

cPa DIXON, WALLER & CO., INC.

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LA VETA PUBLIC SCHOOLS

LA VETA, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2019

**DIXON, WALLER & CO., INC.**

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LA VETA PUBLIC SCHOOLS

FINANCIAL STATEMENTS

JUNE 30, 2019

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LA VETA PUBLIC SCHOOLS  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2019

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BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Bree Lessar	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the La Veta Public Schools, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the La Veta Public Schools, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through xvi and 41 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the La Veta Public Schools' basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Trinidad, Colorado  
November 22, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FY 2018/2019**

This section of the La Veta School District RE-2's annual financial report offers readers of the La Veta RE-2 School District financial statements, a narrative summary, and an analysis of the District's financial performance during the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

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

**Financial Highlights**

- At the close of FY 2018/2019, the District's net position changed from (4,317,051) at the end of FY 2018 to \$(3,952,152) at the end of FY 2019. Affecting the District's net position are the accounting requirements of GASB 68, the Accounting and Financial Reporting for Pensions. GASB 68 affects the financial statement of Colorado PERA-affiliated employers. GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflow of resources, and expenditures for the PERA defined benefit pension plan. GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. At the end of FY 2019, LaVeta RE-2 reported liability of \$5,613,769 for its proportionate share of the net pension liability, a decrease of \$849,925 from the end of FY 2018. Also reported was \$280,374 for net OPEB, other post-employment benefits, liabilities. Notes to the financial statement include additional information regarding GASB 68.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$2.79 million or 81.48 percent of all revenues. Governmental activity expenses totaling \$3,065,462 were offset by \$635,413 of program specific revenues; charges for services, operating grants and contributions, and capital grants and contributions.

- The District's General Fund, which includes Fund 10/General Fund and Fund 19/Colorado Preschool Program (CPP), began FY 2019 with a \$827,175 fund balance. General Fund received \$2,900,965 in revenues and expended \$2,938,687 in expenditures and transfers. The fund balance in the General Fund decreased by \$37,722 from July 1, 2018 to June 30, 2019. The ending fund balance in the General Fund on June 30, 2019 was \$789,453.
- The FY 2019 ending fund balance in Fund 21, the Food Service Fund, was \$15,104, a decrease of \$1,847.
- The Government Designated Purpose Grants, Fund 22, accounted for \$239,631 in revenue and expenditures related to governmental activities.
- The Activities Account, Fund 23, received \$84,974 in revenues and expended \$96,144. The ending fund balance in the Activities Account was \$45,449.
- Bond Redemption, Fund 31, had a beginning fund balance of \$113,973. Total revenues totaled \$78,341. Bond property taxes accounted for \$76,540 of the total revenues. Principal and interest paid on the Series 2002 Bonds was \$80,875. The School District's long term debt was reduced by \$65,000 leaving a principal balance of \$285,000. The Bond Redemption fund balance on June 30, 2019 was \$110,789.
- Fund 43, Capital Reserve/Capital Projects, had a beginning fund balance of \$19,039. General Fund transferred \$64,655 to CRCP. This transfer included an insurance claim payment of \$24,655 for hail damage. The ending fund balance in the Capital Reserve/Capital Projects Fund was \$44,284, an increase of \$25,245.

## **Overview of the Financial Statements**

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

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

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

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

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

## **Government-wide Statements**

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

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net program are reported as soon as the underlying event giving rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

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

### **Fund Financial Statements**

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

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

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

- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

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

- **Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes stated by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

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

## **Notes to the Financial Statements**

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

### **Other Information**

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

Table 1 provides a comparison of the District's net position as of June 30, 2018 to June 30, 2019.

**Table 1**  
**La Veta School District RE-2**  
**Condensed Statement of Net Position as of June 30, 2019**

NET POSITION	FY 2018			FY 2019		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>						
Current and Other Assets	1,590,719	-	1,590,719	1,614,110	-	1,614,110
Capital Assets	3,501,322	-	3,501,322	3,290,594	-	3,290,594
Total Assets	<u>5,092,041</u>	<u>-</u>	<u>5,092,041</u>	<u>4,904,704</u>	<u>-</u>	<u>4,904,704</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
District Contributions Subsequent to Pension Measurement Date	3,654,103	-	3,654,103	2,203,584	-	2,203,584
Difference in Actual & Projected Pension Investment Earnings		-	-		-	-
Other Post-Employment Benefits (OPEB)	10,241	-	10,241	22,829	-	22,829
Total Deferred Outflow of Resources	<u>3,664,344</u>	<u>-</u>	<u>3,664,344</u>	<u>2,226,413</u>	<u>-</u>	<u>2,226,413</u>
<b>LIABILITIES</b>						
Current and Other Liabilities	280,805	-	280,805	271,446	-	271,446
Net PERA Pension Liability	11,440,988	-	11,440,988	5,613,769	-	5,613,769
Net OPEB Liability	261,264	-	261,264	280,374	-	280,374
Long Term Liabilities	350,000	-	350,000	285,000	-	285,000
Total Liabilities	<u>12,333,057</u>	<u>-</u>	<u>12,333,057</u>	<u>6,450,589</u>	<u>-</u>	<u>6,450,589</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Difference in Pension Expected & Actual Experience	<u>740,379</u>	<u>-</u>	<u>740,379</u>	<u>4,632,680</u>	<u>-</u>	<u>4,632,680</u>
<b>NET ASSETS</b>						
Invested in capital assets, Net of Related Debt	3,151,322	-	3,151,322	3,005,594	-	3,005,594
Restricted for:						
Tabor Reserve	91,000	-	91,000	92,000	-	92,000
Multi Year Obligations	-	-	-	-	-	-
Preschool	-	-	-	-	-	-
Food Service	11,006	-	11,006	9,335	-	9,335
Insurance	-	-	-	-	-	-
Debt	113,973	-	113,973	110,789	-	110,789
Unrestricted	<u>(7,684,352)</u>	<u>-</u>	<u>(7,684,352)</u>	<u>(7,169,870)</u>	<u>-</u>	<u>(7,169,870)</u>
<b>TOTAL NET POSITION</b>	<u><b>(4,317,051)</b></u>	<u><b>-</b></u>	<u><b>(4,317,051)</b></u>	<u><b>(3,952,152)</b></u>	<u><b>-</b></u>	<u><b>(3,952,152)</b></u>

The Statement of Net Position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2019, consisting of accounts payable, accrued salaries and benefits, and internal payables. The difference between the District's assets and liabilities is its net program. In FY 2019, the District-wide net program increased by \$364,899.

## Changes in Net Program

The District's Governmental Activities are reported on the accrual basis of accounting. A condensed financial comparison of revenues and expenditures from FY 2018 to FY 2019 shows the District's net program in total government activities increased by \$135,272.

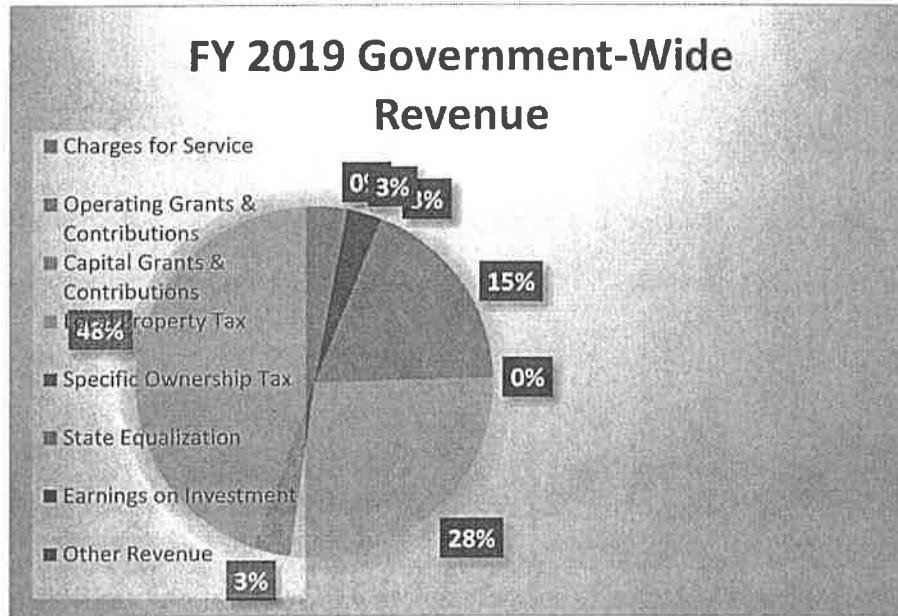
Table 2 provides a summary and comparison of the changes in the net program from FY 2018 to FY 2019.

**Table 2**  
**La Veta School District RE-2**  
**Statement of Changes in Net Program as of June 30, 2019**

Changes in Net Program	2018			2019		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>Revenues</b>						
Charges for Services	154,374	-	154,374	105,833	-	105,833
Operating Grants and Contributions	484,624	-	484,624	529,580	-	529,580
Capital Grants and Contributions	130,782	-	130,782	-	-	-
Property taxes	947,528	-	947,528	943,037	-	943,037
Specific Ownership Taxes	114,199	-	114,199	114,262	-	114,262
Equalization	1,513,688	-	1,513,688	1,629,072	-	1,629,072
Earnings on investments	7,061	-	7,061	13,647	-	13,647
Other Revenues	67,508	-	67,508	94,930	-	94,930
Transfers	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,419,764</b>	<b>-</b>	<b>3,419,764</b>	<b>3,430,361</b>	<b>-</b>	<b>3,430,361</b>
<b>Expenses</b>						
Instructional Services	1,871,168	-	1,871,168	1,977,153	-	1,977,153
Student Support	177,560	-	177,560	162,776	-	162,776
Instructional Staff	133,206	-	133,206	108,926	-	108,926
District Administration	214,292	-	214,292	214,451	-	214,451
School Administration	121,880	-	121,880	166,767	-	166,767
Business Support	156,530	-	156,530	164,540	-	164,540
Operation and Maintenance of Facilities	349,853	-	349,853	355,099	-	355,099
Transportation	100,971	-	100,971	81,048	-	81,048
Central Support	146,461	-	146,461	147,246	-	147,246
Capital Outlay	-	-	-	30,661	-	30,661
Food Service	123,226	-	123,226	118,417	-	118,417
Interest on Long Term Liabilities	19,298	-	19,298	16,255	-	16,255
Pension Amortization	2,158,182	-	2,158,182	(483,567)	-	(483,567)
OPEB (Other Post -Employment Benefits)	1,371	-	1,371	5,690	-	5,690
<b>TOTAL EXPENSES</b>	<b>5,573,998</b>	<b>-</b>	<b>5,573,998</b>	<b>3,065,462</b>	<b>-</b>	<b>3,065,462</b>
<b>Change in Net Position</b>	<b>(2,154,234)</b>	<b>-</b>	<b>(2,154,234)</b>	<b>364,899</b>	<b>-</b>	<b>364,899</b>
Net Position, Beginning (As Restated)	(2,162,817)	-	(2,162,817)	(4,317,051)	-	(4,317,051)
Prior Period Adjustment	-	-	-	-	-	-
Net Position, Ending	(4,317,051)	-	(4,317,051)	(3,952,152)	-	(3,952,152)

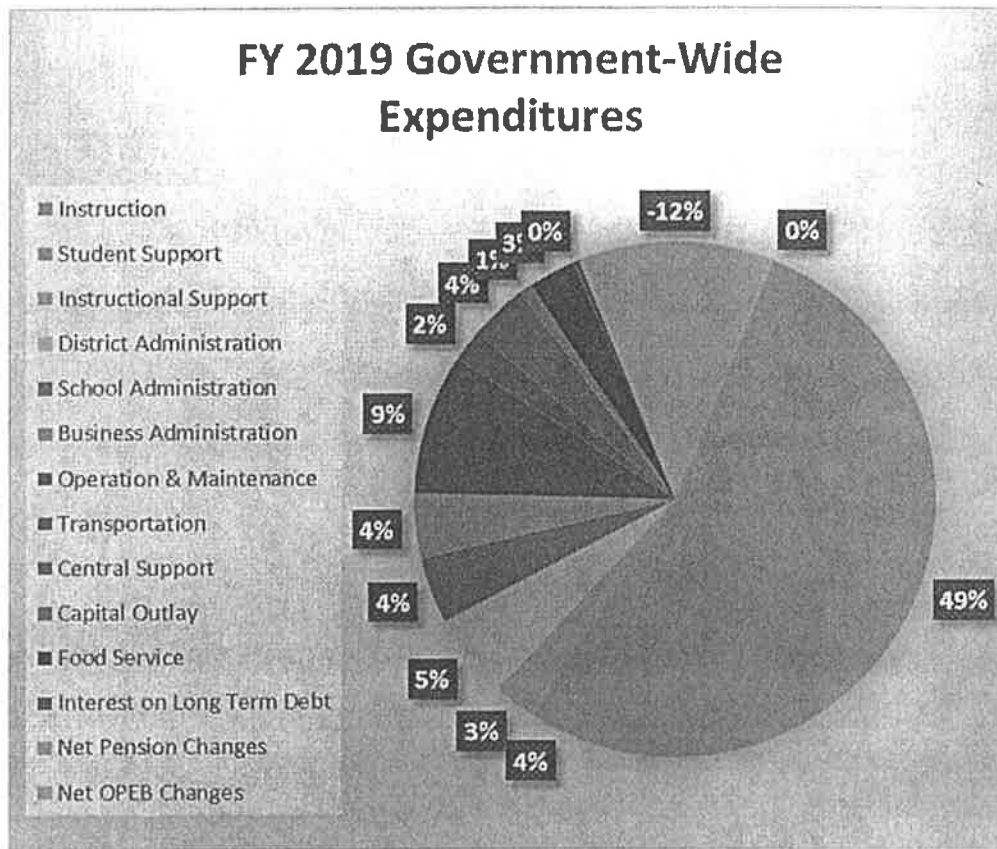
**TABLE 3**

**La Veta School District RE-2  
Government-Wide  
Total Revenues FY 2019**



<b>PRIMARY GOVERNMENT REVENUE</b>	
<b>(Government Activities and Business Type Activities)</b>	
<b>FY 2019</b>	
Charges for Services	105,833
Operating Grants and Contributions	529,580
Capital Grants and Contributions	0
Local Property Tax	943,037
Specific Ownership Tax	114,262
Equalization	1,629,072
Earnings on Investment	13,647
Other Revenue	94,930
<b>Total Primary Government Revenue</b>	<b>3,430,361</b>

**Table 4  
La Veta School District RE-2  
Government-Wide  
Total Expenditures FY 2019**



**Primary Government Expenditures  
(Includes Government Activities and Business-Type Activities)  
FY 2019**

Instruction	1,977,153
Student Support	162,776
Instructional Support	108,926
District Administration	214,451
School Administration	166,767
Business Support	164,540
Operation & Maintenance	355,099
Transportation	81,048
Central Support	147,246
Food Service	118,417
Capital Outlay	30,661
Interest on Long Term Debt	16,255
Net Pension Changes	(483,567)
Net OPEB Changes	5,690
<b>Total Primary Government Expenditures</b>	<b>3,065,462</b>

**2019  
Governmental Activities**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this Act, the District received \$12,276.48 per funded in-school student in FY 2019. The per-funded pupil amount included a 9.534% budget stabilization factor adjustment which totaled (\$248,956). Total program per-pupil funding would have been \$13,446.93 without the budget stabilization factor. The total funded pupil count for FY 2019 was 212.7, which included 5 CPP slots and 11 ECare slots.

Funding for the School Finance Act comes from property taxes, specific ownership taxes, and state equalization. In the General Fund, the District received \$2,686,371 in funding from these sources: 60.64% from state equalization, 35.10% from local property taxes, and 4.26% from specific ownership taxes.

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

<b>Governmental Activities by Major Function</b>	<b>2018</b>			<b>2019</b>		
	Total Cost of Service	Program Revenue & Aid	Net Cost of Service	Total Cost of Service	Program Revenue & Aid	Net Cost of Service
<b>Governmental Activities</b>						
<b>Instructional Services</b>	1,871,168	554,587	(1,316,581)	1,977,153	565,878	(1,411,275)
<b>Support Services</b>						
Student Support	177,560		(177,560)	162,776		(162,776)
Instructional Staff	133,206		(133,206)	108,926		(108,926)
District Administration	214,292		(214,292)	214,451		(214,451)
School Administration	121,880		(121,880)	166,767		(166,767)
Business Support	156,530		(156,530)	164,540		(164,540)
Operation and Maintenance of Facilities	349,853	130,782	(219,071)	355,099		(355,099)
Transportation	100,971	11,765	(89,206)	81,048	4,185	(76,863)
Central Support	146,461		(146,461)	147,246		(147,246)
Food Service	123,226	72,646	(50,580)	118,417	65,350	(53,067)
<b>Capital Outlay</b>						
Interest on Long Term Liabilities	19,298		(19,298)	30,661		(30,661)
<b>Net Pension Changes</b>	2,158,182		(2,158,182)	(483,567)		483,567
<b>Net OPEB Changes</b>	1,371		(1,371)	5,690		(5,690)
<b>Business-Type Activities</b>						
Food Service Program	\$ -		-	\$ -		-
<b>Total</b>	<b>5,573,998</b>	<b>769,780</b>	<b>(4,804,218)</b>	<b>3,065,462</b>	<b>635,413</b>	<b>(2,430,049)</b>

Table 6 is a summary of the Districts capital assets.

	Governmental FY 2018	Business Type FY 2018	Total FY 2018	Governmental FY 2019	Business Type FY 2019	Total FY 2019
<b>Capital Assets Not Being Depreciated</b>						
Land & Sites	332,177		332,177	332,177		332,177
Construction in Progress	-		-	-		-
<b>Capital Assets Being Depreciated</b>						
Buildings & Improvements	2,960,323		2,960,323	2,748,553		2,748,553
Equipment & Vehicles	201,506		201,506	203,768		203,768
Food Service	7,316		7,316	6,096		6,096
<b>Total Capital Assets</b>	<b>3,501,322</b>	<b>-</b>	<b>3,501,322</b>	<b>3,290,594</b>	<b>-</b>	<b>3,290,594</b>

Table 7 is a summary of the La Veta School District RE-2 long-term debt transactions in FY 2019. A bond principal payment in the amount of \$65,000 was made on the General Obligation Bonds, Series 2002, leaving a balance of \$285,000.

	Balance 7/1/2018	Additions	Reductions	Balance 6/30/2019
Compensated Absences	13,685		58	13,627
General Obligation Bonds Series 2000	350,000	-	65,000	285,000
<b>Total</b>	<b>363,685</b>	<b>-</b>	<b>65,058</b>	<b>298,627</b>

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

### Governmental Funds

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

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

The General Fund is the major operating fund of the District, providing the majority of the resources for the education and support programs. The Board of Education approved a budget in June 2018 based on a funded pupil count of 207.7 for the 2018/2019 school year.

In January 2019, the Board of Education approved a revised/finalized issuance of the budget. The primary reasons for the revision were a more precise student enrollment count (total program per-pupil funding) and an updated beginning fund balance. The FY 2019 October count was 215, including 9 preschool students and 16 kindergarten students, which are counted as .5 FTE's. The final FY 2019 FTE count was 199.0. After averaging, the total funded pupil count was 212.7.

The FY 2019 beginning fund balance in the General Fund, Fund 10 and Fund 19, was 827,175. Revenues for the General Fund totaled \$2,800,965 and actual expenditures totaled \$2,824,032. The General Fund also transferred \$50,000 to Food Service and \$64,655 to Capital Reserve Capital Projects. The fund balance in the District's General Fund at the end of FY 2019 was \$789,453, a decrease of \$37,722.

#### **Food Service (Fund 21)**

The Food Service Fund changed from a proprietary fund to a special revenue fund and is accounted for in Fund 21. Operating revenues totaled \$65,350 which includes \$17,003 in student revenue, \$3,857 in adult revenue, \$39,693 in federal and state aid, and \$4,797 in commodities. The District's General Fund continues to subsidize the food service program and transferred \$50,000 in FY 2019. The ending fund balance in the Food Service Fund was \$15,104, a decrease of \$1,847.

#### **Government Designated Grants (Fund 22)**

Fund 22, Government Designated Grants, is used to record financial transactions for grants received for designated programs funded by federal, state, and local sources. In FY 2019, the Government Designated Purpose Grants, Fund 22, accounted for 239,631 in revenue and expenditures related to governmental activities. The Federal Title Programs accounted for \$157,370 of the revenues and expenditures. The remaining funds were received from Carl Perkins, the School Health Professional Grant, the Comprehensive Health Education Grant, and the CDOT Safe Routes Grant. The School Health Professional Grant and Comprehensive Health Education Grant were three year grants and were non-renewable after FY 2019.

### **Bond Redemption (Fund 31)**

District voters approved a general obligations bond of \$1,000,000 in 2002. General Obligation Bonds, Series 2002, were issued on December 15, 2002, for the original amount of \$1,000,000. In 2002, the mill levy was set to provide property tax revenue sufficient to pay principal and interest as required by the bond amortization schedules. The Bond Redemption mill levy certified in December 2018 was 2.509 mills.

Revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest, are recorded in the Bond Redemption Fund, but are administered by a third-party custodian. The District's approved third-party custodian for the Bond Redemption Fund is UMB Corporate Trust Services. Property tax revenue in the Bond Redemption Fund totaled \$76,806. Specific ownership tax revenues generated by the bond mill levy are deposited directly into the General Fund account. Bond principal and interest payments in the amount of \$80,875 were made. The balance owed on the bond at the end of FY 2019 was \$285,000. The Bond Redemption fund balance as of June 30, 2019 was \$110,789.

In November 2018, voters in the La Veta RE-2 School District approved a bond to increase the District's debt by \$5.5 million for the purpose of building a new school and for taxes to be increased for the repayment of this bond. This general obligation bond provides the local match required for the District to receive BEST Grant funding. The District was awarded a BEST Cash Grant in August 2019. In December 2019, the District will increase the bond mill levy in order to meet the voter obligation to start repayment of the \$5.5 million.

### **Student Activity (Fund 23)**

The Student Activity Fund is used to record financial transactions related to school-sponsored pupil intra-scholastic and inter-scholastic athletics and other related activities. These activities are supported in whole or in part by revenue generated from fund-raising activities and donations. The FY 2019 beginning fund balance in the Student Activity Fund was \$56,619. Revenues in the Student Activity Fund totaled \$84,974 and expenditures totaled \$96,144. The fund balance in the student activity fund as of June 30, 2019 was \$45,449.

### **Capital Reserve/Capital Projects (Fund 43)**

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

The beginning fund balance in Fund 43, Capital Reserve Capital Projects was \$19,039. The General Fund transferred \$64,655 to CRCP, which included an insurance claim payment of \$24,655 for hail damage to the buses. The insurance money will be used towards the purchase of a bus in FY 2020. A Kubota tractor for \$28,108 was purchased for the maintenance department and a technology/computer purchase totaling \$11,302 was made. The CRCP fund balance at the end of FY 2019 was \$44,284.

**Governmental Activities**  
**FY 2019 Budget-to-Actual Summary Statement**

	FY 2019 Original Budget (June 2018)	FY 2019 Final Budget (January 2019)	2019 Actual	Variance
General Fund (Fund 10) BFB -July 1,2018	846,645	827,175	827,175	
General Fund Revenue	2,812,640	2,928,469	2,962,326	33,857
General Fund Direct CPP Allocation	(92,589)	(98,161)	(98,178)	(17)
General Fund Operating Transfers (In/Out)	(37,964)	(28,649)	(53,300)	(24,651)
General Fund Operating Expenditures	2,852,827	2,936,812	2,848,570	88,242
General Fund Reserves	675,905	692,022	0	692,022
<b>General Fund EFB - June 30, 2018</b>	<b>0</b>	<b>0</b>	<b>789,453</b>	
<b>General Fund - Change in Fund Balance</b>				<b>(37,722)</b>
Colorado Preschool Program (Fund 19) BFB-July 1, 2018	0	0	0	
CPP - Preschool Tuition	0	0		
CPP Allocation from General Fund	92,589	98,161	98,178	17
CPP Transfers (In/Out)	(37,036)	(61,351)	(61,361)	(10)
CPP Expenditures	55,553	36,810	36,817	(7)
<b>CPP EFB - June 30, 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>CPP Change in Fund Balance</b>				<b>0</b>
Food Service (Fund 21) BFB-July 1, 2018	21,670	16,951	16,951	
Food Service Revenue	81,035	77,659	65,350	(12,309)
Food Service Transfer (In/Out)	35,000	40,000	50,000	10,000
Fund Service Expenditures	137,705	134,610	117,197	17,413
<b>Food Service EFB - June 30, 2019</b>	<b>0</b>	<b>0</b>	<b>15,104</b>	
<b>Food Service - Change in Fund Balance</b>				<b>(1,847)</b>
Designated Grants (Fund 22) BFB-July 1, 2018	0	0	0	
Designated Grants Revenue	241,632	245,644	239,631	(6,013)
Designated Grants Expenditures	241,632	245,644	239,631	6,013
<b>Designated Grants EFB - June 30, 2019</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Designated Grants - Change in Fund Balance</b>				<b>0</b>
Pupil Activity Fund (Fund 23) BFB-July 1, 2018	56,619	56,619	56,619	
Pupil Activity Fund Revenue	100,179	103,981	84,974	(19,007)
Pupil Activity Fund Transfer (In/Out)		0	0	0
Pupil Activity Fund Expenditures	156,798	160,600	96,144	64,456
<b>Pupil Activity EFB - June 30, 2019</b>	<b>0</b>	<b>0</b>	<b>45,450</b>	
<b>Pupil Activity Fund - Change in Fund Balance</b>				<b>(11,169)</b>
Bond Redemption (Fund 31) BFB-July 1, 2018	116,183	113,973	113,973	
Bond Redemption Revenues	75,900	75,900	78,341	2,441
Bond Redemption Expenditures	72,825	72,825	81,525	(8,700)
Bond Redemption Reserve	119,258	117,048	0	117,048
<b>Bond Redemption EFB - June 30, 2019</b>	<b>0</b>	<b>0</b>	<b>110,789</b>	
<b>Bond Redemption Fund - Change in Fund Balance</b>				<b>(3,184)</b>
CRCP (Fund 43) BFB-July 1, 2018	19,039	19,039	19,039	
CRCP Revenues	0	0	0	0
CRCP Transfer (In/Out)	40,000	50,000	64,655	(14,655)
CRCP Expenditures	59,039	69,039	39,410	29,629
CRCP Reserves	0	0	0	0
<b>CRCP EFB - June 30, 2019</b>	<b>0</b>	<b>0</b>	<b>44,284</b>	
<b>CRCP - Change in Fund Balance</b>				<b>25,245</b>

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- State shortfalls continue to create an overall decrease to what would be considered full funding for LaVeta RE-2. The “budget stabilization factor,” the underfunding of the school finance act, will reduce total program funding for La Veta RE-2 by approximately \$208,713 in FY 2020. The “stabilization factor” continues to create additional challenges and significant restraints on the District’s budget. Amendment 73, a statewide school funding initiative designed to stabilize and increase funding statewide for preschool through twelfth grade education was defeated by voters in the November 2018 election.
- It is anticipated that enrollment will remain stable in FY 2020. The FY 2020 budget, submitted in June 2019, was based on a student FTE count of 211.5 and a funded pupil count of 216.5. In April 2019, the Colorado State Board of Education voted to support legislation, HB 19-1262, that provides state funding through the school finance formula for full-day kindergarten programs. Before passage of the act, the school finance formula provided funding for half-day kindergarten educational programs. A student enrolled in a full-day kindergarten will be funded at the same amount as students enrolled full-time in other grades. ECare positions previously used by districts in kindergarten will be diverted to preschool. Sixteen additional ECare slots were approved for La Veta RE-2. The total CPP/ECare preschool allocation is now 23 slots, 5 for the CPP base allocation and 18 for the ECare preschool base allocation. This total includes all preschool positions represented as half-day positions
- The teacher’s salary base in LaVeta RE-2 continues to be low in comparison to other schools in the State. The school board approved increasing the teacher salary base to \$32,800 for FY 2020, a 1.87% increase to the base of the teacher salary schedule. Extra duty stipends for classroom/club sponsors also increased 1.87%. A new salary schedule for coaches, based on the length of each sport season, was also approved by the Board. In order to become more competitive with school districts in the surrounding area, it is desirable to again increase the teacher’s base salary by 1% to 2% for FY 2021.
- One May 9, 2018, Senate Bill 18-200, legislation regarding PERA, was passed by the Colorado General Assembly and signed by Governor Hickenlooper on June 4, 2018. The legislation is intended to return PERA to full funding over 30 years. All stakeholders, PERA members, retirees and employers, are impacted by the legislation. Beginning July 1, 2019, the employee PERA contribution will increase .75% to 8.75% and the District’s contribution rate will increase to 20.40%. The District share of PERA will increase by approximately \$32,000 in FY 2020 due to the increase in salaries and the increase to the District’s PERA contribution.
- The School Health Professional Grant and Comprehensive Health Education Grant were three year grants and were non-renewable after FY 2019. Salaries for the school nurse and the JH/HS PE teacher were being paid by these grants. The General Fund will need to assume these expenditures in FY 2020.
- In June 2018, the Spring Fire resulted in severe damage to homes and property within the La Veta RE-2 school boundaries. The taxable assessed valuation will probably be substantially reduced over the next couple of years. The District will continue to plan for potential flooding due to damage caused by the fire.

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

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

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

In February 2019, the District resubmitted a BEST Grant application. In August 2019, the District was awarded a BEST Cash Grant in the amount of \$35,978,781. With the District's match the total budget for the construction of the new school is \$41,478,780. This amount includes contingency and escalation funding. The voter approved bonds for \$5.5 million will be sold in July 2019. The process to hire an owner's representative/project manager, an architect firm, and a construction company will begin after the bonds are sold. It is anticipated construction of the new school will be completed by August 2021, for the beginning of the 2021/2022 school year.

Future budget considerations for FY 2021 and FY 2022, need to include increases to insurance, electricity, maintenance, and other expenditures related to the upkeep of the new building as well as maintaining the Roger Brunelli Gymnasium.

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

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

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

BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS  
STATEMENT OF NET POSITION  
June 30, 2019

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	1,185,512	1,185,512
Accounts Receivable	18,192	18,192
Grants Receivable	17,237	17,237
Property Taxes Receivable	387,400	387,400
Prepaid Assets	-	-
Inventories	5,769	5,769
Capital Assets	8,995,196	8,995,196
Accumulated Depreciation	<u>(5,704,602)</u>	<u>(5,704,602)</u>
<u>TOTAL ASSETS</u>	<u>4,904,704</u>	<u>4,904,704</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	2,203,584	2,203,584
Other Post Employment Benefits	<u>22,829</u>	<u>22,829</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>2,226,413</u>	<u>2,226,413</u>
<u>LIABILITIES</u>		
Accounts Payable	28,174	28,174
Accrued Salaries	228,457	228,457
Accrued Interest Payable	1,188	1,188
Compensated Absences	13,627	13,627
Deferred Revenue	-	-
Net Pension Liability	5,613,769	5,613,769
Net OPEB Liability	280,374	280,374
Debt Payable – Current	65,000	65,000
Debt Payable – Long-Term	<u>220,000</u>	<u>220,000</u>
<u>TOTAL LIABILITIES</u>	<u>6,450,589</u>	<u>6,450,589</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	4,627,884	4,627,884
Other Post Employment Benefits	<u>4,796</u>	<u>4,796</u>
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>4,632,680</u>	<u>4,632,680</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,005,594	3,005,594
Restricted for:		
TABOR Reserve	92,000	92,000
Preschool	-	-
Food Service	9,335	9,335
Debt	110,789	110,789
Unrestricted	<u>(7,169,870)</u>	<u>(7,169,870)</u>
<u>TOTAL NET POSITION</u>	<u>(3,952,152)</u>	<u>(3,952,152)</u>

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



LA VETA PUBLIC SCHOOLS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	General Fund	Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Investments	953,615	15,068	216,829	1,185,512
Accounts Receivable	16,667	-	1,525	18,192
Grants Receivable	-	17,237	-	17,237
Due From Other Funds	11,739	-	3,127	14,866
Property Taxes Receivable	359,300	-	28,100	387,400
Prepaid Assets	-	-	-	-
Inventories	-	-	5,769	5,769
<u>Total Assets</u>	<u>1,341,321</u>	<u>32,305</u>	<u>255,350</u>	<u>1,628,976</u>
<b>LIABILITIES</b>				
Accounts Payable	16,885	745	7,024	24,654
Accrued Salaries	204,556	19,821	4,080	228,457
Due To Other Funds	3,127	11,739	-	14,866
Interest Payable	-	-	-	-
Deferred Revenue	-	-	3,520	3,520
<u>Total Liabilities</u>	<u>224,568</u>	<u>32,305</u>	<u>14,624</u>	<u>271,497</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Property Taxes	<u>327,300</u>	-	<u>25,100</u>	<u>352,400</u>
<b>FUND BALANCES:</b>				
Nonspendable:				
Inventories	-	-	5,769	5,769
Restricted for:				
Emergencies	92,000	-	-	92,000
Preschool	-	-	-	-
Food Service	-	-	9,335	9,335
Debt Service	-	-	110,789	110,789
Committed for:				
Capital Outlay	-	-	44,284	44,284
Assigned for:				
Pupil Activities	-	-	45,449	45,449
Instruction	-	-	-	-
Unassigned	<u>697,453</u>	-	-	<u>697,453</u>
<u>Total Fund Balances</u>	<u>789,453</u>	-	<u>215,626</u>	<u>1,005,079</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
	<u>1,341,321</u>	<u>32,305</u>	<u>255,350</u>	<u>1,628,976</u>

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

LA VETA PUBLIC SCHOOLS  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
 TO STATEMENT OF NET POSITION  
 June 30, 2019

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

<u>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</u>	1,005,079
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$8,995,196 and the accumulated depreciation is \$5,704,602.	3,290,594
Property tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax revenue is not available.	352,400
Accrued interest that is not due and payable on long term debt is not reported in the funds.	(1,188)
Compensated absences are not reported as a liability in the funds.	(13,627)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(285,000)
The District's portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(5,613,769)
The District's portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(280,374)
Deferred flows for contributions made toward the net pension obligation from December 31, 2018 until June 30, 2019 is not reported in the funds.	171,593
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2018 until June 30, 2019 is not reported in the funds.	9,149
Net deferred pension flows – Plan Level	(1,946,915)
Net deferred pension flows – Employer Level	(648,978)
Net deferred OPEB flows – Plan Level	4,170
<u>Net deferred OPEB flows – Employer Level</u>	<u>4,714</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>(3,952,152)</u>

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

LA VETA PUBLIC SCHOOLS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019

	General Fund	Designated Purpose Grants Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property Taxes	805,131	-	76,806	881,937
Specific Ownership Taxes	114,262	-	-	114,262
Earnings on Investments	12,346	-	1,301	13,647
Other Local Sources	136,029	-	106,067	242,096
State Aid	1,833,197	67,264	992	1,901,453
Federal Aid	-	172,367	43,499	215,866
Allocation to Reserves	-	-	-	-
<u>Total Revenues</u>	<u>2,900,965</u>	<u>239,631</u>	<u>228,665</u>	<u>3,369,261</u>
<b>EXPENDITURES</b>				
Current:				
Instructional Services	1,422,833	239,631	96,144	1,758,608
Supporting Services:				
Students	162,776	-	-	162,776
Instructional Staff	105,171	-	-	105,171
District Administration	214,451	-	-	214,451
School Administration	166,767	-	-	166,767
Business	164,540	-	-	164,540
Operation & Maintenance of Facilities	344,202	-	-	344,202
Transportation	96,046	-	-	96,046
Central Support	147,246	-	-	147,246
Food Service	-	-	117,197	117,197
Debt Service:				
Principal Retirement	-	-	65,000	65,000
Interest and Fiscal Charges	-	-	16,525	16,525
Capital Outlay	-	-	39,410	39,410
<u>Total Expenditures</u>	<u>2,824,032</u>	<u>239,631</u>	<u>334,276</u>	<u>3,397,939</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>76,933</u>	<u>-</u>	<u>(105,611)</u>	<u>(28,678)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	(114,655)	-	114,655	-
<u>Total Other Financing Sources (Uses)</u>	<u>(114,655)</u>	<u>-</u>	<u>114,655</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(37,722)</u>	<u>-</u>	<u>9,044</u>	<u>(28,678)</u>
<u>FUND BALANCES – Beginning</u>	<u>827,175</u>	<u>-</u>	<u>206,582</u>	<u>1,033,757</u>
<u>FUND BALANCES – Ending</u>	<u>789,453</u>	<u>-</u>	<u>215,626</u>	<u>1,005,079</u>

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

LA VETA PUBLIC SCHOOLS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2019

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

Net Change in Fund Balances – Total Governmental Funds (28,678)

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

	50,249	
Capital Outlays more than \$5,000		
Depreciation Expense	(260,977)	(210,728)

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

61,100

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

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

	270	
Accrued Interest		
Debt Payment		65,000

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

	5,827,219	
Change in net pension obligation		
Change in net OPEB obligation		(19,110)
Deferred flows from net pension obligations		(5,343,652)
Deferred flows from net OPEB obligations		<u>13,420</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 364,899

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

NOTES TO BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in La Veta Public Schools. The District receives funding from local, state, and federal government sources and must comply with requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Designated Purpose Grants Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unassigned fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

Amounts reported as program revenues included 1) charges to customers or applicants for goods, services or privileges provided 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

LA VETA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred revenue when levied and as revenues when due for collection in the following year and determined to be available.

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

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

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

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

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

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.    Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, deferred inflows, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

• Major Governmental Funds

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

E.    Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F.    Receivables

Property taxes levied in 2018 but uncollected in 2019 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2019 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.    Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H.    Capital Assets

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

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

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

I.    Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. General obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J.    Constitutional Amendment

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

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

LA VETA PUBLIC SCHOOLS  
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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J.      Constitutional Amendment (Continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2019 the District reserved \$92,000 for this purpose.

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

K.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2018 property tax calendar for Huerfano County was as follows:

Levy Date	December 15, 2018
Lien Date	January 1, 2019
Tax Bills Mailed	January 1, 2019
First Installment Due	February 28, 2019
Second Installment Due	June 15, 2019
If Paid in Full, Due	April 30, 2019
Tax Sale – 2017 Delinquent Property Taxes	October 25, 2018

L.      Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2019 the District has recorded an estimated liability of \$13,627 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
Accumulated Sick Leave	<u>13,685</u>	<u>—</u>	<u>58</u>	<u>13,627</u>

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M.    Use of Estimates

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

N.    GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

LA VETA PUBLIC SCHOOLS  
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 June 30, 2019

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Balance Classification by Fund:

	<u>General</u>	<u>Bond Fund</u>	<u>Pupil Activity</u>	<u>CRCP</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable</u>						
Inventories	-	-	-	-	5,769	5,769
<u>Restricted:</u>						
Emergencies	92,000	-	-	-	-	92,000
Preschool	-	-	-	-	-	-
Food Service	-	-	-	-	9,335	9,335
Debt Service	-	110,789	-	-	-	110,789
<u>Committed:</u>						
Capital Outlay	-	-	-	44,284	-	44,284
<u>Assigned:</u>						
Pupil Activities	-	-	45,449	-	-	45,449
<u>Unassigned</u>	<u>697,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>697,453</u>
<u>Total Fund Balances</u>	<u>789,453</u>	<u>110,789</u>	<u>45,449</u>	<u>44,284</u>	<u>15,104</u>	<u>1,005,079</u>

O.    Deferred Outflows / Inflows of Resources

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

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

NOTE 2    RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

LA VETA PUBLIC SCHOOLS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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

	Items Eliminated	
	Due From Other Funds	Due To Other Funds
General Fund	11,739	3,127
Designated Purpose Grants Fund	-	11,739
Food Service	3,127	-
Capital Reserve Capital Projects	-	-
Pupil Activity Fund	-	-
	<u>14,866</u>	<u>14,866</u>
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	114,655	-
Food Service	-	50,000
Capital Reserve Capital Projects	-	64,655
	<u>114,655</u>	<u>114,655</u>

NOTE 3      BUDGETARY INFORMATION

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

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

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

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

LA VETA PUBLIC SCHOOLS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 4      CASH AND INVESTMENTS

Deposits

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

At June 30, 2019, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	216,948
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	51,660	-
Cash with County Treasurer	17,276	-
Cash with Fiscal Agent	98,049	-
Cash on Hand	960	-
<u>Total Cash and Deposits</u>	<u>417,945</u>	<u>216,948</u>

As presented above, deposits with a bank balance of \$-0- and a carrying balance of \$51,660 as of June 30, 2019 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2019, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Value</u>
COLOTRUST	State Pool	Under 60 Day Average	767,567

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

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

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

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

The District has no recurring fair value measurements as of June 30, 2019;

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

LA VETA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Capital Assets Not Being</u>				
<u>Depreciated</u>				
Land	332,177	-	-	332,177
Construction in Progress	-	-	-	-
<u>Total Capital Assets Not Being</u>				
<u>Depreciated</u>	<u>332,177</u>	<u>-</u>	<u>-</u>	<u>332,177</u>
 <u>Capital Assets Being Depreciated</u>				
Buildings &				
Site Improvements	7,109,618	8,749	-	7,118,367
Equipment & Vehicles	1,516,035	41,500	48,095	1,509,440
Food Service	35,212	-	-	35,212
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>8,660,865</u>	<u>50,249</u>	<u>48,095</u>	<u>8,663,019</u>
 <u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building &				
Site Improvements	4,149,295	220,519	-	4,369,814
Equipment & Vehicles	1,314,529	39,238	48,095	1,305,672
Food Service	27,896	1,220	-	29,116
<u>Total Accumulated Depreciation</u>	<u>5,491,720</u>	<u>260,977</u>	<u>48,095</u>	<u>5,704,602</u>
 <u>Total Capital Assets Being</u>				
<u>Depreciated, Net</u>	<u>3,169,145</u>	<u>(210,728)</u>	<u>-</u>	<u>2,958,417</u>
 <u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>3,501,322</u>	<u>(210,728)</u>	<u>-</u>	<u>3,290,594</u>

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

Governmental Activities

Instruction	231,998
Instructional Support	3,755
Operations and Maintenance	10,897
Transportation	13,107
Food Service	1,220
<u>Total Depreciation Expense – Governmental Activities</u>	<u>260,977</u>

NOTE 6      PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. La Veta Public Schools participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension 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](http://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.

NOTE 6      PENSION PLAN (Continued)

**General Information about the Pension Plan**

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

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NOTE 6      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 SB18-200, 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.

*Contribution provisions as of June 30, 2019.* Eligible employees, La Veta Public Schools 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.

	July 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%

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

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NOTE 6      PENSION PLAN (Continued)

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 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 La Veta Public Schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from La Veta Public Schools were \$336,116 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 La Veta Public Schools proportion of the net pension liability was based on La Veta Public Schools contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the La Veta Public Schools reported a liability of \$5,613,769 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 La Veta Public Schools 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 La Veta Public Schools were as follows:

La Veta Public Schools proportionate share of the net pension liability	\$ 5,613,769
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the La Veta Public Schools	\$ 767,607
Total	\$ 6,381,376

At December 31, 2018, the La Veta Public Schools proportion was 0.032 percent, which was a decrease of 0.004 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the La Veta Public Schools recognized pension income of \$483,567 and revenue of \$45,591 for support from the State as a nonemployer contributing entity. At June 30, 2019, the La Veta Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LA VETA PUBLIC SCHOOLS  
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NOTE 6 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	190,426	-
Changes of assumptions or other inputs	1,047,834	(3,491,160)
Net difference between projected and actual earnings on pension plan investments	760,362	(454,377)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	33,369	(682,347)
Contributions subsequent to the measurement date	171,593	N/A
Total	2,203,584	(4,627,884)

\$171,593 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,	
2020	(1,369,420)
2021	(610,732)
2022	(783,121)
2023	167,380
2024	-
Thereafter	-

*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:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	4.78 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

LA VETA PUBLIC SCHOOLS  
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**NOTE 6**

**PENSION PLAN (Continued)**

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 percent
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

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

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

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

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

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

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.

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**NOTE 6**      **PENSION PLAN (Continued)**

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

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

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

*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.

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NOTE 6      PENSION PLAN (Continued)

- 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.

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 La Veta Public Schools proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 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 liability	7,136,946	5,613,769	4,335,566

*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](http://www.copera.org/investments/pera-financial-reports).

NOTE 6      PENSION PLAN (Continued)

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2019, program members contributed \$6,971.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS

**Defined Benefit Other Post Employment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

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

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (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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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (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 La Veta Public Schools is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from La Veta Public Schools were \$17,921 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 La Veta Public Schools reported a liability of \$280,374 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 La Veta Public Schools proportion of the net OPEB liability was based on La Veta Public Schools contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the La Veta Public Schools proportion was 0.021 percent, which was an increase of 0.0005 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the La Veta Public Schools recognized OPEB expense of \$5,690. At June 30, 2019, the La Veta Public Schools reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,017	(426)
Changes of assumptions or other inputs	1,967	-
Net difference between projected and actual earnings on OPEB plan investments	4,973	(3,361)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,723	(1,009)
Contributions subsequent to the measurement date	9,149	N/A
Total	22,829	(4,796)

\$9,149 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,	
2020	1,567
2021	1,567
2022	1,567
2023	2,686
2024	1,442
Thereafter	55

*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:

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

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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
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.

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:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
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.

LA VETA PUBLIC SCHOOLS  
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NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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.

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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

The following 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:

LA VETA PUBLIC SCHOOLS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	272,631	280,374	289,279

*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.

LA VETA PUBLIC SCHOOLS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- 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.
- 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 La Veta Public Schools proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	313,714	280,374	251,871

*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](http://www.copera.org/investments/pera-financial-reports).

LA VETA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 8      RISK MANAGEMENT

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

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

NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2019.

LA VETA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at June 30, 2018 and for the year then ended (latest information available) follows:

Total Assets	<u>44,237,852</u>
Total Liabilities	<u>16,614,537</u>
Total Equity	<u>27,623,315</u>
Revenue	15,844,221
Underwriting Expenses	<u>19,487,647</u>
Underwriting Gain (Loss)	<u>(3,643,426)</u>
Net Investment Income	517,310
Other Income	-
Net Income (Loss) Before Dividend	<u>(3,126,116)</u>
Dividend	-
Net Income	<u>(3,126,116)</u>
Change in Non Admitted Assets	<u>130,742</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>27,623,315</u>

NOTE 10      LONG TERM DEBT

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

	<u>Balance at</u> <u>7-1-2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>6-30-2019</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds Series 2002	<u>350,000</u>	<u>-</u>	<u>65,000</u>	<u>285,000</u>	65,000

General Obligation Bonds

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

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

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

LA VETA PUBLIC SCHOOLS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

NOTE 10     LONG TERM DEBT (Continued)

General Obligation Bonds, Series 2002 (continued)

The repayment schedule of the General Obligation Bonds as of June 30, 2019 is as follows:

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	5	65,000	12,625	77,625
2021	5	70,000	9,250	79,250
2022	5	75,000	5,625	80,625
2023	5	<u>75,000</u>	<u>1,875</u>	<u>76,875</u>
<u>Total</u>		<u>285,000</u>	<u>29,375</u>	<u>314,375</u>

NOTE 11     INVENTORIES

Food Service Fund inventories at June 30, 2019, consisted of USDA, purchased food, and non-food amounting to \$2,127, \$2,998 and \$644 respectively. Purchased inventories are state at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 12     ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2019 are estimated to be \$228,457. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 13     LITIGATION

None.

NOTE 14     SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

LA VETA PUBLIC SCHOOLS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 15    JOINT VENTURES

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2019. The joint venture summary audited financial information as of June 30, 2018 is as follows:

Total Assets and Deferred Outflows	<u>7,314,560</u>
Total Liabilities and Deferred Inflows	<u>16,935,813</u>
Net Position	<u>(9,621,253)</u>
Revenues	4,368,759
Expenditures	<u>6,918,960</u>
Excess (Deficiency)	<u>(2,550,201)</u>

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

NOTE 16    INTERFUND BALANCES AND TRANSFERS

<u>Interfund Balances</u>	<u>Due From</u>	<u>Due To</u>
<u>Major Governmental Funds</u>		
General Fund	11,739	3,127
Designated Purpose Grants Fund	-	11,739
 <u>Non Major Governmental Funds</u>		
Pupil Activity Fund	-	-
Food Service	3,127	-
Capital Reserve Capital Projects	<u>-</u>	<u>-</u>
	<u>14,866</u>	<u>14,866</u>

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

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

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Governmental Fund</u>		
General Fund	-	114,655
 <u>Non Major Governmental Funds</u>		
Food Service	50,000	-
Capital Reserve Capital Projects	<u>64,655</u>	<u>-</u>
	<u>114,655</u>	<u>114,655</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

## MAJOR GOVERNMENTAL FUNDS

### General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

### Designated Purpose Grant Fund

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

### Pension Trend Data

### Other Post Employment Benefit Trend Data

LA VETA PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	863,674	860,145	805,131	(55,014)
Specific Ownership Taxes	102,739	104,062	114,262	10,200
Earnings on Investments	5,000	10,000	12,346	2,346
Delinquent Taxes & Interest	1,000	2,500	2,561	61
Other	216,339	212,642	133,468	(79,174)
<u>State Sources</u>				
Equalization	1,597,677	1,652,061	1,629,072	(22,989)
Transportation	9,600	9,795	4,185	(5,610)
Vocational Education	22,000	29,945	23,823	(6,122)
Other	7,500	140,667	176,117	35,450
<u>Federal Sources</u>				
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>2,825,529</u>	<u>3,021,817</u>	<u>2,900,965</u>	<u>(120,852)</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,007,000	963,757	965,045	(1,288)
Employee Benefits	301,061	319,159	335,068	(15,909)
Purchased Services – Professional	550	550	200	350
Purchased Services - Property	500	500	-	500
Purchased Services – Other	84,550	88,050	61,656	26,394
Supplies and Materials	72,650	74,350	48,260	26,090
Property	9,000	10,000	7,537	2,463
Other Objects	5,450	5,750	5,067	683
<u>Total Instruction</u>	<u>1,480,761</u>	<u>1,462,116</u>	<u>1,422,833</u>	<u>39,283</u>

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

LA VETA PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	98,515	93,515	96,259	(2,744)
Employee Benefits	27,173	26,092	28,432	(2,340)
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	-	-	-	-
Purchased Services - Other	47,230	33,577	34,224	(647)
Supplies and Materials	9,700	9,700	3,647	6,053
Property	-	-	-	-
Other Objects	<u>1,200</u>	<u>1,200</u>	<u>214</u>	<u>986</u>
<u>Total Student Services</u>	<u>183,818</u>	<u>164,084</u>	<u>162,776</u>	<u>1,308</u>
 <u>Instructional Staff</u>				
Salaries	69,308	76,058	67,081	8,977
Employee Benefits	22,044	23,511	22,087	1,424
Purchased Services - Professional	2,200	2,200	2,502	(302)
Purchased Services - Property	-	-	-	-
Purchased Services - Other	9,500	9,500	7,463	2,037
Supplies and Materials	5,750	9,250	5,768	3,482
Property	-	-	270	(270)
Other Objects	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<u>Total Instructional Staff</u>	<u>109,302</u>	<u>121,019</u>	<u>105,171</u>	<u>15,848</u>
 <u>General Administration</u>				
Salaries	116,820	116,820	116,320	500
Employee Benefits	42,998	42,998	46,189	(3,191)
Purchased Services - Professional	20,950	22,950	18,494	4,456
Purchased Services - Property	-	-	-	-
Purchased Services - Other	17,500	17,500	14,225	3,275
Supplies and Materials	10,500	10,500	9,256	1,244
Property	1,500	1,500	4,194	(2,694)
Other Objects	<u>8,300</u>	<u>8,300</u>	<u>5,773</u>	<u>2,527</u>
<u>Total General Administration</u>	<u>218,568</u>	<u>220,568</u>	<u>214,451</u>	<u>6,117</u>

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

LA VETA PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	111,413	117,355	118,873	(1,518)
Employee Benefits	42,333	43,676	44,043	(367)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	996	(996)
Supplies and Materials	2,400	2,400	1,376	1,024
Property	1,000	1,000	1,479	(479)
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>157,146</u>	<u>164,431</u>	<u>166,767</u>	<u>(2,336)</u>
 <u>Business Services</u>				
Salaries	99,228	99,228	99,154	74
Employee Benefits	27,326	27,326	29,933	(2,607)
Purchased Services – Professional	10,250	12,250	11,501	749
Purchased Services - Property	16,500	16,500	13,685	2,815
Purchased Services - Other	4,200	4,200	1,405	2,795
Supplies and Materials	9,620	9,620	8,862	758
Property	2,000	2,000	-	2,000
Other Objects	540	540	-	540
<u>Total Business Services</u>	<u>169,664</u>	<u>171,664</u>	<u>164,540</u>	<u>7,124</u>
 <u>Operations and Maintenance</u>				
Salaries	99,736	96,517	97,119	(602)
Employee Benefits	39,221	38,084	40,208	(2,124)
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	46,000	58,173	23,379	34,794
Purchased Services - Other	500	500	-	500
Supplies and Materials	159,000	159,000	159,443	(443)
Property	10,000	10,000	24,053	(14,053)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>354,457</u>	<u>362,274</u>	<u>344,202</u>	<u>18,072</u>

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

LA VETA PUBLIC SCHOOLS  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	45,000	45,000	44,016	984
Employee Benefits	12,077	12,077	13,055	(978)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	7,500	39,517	13,158	26,359
Purchased Services – Other	11,236	11,236	9,840	1,396
Supplies and Materials	23,000	23,000	15,977	7,023
Property	2,500	2,500	-	2,500
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>101,313</u>	<u>133,330</u>	<u>96,046</u>	<u>37,284</u>
<u>Central Support</u>				
Salaries	21,688	21,688	24,274	(2,586)
Employee Benefits	5,517	5,517	6,159	(642)
Purchased Services – Professional	48,000	48,000	31,547	16,453
Purchased Services – Property	1,000	1,000	165	835
Purchased Services – Other	82,682	86,501	80,343	6,158
Supplies and Materials	8,500	8,500	4,758	3,742
Property	3,000	3,000	-	3,000
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>170,387</u>	<u>174,206</u>	<u>147,246</u>	<u>26,960</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,464,655</u>	<u>1,511,576</u>	<u>1,401,199</u>	<u>110,377</u>
<u>APPROPRIATED RESERVES</u>	<u>675,905</u>	<u>692,022</u>	<u>-</u>	<u>692,022</u>
<u>TOTAL EXPENDITURES</u>	<u>3,621,321</u>	<u>3,665,714</u>	<u>2,824,032</u>	<u>841,682</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(795,792)</u>	<u>(643,897)</u>	<u>76,933</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(37,964)</u>	<u>(188,278)</u>	<u>(114,655)</u>	<u>73,623</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u>	<u>(833,756)</u>	<u>(832,175)</u>	<u>(37,722)</u>	
<u>FUND BALANCE, Beginning</u>	<u>846,645</u>	<u>832,175</u>	<u>827,175</u>	
<u>FUND BALANCE, Ending</u>	<u>12,889</u>	<u>-</u>	<u>789,453</u>	

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

LA VETA PUBLIC SCHOOLS  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL  
 DESIGNATED PURPOSE GRANTS – MAJOR SPECIAL REVENUE FUND  
 For the Year Ended June 30, 2019

	<u>Budget</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Budget</u>		
<u>REVENUES:</u>				
Local Sources	-	-	-	-
State Sources	66,726	66,726	67,264	538
Federal Sources	<u>178,918</u>	<u>178,918</u>	<u>172,367</u>	<u>(6,551)</u>
<u>Total Revenues</u>	<u>245,644</u>	<u>245,644</u>	<u>239,631</u>	<u>(6,013)</u>
<u>EXPENDITURES:</u>				
Salaries	151,136	151,136	154,814	(3,678)
Employee Benefits	48,119	48,119	48,245	(126)
Purchased Services - Professional	2,500	2,500	3,668	(1,168)
Purchased Services – Property	-	-	-	-
Purchased Services - Other	7,460	7,460	3,073	4,387
Supplies and Materials	5,000	5,000	4,437	563
Property	14,000	14,000	13,395	605
Other Objects	<u>17,429</u>	<u>17,429</u>	<u>11,999</u>	<u>5,430</u>
<u>Total Expenditures</u>	<u>245,644</u>	<u>245,644</u>	<u>239,631</u>	<u>6,013</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	-	
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers	-	-	-	
<u>Total Other Financing Sources (Uses)</u>	-	-	-	
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	-	-	
<u>FUND BALANCES, July 1</u>	-	-	-	
<u>FUND BALANCES, June 30</u>	-	-	-	

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
District's proportion of the net pension liability (asset)	0.0317%	0.0353%	0.0356%	0.0339%	0.0330%	0.0344%	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$5,613,769	\$11,440,988	\$10,591,063	\$5,194,071	\$4,475,632	\$4,387,968	-	-	-	-
District's covered payroll	\$1,757,008	\$1,693,983	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	319%	675%	661%	334%	311%	326%	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%	-	-	-	-

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

LA VETA PUBLIC SCHOOLS  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contributions	\$ 336,116	\$ 320,003	\$ 294,527	\$ 276,322	\$ 243,349	\$ 215,166	\$ 214,098	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (336,116)</u>	<u>\$ (320,003)</u>	<u>\$ (294,527)</u>	<u>\$ (276,322)</u>	<u>\$ (243,349)</u>	<u>\$ (215,166)</u>	<u>\$ (214,098)</u>	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-
District's covered payroll	\$1,757,008	\$1,693,983	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	\$1,418,319	-	-	-
Contributions as a percentage of covered payroll	19.13%	18.89%	18.39%	17.75%	16.90%	15.99%	15.10%	-	-	-

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
District's proportion of the net OPEB liability (asset)	0.021%	0.0201%	0.0202%	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$280,374	\$261,264	\$262,151	-	-	-	-	-	-	-
District's covered payroll	\$1,757,008	\$1,693,983	\$1,601,884	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.95%	15.42%	16.37%	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%	-	-	-	-	-	-	-

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

LA VETA PUBLIC SCHOOLS  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Contractually required contributions	\$ 17,921	\$ 17,279	\$ 16,339	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (17,921)</u>	<u>\$ (17,279)</u>	<u>\$ (16,339)</u>	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-	-	-
District's covered payroll	\$1,757,008	\$1,693,983	\$1,601,884	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NON MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital Reserve Capital Project Fund

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

Debt Service Fund

Bond Fund

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

Special Revenue Funds

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

Pupil Activity Fund

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

Food Service Fund

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

LA VETA PUBLIC SCHOOLS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2019

	<u>Capital Reserve Capital Projects Fund</u>	<u>Bond Fund</u>	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total NonMajor Governmental Funds</u>
<u>ASSETS</u>					
Cash and Investments	44,284	107,789	52,404	12,352	216,829
Accounts Receivable	-	-	69	1,456	1,525
Grants Receivable	-	-	-	-	-
Due From Other Funds	-	-	-	3,127	3,127
Property Taxes Receivable	-	28,100	-	-	28,100
Inventories	-	-	-	5,769	5,769
<u>Total Assets</u>	<u>44,284</u>	<u>135,889</u>	<u>52,473</u>	<u>22,704</u>	<u>255,350</u>
<u>LIABILITIES</u>					
Accounts Payable	-	-	7,024	-	7,024
Accrued Salaries	-	-	-	4,080	4,080
Due To Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	3,520	3,520
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>7,024</u>	<u>7,600</u>	<u>14,624</u>
<u>DEFERRED INFLOW OF RESOURCES</u>					
Property Taxes	-	25,100	-	-	25,100
<u>FUND BALANCES</u>					
Nonspendable:					
Inventories	-	-	-	5,769	5,769
Restricted:					
Debt Service	-	110,789	-	-	110,789
Food Service	-	-	-	9,335	9,335
Committed:					
Capital Outlay	44,284	-	-	-	44,284
Assigned:					
Pupil Activities	-	-	45,449	-	45,449
Unassigned	-	-	-	-	-
<u>Total Fund Balances</u>	<u>44,284</u>	<u>110,789</u>	<u>45,449</u>	<u>15,104</u>	<u>215,626</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS &amp; FUND BALANCES</u>					
	<u>44,284</u>	<u>135,889</u>	<u>52,473</u>	<u>22,704</u>	<u>255,350</u>

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

LA VETA PUBLIC SCHOOLS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2019

	Capital Reserve Capital Projects Fund	Bond Fund	Pupil Activity	Food Service	Total NonMajor Governmental Funds
<u>REVENUES:</u>					
Property Taxes	-	76,806	-	-	76,806
Specific Ownership Taxes	-	-	-	-	-
Earnings on Investments	-	1,301	-	-	1,301
Other Local Sources	-	234	84,974	20,859	106,067
State Aid	-	-	-	992	992
Federal Aid	-	-	-	43,499	43,499
<u>Total Revenues</u>	<u>-</u>	<u>78,341</u>	<u>84,974</u>	<u>65,350</u>	<u>228,665</u>
<u>EXPENDITURES:</u>					
Current:					
Instructional Services	-	-	96,144	-	96,144
Supporting Services:					
Students	-	-	-	-	-
Instructional Staff	-	-	-	-	-
District Administration	-	-	-	-	-
School Administration	-	-	-	-	-
Business	-	-	-	-	-
Operation & Maintenance of Facilities	-	-	-	-	-
Transportation	-	-	-	-	-
Central	-	-	-	-	-
Food Service	-	-	-	117,197	117,197
Debt Service:					
Principal Retirement	-	65,000	-	-	65,000
Interest and Fiscal Charges	-	16,525	-	-	16,525
Capital Outlay	39,410	-	-	-	39,410
<u>Total Expenditures</u>	<u>39,410</u>	<u>81,525</u>	<u>96,144</u>	<u>117,197</u>	<u>334,276</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>					
	(39,410)	(3,184)	(11,170)	(51,847)	(105,611)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers	64,655	-	-	50,000	114,655
<u>NET CHANGE IN FUND BALANCES</u>					
	25,245	(3,184)	(11,170)	(1,847)	9,044
<u>FUND BALANCES, Beginning</u>	<u>19,039</u>	<u>113,973</u>	<u>56,619</u>	<u>16,951</u>	<u>206,582</u>
<u>FUND BALANCES, Ending</u>	<u>44,284</u>	<u>110,789</u>	<u>45,449</u>	<u>15,104</u>	<u>215,626</u>

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

LA VETA PUBLIC SCHOOLS  
 CAPITAL RESERVE – CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Grant Revenue	-	-	-
Other Local	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>			
Land and Land Sites	-	-	-
Building and Improvements	-	-	-
Equipment	69,039	39,410	29,629
Vehicles	-	-	-
Other	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>69,039</u>	<u>39,410</u>	<u>29,629</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(69,039)</u>	<u>(39,410)</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	50,000	64,655	14,655
<u>Total Other Financing Sources (Uses)</u>	<u>50,000</u>	<u>64,655</u>	<u>14,655</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(19,039)</u>	<u>25,245</u>	
<u>FUND BALANCE, July 1</u>	<u>19,039</u>	<u>19,039</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>44,284</u>	

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

LA VETA PUBLIC SCHOOLS  
 BOND REDEMPTION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Property Taxes	75,000	76,806	1,806
Earnings on Investments	500	1,301	801
Other Local	<u>400</u>	<u>234</u>	<u>(166)</u>
<u>Total Revenues</u>	<u>75,900</u>	<u>78,341</u>	<u>2,441</u>
 <u>EXPENDITURES:</u>			
Debt Service:			
Principal Retirement	65,000	65,000	-
Interest and Fiscal Charges	7,825	16,525	(8,700)
Other	-	-	-
Contingency	<u>117,048</u>	<u>-</u>	<u>117,048</u>
<u>Total Expenditures</u>	<u>189,873</u>	<u>81,525</u>	<u>108,348</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (113,973)	 (3,184)	
 <u>FUND BALANCE, Beginning</u>	 <u>113,973</u>	 <u>113,973</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>110,789</u>	

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

LA VETA PUBLIC SCHOOLS  
PUPIL ACTIVITY - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Local Sources	160,000	84,974	(75,026)
<u>Total Revenues</u>	<u>160,000</u>	<u>84,974</u>	<u>(75,026)</u>
<u>EXPENDITURES:</u>			
Student Activities	160,000	96,144	63,856
Contingency	-	-	-
<u>Total Expenditures</u>	<u>160,000</u>	<u>96,144</u>	<u>63,856</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	(11,170)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	-	(11,170)	
<u>FUND BALANCE, July 1</u>	-	56,619	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>45,449</u>	

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

LA VETA PUBLIC SCHOOLS  
FOOD SERVICE – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	24,500	20,859	(3,641)
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	1,259	992	(267)
<u>Federal Sources</u>			
School Lunches	46,400	38,702	(7,698)
Commodities	<u>5,500</u>	<u>4,797</u>	<u>(703)</u>
<u>Total Revenues</u>	<u>77,659</u>	<u>65,350</u>	<u>(12,309)</u>
 <u>EXPENDITURES</u>			
Salaries	47,005	47,853	(848)
Employee Benefits	21,930	21,530	400
Purchased Services – Professional	-	-	-
Purchased Services – Property	1,000	-	1,000
Purchased Services - Other	550	187	363
Supplies and Materials	59,800	42,818	16,982
Capital Outlay	4,325	12	4,313
Other	-	-	-
Commodities	-	<u>4,797</u>	<u>(4,797)</u>
<u>Total Expenditures</u>	<u>134,610</u>	<u>117,197</u>	<u>17,413</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (56,951)	 (51,847)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>40,000</u>	<u>50,000</u>	<u>10,000</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (16,951)	 (1,847)	
 <u>FUND BALANCE, Beginning</u>	 <u>16,951</u>	 <u>16,951</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>15,104</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 1400 - La Veta Re-2  
 Fiscal Year 2018-19  
 Colorado School District/BOCES

Fund Type & Number	Revenues, Expenditures, & Fund Balance by Fund		1000 - 5999 Total Revenues & Other Sources	1000-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	Beg Fund Balance & Prior Per Adj (6880*)	+			
<b>Governmental:</b>					
10 General Fund	827,175	2,749,483	2,767,215	789,453	0
16 Risk Mgmt-Sub-Fund of General Fund	0	0	0	0	0
19 Colorado Preschool Program Fund	0	36,917	36,917	0	0
Sub-Total	827,175	2,786,310	2,824,031	789,453	0
11 Charter School Fund	0	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0	0
21 Food Service Spec Revenue Fund	16,951	115,350	117,197	15,104	0
22 Govt Designated-Purpose Grants Fund	0	239,631	239,631	0	0
23 Pupil Activity Special Revenue Fund	56,619	84,974	96,144	45,449	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0	0
25 Transportation Fund	0	0	0	0	0
31 Bond Redemption Fund	113,973	78,341	81,525	110,789	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0	0
41 Building Fund	0	0	0	0	0
42 Special Building Fund	0	0	0	0	0
43 Capital Reserve Capital Projects Fund	19,039	64,655	39,410	44,284	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0	0
<b>Totals</b>	<b>1,033,777</b>	<b>3,749,361</b>	<b>3,797,938</b>	<b>1,005,081</b>	<b>0</b>
<b>Proprietary</b>					
50 Other Enterprise Funds	0	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>					
70 Other Trust and Agency Funds	0	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0	0
73 Agency Fund	0	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0	0
79 EASB 34-Permanent Fund	0	0	0	0	0
85 Foundations	0	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINAL</b>					<b>0</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 1400 - La Veta Re-2  
 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
Cash and Investments (8100-8104,8111)	941,543	0	4,536	67,473	0	12,352	98,049	44,284	0	0	0	0	0	1,168,237
Cash with Fiscal Agent (8105)	7,536	0	0	0	0	0	9,740	0	0	0	0	0	0	17,276
Taxes Receivable (8121,8122)	359,300	0	0	0	0	0	28,100	0	0	0	0	0	0	387,400
Interfund Loans Receivable (8131,8132)	11,739	0	0	0	0	3,127	0	0	0	0	0	0	0	14,866
Grants Accounts Receivable (8142)	0	0	0	17,237	0	0	0	0	0	0	0	0	0	17,237
Other Receivables (8151-8154,8161)	16,667	0	0	69	0	1,456	0	0	0	0	0	0	0	18,192
Inventories (8171,8172,8173)	0	0	0	0	0	5,769	0	0	0	0	0	0	0	5,769
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>1,336,785</b>	<b>0</b>	<b>4,536</b>	<b>84,779</b>	<b>0</b>	<b>27,704</b>	<b>135,889</b>	<b>44,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,626,978</b>

Governmental

Proprietary

Fiduciary

**LIABILITIES & FUND EQUITY**

**LIABILITIES**

	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
Interfund Payables (7401-7402)	3,127	0	0	11,739	0	0	0	0	0	0	0	0	0	0	14,866
Other Payables (7421-7423)	16,885	0	0	7,769	0	0	0	0	0	0	0	0	0	0	24,654
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	200,020	0	4,536	19,821	0	4,080	0	0	0	0	0	0	0	0	228,457
Unearned Revenue (7481)	0	0	0	0	0	3,520	0	0	0	0	0	0	0	0	3,520
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	327,300	0	0	0	0	0	25,100	0	0	0	0	0	0	0	352,400
<b>Total Liabilities</b>	<b>547,332</b>	<b>0</b>	<b>4,536</b>	<b>39,329</b>	<b>0</b>	<b>7,600</b>	<b>25,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>623,897</b>

Fiduciary

Proprietary

Governmental

FUND EQUITY	Governmental										Proprietary				Fiduciary		Totals
	General Funds 10,12-18 Fund 11	Charter School Fund 19	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			
Non-spendable Fund Balance 6710	0	0	0	0	0	5,769	0	0	0	0	0	0	0	0	5,769		
Restricted Fund Balance 6720	0	0	0	0	0	9,335	110,789	0	0	0	0	0	0	0	120,125		
TABOR 3% Emergency Reserve 6721	92,000	0	0	0	0	0	0	0	0	0	0	0	0	0	92,000		
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Committed Fund Balance 6750	0	0	0	0	0	0	0	44,284	0	0	0	0	0	0	44,284		
Assigned Fund Balance 6760	0	0	0	45,449	0	0	0	0	0	0	0	0	0	0	45,449		
Unassigned Fund Balance 6770	697,453	0	0	0	0	0	0	0	0	0	0	0	0	0	697,453		
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Fund Equity</b>	<b>789,453</b>	<b>0</b>	<b>0</b>	<b>45,449</b>	<b>0</b>	<b>15,104</b>	<b>110,789</b>	<b>44,284</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,005,081</b>		

Total Liabilities & Fund Equity	Governmental										Proprietary				Fiduciary		Totals
	General Funds 10,12-18 Fund 11	Charter School Fund 19	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			
1,336,785	0	4,536	0	84,779	0	22,704	135,889	44,284	0	0	0	0	0	0	1,628,978		

Do Assets=Liability+Fund Equity	Governmental										Proprietary				Fiduciary		Totals
	General Funds 10,12-18 Fund 11	Charter School Fund 19	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			
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		