District has no Business-type Activities as of June 30, 2018.

*NOTE 6 - OPERATING LEASE COMMITMENTS*

When applicable, operating leases contain an annual cancellation provision and are subject to annual appropriation, therefore future minimum lease payments do not apply and rental expense is immaterial in relation to the financial statements taken as a whole.

*NOTE 7 - CONTINGENCIES*

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District is not aware of any unaccrued amounts to be refunded to the Colorado Department of Education. The District believes potential disallowed expenditures, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

*NOTE 8 - INVENTORIES*

Food Service inventory as of June 30, 2018 of \$8,938 consisted of purchased non-food supplies and purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Department of Agriculture, are recorded at their estimated fair market value when received.

*NOTE 9 - JOINTLY GOVERNED ORGANIZATION*

The District is a member of the Rio Blanco Board of Cooperative Educational Services (BOCES), a jointly governed organization of two regional school districts, with each member district appropriating a member of the Board of Education and the superintendent of each participating District to the BOCES board of directors. The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES does not meet the criteria for inclusion within the reporting entity of the District. Financial statements for the BOCES can be obtained directly from BOCES by contacting (970) 675-2064.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 10 - DEFINED BENEFIT PENSION PLAN*

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

General Information about the Pension Plan

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 the Colorado Public Employees' Retirement Association (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 (CAFR) that can be obtained at: [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)*

Benefits Provided as of December 31, 2017

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

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

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

*It is possible for employees participating in the SCHDTF to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer; therefore the DPS Benefit Structure is shown below, where the lifetime retirement benefit for all eligible retiring employees under the DPS Benefit Structure is the greater of the:*

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

In all cases the service retirement benefit is limited to 100% of the highest average salary and cannot exceed the maximum benefit allowed by the 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 benefits earned. If eligible, the member may receive a match of either 50% or 100% on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (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%) unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2% 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% or the average CPI-W for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**NOTES TO FINANCIAL STATEMENTS**  
June 30, 2018

*NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued*

Benefits Provided - continued

Disability benefits are available for eligible employees once they reach 5 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 show above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions Provisions as of June 30, 2018

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

For contributions made during the Year Ended:	December 31, 2018	December 31, 2017
Employer Contribution Rate	10.15%	10.15%
Amount of Employer Contribution apportioned to the Heath Care Trust Fund as specified in C.R.S. Sec 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Sec 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Sec 24-51-411	5.50%	5.00%
<b>Total Employer Contribution Rate to the SCHDTF</b>	<b>19.13%</b>	<b>18.63%</b>

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$646,380 during the year ended June 30, 2018.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*

At June 30, 2018, the District reported a liability of \$25,810,216 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was .0798177286%, which was an increase of .0055491762% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized pension expense of \$4,643,025. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 474,541	\$ -
Changes of assumptions or other inputs	6,590,307	41,820
Net difference between projected and actual earnings on pension plan investments	-	1,013,592
Changes in proportion and differences between contributions recognized and proportionate share of contributions	354,109	(294,335)
Contributions subsequent to the measurement date	385,577	-
<b>TOTAL</b>	<b>\$ 7,804,534</b>	<b>\$ 761,077</b>

The amount of \$385,577 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of 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 for changes in proportion and differences between contributions recognized and proportionate share of contributions will be recognized in pension expenses as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2018	\$ (34,828)	\$ 5,419
2019	188,505	5,159
2020	321,924	4,913
2021	125,965	1,975
2022	-	-
Thereafter	-	-

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued*

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40 percent
Real Wage Growth	1.10 percent
Wage Inflation	3.50 percent
Salary Increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	5.26 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

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

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued*

Actuarial Assumptions - continued

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

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

As of the most recent adoption of the 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%.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued*

Actuarial Assumptions - continued

Discount Rate

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including current and estimated future AED and SAED, until the Actuarial Value Funding Ratio reaches 103% at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*  
*- continued*

Actuarial Assumptions - continued

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

Sensitivity of the Net Pension Liability	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate Share of the Net Pension Liability	\$32,602,693	\$25,810,216	\$20,275,124

Pension Plan Fiduciary Net Position

Detailed information about the SCHDTF's fiduciary net position is available in PERA's comprehensive annual financial report at [www.copera.org/investments/pera-financial-reports](http://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 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 the 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](http://www.leg.colorado.gov).

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS*  
*- continued*

At June 30, 2018, the District reported a liability of \$25,810,216 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
<hr/> 4.78%	<hr/> \$11,660,832

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 \$12,048,370 of the estimated reduction is attributable to the use of a 4.78 percent discount rate.

*NOTE 12 - 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 at [www.copera.org/investments/pera-financial-reports](http://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 currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2018 program members contributed \$63,369.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN*

General Information about the OPEB Plan

Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (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 administration of the premium subsidies. PERA issues a publicly available comprehensive annual financial report that can be obtained at: [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

Benefits Provided

The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based on 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 member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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 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.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

**NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN - continued**

PERA Benefit Structure - 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. Sec 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.

*It is possible for employees to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer. Under the 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 each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount. For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.*

Contributions

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$38,108 for the year ended June 30, 2018.

**NOTE 14 - 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 \$589,525 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 the District's contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the District's proportion was .0453620987%, which was an increase of .0031469241% from its proportion measured at December 31, 2016.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued*

For the year ended June 30, 2018, the District recognized OPEB expense of \$14,644. 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 of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,788	\$ -
Changes of assumptions or other inputs	40,801	-
Net difference between projected and actual earnings on OPEB plan investments	(6,700)	9,863
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	501
Contributions subsequent to the measurement date	19,518	-
<b>TOTAL</b>	<b>\$ 56,407</b>	<b>\$ 10,364</b>

The amount of \$19,518 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:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2018	\$ 6,700	\$ (98)
2019	6,700	(98)
2020	6,700	(98)
2021	6,700	(98)
2022	6,700	(98)
Thereafter	7,303	(107)

Actuarial Assumptions

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40 percent
Real Wage Growth	1.10 percent
Wage Inflation	3.50 percent
Salary Increases, including wage inflation	3.50 percent in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Health care cost trend rates / PERA Benefit Structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A Premiums	3.00 percent for 2017, Gradually rising to 4.25 percent in 2023
DPS Benefit Structure / Service-based premium subsidy	0.00 percent
DPS PERACare Medicare plans & Medicare Part A premiums	N/A

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued*

Actuarial Assumptions - continued

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

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

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

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

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

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

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

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

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued*

Actuarial Assumptions - continued

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

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

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

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

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

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

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued*

Actuarial Assumptions - continued

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

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and 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 weighing 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%.

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 higher than the current rates:

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00 %	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	\$ .	\$ .	\$ .

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued*

Discount Rate

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

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

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$662,812	\$589,525	\$526,974

OPEB Plan Fiduciary Net Position

Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 15 - RISK MANAGEMENT*

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado School Districts Self-Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program with member school districts, boards of cooperative educational services and charter schools.

The District pays an annual premium to the Pool for its property, casualty and liability insurance coverage. The Pool has reinsurance coverage for its property, automobile and general liability policies, errors and omissions and employment practices liability policies, referred to as school entity liability. The District carries commercial insurance for other risks of loss, including workers compensation and employee health insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

*NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY*

A. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. TABOR requires that revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR also requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments.

In November 1997 the District's electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding TABOR'S revenue limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$194,000 as of June 30, 2018.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

*NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued*

A. TABOR Amendment – Tax, Spending and Debt Limitations - continued

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification of a fund as an Enterprise Fund) will require judicial interpretation.

B. The District believes it is in compliance with all budgetary requirements of Colorado Revised Statutes.

*NOTE 17 - RESTATEMENT OF NET ASSETS*

For the year Ended June 30, 2018, the District has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions* (GASB No. 75), which is effective for financial statements beginning after June 15, 2017. GASB No. 75 revises and establishes new financial reporting requirements for most governments that provide post-employment benefits other than pensions (OPEB). GASB No. 75 requires cost-sharing employers participating in the Health Care Trust Fund (HCTF) administered by the Public Employees' Retirement Association of Colorado (PERA) to record their proportionate share, as defined in GASB No. 75, of the HCTF's net OPEB liability.

For the District, the effect of implementing this standard was to change how it accounts and reports the net OPEB liability. Implementation of the standard results in a restatement of prior period government-wide net position as shown below:

Net Position at June 30, 2017 as Previously Reported	\$ 4,844,668
Cumulative Effect of GASB No 75 Net OPEB Liability	<u>(528,838)</u>
Net Position at June 30, 2017 as Restated	<u>\$ 4,315,830</u>

*NOTE 18 - SUBSEQUENT EVENTS*

Management of the District has evaluated events subsequent to June 30, 2018 through the issuance date of this report. The following subsequent events are considered material to the financial statements taken as a whole:

- 1) 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 including an estimate of the impact on the District's share of the net pension liability if SB-200 had been enacted on December 31, 2017 are included in Note 11.
- 2) In the November 2018 election, voters approved a mill levy override that will raise \$1.2 million annually that the District will earmark for retaining and recruiting teachers and staff, maintaining small class sizes, programming and general operations.

There has been no other material event noted during this period that would either impact the results reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE  
GENERAL FUND AND SPECIAL REVENUES FUNDS

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Fiscal Year Ended June 30, 2018

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Property Taxes	\$ 3,740,923	\$ 3,780,730	\$ 3,940,440	\$ 159,710
Specific Ownership Taxes	188,207	167,163	242,156	74,993
Grants and Contributions	55,000	125,000	144,710	19,710
Other Local Revenues	102,000	129,400	158,456	29,056
Intergovernmental:				
Intermediate Sources	197,000	174,502	276,116	101,614
State Sources	2,324,103	2,413,958	2,524,245	110,287
Federal Sources	185,873	184,216	190,981	6,765
Total Revenues	<u>6,793,106</u>	<u>6,974,969</u>	<u>7,477,104</u>	<u>502,135</u>
<b>EXPENDITURES:</b>				
Instruction	4,785,983	4,829,544	4,942,033	(112,489)
Supporting Services:				
Students	119,378	119,378	31,115	88,263
Instructional Staff	232,447	232,873	163,393	69,480
General Administration	255,606	280,606	223,095	57,511
School Administration	547,453	547,915	529,247	18,668
Business Services	119,030	119,030	113,709	5,321
Operations and Maintenance	818,981	835,602	796,000	39,602
Transportation	279,286	275,268	247,561	27,707
Central Support	7,250	7,250	6,502	748
Debt Service	-	-	14,184	(14,184)
Total Expenditures	<u>7,165,414</u>	<u>7,247,466</u>	<u>7,066,839</u>	<u>180,627</u>
Excess of Revenues Over (Under) Expenditures	<u>(372,308)</u>	<u>(272,497)</u>	<u>410,265</u>	<u>682,762</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(65,000)	(65,000)	(43,150)	21,850
Total Other Financing Sources (Uses)	<u>(65,000)</u>	<u>(65,000)</u>	<u>(43,150)</u>	<u>21,850</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(437,308)	(337,497)	367,115	704,612
FUND BALANCE-BEGINNING	<u>4,000,000</u>	<u>4,298,085</u>	<u>4,298,085</u>	<u>-</u>
FUND BALANCE-ENDING	<u>\$ 3,562,692</u>	<u>\$ 3,960,588</u>	<u>\$ 4,665,200</u>	<u>\$ 704,612</u>

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**SPECIAL REVENUE FUND – FOOD SERVICE FUND**  
For the Fiscal Year Ended June 30, 2018

	FOOD SERVICE FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>				
Local Sources	\$ 106,000	\$ 106,000	\$ 111,276	\$ 5,276
Intergovernmental:				
State Sources	2,550	2,550	2,881	331
Federal Sources	84,400	84,400	123,741	39,341
Total Revenues	192,950	192,950	237,898	44,948
<b>EXPENDITURES:</b>				
Food Services:				
Salaries	105,608	105,608	113,293	(7,685)
Employee Benefits	34,800	34,800	33,219	1,581
Purchased Services	5,900	8,400	6,094	2,306
Supplies and Materials:				
Purchased Food/Supplies	116,500	116,500	110,849	5,651
Donated Commodities	11,000	11,000	12,129	(1,129)
Capital Outlay/Other	-	-	-	-
Appropriated Reserve	3,066	894	-	894
Total Expenditures	276,874	277,202	275,584	1,618
Excess of Revenues Over (Under) Expenditures	(83,924)	(84,252)	(37,686)	46,566
<b>OTHER FINANCING SOURCES (Uses):</b>				
Operating Transfers In	65,000	65,000	43,150	(21,850)
Total Other Financing Sources (Uses)	65,000	65,000	43,150	(21,850)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(18,924)	(19,252)	5,464	24,716
<b>FUND BALANCE-BEGINNING</b>	18,924	19,252	19,252	-
<b>FUND BALANCE-ENDING</b>	\$ -	\$ -	\$ 24,716	\$ 24,716

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**JUNE 30, 2018**

<u>Colorado PERA:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>			
	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>	<u>2016 / (2015)</u>	<u>2015 / (2014)</u>
District's proportion of the Net Pension Liability	0.0798177286%	0.0742685524%	0.0734942375%	0.0799359022%
District's proportionate share of the Net Pension Liability	\$ 25,810,216	\$ 22,112,620	\$ 11,240,425	\$ 10,834,000
District's covered-employee payroll	\$ 3,633,930	\$ 3,563,340	\$ 3,256,644	\$ 3,348,736
District's proportionate share of the Net Pension Liability as a percentage of its covered employee payroll	710%	621%	345%	324%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%	62.84%

*NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.*

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS**  
**JUNE 30, 2018**

	Reporting Fiscal Year			
	2018	2017	2016	2015
<u>Colorado PERA:</u>				
Statutorily Required Contribution	\$ 743,706	\$ 646,380	\$ 577,653	\$ 550,198
District Contributions in relation to the statutorily required contribution	<u>(743,706)</u>	<u>(646,380)</u>	<u>(577,653)</u>	<u>(550,198)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,633,930	\$ 3,563,340	\$ 3,256,644	\$ 3,348,736
District's contributions as a percentage of covered-employee payroll	20.46%	18.14%	17.74%	16.43%

*NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.*

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**JUNE 30, 2018**

<u>Colorado PERA HCTF:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>	
	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>
District's proportion of the Net OPEB Liability	0.0453620987%	0.0422151746%
District's proportionate share of the Net OPEB Liability	\$ 589,525	\$ 547,334
District's covered-employee payroll	\$ 3,633,930	\$ 3,563,340
District's proportionate share of the Net OPEB Liability as a percentage of its covered employee payroll	16.22%	15.36%
Plan fiduciary net position as a percentage of the total pension liability	17.53%	16.72%

*NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.*

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

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS**  
**JUNE 30, 2018**

	Reporting Fiscal Year	
	2018	2017
<u>Colorado PERA:</u>		
Contractually Required Contribution	\$ 38,108	\$ 35,778
District Contributions in relation to the contractually required contribution	<u>(38,108)</u>	<u>(35,778)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 3,633,930	\$ 3,563,340
District's contributions as a percentage of covered-employee payroll	1.02%	1.02%

*NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.*

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

OTHER SUPPLEMENTAL INFORMATION

*DEBT SERVICE FUND*  
*(BOND REDEMPTION FUND)*

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**BOND REDEMPTION FUND**  
For the Fiscal Year Ended June 30, 2018

	<u>BOND REDEMPTION FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Local Sources:				
Property Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,305,721	\$ 205,721
Interest Earnings	-	-	44,667	44,667
Total Revenues	<u>2,100,000</u>	<u>2,100,000</u>	<u>2,350,388</u>	<u>250,388</u>
<b>EXPENDITURES:</b>				
Debt Service:				
Principal	1,415,000	1,415,000	1,295,000	120,000
Interest	548,525	548,525	667,825	(119,300)
Other Costs	1,100	1,100	1,050	50
Appropriated Reserves	<u>3,489,017</u>	<u>3,651,824</u>	<u>-</u>	<u>3,651,824</u>
Total Expenditures	<u>5,453,642</u>	<u>5,616,449</u>	<u>1,963,875</u>	<u>3,652,574</u>
Excess of Revenues Over (Under) Expenditures	(3,353,642)	(3,516,449)	386,513	3,902,962
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(3,353,642)	(3,516,449)	386,513	3,902,962
<b>FUND BALANCE – BEGINNING</b>	<u>3,353,642</u>	<u>3,516,449</u>	<u>3,516,449</u>	<u>-</u>
<b>FUND BALANCE – ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,902,962</u>	<u>\$ 3,902,962</u>

OTHER SUPPLEMENTAL INFORMATION

*CAPITAL RELATED FUNDS*  
*(CAPITAL RESERVE PROJECTS FUND)*

**DISTRICT RE-1**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**  
**CAPITAL RESERVE PROJECTS FUND**  
For the Fiscal Year Ended June 30, 2018

	<u>CAPITAL RESERVE PROJECTS FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>				
Local Sources:				
Interest Earnings	\$ 1,010	\$ 1,010	\$ 3,832	\$ 2,822
Total Revenues	<u>1,010</u>	<u>1,010</u>	<u>3,832</u>	<u>2,822</u>
<b>EXPENDITURES:</b>				
Facilities Acquisition and Construction:				
Supplies	-	275,000	26,554	248,446
Capital Outlay	275,000	-	132,070	(132,070)
Other Expenditures	24,647	24,647	24,247	400
Appropriated Reserve	<u>296,666</u>	<u>212,691</u>	<u>-</u>	<u>212,691</u>
Total Expenditures	<u>596,313</u>	<u>512,338</u>	<u>182,871</u>	<u>329,467</u>
Excess of Revenues Over (Under) Expenditures	(595,303)	(511,328)	(179,039)	332,289
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(595,303)	(511,328)	(179,039)	332,289
<b>FUND BALANCE – BEGINNING</b>	<u>595,303</u>	<u>511,328</u>	<u>511,328</u>	<u>-</u>
<b>FUND BALANCE – ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 332,289</u>	<u>\$ 332,289</u>

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

OTHER SUPPLEMENTAL INFORMATION

*FIDUCIARY (AGENCY) FUNDS*

*(SCHOLARSHIP FUND AND PUPIL ACTIVITY FUND)*

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF CHANGES IN FIDUCIARY LIABILITY**  
**FIDUCIARY (AGENCY) FUND – SCHOLARSHIP FUND**  
For the Fiscal Year Ended June 30, 2018

SCHOLARSHIP FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>ADDITIONS:</b>				
Local Revenues	\$ 30,000	\$ 30,000	\$ 15,583	\$ (14,417)
Total Additions	30,000	30,000	15,583	(14,417)
<b>REDUCTIONS:</b>				
Grants and Scholarships	110,000	115,000	112,481	2,519
Appropriated Reserves	203,113	198,023	-	198,023
Total Reductions	313,113	313,023	112,481	200,542
Net Activity	(283,113)	(283,023)	(96,898)	186,125
<b>FIDUCIARY LIABILITY – BEGINNING</b>	283,113	283,023	283,023	-
<b>FIDUCIARY LIABILITY – ENDING</b>	\$ -	\$ -	\$ 186,125	\$ 186,125

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**STATEMENT OF CHANGES IN FIDUCIARY LIABILITY**  
**FIDUCIARY (AGENCY) FUND – PUPIL ACTIVITIES FUND**  
For the Fiscal Year Ended June 30, 2018

PUPIL ACTIVITIES FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>ADDITIONS:</b>				
Local Revenues	\$ 220,000	\$ 220,000	\$ 209,838	\$ (10,162)
Total Additions	220,000	220,000	209,838	(10,162)
<b>REDUCTIONS:</b>				
Pupil Activities	250,000	250,000	215,773	34,227
Appropriated Reserves	162,000	160,465	-	160,465
Total Reductions	412,000	410,465	215,773	194,692
Net Activity	(192,000)	(190,465)	(5,935)	184,530
<b>FIDUCIARY LIABILITY – BEGINNING</b>	192,000	190,465	190,465	-
<b>FIDUCIARY LIABILITY – ENDING</b>	\$ -	\$ -	\$ 184,530	\$ 184,530

OTHER SUPPLEMENTAL INFORMATION

*GENERAL FUND*

(COMBINING SCHEDULES AND DETAIL BUDGET)

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**COMBINING SCHEDULE FOR BALANCE SHEET**  
**GENERAL FUND (FUND 10: GENERAL AND FUND 19: PRESCHOOL FUND)**  
For the Fiscal Year Ended June 30, 2018

	<u>GENERAL</u> <u>(FUND 10)</u>	<u>PRESCHOOL</u> <u>(FUND 19)</u>	<u>TOTAL</u> <u>GENERAL</u> <u>FUND</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 5,084,643	\$ -	\$ 5,084,643
Cash w/ County Treasurer	1,395	-	1,395
Receivables:			
Property Taxes, Net	25,467	-	25,467
Intergovernmental	66,413	-	66,413
Other Receivables	<u>106,338</u>	<u>-</u>	<u>106,338</u>
 TOTAL ASSETS	 <u>\$ 5,284,256</u>	 <u>\$ -</u>	 <u>\$ 5,284,256</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>			
Liabilities:			
Accounts Payable	\$ 1,090	\$ -	\$ 1,090
Accrued Salaries and Benefits	617,199	-	617,199
Due to Other Funds	767	-	767
Unearned Revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>619,056</u>	<u>-</u>	<u>619,056</u>
 Fund Balances:			
Restricted			
Emergencies	194,000	-	194,000
Unassigned	<u>4,471,200</u>	<u>-</u>	<u>4,471,200</u>
Total Fund Balances	<u>4,665,200</u>	<u>-</u>	<u>4,665,200</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 5,284,256</u>	 <u>\$ -</u>	 <u>\$ 5,284,256</u>

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**COMBINING SCHEDULE FOR STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**GENERAL FUND (FUND 10: GENERAL AND FUND 19: PRESCHOOL FUND)**  
**For the Year Ended June 30, 2018**

	<u>GENERAL</u> <u>(FUND 10)</u>	<u>PRESCHOOL</u> <u>(FUND 19)</u>	<u>TOTAL</u> <u>GENERAL</u> <u>FUND</u>
<b>REVENUES:</b>			
Local Sources	\$ 4,485,762	\$ -	\$ 4,485,762
Intermediate Sources	276,116	-	276,116
State Sources	2,524,245	-	2,524,245
Federal Sources	<u>190,981</u>	<u>-</u>	<u>190,981</u>
Total Revenues	<u>7,477,104</u>	<u>-</u>	<u>7,477,104</u>
<b>EXPENDITURES:</b>			
Instructional	4,814,948	127,085	4,942,033
Supporting Services:			
Students	31,115	-	31,115
Instructional Staff	163,393	-	163,393
General Administration	223,095	-	223,095
School Administration	529,247	-	529,247
Business Services	113,709	-	113,709
Operations and Maintenance	796,000	-	796,000
Transportation	247,561	-	247,561
Central Services	6,502	-	6,502
Debt Services	<u>14,184</u>	<u>-</u>	<u>14,184</u>
Total Expenditures	<u>6,939,754</u>	<u>127,085</u>	<u>7,066,839</u>
Excess of Revenues Over (Under) Expenditures	<u>537,350</u>	<u>(127,085)</u>	<u>410,265</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In (Out)	<u>(170,235)</u>	<u>127,085</u>	<u>(43,150)</u>
Total Other Financing Sources (Uses)	<u>(170,235)</u>	<u>127,085</u>	<u>(43,150)</u>
Excess of Revenues and Other Financings Sources Over (Under) Expenditures and Other Financing (Uses)	367,115	-	367,115
FUND BALANCES – Beginning	<u>4,298,085</u>	<u>-</u>	<u>4,298,085</u>
FUND BALANCES – Ending	<u>\$ 4,665,200</u>	<u>\$ -</u>	<u>\$ 4,665,200</u>

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**DETAIL SCHEDULE OF REVENUES – BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Revenue from Local Sources and Interest:			
Property Taxes	\$ 3,780,730	\$ 3,940,440	\$ 159,710
Specific Ownership Taxes	167,163	242,156	74,993
Grants and Contributions	125,000	144,710	19,710
Student Fees and Gate Receipts	35,700	47,157	11,457
Rental Income	14,400	14,400	-
Other Local Revenues	37,900	44,244	6,344
Interest Earnings	41,400	52,655	11,255
Total Local Sources and Interest:	<u>4,202,293</u>	<u>4,485,762</u>	<u>283,469</u>
Revenue from Intermediate Sources:			
Mineral and Forest Leasing Revenues	172,502	272,850	100,348
Division of Wildlife	2,000	3,266	1,266
Total Intermediate Sources	<u>174,502</u>	<u>276,116</u>	<u>101,614</u>
Revenue from State Sources:			
State Equalization	1,991,987	1,994,623	2,636
ELPA Grants	18,355	20,394	2,039
Transportation Grant	41,880	41,978	98
School Counselor Corp Grant	32,800	32,800	-
Read Act	24,420	24,420	-
Library Grant	3,500	3,500	-
Small Rural Schools Grant	246,494	246,494	-
At Risk Supplemental Grant	-	3,514	3,514
Vocational Education	54,522	50,184	(4,338)
BOCES High Cost	-	106,338	106,338
Total State Sources	<u>2,413,958</u>	<u>2,524,245</u>	<u>110,287</u>
Revenue from Federal Sources:			
Title I	113,197	113,139	(58)
Title II A – Teacher Quality	15,598	21,659	6,061
Title IV	10,000	10,000	-
Race to the Top	657	-	(657)
REAP Grant	29,844	29,844	-
Carl Perkins Grant	11,334	12,735	1,401
Title III – ELA Enhancement	3,586	3,604	18
Total Federal Sources	<u>184,216</u>	<u>190,981</u>	<u>6,765</u>
TOTAL REVENUES	6,974,969	7,477,104	502,135
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETARY REVENUES	<u>\$ 6,974,969</u>	<u>\$ 7,477,104</u>	<u>\$ 502,135</u>

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**DETAIL SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>EXPENDITURES:</b>			
<b>INSTRUCTION:</b>			
Salaries	\$ 2,503,836	\$ 2,588,501	\$ (84,665)
Employee Benefits	979,015	1,011,973	(32,958)
Purchased Services (Including Preschool)	919,656	965,133	(45,477)
Supplies and Materials	321,328	289,242	32,086
Capital Outlay	-	-	-
Other Expenditures	105,709	87,184	18,525
<b>TOTAL INSTRUCTION</b>	<u>4,829,544</u>	<u>4,942,033</u>	<u>(112,489)</u>
<b>GENERAL SUPPORTING SERVICES:</b>			
<i>Student Support:</i>			
Salaries	82,176	20,387	61,789
Employee Benefits	32,565	8,074	24,491
Purchased Services	3,412	1,515	1,897
Supplies and Materials	1,225	684	541
Other Expenditures	-	455	(455)
Subtotal	<u>119,378</u>	<u>31,115</u>	<u>88,263</u>
<i>Instructional Staff:</i>			
Salaries	101,530	71,220	30,310
Employee Benefits	31,243	33,327	(2,084)
Purchased Services	94,000	52,205	41,795
Supplies and Materials	6,100	6,387	(287)
Other Expenditures	-	254	(254)
Subtotal	<u>232,873</u>	<u>163,393</u>	<u>69,480</u>
<i>General Administration:</i>			
Salaries	127,720	127,719	1
Employee Benefits	55,786	43,978	11,808
Purchased Services	83,100	40,196	42,904
Supplies and Materials	1,000	286	714
Capital Outlay	-	-	-
Other Expenditures	13,000	10,916	2,084
Subtotal	<u>280,606</u>	<u>223,095</u>	<u>57,511</u>
<i>School Administration:</i>			
Salaries	355,220	352,999	2,221
Employee Benefits	136,219	134,666	1,553
Purchased Services	44,638	34,002	10,636
Supplies and Materials	9,100	4,931	4,169
Other Expenditures	2,738	2,649	89
Subtotal	<u>547,915</u>	<u>529,247</u>	<u>18,668</u>
<b>TOTAL GENERAL SUPPORT</b>	<u>1,180,772</u>	<u>946,850</u>	<u>233,922</u>

(continued on next page)

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Fiscal Year Ended June 30, 2018

<i>(continued)</i>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>BUSINESS SUPPORTING SERVICES:</b>			
<i>Business Services:</i>			
Salaries	\$ 72,286	\$ 73,536	\$ (1,250)
Employee Benefits	28,544	28,670	(126)
Purchased Services	14,200	9,104	5,096
Supplies and Materials	4,000	2,399	1,601
Capital Outlay	-	-	-
Subtotal	<u>119,030</u>	<u>113,709</u>	<u>5,321</u>
<i>Operations and Maintenance:</i>			
Salaries	268,938	233,227	35,711
Employee Benefits	117,386	114,070	3,316
Purchased Services	245,465	251,335	(5,870)
Supplies and Materials	203,813	197,368	6,445
Capital Outlay	-	-	-
Subtotal	<u>835,602</u>	<u>796,000</u>	<u>39,602</u>
<b>TOTAL BUSINESS SUPPORT</b>	<u>954,632</u>	<u>909,709</u>	<u>44,923</u>
<b>TRANSPORTATION:</b>			
Salaries	174,643	172,177	2,466
Employee Benefits	55,346	62,209	(6,863)
Purchased Services	5,879	6,069	(190)
Supplies and Materials	29,400	43,441	(14,041)
Capital Outlay	60,000	45,584	14,416
Other Objects – Student Activity Reimbursements	<u>(50,000)</u>	<u>(81,919)</u>	<u>31,919</u>
<b>TOTAL TRANSPORTATION</b>	<u>275,268</u>	<u>247,561</u>	<u>27,707</u>
<b>CENTRAL SUPPORTING SERVICES:</b>			
Salaries	3,300	4,975	(1,675)
Employee Benefits	750	1,055	(305)
Purchased Services	3,200	472	2,728
Other Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL CENTRAL SUPPORT</b>	<u>7,250</u>	<u>6,502</u>	<u>748</u>
<b>DEBT SERVICE:</b>			
Lease Principal	<u>-</u>	<u>14,184</u>	<u>(14,184)</u>
<b>TOTAL DEBT SERVICE</b>	<u>-</u>	<u>14,184</u>	<u>(14,184)</u>
<b>OTHER FINANCING USES:</b>			
Transfers Out	<u>65,000</u>	<u>43,150</u>	<u>21,850</u>
<b>TOTAL BUDGETARY EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 7,312,466</u>	<u>\$ 7,109,989</u>	<u>\$ 202,477</u>

INFORMATION REQUIRED BY  
SECURITIES AND EXCHANGE COMMISSION  
RULE 15c2-12  
(UNAUDITED)

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**HISTORY OF DISTRICT ASSESSED VALUATION**  
For the Fiscal Year Ended June 30, 2009 Through 2018

Levy/ Collection Year	Assessed Valuation	Percent Change	Estimated "Actual" Valuation	Percent Change
2008-2009	\$ 377,250,110	0.00%	\$ 1,078,123,102	0.00%
2009-2010	615,864,890	63.30%	1,657,604,311	53.80%
2010-2011	763,228,880	23.90%	2,300,880,226	38.80%
2011-2012	870,581,230	0.14%	2,422,591,712	5.30%
2012-2013	905,446,930	4.00%	2,430,530,889	0.30%
2013-2014	790,646,190	-12.70%	2,642,335,710	8.70%
2014-2015	732,031,450	-7.40%	2,489,780,790	-5.80%
2015-2016	783,475,580	7.03%	2,285,220,650	-8.22%
2016-2017	623,081,770	-20.47%	2,027,400,520	-11.28%
2017-2018	585,410,040	-6.05%	1,946,148,510	-4.00%

Sources: State of Colorado  
Division of Property Taxation, 2008-2018  
and the Rio Blanco County Assessor's Office

General Obligation Refunding Bonds Series 2014 - Official Statement Table II

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**HISTORY OF DISTRICT MILL LEVIES**  
For the Fiscal Year Ended June 30, 2009 Through 2018

Levy/ Collection Year	General Fund Mill Levy	Bond Fund Mill Levy	Mill Levy Override	Abatements	Total Mill Levy
2008-2009	8.071	5.960	1.073	0.062	15.166
2009-2010	7.912	3.650	0.657	0.018	12.237
2010-2011	6.308	2.941	0.530	0.034	9.813
2011-2012	5.555	2.579	0.678	0.081	8.893
2012-2013	5.530	2.479	0.684	0.140	8.833
2013-2014	5.767	2.839	0.512	0.083	9.201
2014-2015	5.767	2.869	0.553	0.097	9.286
2015-2016	5.767	2.869	0.517	0.171	9.324
2016-2017	5.767	3.611	0.649	0.019	10.046
2017-2018	5.767	3.843	0.691	0.042	10.343

Sources: State of Colorado, Colorado Department of Local Affairs,  
Division of Property Taxation, 2008-2018 State of Colorado Property Tax Annual Reports,  
the Rio Blanco County Assessor's Office, and the District

General Obligation Refunding Bond Series 2014 - Official Statement Table III

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**HISTORICAL PROPERTY TAX COLLECTION**  
For the Fiscal Year Ended June 30, 2009 Through 2018

Levy/ Collection Year	Taxes Levied	Current Tax Collections (1)	Percent of Levy Collected
2008-2009	\$ 5,721,375	\$ 5,698,982	99.6%
2009-2010	7,536,339	7,504,806	99.6%
2010-2011	7,489,565	7,459,678	99.6%
2011-2012	7,742,079	7,637,454	98.6%
2012-2013	7,997,813	7,938,689	99.3%
2013-2014	7,274,685	7,158,659	98.4%
2014-2015	6,797,446	6,997,171	102.9%
2015-2016	7,373,288	7,259,194	98.5%
2016-2017	6,259,479	6,170,999	98.6%
2017-2018	6,054,896	6,015,467	99.3%

Source: Rio Blanco County Treasurer's Office

(1) Collections through July 2018

General Obligation Refunding Bonds Series 2014 - Official Statement Table V

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**

**DISTRICT ENROLLMENT**

For the Fiscal Year Ended June 30, 2009 Through 2018

<u>Levy/ Collection</u>	<u>District</u>	<u>Percent Increase</u>
<u>Year</u>	<u>Enrollment</u>	<u>Based</u>
		<u>Upon Total</u>
		<u>Enrollment</u>
2008-2009	725.0	5.76%
2009-2010	707.0	-2.48%
2010-2011	663.0	-6.22%
2011-2012	628.0	-5.28%
2012-2013	640.0	1.91%
2013-2014	649.0	1.41%
2014-2015	697.0	6.90%
2015-2016	707.0	1.40%
2016-2017	745.0	5.10%
2017-2018	742.0	-0.04%

Source: Colorado Department of Education; The District

General Obligation Refunding Bonds Series 2014 - Official Statement Table VIII

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**GENERAL FUND BUDGET SUMMARY AND COMPARISON (ACTUAL TO DATE)**  
For the Fiscal Year Ended June 30, 2018

	Budget 2017-2018	Budget 2018-2019	Year to Date Actual (1) 2018-2019
Beginning Fund Balance	\$ 4,289,085	\$ 4,747,789	\$ 4,636,755
Other Local Sources	4,202,293	4,006,062	240,856
Intermediate	174,502	152,000	154,761
State Sources	2,413,957	2,834,431	1,228,216
Federal Sources	184,216	166,158	39,489
Total Revenues	<u>6,974,968</u>	<u>7,158,651</u>	<u>1,663,322</u>
Transfer (To) From Other Funds	<u>(65,000)</u>	<u>(65,000)</u>	<u>0</u>
Beginning Fund Balance and Reserves	11,199,053	11,841,440	6,300,077
<u>Expenditures</u>			
Instruction	4,817,351	5,202,126	1,174,940
Supporting Services	2,480,115	2,613,029	881,875
Total Expenditures	<u>7,297,466</u>	<u>7,815,155</u>	<u>2,056,815</u>
Ending Fund Balance	\$ <u><u>3,901,587</u></u>	\$ <u><u>4,026,285</u></u>	\$ <u><u>4,243,262</u></u>

Source: The District's 2017-2018 Budget document, 2018-2019 Budget document, and the District  
(1) Actual unaudited figures through October 31, 2018

General Obligation Refunding Bond Series 2014 - Official Statement Table IX

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1**  
**GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30, 2009 Through 2018

	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Revenues</b>										
Property Taxes	\$ 3,530,679	\$ 5,314,740	\$ 5,222,870	\$ 5,453,678	\$ 5,647,611	\$ 5,051,592	\$ 5,005,242	\$ 5,307,207	\$ 4,263,750	\$ 4,182,596
Other Local Sources	403,059	554,946	525,799	768,338	818,307	553,963	260,532	485,657	562,894	579,282
State Sources	1,462,898	(88,749)	(105,900)	(116,764)	(128,418)	545,525	478,267	385,514	1,816,404	2,524,245
Federal Sources	175,701	225,417	195,920	191,498	209,404	221,961	203,762	124,066	185,625	190,981
Total Revenues	<u>5,572,337</u>	<u>6,006,354</u>	<u>5,838,689</u>	<u>6,296,750</u>	<u>6,546,904</u>	<u>6,373,041</u>	<u>5,947,803</u>	<u>6,302,444</u>	<u>6,828,673</u>	<u>7,477,104</u>
<b>Expenditures</b>										
Instruction	3,695,442	3,538,030	3,556,483	3,509,195	3,756,101	4,083,312	3,781,757	4,072,302	4,552,358	4,942,033
Supporting Services	1,887,520	2,136,762	2,073,654	2,045,067	2,326,119	2,303,907	1,949,361	1,965,146	2,271,163	2,124,806
Total Expenditures	<u>5,582,962</u>	<u>5,674,792</u>	<u>5,630,137</u>	<u>5,554,262</u>	<u>6,082,220</u>	<u>6,387,219</u>	<u>5,731,118</u>	<u>6,037,448</u>	<u>6,823,521</u>	<u>7,066,839</u>
Excess of Revenues over Expenditures	(10,625)	331,562	208,552	742,488	464,684	(14,178)	216,685	264,996	5,152	410,265
Other Financing (uses)	(15,357)	(65,670)	(26,855)	(37,804)	(160,722)	(35,000)	(67,000)	(50,000)	(301,512)	(43,150)
Excess of Revenues Over Expenditures other (uses)	(25,982)	265,892	181,697	704,684	303,962	(49,178)	149,685	214,996	(296,360)	367,115
Equity Transfer	-	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	2,651,330	2,625,348	2,891,240	3,072,937	3,860,081	4,164,043	4,114,865	4,307,215	4,594,445	4,298,085
Prior Period Adj.	-	-	-	82,460	-	-	42,665	72,234	-	-
Beginning Fund Balance (Restated)	2,651,330	2,625,348	2,891,240	3,155,397	3,860,081	4,164,043	4,157,530	4,379,449	4,594,445	4,298,085
Ending Fund Balance	<u>\$ 2,625,348</u>	<u>\$ 2,891,240</u>	<u>\$ 3,072,937</u>	<u>\$ 3,860,081</u>	<u>\$ 4,164,043</u>	<u>\$ 4,114,865</u>	<u>\$ 4,307,215</u>	<u>\$ 4,594,445</u>	<u>\$ 4,298,085</u>	<u>\$ 4,665,200</u>

Source: The District Basic Financial Statements

General Obligation Refunding Bond Series 2014 - Official Statement Table IX

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA  
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2710 - MEEKER RE1  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	4,298,085	7,306,869	6,939,754	4,665,200
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	127,085	127,085	0
<b>Sub- Total</b>	<b>4,298,085</b>	<b>7,433,954</b>	<b>7,066,839</b>	<b>4,665,200</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	19,252	281,047	275,584	24,716
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	3,516,449	2,350,388	1,963,875	3,902,962
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	511,328	3,832	182,872	332,289
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>8,345,115</b>	<b>10,069,222</b>	<b>9,489,169</b>	<b>8,925,167</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	283,023	15,583	112,480	186,125
74 Pupil Activity Agency Fund	190,465	209,838	215,773	184,530
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>473,487</b>	<b>225,421</b>	<b>328,253</b>	<b>370,655</b>

FINAL



**Colorado Department of Education**

**Bolded Balance Sheet Report**

District: 2710 - MEEKER RE1

Fiscal Year 2017-18

Colorado School District/BOCES

**Governmental**

**Proprietary**

**Fiduciary**

ASSETS	Governmental					Proprietary					Fiduciary			Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Cash and Investments (8100-8104,8111)	5,084,644	0	0	0	0	19,159	3,887,078	332,289	0	0	0	0	370,655	0	9,693,824
Cash with Fiscal Agent (8105)	1,395	0	0	0	0	0	827	0	0	0	0	0	0	0	2,222
Taxes Receivable (8121,8122)	25,467	0	0	0	0	0	15,057	0	0	0	0	0	0	0	40,523
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	767	0	0	0	0	0	0	0	0	767
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	164,878	0	0	0	0	0	0	0	0	0	0	0	0	0	164,878
Other Receivables (8151-8154,8161)	7,873	0	0	0	0	1,869	0	0	0	0	0	0	0	0	9,742
Inventories (8171,8172,8173)	0	0	0	0	0	8,938	0	0	0	0	0	0	0	0	8,938
Prepaid Expenses 8181,8182)	0	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	0
<b>Total Assets</b>	<b>5,284,256</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,733</b>	<b>3,902,962</b>	<b>332,289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>370,655</b>	<b>0</b>	<b>9,920,895</b>

LIABILITIES & FUND EQUITY	Governmental						Proprietary					Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
Interfund Payables (7401,7402)	767	0	0	0	0	0	0	0	0	0	0	0	0	0	767
Other Payables (7421-7423)	1,090	0	0	0	0	0	0	0	0	0	0	0	0	0	1,090
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	617,199	0	0	0	0	0	0	0	0	0	0	0	0	0	617,199
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	6,017	0	0	0	0	0	0	0	0	6,017
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>619,056</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>625,073</b>

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</b>	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	8,938	0	0	0	0	0	0	0	0	8,938
Restricted Fund Balance 6720	0	0	0	0	0	0	3,902,962	0	0	0	0	0	184,530	0	4,087,492
TABOR 3% Emergency Reserve 6721	194,000	0	0	0	0	0	0	0	0	0	0	0	0	0	194,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	15,777	0	332,289	0	0	0	0	0	0	348,066
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	4,471,200	0	0	0	0	0	0	0	0	0	0	0	186,125	0	4,657,325
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>4,665,200</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24,716</b>	<b>3,902,962</b>	<b>332,289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>370,655</b>	<b>0</b>	<b>9,295,822</b>

	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
<b>Total Liabilities &amp; Fund Equity</b>	5,284,256	0	0	0	0	30,733	3,902,962	332,289	0	0	0	0	370,655	0	9,920,895

	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
<b>For Each Fund Type: Do Assets=Liability+Fund Equity</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes