

OURAY COUNTY SCHOOL DISTRICT R-1
OURAY, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
June 30, 2019

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Board of Education
Ouray County School District R-1
Ouray, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and each fiduciary fund type, of the Ouray County School District R-1 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 of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and each fiduciary fund type of the Ouray County School District R-1 as of June 30, 2019 and the respective changes in financial position and, where applicable cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouray County School District R-1's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "other supplemental information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

October 15, 2019

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Ouray School was originally built in 1883, although the history of education in Ouray began in the summer of 1876 with Elizabeth King as the first teacher in Ouray. Today the Ouray County School District R-1 is a public school district providing K-12 education which strives to maintain an overall goal of being in the top 10% District as categorized by the Colorado Department of Education.

The discussion and analysis of the Ouray County School District R-1's financial performance provides an overall review of the District's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2019 are as follows:

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2019, the District's share of the PERA net pension liability is approximately \$5.9 million and the District's share of the PERA HCTF net OPEB liability is \$295 thousand.
- The District's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$1.8 million after application of GASB Statements No. 68 and No. 75 which are discussed in more detail on page 11 and in the notes to the financial statements. Fund level financial statements are not impacted by GASB 68 and 75 reporting.
- The District's total net position of governmental activities increased by \$1.04 million, primarily due to the impacts of GASB Statements No. 68 and No. 75, which is a contrast to its increase in governmental fund balances of \$167 thousand. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 17 and a discussion of the differences between the two accounting methodologies is discussed below.

USING THE BASIC FINANCIAL STATEMENTS

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

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

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

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

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

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

In the statement of net position and the statement of activities, the School District consists of the following activities:

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

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The District's funds financial statements are divided into two broad categories; namely (1) governmental funds; and (2) fiduciary funds. (The District currently has no proprietary funds.)

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

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

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

Student Activities Fund – The Student Activities Fund is a special revenue fund which accounts for student athletic/nonathletic activities with revenue sources raised specifically from such activities.

Bond Redemption Fund – The Bond Redemption Fund accounts for transactions related to debt service of the District's general obligation bonds and interest.

Capital Reserve Fund – The Capital Reserve Fund accounts for acquisition of capital items such as land, vehicles, equipment and improvements to existing structures.

Fiduciary Fund – The District's fiduciary (or *Agency*) fund is reported in the Statements of Fiduciary Net Position. The activities are excluded from the District's governmental funds because the District cannot use these assets to finance its operations. The fiduciary is responsible for ensuring that these assets are used for their intended purposes. The fiduciary fund is the:

Student Activities Agency Fund – The Student Activities Agency Fund accounts for resources available for future distribution for student activities and groups.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

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

SUPPLEMENTARY & SUPPLEMENTAL INFORMATION

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

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal years ending June 30, 2019 compared to 2018.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>ASSETS:</u>						
Current and Other Assets	\$ 2,335	\$ 1,927	\$ -	\$ -	\$ 2,335	\$ 1,927
Capital Assets, Net	<u>11,142</u>	<u>11,094</u>	<u>-</u>	<u>-</u>	<u>1,142</u>	<u>11,094</u>
	<u>13,477</u>	<u>13,021</u>	<u>-</u>	<u>-</u>	<u>13,477</u>	<u>13,021</u>
<u>DEFERRED OUTFLOWS:</u>						
Related to Pensions	1,832	3,332	-	-	1,832	3,332
Related to OPEBs	<u>29</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>10</u>
	<u>1,861</u>	<u>3,342</u>	<u>-</u>	<u>-</u>	<u>1,861</u>	<u>3,342</u>
<u>LIABILITIES:</u>						
Current & Other Liabilities	634	388	-	-	634	388
Long-term Liabilities	2,437	2,555	-	-	2,437	2,555
Net Pension Liability	5,906	11,556	-	-	5,906	11,556
Net OPEB Liability	<u>295</u>	<u>264</u>	<u>-</u>	<u>-</u>	<u>295</u>	<u>264</u>
	<u>9,272</u>	<u>14,763</u>	<u>-</u>	<u>-</u>	<u>9,272</u>	<u>14,763</u>
<u>DEFERRED INFLOWS:</u>						
Related to Pensions	4,240	814	-	-	4,240	814
Related to OPEBs	<u>1</u>	<u>5</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>5</u>
	<u>4,241</u>	<u>819</u>	<u>-</u>	<u>-</u>	<u>4,241</u>	<u>819</u>
<u>NET POSITION:</u>						
Invested in Capital Assets,						
Net of Related Debt	8,581	8,414	-	-	8,581	8,414
Restricted	505	364	-	-	505	364
Unrestricted	<u>(7,261)</u>	<u>(7,997)</u>	<u>-</u>	<u>-</u>	<u>(7,261)</u>	<u>(7,997)</u>
	<u>\$ 1,825</u>	<u>\$ 781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,825</u>	<u>\$ 781</u>

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

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

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

THE DISTRICT AS A WHOLE -- CONTINUED

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

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services & Sales	\$ 77	\$ 75	\$ -	\$ -	\$ 77	\$ 75
Operating Grants & Contributions	251	194	-	-	251	194
Capital Grants and Contributions	118	60	-	-	118	60
Total Program Revenues	446	329	-	-	446	329
General Revenues:						
Property and Ownership Taxes	1,961	1,940	-	-	1,961	1,940
State Equalization, Net	1,443	1,302	-	-	1,443	1,302
Other General Revenues	14	16	-	-	14	16
Total General Revenues	3,418	3,258	-	-	3,418	3,258
Total Revenues	3,864	3,587	-	-	3,864	3,587
<u>PROGRAM EXPENSES:</u>						
Instruction	2,080	1,737	-	-	2,080	1,737
Support Services:						
Student Support	74	27	-	-	74	27
Instructional Staff	197	203	-	-	197	203
General Administration	196	148	-	-	196	148
School Administration	252	300	-	-	252	300
Business Support Services:						
Operations and Maintenance	252	226	-	-	252	226
Transportation	72	68	-	-	72	68
Insurance	73	65	-	-	73	65
Food Services	103	99	-	-	103	99
Other	2	-	-	-	2	-
Facilities	158	167	-	-	158	167
Unallocated PERA Actuarial Adj.	(724)	1,994	-	-	(724)	1,994
Unallocated OPEB Actuarial Adj.	8	4	-	-	8	4
Interest and Fiscal Charges	77	79	-	-	77	79
Total (Expenses)	2,820	5,117	-	-	2,820	5,117
Increase (Decrease) in Net Position	\$ 1,044	\$ (1,530)	\$ -	\$ -	\$ 1,044	\$ (1,530)

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. For the fiscal year 2019, the net position of the District's governmental activities increased by approximately \$1.04 million primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities. The District current has no business-type activities.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

THE DISTRICT AS A WHOLE -- CONTINUED

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

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

<i>(In Thousands)</i>	Fiscal Year 2019		Fiscal Year 2018	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,080	\$ 1,840	\$ 1,737	\$ 1,540
Support Services:				
Student Support	74	73	27	27
Instructional Staff	197	192	203	200
General Administration	196	192	148	148
School Administration	252	248	300	300
Business Support Services:				
Operations and Maintenance	252	249	226	226
Transportation	72	66	68	63
Insurance	73	73	65	65
Food Services	103	37	99	35
Other	2	2	-	-
Facilities	158	41	167	107
Unallocated PERA Actuarial Adj.	(724)	(724)	1,994	1,994
Unallocated OPEB Actuarial Adj.	8	8	4	4
Interest and Fiscal Charges	77	77	79	79
NET COST OF SERVICES	\$ 2,820	\$ 2,374	\$ 5,117	\$ 4,788

The dependence on general revenues for governmental activities is apparent with approximately 89% and 89% of instruction activities supported in 2019 and 2018, respectively, through taxes and other general revenues. The community as a whole is the primary support for the District's students.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

THE DISTRICT'S FUNDS

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

Governmental Funds –

General Fund

The General Fund had an overall increase in fund balance of \$39,250. After current year required restrictions of fund balance, the remaining unassigned fund balance of \$1,177,686 is the amount available for future spending.

Food Service Fund

The Food Service Fund had an overall increase in fund balance of \$8. The ending fund balance of \$8,132 is the amount available for future spending on food service programs.

Student Activities Fund

The Student Activities Fund had an overall decrease in fund balance of \$707. The ending fund balance of \$17,785 is the amount available for future spending.

Bond Redemption Fund

The Bond Redemption Fund had an overall increase in fund balance of \$68. The ending fund balance of \$181,832 is the amount available for future debt service.

Capital Reserve Fund

The Capital Reserve Fund had an overall increase in fund balance of \$128,476. The ending fund balance of \$222,897 is the amount available for future spending.

Fiduciary (Agency) Fund –

The *Student Activities Agency Fund* ended the year with \$141,630 available for future spending.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year the District amended its General Fund budget as needed.

For the General Fund, actual revenues and other financing sources of \$3,479,580 were above final budgetary expectations of \$3,338,774 by \$140,806.

The District's General fund actual expenditures and other financing uses of \$3,440,330 were less than the final appropriated balance of \$4,535,610 by \$1,095,280, primarily due to unused appropriated contingency reserves.

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

CAPITAL ASSETS

At the end of fiscal year 2019, the District had a total of \$11,142,474 invested in capital assets, net of accumulated depreciation. The following reflects the balances of the current and prior fiscal year:

<i>(In Thousands)</i>	Governmental	
	Activities	
	<u>2019</u>	<u>2018</u>
<i>Net of Depreciation:</i>		
Land and Improvements	\$ 234	\$ 234
Construction-in-Progress	110	-
Buildings & Improvements	10,675	10,780
Equipment & Vehicles	<u>123</u>	<u>80</u>
	<u>\$ 11,142</u>	<u>\$ 11,094</u>

DEBT ADMINISTRATION

At June 30, 2019 the District had \$2,554,642 in outstanding bonds, net of premium, of which the current principal portion to be paid in the next fiscal year is \$117,403. The bonds are being paid from a mill levy in the Bond Redemption fund over a 20 year period with the last payment due in fiscal year 2035.

Other long-term obligations consist of the District's proportionate share of the State PERA Net Pension Liability in the amount of \$5,905,625 and Net OPEB Liability of \$295,089 (see Notes to the Financial Statements).

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

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

Total Program Funding - local property taxes + general specific ownership taxes + state equalization

The Board and Administration will continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

According to Colorado PERA, the overall statewide collective net pension liability for the PERA School Division Trust Fund is \$17.7 billion, a decrease of approximately \$14.6 billion from the prior year. This and the effect of other actuarial changes (primarily the net difference between actual and projected pension investment earnings), have decreased the District's proportionate share of the collective net pension liability. In addition, the overall statewide collective PERA Health Care Trust Fund Net OPEB liability decreased from \$1.4 billion to \$1.3 billion, with a corresponding decrease in the District's proportionate share thereof. As indicated in Note 18 of the financial statements, during the 2018 legislative session, the Colorado General Assembly passed significant pension reform with the goal of eliminating the unfunded actuarial accrued liability and reaching a 100 percent funded ratio within the next 30 years.

It is important to note that the requirements for the reporting of the proportionate share of the net pension and net OPEB liabilities do not necessarily reflect the financial condition of a governmental entity because the liabilities cannot be made immediately due and payable. Furthermore, the District has no legal obligation to fund PERA's unfunded accrued actuarial liability nor does the District have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined pension plan. It is also important to note that the reporting requirements have no impact on the District's fund level financial statements which are used for internal and budgetary use; rather, the change only effects the District's government-wide financial statement reporting (a long-term perspective) in the year-end audited financial statements.

See the accompanying financial statement notes for the full disclosures related to PERA and OPEB.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Ouray County School District R-1
Attn: Business Office
400 7th Avenue; P.O. Box N
Ouray, CO 81427
Tel: (970) 325-4505
Fax: (970) 325-7343

GOVERNMENT-WIDE FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION

June 30, 2019

	<u>Total Governmental Activities</u>
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 1,716,355
Receivables:	
Taxes	271,006
County Treasurer	5,179
Grants	338,748
Inventories	<u>3,269</u>
Total Current Assets	<u>2,334,557</u>
Capital Assets:	
Capital Assets, Non-Depreciable	343,887
Capital Assets, Net of Depreciation	<u>10,798,587</u>
Total Capital Assets, Net	<u>11,142,474</u>
TOTAL ASSETS	<u>13,477,031</u>
DEFERRED OUTFLOWS:	
Deferred Outflows Related to Pensions	1,832,007
Deferred Outflows Related to OPEBs	<u>29,136</u>
TOTAL DEFERRED OUTFLOWS	<u>1,861,143</u>
LIABILITIES:	
Accounts Payable	38,807
Accrued Salaries and Benefits	278,349
Accrued Interest Payable	7,377
Unearned Grant Revenues	192,228
Long-term Debt:	
Portion Due or Payable within One Year:	
General Obligations Bonds Series 2014B, Net	117,403
Portion Due or Payable After One Year:	
General Obligations Bonds Series 2014B, Net	2,437,239
Net Pension Liability	5,905,625
Net OPEB Liability	<u>295,089</u>
TOTAL LIABILITIES	<u>9,272,117</u>
DEFERRED INFLOWS:	
Deferred Inflows Related to Pensions	4,240,435
Deferred Inflows Related to OPEBs	<u>1,104</u>
TOTAL DEFERRED INFLOWS	<u>4,241,539</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	8,580,555
Restricted for:	
Food Service	4,863
Debt Service	181,832
Capital Projects	222,897
Emergencies	95,000
Unrestricted	<u>(7,260,629)</u>
TOTAL NET POSITION	<u>\$ 1,824,518</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2019

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 2,079,962	\$ 40,830	\$ 198,663	\$ -
General Support Services:				
- Student Based	73,736	-	1,141	-
- Instructional Staff	196,526	-	4,427	-
- General Administration	196,011	-	4,241	-
- School Administration	252,168	-	3,904	-
Business Support Services:				
- Operations and Maintenance	251,663	-	2,386	-
- Transportation	71,925	-	6,442	-
Insurance	73,455	-	-	-
Food Services	103,347	36,329	30,115	-
Other	2,131	-	-	-
Facilities	158,432	-	-	117,572
Unallocated PERA Actuarial Adjustment	(724,155)	-	-	-
Unallocated OPEB Actuarial Adjustment	7,682	-	-	-
Interest and Other Fiscal Charges	77,298	-	-	-
Total Governmental Activities	<u>2,820,181</u>	<u>77,159</u>	<u>251,319</u>	<u>117,572</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,820,181</u>	<u>\$ 77,159</u>	<u>\$ 251,319</u>	<u>\$ 117,572</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Specific Ownership Taxes

State Equalization

Federal Mineral/Forest Leasing Revenues

Unrestricted Interest and Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (1,840,469)	<i>(no business activities)</i>	\$ (1,840,469)
(72,595)		(72,595)
(192,099)		(192,099)
(191,770)		(191,770)
(248,264)		(248,264)
(249,277)		(249,277)
(65,483)		(65,483)
(73,455)		(73,455)
(36,903)		(36,903)
(2,131)		(2,131)
(40,860)		(40,860)
724,155		724,155
(7,682)		(7,682)
(77,298)		(77,298)
(2,374,131)		(2,374,131)
(2,374,131)		(2,374,131)
1,574,752		1,574,752
194,484		194,484
191,761		191,761
1,442,993		1,442,993
1		1
1,740		1,740
12,058		12,058
3,417,789		3,417,789
1,043,658		1,043,658
780,860		780,860
\$ 1,824,518		\$ 1,824,518

FUND FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	<u>General Fund</u>	<u>Food Service (Special Revenue) Fund</u>	<u>Student Activities Fund</u>	<u>Bond Redemption Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 1,383,008	\$ 4,863	\$ 17,797	\$ 166,800
Receivables:				
Taxes	134,703	-	-	14,462
County Treasurer	4,609	-	-	570
Grants Receivable	43,748	-	-	-
Inventories	<u>-</u>	<u>3,269</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 1,566,068</u>	 <u>\$ 8,132</u>	 <u>\$ 17,797</u>	 <u>\$ 181,832</u>
 LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 7,433	\$ -	\$ 12	\$ -
Accrued Salaries and Benefits	278,349	-	-	-
Unearned Grant Revenue	<u>7,600</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>293,382</u>	 <u>-</u>	 <u>12</u>	 <u>-</u>
 Fund Balances:				
Non-spendable	-	3,269	-	-
Restricted for:				
Food Service	-	4,863	-	-
Debt Service	-	-	-	181,832
Capital Outlay	-	-	-	-
Emergencies	95,000	-	-	-
Assigned	-	-	17,785	-
Unassigned	<u>1,177,686</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>1,272,686</u>	 <u>8,132</u>	 <u>17,785</u>	 <u>181,832</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,566,068</u>	 <u>\$ 8,132</u>	 <u>\$ 17,797</u>	 <u>\$ 181,832</u>

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

Capital Reserve Fund	TOTAL
\$ 143,887	\$ 1,716,355
-	149,165
-	5,179
295,000	338,748
-	3,269
<u>\$ 438,887</u>	<u>\$ 2,212,716</u>

\$ 31,362	\$ 38,807
-	278,349
184,628	192,228
<u>215,990</u>	<u>509,384</u>

-	3,269
-	4,863
-	181,832
222,897	222,897
-	95,000
-	17,785
-	1,177,686
<u>222,897</u>	<u>1,703,332</u>

<u>\$ 438,887</u>	<u>\$ 2,212,716</u>
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OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2019

TOTAL GOVERNMENTAL FUND BALANCES \$ 1,703,332

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

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

Governmental Capital Assets	\$ 13,455,426	
Less Accumulated Depreciation	<u>(2,312,952)</u>	11,142,474

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

121,841

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

Accrued Interest Payable	\$ (7,377)	
Current Portion of Bond Premium	(12,403)	
Current Portion of Long-Term Debt	<u>(105,000)</u>	(124,780)

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

Bond Premium-Noncurrent Portion	\$ (192,239)	
Bonds Payable-Noncurrent Portion	(2,245,000)	
Net Pension Liability	(5,905,625)	
Net OPEB Liability	(295,089)	
Deferred Outflows of Resources	1,861,143	
Deferred Inflows of Resources	<u>(4,241,539)</u>	<u>(11,018,349)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,824,518

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	General Fund	Food Service (Special Revenue) Fund	Student Activities Fund	Bond Redemption Fund
REVENUES:				
Local Sources	\$ 1,815,767	\$ 36,329	\$ 10,870	\$ 194,943
Intermediate Sources	1	-	-	-
State Sources	1,591,092	2,325	1,119	-
Federal Sources	72,720	27,056	-	-
Total Revenues	3,479,580	65,710	11,989	194,943
 EXPENDITURES:				
Instructional	1,980,692	-	80,696	-
Supporting Services:				
Student Based	73,736	-	-	-
Instructional Staff	196,526	-	-	-
General Administration	196,011	-	-	-
School Administration	252,168	-	-	-
Business Support Services:				
Operations and Maintenance	251,663	-	-	-
Transportation	128,948	-	-	-
Insurance	73,455	-	-	-
Food Services	-	102,702	-	-
Facilities	-	-	-	-
Other	2,131	-	-	-
Debt Service:				
Fees	-	-	-	300
Principal	-	-	-	105,000
Interest	-	-	-	89,575
Total Expenditures	3,155,330	102,702	80,696	194,875
Excess of Revenues Over (Under) Expenditures	324,250	(36,992)	(68,707)	68
 OTHER FINANCING SOURCES (USES):				
Transfers In	-	37,000	68,000	-
Transfers (Out)	(285,000)	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	39,250	8	(707)	68
FUND BALANCES – Beginning	1,233,436	8,124	18,492	181,764
FUND BALANCES – Ending	\$ 1,272,686	\$ 8,132	\$ 17,785	\$ 181,832

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

<u>Capital Reserve Fund</u>	<u>TOTAL</u>
\$ 112,572	\$ 2,170,481
5,000	5,001
-	1,594,536
<u>-</u>	<u>99,776</u>
<u>117,572</u>	<u>3,869,794</u>
-	2,061,388
-	73,736
-	196,526
-	196,011
22,423	274,591
-	251,663
5,910	134,858
-	73,455
-	102,702
140,763	140,763
-	2,131
-	300
-	105,000
<u>-</u>	<u>89,575</u>
<u>169,096</u>	<u>3,702,699</u>
(51,424)	167,095
180,000	285,000
<u>-</u>	<u>(285,000)</u>
128,476	167,095
<u>94,421</u>	<u>1,536,237</u>
<u>\$ 222,897</u>	<u>\$ 1,703,332</u>

OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 167,095

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

Governmental Funds report capital outlays as expenditures, however, on the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The net book value of asset dispositions is an adjustment to gain (loss) on the Statement of Activities. This is the amount by which capital outlay exceeded depreciation expense and loss on asset dispositions in the current period:

Capital Outlay	\$ 234,097	
Depreciation Expense	<u>(185,629)</u>	48,468

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year increased from the previous fiscal year: (5,955)

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased from the previous fiscal year: 175

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

Current Period Debt Proceeds, Net	\$ -	
Current Period Debt Repayment	<u>105,000</u>	105,000

Bond premium is recognized in governmental funds at issuance as a current resource, but is allocated over the term of the issue as bond premium accretion on the Statement of Activities. This is the amount of current year bond premium accretion. 12,402

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

Change in Net Pension Liability	\$ 5,650,553	
Change in Net OPEB Liability	(31,195)	
Change in Deferred Outflows	(1,480,867)	
Change in Deferred Inflows	<u>(3,422,018)</u>	<u>716,473</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,043,658

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF FIDUCIARY NET POSITION
STUDENT ACTIVITIES AGENCY FUND
For the Fiscal Year Ended June 30, 2019

	<u>STUDENT ACTIVITIES</u> <u>AGENCY FUND</u>
<u>ASSETS:</u>	
Cash and Cash Equivalents	\$ <u>141,630</u>
Total Assets	\$ <u>141,630</u>
<u>LIABILITIES:</u>	
Accounts Payable	\$ -
Funds Held on Behalf of Student Activities	<u>141,630</u>
Total Liabilities	\$ <u>141,630</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ouray County School District R-1 are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

A. Financial Reporting Entity

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

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

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

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

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a regional education service unit created under the "Board of Cooperative Services Act of 1965" and is governed by a board consisting of representatives from each participating district. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. Additional information regarding the District's participation is provided in *Note 8*.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

C. Fund Accounting

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting - continued

The various funds are grouped, in the financial statements, as follows:

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

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The special revenue fund revenues/resources for the Food Service Fund account for grants and other revenues raised from general food services. The special revenue fund revenues/resources for the Student Activities Fund are amounts from revenues raised from various student activities. The special revenue fund resources for the Capital Reserve Fund are available balances restricted for capital outlay activities.

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

FIDUCIARY FUNDS – those through which the District's Fiduciary (*or Agency*) activities are reported. These activities are excluded from the District's governmental funds because the District cannot use these assets to finance its operations. The Fiduciary is responsible for ensuring these assets are used for their intended purpose. The Student Activities Agency Fund is a fiduciary fund.

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting - continued

FUND FINANCIAL STATEMENTS

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

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Exchange and Non-exchange Transactions

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

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

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

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity/Net Position

- 1) Cash and Investments – The District’s policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.
- 2) Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.
- 3) Internal Balances – Internal balances arise from outstanding amounts due to/from the District’s various funds. Interfund balances within governmental activities are eliminated on the government-wide Statement of Net Position.
- 4) Property Taxes and Property Tax Revenue – Property taxes are assessed on a calendar year basis. Property taxes attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Ouray County and are reported as revenue when received by the county treasurer.

Taxes receivable represent the 2018 assessed taxes yet to be collected in 2019. Amounts collectible subsequent to August 2019 have been accrued on the government-wide Statement of Net Position.

<u>Assessed</u>	<u>Mill</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
<u>Valuation</u>	<u>Levy</u>	<u>Levied</u>	<u>Recognized</u>	
\$56,945,550	31.147	\$1,773,683	\$1,651,842	93%

The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary.

- 5) Inventory – Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and U.S.D.A. donated commodity items are valued at U.S.D.A. unit pricing, substantially on a first in-first out basis. Inventory items are charged to expenditures as consumed.
- 6) Capital Assets – Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$3,000 set by the School District are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

6) Capital Assets (continued) - Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings & Improvements	20-75 years
Equipment	4-25 years
Vehicles	10 years

7) Compensated Absences – Vacation and personal leave do not vest or accumulate. All employees of the district work on a contract basis that provides for an agreed number of working days per year, so there is no paid vacation. District policy provides for 8 days sick leave and 4 days discretionary leave annually for all personnel. Unused leave can accumulate to a maximum of 30 days at which time the excess over 30 days is paid to employees at an established rate of 75% of the daily substitute teacher’s salary. All leave over 30 days is paid before year-end; therefore, there is no accrued liability because no unpaid leave has been vested.

8) Accrued Liabilities and Long-term Obligations – All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

Accrued Salaries and Benefits – Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers’ salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the fiscal year. Accrued salaries at June 30 were \$278,349 with the incremental change charged to expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. When applicable, bonds premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. When applicable, bond issuance and any refunding costs are reported as deferred charges and amortized over the term of the related debt

In the governmental fund financial statements, bonds are recognized as a liability on the fund financial statements when due. The face amount of debt issued is reported as other financing sources. When applicable, premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. When applicable, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

9) Net Position (government-wide financial statements) –

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

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

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

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

10) Fund Net Position (fund financial statements) –

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

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

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

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Education). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

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

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

At June 30, 2019, restricted fund balances were for food service programs, debt service, capital projects and \$95,000 for Tabor Emergency reserves. Assigned amounts include carryover reserves assigned for pupil activities.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Unearned Revenues

When applicable, unearned revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

H. Deferred Outflows and Inflows of Resources

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

I. Pensions

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

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

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

K. On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$225 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado have been recorded in the fund financial statements.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Inter-fund Transactions

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

M. Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing finances. It is District policy to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulators. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (continued)

The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had total bank balances of \$1,908,252 of which \$500,000 was covered by FDIC insurance and \$1,408,252 by PDPA as described above. A summary of the Districts cash and cash equivalents follows (of which \$1,716,355 was reported in governmental activities and \$141,630 in fiduciary activities):

Checking/Bank Deposits	\$ 1,582,698
Certificates of Deposit	<u>325,554</u>
Total Balances	1,908,252
Net Outstanding Items	<u>(50,267)</u>
Total Cash and Cash Equivalents	<u>\$ 1,857,985</u>

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

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

Risk Disclosures

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - CASH AND INVESTMENTS (continued)

Risk Disclosures (continued)

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

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. Investments subject to interest rate risk disclosures are shown below:

	<u>Fair Value</u>	<u>Accrued Interest</u>	<u>Maturity</u>
Certificate of Deposit	\$ 200,554	\$ -	07/14/19
Certificate of Deposit	\$ 125,000	\$ -	07/21/19

The District was not subject to foreign currency risk as of June 30, 2019.

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

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 4 - CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2019 was as follows:

	Balances June 30, 2018	Additions	Reclassifications Transfers and Dispositions	Balances June 30, 2019
<u>GOVERNMENTAL ACTIVITIES</u>				
Land and Improvements	\$ 233,514	\$ -	\$ -	\$ 233,514
Construction in Progress	-	110,373		110,373
Depreciable Capital Assets:				
Buildings and Improvements	12,436,743	52,814	-	12,489,557
Equipment	152,034	-	-	152,034
Transportation Equipment	340,028	70,910	-	410,938
Food Service Equipment	59,010	-	-	59,010
Total Capital Assets	13,221,329	234,097	-	13,455,426
Less Accumulated Depreciation	(2,127,323)	(185,629)	-	(2,312,952)
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 11,094,006</u>	<u>\$ 48,468</u>	<u>\$ -</u>	<u>\$ 11,142,474</u>

Depreciation expense was charged to functions/programs as follows:

Instructional	\$ 18,574
Transportation	7,978
Food Service	645
Facilities	158,432
Total for Governmental Activities	<u>\$ 185,629</u>

NOTE 5 - LONG-TERM OBLIGATIONS

All long-term obligations of the District are reported in Governmental Activities. Changes in the District's long-term debt during the fiscal year are as follows:

	Balance at 06/30/18	Additions	Reductions	Balance at 06/30/19	Amounts Due Within One Year
General Obligation Bonds:					
Series 2014-B	\$ 2,455,000	\$ -	\$ (105,000)	\$ 2,350,000	\$ 105,000
Premium	217,044	-	(12,402)	204,642	12,403
TOTAL	<u>\$ 2,672,044</u>	<u>\$ -</u>	<u>\$ (117,402)</u>	<u>\$ 2,554,642</u>	<u>\$ 117,403</u>

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds Series 2014-B

General Obligation Bonds in the face amount of \$2,695,000, plus premium of \$260,453 amortized over the term of the bonds, were issued in December 2014 to acquire, construct, repair and improve District capital assets and pay costs of issuing the Bonds. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay principal and interest on the Bonds when due. The Bonds require semiannual payments of interest at a net effective interest rate of 3.18%, with principal due on December 1 of each year with the final payment due December 1, 2035. Debt service of the Bonds is recorded in the Bond Redemption Fund. The Bond registrar and paying agent is UMB Bank, N.A. The annual requirements to amortize the Series 2014-B Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	105,000	87,475	192,475
2021	110,000	84,775	194,775
2022	110,000	81,475	191,475
2023	115,000	77,813	192,813
2024	120,000	73,700	193,700
2025-2029	675,000	292,500	967,500
2030-2034	815,000	144,100	959,100
2035	300,000	10,800	310,800
TOTAL	\$ 2,350,000	\$ 852,638	\$ 3,202,638

The Bonds maturing: on or before December 1, 2024 are not subject to redemption prior to their respective maturity dates; on or after December 1, 2025 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District shall determine and by lot within any maturity in such manner as the paying agent shall determine, on December 1, 2024 and on any date thereafter, at a redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date; on December 1, 2028, December 1, 2030, December 1, 2033 and December 1, 2035 are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the bond registrar shall determine, on December 1 of each year, upon payment of par and accrued interest, without redemption premium, in the amounts set forth below:

<u>Year (Maturing) / Redemption</u>	<u>Principal Amount</u>
(2028) / 2027	\$ 140,000
(2028) / 2028	145,000
(2030) / 2028	150,000
(2030) / 2028	155,000
(2033) / 2028	165,000
(2033) / 2028	170,000
(2033) / 2028	175,000
(2035) / 2028	180,000
(2035) / 2035 (final maturity)	120,000

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 6 - COMMITMENTS

The District leases various office equipment. The leases contain an annual cancellation provision and are subject to annual appropriation, therefore future minimum lease payments are not applicable. The District's rental expense for the year ended June 30, 2019 was immaterial in relation to the financial statements taken as a whole.

NOTE 7 - CONTINGENCIES

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

The District was not subject to any claims at the date of the financial statements. The District believes that any potential claims against the District, not covered by insurance, would not materially affect the financial statements of the District.

NOTE 8 - JOINTLY GOVERNED ORGANIZATION

The District is a member of the Uncomphahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a jointly governed organization of five regional school districts, including the Ouray County School District, with each member district appointing a member to the UnBOCES board of directors whom are in control of budgeting and finance. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. The UnBOCES financial statements can be obtained directly by contacting them via their website: www.unboces.org.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District covers its employees, due to injury, under Colorado Compensation Insurance Authority (CCIA). The District maintains commercial insurance for other risks of loss. There have been no significant reductions in coverage and settled claims have not exceeded coverage in any of the past three years. In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - DEFINED BENEFIT PENSION PLAN

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. Section 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 non-employer 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.

General Information about the Pension Plan

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

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. Section 24-51-602, 604, 1713 and 1714.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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

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

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs) in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure, will receive an annual increase unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5% 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% or the average CPI-W for the prior calendar year, not to exceed 10% 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 in C.R.S. Section 24-51-413.

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula(s) show above considering a minimum 20 years of service credit, if deemed disabled.

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

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued

Contributions Provisions as of June 30, 2019. Eligible employees and the District 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. Section 24-51-401, *et seq*, and Section 24-51-413. Eligible employees are required to contribute 8% of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 through December 31, 2018	January 1, 2019 through June 30, 2019
Employer Contribution Rate	10.15%	10.15%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Sec 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Sec 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Sec 24-51-411	5.50%	5.50%
Total Employer Contribution Rate to the SCHDTF	19.13%	19.13%

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

As specified in C.R.S. Section 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 non-employer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$365,666 for the year ended June 30, 2019.

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

At June 30, 2019, the District reported a liability of \$5,905,625 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 5,905,625
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	\$ 47,961
TOTAL	\$ 5,953,586

At December 31, 2018, the District's proportion was 0.0333518216% which was a decrease of 0.0023854952% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$(358,489) and revenue of \$47,961 for support from the State as a non-employer contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 200,325	\$ -
Changes of assumptions or other inputs	1,102,311	3,672,664
Net difference between projected and actual earnings on pension plan investments	321,894	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	34,352	567,771
Contributions subsequent to the measurement date	173,125	-
TOTAL	\$ 1,832,007	\$ 4,240,435

The amount of \$173,125 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for changes in proportion and differences between contributions recognized and proportionate share of contributions will be recognized in pension expenses as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2020	\$ 15,343	\$ 302,469
2021	11,908	166,672
2022	7,101	98,630
2023	-	-
2024	-	-
Thereafter	-	-

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

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

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, 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

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 percent 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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 by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

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

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the current member contribution rates in effect for each year, including 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 there are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

Sensitivity of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 7,507,992	\$ 5,905,625	\$ 4,560,969

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

NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN: Voluntary Investment Program

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

Funding Policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2019 program members contributed \$7,696 for the Voluntary Investment Program.

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

General Information about the OPEB Plan

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

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

It is possible for employees to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer. Under the DPS Benefit Structure, 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$19,497 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$1,172,038 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 1.0216788739%, which was an increase of 0.001370739% from its proportion measured at December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$27,179. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,071	\$ 449
Changes of assumptions or other inputs	2,069	-
Net difference between projected and actual earnings on OPEB plan investments	1,696	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,069	655
Contributions subsequent to the measurement date	9,231	-
TOTAL	\$ 29,136	\$ 1,104

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

The amount of \$9,231 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:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2020	\$ 2,990	\$ 157
2021	2,990	158
2022	2,990	157
2023	2,990	158
2024	3,109	25
Thereafter	-	-

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 OPEB plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Health care cost trend rates / PERA Benefit Structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A Premiums	3.00 percent for 2018, Gradually rising to 5.00 percent in 2025

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 capital 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 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Medicare Plan	Cost for Members Without Medicare Part A
Self-funded Medicare Supplemental Plans	\$289
Kaiser Permanente Medicare Advantage HMO	\$300
Rocky Mountain Health Plans Medicare HMO	\$270
UnitedHealthcare 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 capital health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

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

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

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

The following health care cost 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 log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - 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%.

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

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00 %	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$286,805	\$294,950	\$304,318

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 June 30, 2019

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2018 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date. For future plan members, employer contributions were reduced by the estimated amount of total service costs for future plan members.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the end of the month.

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

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$330,024	\$294,950	\$264,966

OPEB Plan Fiduciary Net Position. Detailed information about the HCTF's fiduciary net position is available in PERA's comprehensive annual financial report at www.copera.org/investments/pera-financial-reports.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE 15 - STUDENT ACTIVITIES AGENCY FUND BUDGET AND ACTUAL

The District prepares a budget for the Student Activities Agency Fund; however, there is not a Statement of Revenues, Expenditures and Changes in Fund Balance because Agency Funds do not recognize revenues, expenditures or fund balance in accordance with GAAP. Budget and actual amounts for the Student Activities Agency Fund are as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Beginning Budgetary Basis	\$ 144,192	\$ 144,192	\$ -
Receipts	30,808	188,763	157,955
Disbursements	(175,000)	(191,325)	(16,325)
Ending Budgetary Basis	\$ -	\$ 141,630	\$ 141,630

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Compliance Requirements

The District appears to be in compliance with material legal, contractual and accounting provisions, as prescribed by Federal and State laws and statutes.

B. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In November 1998 the District's electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding any of TABOR'S limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$95,000 as of June 30, 2019.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

C. The following budgetary items may not be in compliance with Colorado Revised Statutes:

- 1) Student Activities Agency Fund expenditures exceeded appropriations by \$16,325.

NOTE 17 - NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

Future accounting pronouncements that are being reviewed by management include GASB Statement No. 84, *Fiduciary Activities*, which will take effect for financial statements for the District's year ended June 30, 2020 and GASB Statement No. 87, *Leases*, that will be required to be included in the District's financial statements for the year ended June 30, 2021.

NOTE 18 - SUBSEQUENT EVENTS

Management of the District has evaluated events subsequent to June 30, 2019 through the issuance date of this report. There has been no material event noted during this period that would either impact the results reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2019

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
General Property Taxes	\$ 1,606,927	\$ 1,606,927	\$ 1,580,280	\$ (26,647)
Specific Ownership Taxes	110,732	110,732	191,761	81,029
Tuition and Fees	25,550	25,550	29,960	4,410
Interest and Other Revenues	6,752	6,752	13,766	7,014
Intergovernmental:				
Local Government Sources	6,095	6,095	1	(6,094)
State Sources	1,507,076	1,514,676	1,591,092	76,416
Federal Sources	76,905	68,042	72,720	4,678
Total Revenues	<u>3,340,037</u>	<u>3,338,774</u>	<u>3,479,580</u>	<u>140,806</u>
EXPENDITURES:				
Instructional	2,112,139	2,225,989	1,980,692	245,297
Supporting Services:				
Student Based	82,267	82,267	73,736	8,531
Instructional Staff	191,088	199,088	196,526	2,562
General Administration	212,535	212,535	196,011	16,524
School Administration	258,607	261,148	252,168	8,980
Business Support Services:				
Operations and Maintenance	278,633	274,046	251,663	22,383
Transportation	126,843	126,843	128,948	(2,105)
Insurance	82,225	82,225	73,455	8,770
Other	-	-	2,131	(2,131)
Appropriated Reserves	708,076	914,469	-	914,469
Total Expenditures	<u>4,052,413</u>	<u>4,378,610</u>	<u>3,155,330</u>	<u>1,223,280</u>
Excess of Revenues Over (Under) Expenditures	(712,376)	(1,039,836)	324,250	1,364,086
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	<u>(157,000)</u>	<u>(157,000)</u>	<u>(285,000)</u>	<u>(128,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(869,376)	(1,196,836)	39,250	1,236,086
FUND BALANCE – BEGINNING	<u>869,376</u>	<u>1,233,436</u>	<u>1,233,436</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ 36,600</u>	<u>\$ 1,272,686</u>	<u>\$ 1,236,086</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2019

	FOOD SERVICE (Special Revenue) FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Charges for Services	\$ 75,215	\$ 60,408	\$ 36,329	\$ (24,079)
Intergovernmental:				
State Sources	1,200	1,200	2,325	1,125
Federal Sources	25,800	25,800	27,056	1,256
Total Revenues	<u>102,215</u>	<u>87,408</u>	<u>65,710</u>	<u>(21,698)</u>
EXPENDITURES:				
Food Services:				
Salaries	50,526	45,558	41,417	4,141
Employee Benefits	25,782	25,602	21,745	3,857
Purchased Services	4,325	4,325	3,084	1,241
Supplies and Materials:				
Purchased Food	45,300	45,900	25,013	20,887
Donated Commodities	300	300	5,388	(5,088)
Supplies	4,300	4,300	1,514	2,786
Capital Outlay/Contingency	8,682	6,547	4,541	2,006
Total Expenditures	<u>139,215</u>	<u>132,532</u>	<u>102,702</u>	<u>29,830</u>
Excess of Revenues Over (Under) Expenditures	(37,000)	(45,124)	(36,992)	8,132
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>37,000</u>	<u>37,000</u>	<u>37,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	(8,124)	8	8,132
FUND BALANCE – BEGINNING	<u>-</u>	<u>8,124</u>	<u>8,124</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,132</u>	<u>\$ 8,132</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – STUDENT ACTIVITY FUND
For the Fiscal Year Ended June 30, 2019

	STUDENT ACTIVITY FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
Charges for Services	\$ 10,439	\$ 10,439	\$ 10,870	\$ 431
State Sources	-	-	1,119	1,119
Total Revenues	10,439	10,439	11,989	1,550
EXPENDITURES:				
Student Activities	94,796	96,931	80,696	16,235
Total Expenditures	94,796	96,931	80,696	16,235
Excess of Revenues Over (Under) Expenditures	(84,357)	(86,492)	(68,707)	17,785
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	68,000	68,000	68,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(16,357)	(18,492)	(707)	17,785
FUND BALANCE – BEGINNING	16,357	18,492	18,492	-
FUND BALANCE – ENDING	\$ -	\$ -	\$ 17,785	\$ 17,785

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2019

	CAPITAL RESERVE FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Grant Revenues	\$ -	\$ -	\$ 112,572	\$ 112,572
Intermediate Grant Revenues	-	-	5,000	5,000
Total Revenues	-	-	117,572	117,572
EXPENDITURES:				
Administration – Capital Outlay	25,000	25,000	22,423	2,577
Transportation – Capital Outlay	55,000	55,000	5,910	49,090
Facilities – Capital Outlay	204,431	194,421	140,763	53,658
Total Expenditures	284,431	274,421	169,096	105,325
Excess of Revenues Over (Under) Expenditures	(284,431)	(274,421)	(51,424)	222,897
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	180,000	180,000	180,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(104,431)	(94,421)	128,476	222,897
FUND BALANCE – BEGINNING	104,431	94,421	94,421	-
FUND BALANCE – ENDING	\$ -	\$ -	\$ 222,897	\$ 222,897

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

REQUIRED SUPPLEMENTARY INFORMATION

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

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2019

Colorado PERA:	Reporting Fiscal Year / (Measurement Date)				
	2019 / (2018)	2018 / (2017)	2017 / (2016)	2016 / (2015)	2015 / (2014)
District's proportion (percentage) of the collective net pension liability	0.0333518216%	0.0357373168%	0.0358380852%	0.0428215549%	0.0391249321%
District's proportionate share of the collective pension liability	\$ 5,905,625	\$ 11,556,178	\$ 10,670,384	\$ 6,549,255	\$ 5,302,743
District's covered payroll	\$ 1,833,529	\$ 1,672,128	\$ 1,748,528	\$ 1,753,123	\$ 1,699,573
District's proportionate share of the net pension liability as a percentage of its covered payroll	322.1%	691.1%	610.2%	373.5%	312.0%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.16%	62.84 %

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2019

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
<u>Colorado PERA:</u>					
Statutorily required contribution	\$ 365,666	\$ 300,565	\$ 317,978	\$ 309,924	\$ 304,465
District contributions in relation to the statutorily required contribution	<u>(365,666)</u>	<u>(300,565)</u>	<u>(317,978)</u>	<u>(309,924)</u>	<u>(304,465)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,911,481	\$ 1,591,111	\$ 1,729,489	\$ 1,753,123	\$ 1,699,573
District's contributions as a percentage of covered payroll	19.13%	18.89%	18.39%	17.68%	17.9%

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

REQUIRED SUPPLEMENTARY INFORMATION

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

AND

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2019

<u>Colorado PERA HCTF:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>		
	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>
District's proportion of the Net OPEB Liability	0.0216788739%	.0203058000%	.0203707967%
District's proportionate share of the Net OPEB Liability	\$ 294,950	\$ 263,894	\$ 264,114
District's covered payroll	\$ 1,833,529	\$ 1,672,128	\$ 1,748,528
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.09%	15.78%	15.10%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

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

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS
JUNE 30, 2019

	<u>Reporting Fiscal Year</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
Colorado PERA:			
Contractually Required Contribution	\$ 19,497	\$ 16,230	\$ 17,641
District Contributions in relation to the contractually required contribution	<u>(19,497)</u>	<u>(16,230)</u>	<u>(17,641)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 District's covered payroll	 \$ 1,911,481	 \$ 1,591,155	 \$ 1,729,489
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%

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

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Revenue from Local Sources:			
Current Property Taxes	\$ 1,606,927	\$ 1,580,280	\$ (26,647)
Specific Ownership Taxes	110,732	191,761	81,029
Tuitions and Fees	25,550	29,960	4,410
Interest & Other Revenues	6,752	13,766	7,014
Total Revenue from Local Sources	1,749,961	1,815,767	65,806
Revenue from Intermediate Sources:			
Mineral and Forest Leasing	6,095	1	(6,094)
Total Revenue from Intermediate Sources	6,095	1	(6,094)
Revenue from State Sources:			
State Equalization	1,414,485	1,442,993	28,508
Grants and Contributions	95,173	142,083	46,910
State Transportation	5,018	6,016	998
Total Revenue from State Sources	1,514,676	1,591,092	76,416
Revenue from Federal Sources:			
CNP School Meals Equipment	481	734	253
Title I	24,969	24,972	3
Title IIA	5,279	5,281	2
Title IIIA	-	481	481
Title IV	10,000	10,000	-
IDEA - D	2,270	7,879	5,609
Carl Perkins	4,700	530	(4,170)
Small Rural Schools Achievement	20,343	22,843	2,500
Total Revenue from Federal Sources	68,042	72,720	4,678
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 3,338,774	\$ 3,479,580	\$ 140,806

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2019

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:			
<i>INSTRUCTION:</i>			
Salaries	\$ 1,369,426	\$ 1,261,502	\$ 107,924
Employee Benefits	559,311	491,041	68,270
Purchased Services	165,713	114,659	51,054
Supplies and Materials	93,989	74,485	19,504
Capital Outlay	29,500	26,113	3,387
Other Expenditures	8,050	12,892	(4,842)
<i>TOTAL INSTRUCTION</i>	<i>2,225,989</i>	<i>1,980,692</i>	<i>245,297</i>
<i>GENERAL SUPPORT SERVICES:</i>			
Student Based:			
Salaries	59,363	52,322	7,041
Employee Benefits	20,504	20,170	334
Purchased Services	500	-	500
Supplies and Materials	1,900	1,244	656
Subtotal	82,267	73,736	8,531
Instructional Staff:			
Salaries	151,880	152,800	(920)
Employee Benefits	12,558	14,614	(2,056)
Purchased Services	5,250	4,043	1,207
Supplies and Materials	27,900	23,610	4,290
Capital Outlay	1,000	979	21
Other Expenditures	500	480	20
Subtotal	199,088	196,526	2,562
General Administration:			
Salaries	113,717	114,117	(400)
Employee Benefits	44,118	43,309	809
Purchased Services	36,600	23,528	13,072
Supplies and Materials	2,600	2,290	310
Other Expenditures	15,500	12,767	2,733
Subtotal	212,535	196,011	16,524
School Administration:			
Salaries	177,789	178,597	(808)
Employee Benefits	79,009	71,654	7,355
Purchased Services	1,600	811	789
Supplies	1,600	646	954
Other Expenditures	1,150	460	690
Subtotal	261,148	252,168	8,980
<i>TOTAL GENERAL SUPPORT</i>	<i>755,038</i>	<i>718,441</i>	<i>36,597</i>

(continued on next page)

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2019

<i>(continued)</i>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>BUSINESS SUPPORT SERVICES:</i>			
Operation and Maintenance:			
Salaries	\$ 101,468	\$ 96,391	\$ 5,077
Employee Benefits	44,578	38,950	5,628
Purchased Services	51,000	44,899	6,101
Supplies and Materials	77,000	71,423	5,577
Subtotal	<u>274,046</u>	<u>251,663</u>	<u>22,383</u>
Student Transportation:			
Salaries	19,017	16,854	2,163
Employee Benefits	4,326	3,986	340
Purchased Services	25,000	28,907	(3,907)
Supplies and Materials	13,500	14,201	(701)
Capital Outlay	65,000	65,000	-
Subtotal	<u>126,843</u>	<u>128,948</u>	<u>(2,105)</u>
<i>TOTAL BUSINESS SUPPORT</i>	<u>400,889</u>	<u>380,611</u>	<u>20,278</u>
<i>INSURANCE:</i>			
Purchased Services	<u>82,225</u>	<u>73,455</u>	<u>8,770</u>
<i>TOTAL INSURANCE</i>	<u>82,225</u>	<u>73,455</u>	<u>8,770</u>
<i>OTHER:</i>			
Dues/Fees	<u>-</u>	<u>2,131</u>	<u>(2,131)</u>
<i>TOTAL OTHER</i>	<u>-</u>	<u>2,131</u>	<u>(2,131)</u>
<i>APPROPRIATED RESERVES</i>	<u>914,469</u>	<u>-</u>	<u>914,469</u>
<i>OTHER FINANCING USES – Transfers Out</i>	<u>157,000</u>	<u>285,000</u>	<u>(128,000)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,535,610</u>	<u>\$ 3,440,330</u>	<u>\$ 1,095,280</u>

OURAY COUNTY SCHOOL DISTRICT R-1
COMBINING BALANCE SHEET
GENERAL FUND (FUND 10: GENERAL AND FUND 18: INSURANCE RESERVE FUND)
For the Fiscal Year Ended June 30, 2019

	<u>GENERAL (FUND 10)</u>	<u>INSURANCE RESERVE (FUND 18)</u>	<u>TOTAL GENERAL FUND</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,383,008	\$ -	\$ 1,383,008
Receivables:			
Taxes	134,703	-	134,703
County Treasurer	4,609	-	4,609
Intergovernmental Grants	<u>43,748</u>	<u>-</u>	<u>43,748</u>
 TOTAL ASSETS	 <u>\$ 1,566,068</u>	 <u>\$ -</u>	 <u>\$ 1,566,068</u>
 LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 7,433	\$ -	\$ 7,433
Accrued Salaries and Benefits	278,349	-	278,349
Unearned Grant Revenue	<u>7,600</u>	<u>-</u>	<u>7,600</u>
 Total Liabilities	 <u>293,382</u>	 <u>-</u>	 <u>293,382</u>
 Fund Balances:			
Reserved for Emergencies	95,000	-	95,000
Unreserved	<u>1,177,686</u>	<u>-</u>	<u>1,177,686</u>
 Total Fund Balances	 <u>1,272,686</u>	 <u>-</u>	 <u>1,272,686</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 1,566,068</u>	 <u>\$ -</u>	 <u>\$ 1,566,068</u>

OURAY COUNTY SCHOOL DISTRICT R-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND (FUND 10: GENERAL AND FUND 18: INSURANCE RESERVE FUND)
For the Year Ended June 30, 2019

	<u>GENERAL (FUND 10)</u>	<u>INSURANCE RESERVE (FUND 18)</u>	<u>TOTAL GENERAL FUND</u>
REVENUES:			
Local Sources	\$ 1,815,767	\$ -	\$ 1,815,767
Intermediate Sources	1	-	1
State Sources	1,591,092	-	1,591,092
Federal Sources	<u>72,720</u>	<u>-</u>	<u>72,720</u>
Total Revenues	<u>3,479,580</u>	<u>-</u>	<u>3,479,580</u>
EXPENDITURES:			
Instructional	1,980,692	-	1,980,692
Supporting Services:			
Student Based	73,736	-	73,736
Instructional Staff	196,526	-	196,526
General Administration	196,011	-	196,011
School Administration	252,168	-	252,168
Business Support Services:			
Operations and Maintenance	251,663	-	251,663
Transportation	128,948	-	128,948
Insurance	-	73,455	73,455
Other	<u>2,131</u>	<u>-</u>	<u>2,131</u>
Total Expenditures	<u>3,081,875</u>	<u>73,455</u>	<u>3,155,330</u>
Excess of Revenues Over (Under) Expenditures	397,705	(73,455)	324,250
OTHER FINANCING SOURCES (USES):			
Transfers In (Out)	<u>(358,455)</u>	<u>73,455</u>	<u>(285,000)</u>
Excess of Revenues and Other Financings Sources Over (Under) Expenditures and Other Financing (Uses)	39,250	-	39,250
FUND BALANCES – Beginning	<u>1,233,436</u>	<u>-</u>	<u>1,233,436</u>
FUND BALANCES – Ending	<u>\$ 1,272,686</u>	<u>\$ -</u>	<u>\$ 1,272,686</u>

OTHER SUPPLEMENTAL INFORMATION

BOND REDEMPTION (DEBT SERVICE) FUND

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Fiscal Year Ended June 30, 2019

	BOND REDEMPTION FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property Taxes	\$ 194,575	\$ 194,575	\$ 194,911	\$ 336
Interest & Investment Earnings	-	-	32	32
Total Revenues	<u>194,575</u>	<u>194,575</u>	<u>194,943</u>	<u>368</u>
EXPENDITURES:				
Debt Service:				
Fees	300	300	300	-
Principal	105,000	105,000	105,000	-
Interest	89,575	89,575	89,575	-
Contingency	182,144	181,464	-	181,464
Total Expenditures	<u>377,019</u>	<u>376,339</u>	<u>194,875</u>	<u>181,464</u>
Excess of Revenues Over (Under) Expenditures	(182,444)	(181,764)	68	181,832
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(182,444)	(181,764)	68	181,832
FUND BALANCE – BEGINNING	<u>182,444</u>	<u>181,764</u>	<u>181,764</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,832</u>	<u>\$ 181,832</u>

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

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 2580 - Ouray R-1
 Fiscal Year 2018-19
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	1,234,169	3,121,125	3,082,608	1,272,686
18 Risk Mgmt Sub-Fund of General Fund	0	73,455	73,455	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,234,169	3,194,580	3,156,063	1,272,686
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
21 Food Service Spec Revenue Fund	8,124	102,710	102,702	8,132
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	18,492	79,989	80,695	17,785
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	181,764	194,943	194,875	181,832
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	94,421	270,825	142,349	222,897
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,536,969	3,843,048	3,676,684	1,703,333
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	144,192	188,763	191,326	141,630
79 GASB 34-Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	144,192	188,763	191,326	141,630

FINAL



Colorado Department of Education
Bolded Balance Sheet Report
 District: 2580 - Ouray R-1
 Fiscal Year 2018-19
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary					Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Cash and Investments (8100-8104,8111)	1,383,008	0	0	17,797	0	4,863	166,800	143,887	0	0	0	0	141,630	0	1,857,985
Cash with Fiscal Agent (8105)	4,609	0	0	0	0	0	570	0	0	0	0	0	0	0	5,179
Taxes Receivable (8121,8122)	134,704	0	0	0	0	0	14,462	0	0	0	0	0	0	0	149,165
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	43,748	0	0	0	0	0	0	295,000	0	0	0	0	0	0	338,748
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	3,269	0	0	0	0	0	0	0	0	3,269
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,566,069	0	0	17,797	0	8,132	181,832	438,887	0	0	0	0	141,630	0	2,354,346

	Governmental						Proprietary					Fiduciary			
LIABILITIES & FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	7,433	0	0	12	0	0	0	31,362	0	0	0	0	0	0	38,807
Accrued Expenses (7461)	278,349	0	0	0	0	0	0	0	0	0	0	0	0	0	278,349
Grants Deferred Revenue (7482)	7,600	0	0	0	0	0	0	184,628	0	0	0	0	0	0	192,228
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	293,382	0	0	12	0	0	0	215,990	0	0	0	0	0	0	509,383

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental						Proprietary					Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Non-spendable Fund Balance 6710	0	0	0	0	0	3,269	0	0	0	0	0	0	0	0	3,269
Restricted Fund Balance 6720	0	0	0	0	0	4,863	181,832	222,897	0	0	0	0	0	0	409,592
TABOR 3% Emergency Reserve 6721	95,000	0	0	0	0	0	0	0	0	0	0	0	0	0	95,000
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	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	17,785	0	0	0	0	0	0	0	0	0	0	17,785
Unassigned Fund Balance 6770	1,177,686	0	0	0	0	0	0	0	0	0	0	0	141,630	0	1,319,316
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	1,272,686	0	0	17,785	0	8,132	181,832	222,897	0	0	0	0	141,630	0	1,844,962

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	1,566,069	0	0	17,797	0	8,132	181,832	438,887	0	0	0	0	141,630	0	2,354,346

	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
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes