

**KIOWA COUNTY SCHOOL DISTRICT RE-1
EADS, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2019**

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FINANCIAL SECTION

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2019

The discussion and analysis of Kiowa County School District RE-1's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2019. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

A Major project has been planned for the 2019-2020 school year. All lights in the all facilities will be changed to LED lighting.

The district continues to manage its finances to maintain a healthy reserve. Overall, the District's financial condition remained stable during the year, with ending net position increasing due to increased revenue from the state.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Proprietary fund statements offer short and long-term financial information about the activities that the District operates as a business. For our District this activity is the Food Service Fund. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

As of June 30, 2019, the District's total net position was \$(1,446,748).

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

Business-Type Activities – These services are provided on a charge for goods or services basis to recover all of the expenses of the goods or services provided. The District's food service operation is reported as a business activity.

A condensed summary of the District's net position is as follows:

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	2019	2018
Current Assets	\$ 1,535,607	\$ 1,348,568
Capital Assets - Net	2,018,311	1,938,493
Total Assets	3,553,918	3,287,061
Deferred Outflows	1,642,421	2,502,013
Current Liabilities	215,641	198,466
Long-Term Liabilities	4,131,204	8,245,817
Total Liabilities	4,346,845	8,444,283
Deferred Inflows	3,459,572	575,699
Net Investment in Capital Assets	2,018,311	1,938,493
Restricted Net Position	85,397	80,000
Unrestricted Net Position	(4,713,786)	(5,249,401)
Total Net Position	\$ (2,610,078)	\$ (3,230,908)

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are amounts set aside by management for the repayment of debt, or set aside as required by Colorado statutes for emergencies.

A condensed Statement of Activities and the related change in net position is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	2019	2018
Program Revenues:		
Charges for Services	\$ 189,721	\$ 186,394
Operating Grants	426,531	353,165
Capital Grants	-	54,781
Total Program Revenues	<u>616,252</u>	<u>594,340</u>
General Revenues:		
Taxes	552,065	558,405
State Equalization	1,721,291	1,556,163
Investment Income	6,850	4,298
Gain on Disposal	500	(3,411)
Insurance Proceeds	-	8,594
Miscellaneous	81,215	62,605
Total General Revenues	<u>2,361,921</u>	<u>2,186,654</u>
Total Revenues	<u>2,978,173</u>	<u>2,780,994</u>
Expenses		
Instruction	1,304,275	2,362,913
Supporting Services	1,053,068	1,570,624
Total Expenses	<u>2,357,343</u>	<u>3,933,537</u>
Change in Net Position	620,830	(1,152,543)
Net Position - Beginning	<u>(3,230,908)</u>	<u>(2,078,365)</u>
Net Position - Ending	<u>\$ (2,610,078)</u>	<u>\$ (3,230,908)</u>

The District's net position decreased this year.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, Designated Grants, and Bond Redemption Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available 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 District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Designated Grants, Athletic Activity, Scholarship, Bond Redemption, Building and Capital Reserve Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Designated Grants Fund accounts for a portion of the District non-match grant activity, the Pupil Activity and Scholarship Funds account for extracurricular and post-secondary opportunities, and the Bond Redemption Fund accounts for the repayment of the District's general obligation debt. The Building Fund accounts for the 2007 Bond and the CDE Capital Construction grant improvements and the Capital Reserve Fund accounts for the remainder of District's major capital outlay.

Proprietary Funds. The proprietary fund (the food service operation) has historically operated as an enterprise fund using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the business-type activity section of the government-wide statements.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary fund is the Class Fund. The Class Fund generally accounts for student generated revenues and expenditures related to non-classroom activities.

Fund Financial Statements

As of June 30, 2019, the District's governmental funds reported a combined fund balance of \$2,097,729 which is a decrease of \$555,839. from the June 30, 2017 balance. The following is additional information, by major fund, which contributed to the change.

Information regarding the District's General Fund is shown below. The District also has five other governmental funds, the Capital Reserve Fund, Pupil Activity Fund, Scholarship Fund, Bond Redemption Fund and the Building Fund. Activities in the Pupil Activity and Scholarship Funds were relatively stable. The Bond Redemption Fund showed a slight decrease in ending fund balance of \$291,634. General Fund showed a decrease of \$489,662.

Capital Assets

As of June 30, 2019 the District had \$4,769,145 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$17,299. from last year. A summary of the District's Capital Assets is as follows:

TABLE 3 - GOVERNMENTAL ACTIVITY CAPITAL ASSETS

	Balance July 1, 2018	Additions	Deletions & Transfers	Balance June 30, 2019
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 350,507	\$ 107,930	\$ 293,783	\$ 164,654
Capital Assets Being Depreciated				
Buildings	2,900,021	355,126	-	3,255,147
Land Improvements	438,834	-	-	438,834
Machinery & Equipment	143,850	11,745	-	155,595
Food Service Equipment	35,350	-	-	35,350
Vehicles	439,791	-	-	439,791
Total Capital Assets Being Depreciated	3,957,846	366,871	-	4,324,717
Total Capital Assets	4,308,353	474,801	293,783	4,489,371
Less Accumulated Depreciation:				
Buildings	(1,578,335)	(65,920)	-	(1,644,255)
Land Improvements	(275,442)	(15,875)	-	(291,317)
Machinery & Equipment	(103,663)	(6,441)	-	(110,104)
Food Service Equipment	(27,247)	(736)	-	(27,983)
Vehicles	(385,173)	(12,228)	-	(397,401)
Total Accumulated Depreciation	(2,369,860)	(101,200)	-	(2,471,060)
Net Capital Assets	\$ 1,938,493	\$ 373,601	\$ 293,783	\$ 2,018,311

Debt Administration

As of June 30, 2019 the District had total outstanding long-term debt as follows:

	Balance July 1, 2018	Additions	Payments	Balance June 30, 2019	Current Portion
PERA Net OPEB Liability	\$ 183,975	\$ 12,201	\$ -	\$ 196,176	\$ -
PERA Net Pension Liability	8,056,430	-	4,128,497	3,927,933	-
Accrued Compensated Absences	5,412	1,683	-	7,095	-
Total Long-Term Obligations	\$ 8,245,817	\$ 13,884	\$ 4,128,497	\$ 4,131,204	\$ -

The capital leases represent extended obligations for the purchases of equipment, the bonds payable were utilized for building improvements, and the accrued compensated absences represent the liability for earned but unused vacation. Additional information related to the District's debt can be found in Note 6 to the financial statements.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in October when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received.

The difference in the original budget, which is due July 1st, and the final budget, which is due January 30th is mainly due to the student count. In October, we also have actual amounts for teachers' contracts and any special needs of students that may impact our budget. The October count also gives us a clearer picture of what we will receive for equalization from the state.

Economic Factors and Next Year's Budget

With the continued impact of the state referenced "negative factors" non-appropriations, the District continues to examine revenue projections. The District continues to work on ways to increase salaries to attract and retain highly qualified teachers for our students. The District will continue to pursue State and Local grants in order to achieve the District goals.

Requests for Information

This financial report is designed to provide a general overview of the Kiowa County School District RE-1's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, 420 S. Rush Road, Rush, Colorado 80833-9408.

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Education
Kiowa County School District RE-1
Eads, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of the Kiowa County School District RE-1, Colorado, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of the Kiowa County School District RE-1, Colorado, as of June 30, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the Kiowa County School District RE-1's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1–M6 and pension schedules on 41-44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on pages 45-48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining individual fund schedules on pages 49-52 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 53-56 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, CO
September 6, 2019

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2019.

Kiowa County School District RE-1
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS	
ASSETS	
Current Assets	
Cash and Investments	\$ 1,468,180
Cash with Fiscal Agent	658
Taxes Receivable	37,903
Grants Receivable	10,415
Other Accounts Receivable	1,567
Inventory	1,272
Prepaid Expenses	15,612
Total Current Assets	<u>1,535,607</u>
Noncurrent Assets	
Capital Assets, not being depreciated	164,654
Capital Assets, being depreciated	1,853,657
Total Noncurrent Assets	<u>2,018,311</u>
TOTAL ASSETS	<u>3,553,918</u>
DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Net Deferred Outflows Pensions	1,627,627
Net Deferred Outflows OPEB	14,794
TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>1,642,421</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS	<u>\$ 5,196,339</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	
LIABILITIES	
Current Liabilities	
Accounts Payable	\$ 46,037
Accrued Salaries & Benefits	157,844
Unearned Revenue	535
Unearned Grant Revenue	11,225
Total Current Liabilities	<u>215,641</u>
Noncurrent Liabilities	
Due In More Than One Year	4,131,204
TOTAL LIABILITIES	<u>4,346,845</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES	
Net Deferred Inflows Pensions	3,456,965
Net Deferred Inflows OPEB	2,607
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>3,459,572</u>
NET POSITION	
Net Investment in Capital Assets	2,018,311
Restricted Net Position	100,884
Unrestricted Net Position	(4,729,273)
TOTAL NET POSITION	<u>(2,610,078)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION	<u>\$ 5,196,339</u>

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

Kiowa County School District RE-1
 Balance Sheet
 Governmental Funds
 June 30, 2019
 (With Comparative Totals for June 30, 2018)

	Special Revenue			Totals	
	General Fund	Pupil Activity Fund	Other Governmental Funds	2019	2018
ASSETS					
Cash and Investments	\$ 1,327,373	\$ 90,187	\$ 50,620	\$ 1,468,180	\$ 1,289,905
Cash with Fiscal Agent	658	-	-	658	434
Taxes Receivable	37,903	-	-	37,903	34,613
Interfund Accounts Receivable	-	-	-	-	8,061
Grants Receivable	10,415	-	-	10,415	5,253
Other Accounts Receivable	1,202	-	365	1,567	431
Inventory	-	-	1,272	1,272	1,397
Prepaid Expenses	15,612	-	-	15,612	16,535
TOTAL ASSETS	\$ 1,393,163	\$ 90,187	\$ 52,257	\$ 1,535,607	\$ 1,356,629
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ 8,061
Accounts Payable	45,548	489	-	46,037	28,771
Retainage Payable	-	-	-	-	2,326
Accrued Salaries & Benefits	157,844	-	-	157,844	167,128
Payroll Taxes & Deductions Payable	-	-	-	-	241
Unearned Revenue	-	-	535	535	440
Grant Unearned Revenue	11,225	-	-	11,225	8,639
Total Liabilities	214,617	489	535	215,641	215,606
Fund Balance					
Nonspendable Fund Balance	15,612	-	1,272	16,884	34,467
Restricted Fund Balance					
Restricted for TABOR Emergency	84,000	-	-	84,000	80,000
Committed Fund Balance					
Committed for Fund Purposes	-	89,698	-	115,083	25,259
Assigned Fund Balance					
Other Assigned Fund Balance	-	-	42,661	25,065	86,678
Unassigned Fund Balance	1,078,934	-	-	1,078,934	914,619
Total Fund Balance	1,162,934	89,698	51,722	1,319,966	1,141,023
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ 1,377,551	\$ 90,187	\$ 52,257	\$ 1,535,607	\$ 1,356,629

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

Kiowa County School District RE-1
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2019

Fund Balance - Governmental Funds		\$	1,319,966
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	164,654	
Capital assets, being depreciated		4,324,717	
Accumulated depreciation		<u>(2,471,060)</u>	2,018,311
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds			
PERA Pension			
Net pension deferred outflows		1,627,627	
Net pension liability		(3,927,933)	
Net pension deferred inflows		<u>(3,456,965)</u>	(5,757,271)
PERA Health Care Trust Fund (OPEB)			
Net OPEB deferred outflows		14,794	
Net OPEB liability		(196,176)	
Net OPEB deferred inflows		<u>(2,607)</u>	(183,989)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Accrued compensated absences			<u>(7,095)</u>
Total Net Position - Governmental Activities		\$	<u>(2,610,078)</u>

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

Kiowa County School District RE-1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	<u>Special Revenue</u>			<u>Totals</u>	
	<u>General Fund</u>	<u>Pupil Activity Fund</u>	<u>Other Governmental Funds</u>	<u>2019</u>	<u>2018</u>
REVENUES					
Local Sources	\$ 653,410	\$ 127,803	\$ 42,238	\$ 823,451	\$ 820,299
Intermediate Sources	1,255	-	-	1,255	138
State Sources	2,029,581	-	1,658	2,031,239	1,850,229
Federal Sources	75,974	-	46,254	122,228	113,740
TOTAL REVENUES	<u>2,760,220</u>	<u>127,803</u>	<u>90,150</u>	<u>2,978,173</u>	<u>2,784,406</u>
EXPENDITURES					
Instruction	1,341,800	145,598	-	1,487,398	1,418,676
Pupil Support	74,916	-	-	74,916	44,891
Staff Support	57,910	-	-	57,910	58,398
General Administration	146,264	-	-	146,264	142,783
School Administration	143,913	-	-	143,913	159,062
Business Services	77,428	-	-	77,428	76,649
Operations and Maintenance	307,714	-	-	307,714	280,257
Transportation	140,176	-	-	140,176	135,203
Other Central Support	3,906	-	-	3,906	3,965
Risk Management	20,516	-	-	20,516	20,805
Other Supporting Services	1,021	-	-	1,021	4,323
Food Service	-	-	117,579	117,579	107,847
Facilities	178,798	-	41,691	220,489	255,727
TOTAL EXPENDITURES	<u>2,494,362</u>	<u>145,598</u>	<u>159,270</u>	<u>2,799,230</u>	<u>2,708,586</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	265,858	(17,795)	(69,120)	178,943	75,820
OTHER FINANCING SOURCES (USES)					
Transfer In (Out) - net	(115,000)	30,000	85,000	-	-
CHANGE IN FUND BALANCE	150,858	12,205	15,880	178,943	75,820
BEGINNING FUND BALANCE	1,027,688	77,493	35,842	1,141,023	1,065,203
ENDING FUND BALANCE	<u>\$ 1,178,546</u>	<u>\$ 89,698</u>	<u>\$ 51,722</u>	<u>\$ 1,319,966</u>	<u>\$ 1,141,023</u>

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

**Kiowa County School District RE-1
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2019**

Change in Fund Balance - Governmental Funds		\$	178,943
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	181,018	
Depreciation Expense		(101,200)	
Gain (Loss) on Asset Disposals		<u>-</u>	79,818
Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
PERA Pension			
Change in deferred pension outflows		(867,078)	
Change in net pension liability		4,128,497	
Change in deferred pension inflows		<u>(2,893,423)</u>	367,996
PERA Health Care Trust Fund (OPEB)			
Change in deferred OPEB outflows		7,486	
Change in net OPEB liability		(12,201)	
Change in deferred OPEB inflows		<u>471</u>	(4,244)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Change in accrued compensated absences			<u>(1,683)</u>
Change in Net Position - Governmental Activities		\$	<u><u>620,830</u></u>

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kiowa County School District RE-1 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

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

Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements

The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The District reports the following major governmental fund:

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

Pupil Activity Fund – This fund specifically accounts for the District's student club and organization activity.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (Continued)

The District reports the following non-major governmental funds:

Special Revenue Funds (Food Service Fund) - These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes. The Food Service Fund accounts for the District's food service program.

Capital Projects Funds (Capital Reserve Capital Projects Fund) – These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

Cash and Investments - Cash is kept in interest bearing accounts which are comprised of checking accounts and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Investments are recorded at fair value.

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

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

Inventory - Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

Capital Assets - Capital assets used in governmental activities operations are shown on the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

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

Buildings and Site Improvements	10-40 years
Vehicles	5-15 years
Other Equipment	15 years

Unearned Revenue – Unearned revenues represent revenues received which are not recognized until qualifying expenditures are incurred.

Vacation, Sick Leave, and Other Compensated Absences - District employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. Vacation can be carried over upon the superintendent's approval.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category, both related to outstanding pension and OPEB obligations and further described in Notes 8 and 10.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows for property taxes as described above, prepaid student balances and pension and OPEB related deferrals as further described in Notes 8 and 10.

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

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

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

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

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

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

For the classification of fund and net position balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/Fund Balance Flow Assumptions

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

Revenues and Expenditures/Expenses

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

Property Tax Revenues - Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Uncollected property taxes levied in 2018 for collection in 2019 are identified as property taxes receivable at June 30.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on the cash basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- The District has until January 31st of each year to revise the budget.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund balance at fiscal year-end because they have lapsed and are pending reinstatement.

NOTE 2: CASH AND INVESTMENTS

The following is a reconciliation of cash on the statement of net position to the summary of cash and investments shown below:

Bank deposits	\$ 1,467,730
Cash on hand	<u>450</u>
Total cash and investments	<u>\$ 1,468,180</u>
Governmental activities	<u>\$ 1,468,180</u>

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2: CASH AND INVESTMENTS

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2019, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

At June 30, 2019, the District's deposits had bank and carrying values as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC insured	\$ 250,000	\$ 250,000
PDPA collateralized (Not in District's name)	<u>1,249,991</u>	<u>1,217,730</u>
Total	<u>\$ 1,499,991</u>	<u>\$ 1,467,730</u>

Investments

Credit Risk

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

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

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

Concentration of Credit Risk

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2: CASH AND INVESTMENTS

Investments

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2019, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2019 consisted of purchased food and supplies and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt. Inventory at June 30, 2019, was valued at \$1,272.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 4: CAPITAL ASSETS

Activity for capital assets which are capitalized by the District is summarized below:

	<u>Balance July 1, 2018</u>	<u>Additions</u>	<u>Deletions & Transfers</u>	<u>Balance June 30, 2019</u>
<u>Governmental Activities</u>				
Capital Assets Not Being Depreciated				
Construction in Progress	\$ 350,507	\$ 107,930	\$ 293,783	\$ 164,654
Capital Assets Being Depreciated				
Buildings	2,900,021	355,126	-	3,255,147
Land Improvements	438,834	-	-	438,834
Machinery & Equipment	143,850	11,745	-	155,595
Food Service Equipment	35,350	-	-	35,350
Vehicles	439,791	-	-	439,791
Total Capital Assets Being Depreciated	<u>3,957,846</u>	<u>366,871</u>	<u>-</u>	<u>4,324,717</u>
Total Capital Assets	<u>4,308,353</u>	<u>474,801</u>	<u>293,783</u>	<u>4,489,371</u>
Less Accumulated Depreciation:				
Buildings	(1,578,335)	(65,920)	-	(1,644,255)
Land Improvements	(275,442)	(15,875)	-	(291,317)
Machinery & Equipment	(103,663)	(6,441)	-	(110,104)
Food Service Equipment	(27,247)	(736)	-	(27,983)
Vehicles	(385,173)	(12,228)	-	(397,401)
Total Accumulated Depreciation	<u>(2,369,860)</u>	<u>(101,200)</u>	<u>-</u>	<u>(2,471,060)</u>
Net Capital Assets	<u>\$ 1,938,493</u>	<u>\$ 373,601</u>	<u>\$ 293,783</u>	<u>\$ 2,018,311</u>

Depreciation expense for governmental activities was allocated to activities as follows:

Instruction	\$ 53,360
Supporting Services	47,840
Total Depreciation	<u>\$ 101,200</u>

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2019, depreciation has been charged to governmental activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2019, were \$157,844.

NOTE 6: LONG-TERM OBLIGATIONS

Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Food Service Funds.

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	<u>Balance</u> <u>July 1,</u> <u>2018</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30,</u> <u>2019</u>	<u>Current</u> <u>Portion</u>
PERA Net OPEB Liability	\$ 183,975	\$ 12,201	\$ -	\$ 196,176	\$ -
PERA Net Pension Liability	8,056,430	-	4,128,497	3,927,933	-
Accrued Compensated Absences	5,412	1,683	-	7,095	-
Total Long-Term Obligations	<u>\$ 8,245,817</u>	<u>\$ 13,884</u>	<u>\$ 4,128,497</u>	<u>\$ 4,131,204</u>	<u>\$ -</u>

Beginning with the June 30, 2001 fiscal year, the District began offering an early retirement incentive to its teachers and other long-term employees. All teachers and other employees that have been employed by the District for at least 20 years are eligible to receive either \$35,000 upon retirement in the case of teachers or ½ the annual salary of other employees, paid equally in annual installments over the three fiscal years subsequent to retirement. During the year, no teacher opted into this program and there are no current participants.

In addition, the District has recorded an obligation for accrued compensated absences related to leave carryovers at June 30, 2019.

NOTE 7: JOINTLY GOVERNED ORGANIZATION

BOCES

The District in conjunction with other surrounding districts created the Southeastern Colorado Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. During the fiscal year ended June 30, 2019, the District paid total BOCES assessments of \$34,015. Financial statements for the BOCES can be obtained from the BOCES administrative office at: 703 South Third, Lamar, CO 81052.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

Benefits provided as of December 31, 2018. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019: Eligible employees the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.13%

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

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 \$233,293 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District 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 and the State as a nonemployer contributing entity.

At June 30, 2019, the District reported a liability of \$3,927,933 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (3,927,933)
The State's proportionate share of the net pension liability as a nonemployer	\$ (472,485)
Total	\$ (4,400,418)

At December 31, 2018, the District proportion was 0.22183 percent, which was decrease of 0.00273 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension income of \$282,757 primarily related to assumption and State Contribution adjustments revenue of \$31,900 for support from the State of Colorado as a non-employee contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 140,882	\$ -
Changes of assumptions or other inputs	822,955	(2,442,752)
Net difference between projected and actual earnings on pension plan investments	542,475	(357,074)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	2,081	(508,610)
Contributions subsequent to the measurement date	118,033	-
Total	\$ 1,626,426	\$ (3,308,436)

\$118,033 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2020	\$ (278,920)
2021	(976,082)
2022	(662,156)
2023	117,115
Total	\$ (1,800,043)

Actuarial assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	4.78%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Discount rate. The discount rate used to measure the total pension liability was 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:

- 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 member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include the 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.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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. 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 middle of the year.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower 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 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (4,993,695)	\$ (3,927,933)	\$ (3,033,579)

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

NOTE 9: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 9: DEFINED CONTRIBUTION PENSION PLAN (Continued)

Voluntary Investment Program (Continued)

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2019 program members contributed \$13,612.

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

PERA Benefit Structure

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

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

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$12,412 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$196,176 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.01442 percent, which was an increase of 0.00026 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$16,655. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 698	\$ (299)
Net difference between projected and actual earnings on pension plan investments	\$ 3,479	\$ (2,308)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 2,973	\$ -
Contributions subsequent to the measurement date	\$ 6,305	\$ -
Total	\$ 14,831	\$ (2,607)

\$6,305 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2020	\$ 1,075
2021	1,075
2022	1,075
2023	1,844
2024	790
2025	60
Total	\$ 5,919

Actuarial assumptions. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.25 % for 2018, gradually rising to 5.00% in 2025
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

The actuarial assumptions used in the December 31, 2017, 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 discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
United Healthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
United Healthcare Medicare HMO	400

All costs are subject to the health care cost trend rates, as discussed below.

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, 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
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- 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 2018 plan year.
- 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 long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA’s Board on October 28, 2016.

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

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

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%	

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Proportionate share of the net OPEB asset (liability)	\$ (190,759)	\$ (196,176)	\$ (202,407)

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, 2018, 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- Benefit payments and contributions were assumed to be made at the middle of the year.

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 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (219,504)	\$ (196,176)	\$ (176,233)

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

NOTE 11: INTERFUND BALANCES

The District made the following routine transfers for the year ended June 30, 2019

	<u>Amount</u>
General Fund transfer to Food Service Fund	\$ (10,000)
General Fund transfer to Capital Reserve Fund	(75,000)
General Fund transfer to Pupil Activity Fund	(30,000)
Food Service Fund transfer from General Fund	10,000
Capital Reserve Fund transfer from General Fund	75,000
Pupil Activity Fund transfer from General Fund	30,000
Net Interfund Transfers	<u>\$ -</u>

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 12: SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental and proprietary funds or the overall financial position of the District.

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate vote to retain the revenue.

In November of 1996, the voters of the District approved a ballot measure which allows the District to retain, appropriate, and utilize the full revenues received from every source whatever, without limitation, in 1996 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has reserved the General Fund's fund balance in the amount of \$84,000 pursuant to the Amendment's 3% Emergency Reserve requirement.

NOTE 13: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997.

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually.

These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2019.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

KIOWA COUNTY SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 13: RISK MANAGEMENT (Continued)

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

NOTE 14: DEFICIT NET POSITION

The Governmental Activities has an overall deficit net position of \$2,610,078 and an unrestricted net position deficit of \$4,713,786, primarily due to the PERA net pension liability of \$3,927,933 and related net deferrals, as further described in Note 8 and the HCTF net OPEB liability of \$196,176 as discussed further in Note 10. As the District has no control over pension and OPEB benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 15: BUDGET VIOLATION

The District's expenditures exceeded appropriations in the Food Service Fund by \$(11,814) and in the Pupil Activity Fund by \$(15,448). This may be a violation of State statutes.

REQUIRED SUPPLEMENTARY INFORMATION
(Pension and OPEB Schedules - Unaudited)

KIOWA COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District's</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.027079%	\$ (3,453,863)	\$ -	\$ (3,453,863)	\$ 1,091,623	316.40%	64.07%
June 30, 2015	0.026493%	\$ (3,590,677)	\$ -	\$ (3,590,677)	\$ 1,109,862	323.52%	62.84%
June 30, 2016	0.025902%	\$ (3,961,454)	\$ -	\$ (3,961,454)	\$ 1,128,782	350.95%	59.16%
June 30, 2017	0.024888%	\$ (7,410,042)	\$ -	\$ (7,410,042)	\$ 1,104,819	670.70%	43.13%
June 30, 2018	0.024914%	\$ (8,056,430)	\$ -	\$ (8,056,430)	\$ 1,149,272	701.00%	43.96%
June 30, 2019	0.022183%	\$ (3,927,933)	\$ (472,485)	\$ (4,400,418)	\$ 1,219,512	322.09%	57.01%

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

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

See the accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 169,529	(169,529)	-	\$ 1,091,623	15.53%
June 30, 2015	182,350	(182,350)	-	\$ 1,109,862	16.43%
June 30, 2016	195,618	(195,618)	-	\$ 1,128,782	17.33%
June 30, 2017	200,304	(200,304)	-	\$ 1,104,819	18.13%
June 30, 2018	214,109	(214,109)	-	\$ 1,149,272	18.63%
June 30, 2019	233,293	(233,293)	-	\$ 1,219,512	19.13%

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

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

See the accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1

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

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
June 30, 2017	0.014146%	\$ (183,975)	\$ 1,104,819	16.65%	16.70%
June 30, 2018	0.014156%	(183,414)	\$ 1,149,272	15.96%	17.53%
June 30, 2019	0.014419%	(196,176)	\$ 1,219,512	16.09%	17.03%

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

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

See the accompanying Independent Auditors' Report.

KIOWA COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 11,393	\$ (11,393)	\$ -	\$ 1,104,819	1.03%
June 30, 2018	11,723	(11,723)	-	1,149,272	1.02%
June 30, 2019	12,439	(12,439)	-	1,219,512	1.02%

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

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

See the accompanying Independent Auditors' Report.

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REQUIRED SUPPLEMENTARY INFORMATION
(Budgetary Comparison Schedules)

Kiowa County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Property Taxes	\$ 483,477	\$ 467,034	\$ (16,443)	\$ 480,596
Specific Ownership Taxes	73,298	82,711	9,413	74,876
Delinquent Taxes	2,000	2,320	320	2,933
Tuition From Individuals	4,500	-	(4,500)	6,600
Tuition Within the BOCES	2,500	10,700	8,200	9,450
Transportation Fees	-	-	-	2,350
Investment Earnings	3,000	6,407	3,407	4,028
Donations	-	25,000	25,000	-
Sale of Fixed Assets	-	500	500	-
Instructional Materials Fees	2,300	2,500	200	-
Overhead Cost Revenue	-	6,922	6,922	-
Insurance Proceeds	-	-	-	8,594
Other Local	14,000	49,317	35,317	62,609
Total Local Sources	585,075	653,411	68,336	652,036
Intermediate Sources				
Mineral Leases	100	152	52	138
Other Intermediate Source Revenue	-	1,103	1,103	-
Total Intermediate Sources	100	1,255	1,155	138
State Sources				
State Equalization	1,656,775	1,721,291	64,516	1,556,163
Transportation	31,000	31,748	748	34,717
State Grants from CDE				
State Gifted and Talented	3,000	-	(3,000)	-
Small Rural Schools	-	62,591	62,591	63,041
Addition At-Risk Funding	-	790	790	1,075
Read Act	800	413	(387)	4,744
State Library Grant	3,500	3,500	-	3,500
Other CDE State Grants	2,500	-	(2,500)	-
State Grants from Other Agencies				
State Vocational Education	12,000	26,733	14,733	19,076
State of CO PERA Distribution	-	31,900	31,900	-
Other Agency State Grants	100,000	137,246	37,246	96,805
State Grants Provided through BOCES	10,650	13,368	2,718	15,034
Total State Sources	1,820,225	2,029,580	209,355	1,794,155
Federal Sources				
Federal Grants from CDE				
NCLB Title I, Part A - Improving Basic Programs	24,100	38,794	14,694	33,879
NCLB Title II, Part A - Teacher & Principal Training	12,000	5,169	(6,831)	4,510
Title IV - Student Support & Academic Enrichment	-	10,000	10,000	10,000
RTTT Early Childhood	-	-	-	139
Direct Federal Revenue				
NCLB Title VI, Part B - REAP/Rural Education	15,000	18,276	3,276	17,676
Federal Provided through BOCES	-	3,735	3,735	4,416
Total Federal Sources	51,100	75,974	24,874	70,620
TOTAL REVENUES	2,456,500	2,760,220	303,720	2,516,949

(Continued)

See the accompanying Independent Auditors' Report

Kiowa County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			
	Original & Final Budget	Actual	Variance with Final Budget	2018 Actual
	(Continued)			
EXPENDITURES				
Instruction				
Salaries	834,698	852,729	(18,031)	845,305
Benefits	350,100	353,980	(3,880)	299,257
PS - Professional	9,046	6,545	2,501	4,283
PS - Property	3,690	-	3,690	-
PS - Other	17,077	41,669	(24,592)	24,005
Supplies	32,966	48,614	(15,648)	46,572
Property	8,875	33,777	(24,902)	44,578
Other Expenses	5,177	4,486	691	1,227
Total Instruction	<u>1,261,629</u>	<u>1,341,800</u>	<u>(80,171)</u>	<u>1,265,227</u>
Supporting Services				
Pupil Support				
Salaries	-	8,451	(8,451)	-
Benefits	-	665	(665)	-
PS - Professional	11,000	22,799	(11,799)	9,004
PS - Other	34,943	34,014	929	35,598
Supplies	610	6,839	(6,229)	289
Property	270	2,148	(1,878)	-
Total Pupil Support	<u>46,823</u>	<u>74,916</u>	<u>(28,093)</u>	<u>44,891</u>
Staff Support				
Salaries	32,244	34,497	(2,253)	34,512
Benefits	12,228	10,761	1,467	11,125
PS - Professional	450	31	419	1,685
PS - Property	675	-	675	-
PS - Other	8,225	4,871	3,354	1,728
Supplies	7,900	7,721	179	9,300
Property	-	-	-	18
Other Expenses	7,700	29	7,671	30
Total Staff Support	<u>69,422</u>	<u>57,910</u>	<u>11,512</u>	<u>58,398</u>
General Administration				
Salaries	70,650	72,550	(1,900)	72,150
Benefits	15,995	16,151	(156)	20,420
PS - Professional	9,275	12,972	(3,697)	8,382
PS - Other	11,095	10,717	378	8,682
Supplies	25,200	2,599	22,601	1,489
Property	6,450	5,956	494	5,873
Other Expenses	32,000	25,318	6,682	25,787
Total General Administration	<u>170,665</u>	<u>146,263</u>	<u>24,402</u>	<u>142,783</u>
School Administration				
Salaries	80,187	83,158	(2,971)	115,300
Benefits	34,661	33,769	892	40,488
PS - Professional	-	175	(175)	-
PS - Property	225	-	225	-
PS - Other	1,135	1,541	(406)	99
Supplies	3,300	4,425	(1,125)	3,078
Property	930	-	930	-
Other Expenses	1,250	20,845	(19,595)	97
Total School Administration	<u>121,688</u>	<u>143,913</u>	<u>(22,225)</u>	<u>159,062</u>

(Continued)
See the accompanying Independent Auditors' Report

Kiowa County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
(Continued)				
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Business Services				
Salaries	49,122	50,900	(1,778)	49,747
Benefits	14,450	14,517	(67)	14,340
PS - Professional	10,000	9,345	655	9,669
PS - Other	300	222	78	315
Supplies	2,000	2,423	(423)	2,463
Property	1,350	-	1,350	-
Other Expenses	90	21	69	115
Total Business Services	<u>77,312</u>	<u>77,428</u>	<u>(116)</u>	<u>76,649</u>
Operations and Maintenance				
Salaries	66,063	82,670	(16,607)	79,631
Benefits	25,755	28,493	(2,738)	27,086
PS - Professional	14,400	22,163	(7,763)	17,124
PS - Property	17,680	17,458	222	19,800
PS - Other	28,958	29,930	(972)	25,208
Supplies	102,484	111,638	(9,154)	105,866
Property	3,500	15,363	(11,863)	5,542
Other Expenses	270	-	270	-
Total Operations and Maintenance	<u>259,110</u>	<u>307,715</u>	<u>(48,605)</u>	<u>280,257</u>
Transportation				
Salaries	60,259	71,552	(11,293)	65,219
Benefits	21,097	19,871	1,226	21,648
PS - Property	7,000	15,502	(8,502)	8,041
PS - Other	5,500	235	5,265	6,886
Supplies	29,500	30,578	(1,078)	30,679
Property	450	-	450	-
Other Expenses	2,850	2,438	412	2,730
Total Transportation	<u>126,656</u>	<u>140,176</u>	<u>(13,520)</u>	<u>135,203</u>
Other Central Support				
Salaries	1,311	2,000	(689)	2,000
Benefits	285	804	(519)	804
PS - Professional	5,000	-	5,000	304
Supplies	1,000	1,102	(102)	856
Total Other Central Support	<u>7,596</u>	<u>3,906</u>	<u>3,690</u>	<u>3,964</u>
Risk Management				
PS - Other	<u>26,000</u>	<u>20,516</u>	<u>5,484</u>	<u>20,805</u>
Other Supporting Services				
Property	<u>6,500</u>	<u>1,021</u>	<u>5,479</u>	<u>4,323</u>

Kiowa County School District RE-1
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
(Continued)				
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Facilities/Capital Outlay				
PS - Property	-	(204)	204	12,429
Buildings	-	179,002	(179,002)	104,912
Total Facilities/Capital Outlay	-	178,798	(178,798)	117,341
Contingency	1,583,443	-	1,583,443	-
TOTAL EXPENDITURES	3,756,844	2,494,362	1,262,482	2,308,903
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,300,344)	265,858	1,566,202	208,046
OTHER FINANCING SOURCES (USES)				
Transfers	115,000	(115,000)	(230,000)	(120,000)
CHANGE IN FUND BALANCE	(1,185,344)	150,858	1,336,202	88,046
BEGINNING FUND BALANCE	1,185,344	1,027,688	(157,656)	939,643
ENDING FUND BALANCE	\$ -	\$ 1,178,546	\$ 1,178,546	\$ 1,027,689

See accompanying Independent Auditors' Report.

Kiowa County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			2018
	Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 150	\$ 247	\$ 97	\$ 176
Pupil Activity Revenues	110,000	127,556	17,556	123,361
TOTAL REVENUES	<u>110,150</u>	<u>127,803</u>	<u>17,653</u>	<u>123,537</u>
EXPENDITURES				
Instruction				
PS - Professional	17,845	11,663	6,182	9,562
Supplies	133,250	133,935	(685)	143,888
Total Instruction	151,095	145,598	5,497	153,450
Contingency	74,492	-	74,492	-
TOTAL EXPENDITURES	<u>225,587</u>	<u>145,598</u>	<u>79,989</u>	<u>153,450</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(115,437)	(17,795)	97,642	(29,913)
OTHER FINANCING SOURCES (USES)				
Transfers	20,000	30,000	10,000	20,000
CHANGE IN FUND BALANCE	(95,437)	12,205	107,642	(9,913)
BEGINNING FUND BALANCE	95,437	77,493	(17,944)	87,406
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 89,698</u>	<u>\$ 89,698</u>	<u>\$ 77,493</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

Kiowa County School District RE-1
 Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2019
 (With Comparative Totals for June 30, 2018)

	Special Revenue	Capital Projects	Totals	
	Food Service Fund	Capital Reserve Project Fund	2019	2018
ASSETS				
Cash and Investments	\$ 7,959	\$ 42,661	\$ 50,620	\$ 67,547
Other Accounts Receivable	365	-	365	398
Inventory	1,272	-	1,272	1,397
TOTAL ASSETS	<u>\$ 9,596</u>	<u>\$ 42,661</u>	<u>\$ 52,257</u>	<u>\$ 69,342</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ -	\$ -	\$ -	\$ 8,060
Accounts Payable	-	-	-	25,000
Unearned Revenue	535	-	535	440
Total Liabilities	<u>535</u>	<u>-</u>	<u>535</u>	<u>33,500</u>
Deferred Inflows of Financial Resources				
Deferred Revenues	-	-	-	-
Fund Balance				
Nonspendable Fund Balance	1,272	-	1,272	1,397
Committed Fund Balance			-	-
Committed for Food Service	7,789	-	7,789	25,259
Assigned Fund Balance				
Other Assigned Fund Balance	-	42,661	42,661	9,186
Total Fund Balance	<u>9,061</u>	<u>42,661</u>	<u>51,722</u>	<u>35,842</u>
TOTAL LIABILITIES, DEFERRED INLFOWS AND FUND BALANCE	<u>\$ 9,596</u>	<u>\$ 42,661</u>	<u>\$ 52,257</u>	<u>\$ 69,342</u>

See accompanying Independent Auditors' Report.

Kiowa County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	Special Revenue	Capital Projects	Totals	
	Food Service Fund	Capital Reserve Project Fund	2019	2018
REVENUES				
Local Sources	\$ 42,071	\$ 167	\$ 42,238	\$ 44,727
State Sources	1,658	-	1,658	56,074
Federal Sources	46,254	-	46,254	43,120
TOTAL REVENUES	<u>89,983</u>	<u>167</u>	<u>90,150</u>	<u>143,921</u>
EXPENDITURES				
Food Service	117,579	-	117,579	107,847
Facilities	-	41,691	41,691	138,386
TOTAL EXPENDITURES	<u>117,579</u>	<u>41,691</u>	<u>159,270</u>	<u>246,233</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(27,596)	(41,524)	(69,120)	(102,312)
OTHER FINANCING SOURCES (USES)				
Transfer In (Out) - net	10,000	75,000	85,000	100,000
CHANGE IN FUND BALANCE	(17,596)	33,476	15,880	(2,312)
BEGINNING FUND BALANCE	26,657	9,185	35,842	38,154
ENDING FUND BALANCE	<u>\$ 9,061</u>	<u>\$ 42,661</u>	<u>\$ 51,722</u>	<u>\$ 35,842</u>

See accompanying Independent Auditors' Report.

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SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

The District has two special revenue funds as follows:

Food Service Fund

This fund accounts for all financial activities associated with the District school lunch program.

Kiowa County School District RE-1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ 25	\$ 29	\$ 4	\$ 33
Food Service Revenue	41,120	42,042	922	44,634
Total Local Sources	41,145	42,071	926	44,667
State Sources				
State Grants from CDE				
State Match - Child Nutrition	700	746	46	740
Smart Start Nutrition	225	314	89	200
State K-2 Reduced Lunch	300	598	298	353
Total State Sources	1,225	1,658	433	1,293
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	8,000	9,132	1,132	9,050
Special Milk Program	-	686	686	-
National School Lunch Program	29,000	30,996	1,996	29,524
Federal Grants from Other State Agencies				
Commodities	5,000	5,440	440	4,546
Total Federal Sources	42,000	46,254	4,254	43,120
TOTAL REVENUES	84,370	89,983	5,613	89,080
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	48,919	41,612	7,307	40,318
Benefits	22,701	19,900	2,801	18,912
PS - Other	-	979	(979)	474
Supplies	2,221	2,596	(375)	2,314
Food	42,465	47,052	(4,587)	41,284
Commodities	5,000	5,440	(440)	4,546
TOTAL EXPENDITURES	121,306	117,579	3,727	107,848
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(36,936)	(27,596)	9,340	(18,768)
OTHER FINANCING SOURCES (USES)				
Transfers	20,000	10,000	(10,000)	25,000
CHANGE IN FUND BALANCE	(16,936)	(17,596)	(660)	6,232
BEGINNING FUND BALANCE	16,936	26,657	9,721	20,425
ENDING FUND BALANCE	\$ -	\$ 9,061	\$ 9,061	\$ 26,657

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Capital Projects Funds (Capital Reserve Fund) – These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

Kiowa County School District RE-1
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Capital Reserve Project Fund
 For the Year Ended June 30, 2019
 (With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018
	Final Budget	Actual		Actual
REVENUES				
Local Sources				
Investment Earnings	\$ 50	\$ 167	\$ 117	\$ 61
State Sources				
Best Capital Construction Program	-	-	-	54,781
TOTAL REVENUES	<u>50</u>	<u>167</u>	<u>117</u>	<u>54,842</u>
EXPENDITURES				
Instruction				
Property	<u>10,162</u>	<u>-</u>	<u>10,162</u>	<u>-</u>
Facilities/Capital Outlay				
Land and Improvements	26,668	9,010	17,658	7,800
Buildings	<u>38,220</u>	<u>32,681</u>	<u>5,539</u>	<u>130,586</u>
Total Facilities/Capital Outlay	<u>64,888</u>	<u>41,691</u>	<u>23,197</u>	<u>138,386</u>
Contingency	<u>21,050</u>	<u>-</u>	<u>21,050</u>	<u>-</u>
TOTAL EXPENDITURES	<u>96,100</u>	<u>41,691</u>	<u>54,409</u>	<u>138,386</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(96,050)	(41,524)	54,526	(83,544)
OTHER FINANCING SOURCES (USES)				
Transfers	<u>75,000</u>	<u>75,000</u>	<u>-</u>	<u>75,000</u>
CHANGE IN FUND BALANCE	(21,050)	33,476	54,526	(8,544)
BEGINNING FUND BALANCE	<u>21,050</u>	<u>9,185</u>	<u>(11,865)</u>	<u>17,729</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 42,661</u>	<u>\$ 42,661</u>	<u>\$ 9,185</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 1430 - Eads RE-1
 Fiscal Year 2018-19
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	1,027,688		2,574,265		2,423,406		1,178,546
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		70,954		70,954		0
Sub- Total	1,027,688		2,645,219		2,494,361		1,178,546
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	26,657		99,983		117,579		9,061
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	77,493		157,803		145,598		89,698
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	9,185		75,167		41,690		42,661
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	1,141,023		2,978,172		2,799,228		1,319,967
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1430 - Eads RE-1

Fiscal Year 2018-19

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	1,321,006	0	6,367	90,187	0	7,959	0	42,661	0	0	0	0	0	0	1,468,181
Cash with Fiscal Agent (8105)	658	0	0	0	0	0	0	0	0	0	0	0	0	0	658
Taxes Receivable (8121,8122)	37,903	0	0	0	0	0	0	0	0	0	0	0	0	0	37,903
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	10,415	0	0	0	0	0	0	0	0	0	0	0	0	0	10,415
Other Receivables (8151-8154,8161)	1,202	0	0	0	0	365	0	0	0	0	0	0	0	0	1,567
Inventories (8171,8172,8173)	0	0	0	0	0	1,272	0	0	0	0	0	0	0	0	1,272
Prepaid Expenses 8181,8182)	15,612	0	0	0	0	0	0	0	0	0	0	0	0	0	15,612
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,386,796	0	6,367	90,187	0	9,596	0	42,661	0	0	0	0	0	0	1,535,607

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	45,548	0	0	489	0	0	0	0	0	0	0	0	0	0	46,037
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	151,476	0	6,367	0	0	0	0	0	0	0	0	0	0	0	157,844
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	535	0	0	0	0	0	0	0	0	535
Grants Deferred Revenue (7482)	11,225	0	0	0	0	0	0	0	0	0	0	0	0	0	11,225
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	208,250	0	6,367	489	0	535	0	0	0	0	0	0	0	0	215,640

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	15,612	0	0	0	0	1,272	0	0	0	0	0	0	0	0	16,884
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	84,000	0	0	0	0	0	0	0	0	0	0	0	0	0	84,000
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	7,789	0	0	0	0	0	0	0	0	7,789
Assigned Fund Balance 6760	0	0	0	89,698	0	0	0	42,661	0	0	0	0	0	0	132,360
Unassigned Fund Balance 6770	1,078,934	0	0	0	0	0	0	0	0	0	0	0	0	0	1,078,934
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,178,546	0	0	89,698	0	9,061	0	42,661	0	0	0	0	0	0	1,319,967

	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
Total Liabilities & Fund Equity	1,386,796	0	6,367	90,187	0	9,596	0	42,661	0	0	0	0	0	0	1,535,607

	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
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes