

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

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORTS**

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

PLATTE CANYON SCHOOL DISTRICT 1

BAILEY, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2019

BOARD OF EDUCATION

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

ADMINISTRATIVE STAFF

Michael Schmidt  
Superintendent of Schools

Ashley Stephen  
Business Manager

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

# Platte Canyon School District RE 1

## Management Discussion and Analysis

As management of Platte Canyon School District RE 1, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

### **Financial Highlights**

- The liabilities of the District exceeded its assets as of June 30, 2019, by 13,044,886 (net position). The negative net position is due to GASB Statement No. 68 and 75 on pension disclosures which reflects the District's proportionate share of the pension plan's unfunded pension liability.
- The District's net position decreased by \$4,932,584 from 2018.
- The District's General Fund had a fund balance of \$4,323,719, or 46% of total General Fund Expenditures.

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

### **Government-wide financial statements--**

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

The *statement of net position* presents information on all the District's assets and deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial health of the District. Evaluation of the overall economic health of the District would extend to other non-financial factors such as diversification of the taxpayer base or the condition of the District's capital assets in addition to the financial information provided in this report.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. Changes in net position are reported as soon as the underlying event affecting the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and changes in long-term compensated absences). An important purpose of the design of the statement of activities is to show the financial reliance of the District's activities on revenues provided by the District's taxpayers.

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

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

The government-wide financial statements can be found on pages 3 and 4 of this report.

### **Fund Financial Statements**

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

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental fund and governmental activities.

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

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

The basic major governmental fund statements start on page 5.

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

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

## Notes to the Financial Statements

The financial statements also include notes that explain some of the information in the statements and provide more detailed data essential to a full understanding of the government-wide and fund financial statements. The notes on the statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's adopted budget and audited actual numbers for the year.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As previously noted, net position may serve—over time—as a useful indicator of the District's financial position.

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

Capital assets are made up of land, buildings, equipment, and construction in progress. Current and long-term liabilities are classified based upon when resources will be required to fulfill the obligation.

#### Platte Canyon School District No.1 Net Position

	<u>Governmental Activities</u>	
	<u>2019</u>	<u>2018</u>
<b>Assets:</b>		
Current Assets	\$ 6,242,323	\$ 5,350,216
Non Current Assets	<u>13,544,707</u>	<u>14,009,534</u>
<b>Total Assets</b>	<u><u>19,787,030</u></u>	<u><u>19,359,750</u></u>
<b>Deferred Outflows of Financial Resources</b>		
Pension related deferred outflow	7,510,859	11,935,239
OPEB related deferred outflow	<u>52,177</u>	<u>30,203</u>
<b>Total deferred outflows of resources</b>	<u><u>7,563,036</u></u>	<u><u>11,965,442</u></u>
<b>Liabilities:</b>		
Current Liabilities	953,051	853,399
Long-Term Liabilities	<u>23,024,380</u>	<u>44,337,491</u>
<b>Total Liabilities</b>	<u><u>23,977,431</u></u>	<u><u>45,190,890</u></u>
<b>Deferred Inflows of Financial Resources:</b>	<u>16,417,521</u>	<u>4,111,772</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	8,642,913	8,283,670
Restricted Net Position	1,264,589	1,164,349
Unrestricted Net Position	<u>(22,952,388)</u>	<u>(27,425,489)</u>
<b>Total Net Position</b>	<u><u>\$ (13,044,886)</u></u>	<u><u>\$ (17,977,470)</u></u>

Of the District's total assets, 90% are capital assets (e.g. land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students. Although the District's investment in capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position for governmental activities decreased by \$4,932,584. The following schedule summarizes the District's change in net position:

**Platte Canyon School District No.1 Net Position**

	<b>Governmental Activities</b>	
	<u>2019</u>	<u>2018</u>
<b>Program Revenues:</b>		
Charges for Services	\$ 434,584	\$ 470,094
Operating Grants	<u>1,575,042</u>	<u>1,129,322</u>
Total Program Revenues	<u>2,009,626</u>	<u>1,599,416</u>
<b>General Revenues:</b>		
Taxes	4,272,482	4,322,594
State Equalization	5,369,733	4,865,470
Investment Income	86,280	33,207
Other Revenues & Debt Proceeds	<u>62,921</u>	<u>180,449</u>
Total General Revenues	<u>9,791,416</u>	<u>9,401,720</u>
<b>Total Revenues</b>	<u>11,801,042</u>	<u>11,001,136</u>
<b>Expenses</b>		
Instruction	3,844,750	8,874,321
Supporting Services	3,453,928	6,975,678
Interest on Long Term Debt	<u>88,951</u>	<u>203,471</u>
<b>Total Expenses</b>	<u>7,387,629</u>	<u>16,053,470</u>
<b>Change in Net Position</b>	<u>4,413,413</u>	<u>(5,052,334)</u>
<b>Net Position - Beginning</b>	(17,977,470)	(13,044,886)
<b>Prior Period Restatement</b>	<u>519,171</u>	<u>(649,192)</u>
<b>Net Position - Beginning Restated</b>	<u>(17,458,299)</u>	<u>(13,694,078)</u>
<b>Net Position - Ending</b>	<u>\$ (13,044,886)</u>	<u>\$ (18,746,412)</u>

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

**Financial Highlights:**

During 2019, the District made several non-recurring expenditures including the purchase of fleet vehicles, security enhancements and building maintenance and upgrades. Additionally, the District focused on realigning District compensation to compete with comparable Districts. The District continued to move towards new more relevant curriculum focusing in 2019 on acquiring Social Studies materials across all grade levels.

**Financial Analysis of the District's Funds:**

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

## Governmental Funds:

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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$5,303,483 which is an increase of \$862,845 from the prior year ending fund balances.

## General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The budget is prepared based on an estimate of forecasted student count. The General Fund's actual results were under budgeted appropriations by \$768,494.

## Capital Assets and Debt Administration

The District's investment in capital assets for governmental activities as of June 30, 2019, amounts to \$13,537,813 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, net of accumulated depreciation, and construction in progress. The total net increase (decrease) in capital assets for the current fiscal year was \$(463,104).

	<u>Balance 06/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/19</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Construction in Progress	<u>-</u>	<u>42,330</u>	<u>-</u>	<u>42,330</u>
Total Capital Assets not being depreciated	<u>1,360,530</u>	<u>42,330</u>	<u>-</u>	<u>1,402,860</u>
Capital Assets, being depreciated:				
Buildings and Improvements	23,896,253	90,202	-	23,986,455
Site Improvements	1,832,993	-	-	1,832,993
Equipment	<u>1,974,549</u>	<u>165,535</u>	<u>(75,700)</u>	<u>2,064,384</u>
Total Capital Assets being depreciated	<u>27,703,795</u>	<u>255,737</u>	<u>(75,700)</u>	<u>27,883,832</u>
Accumulated Depreciation:				
Buildings and Improvements	(12,309,916)	(608,357)	-	(12,918,273)
Site Improvements	(1,251,227)	(57,782)	-	(1,309,009)
Equipment	<u>(1,502,265)</u>	<u>(95,032)</u>	<u>75,700</u>	<u>(1,521,597)</u>
Total Accum. Depreciation	<u>(15,063,408)</u>	<u>(761,171)</u>	<u>75,700</u>	<u>(15,748,879)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 14,000,917</u></b>	<b><u>\$ (463,104)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,537,813</u></b>

Long Term Debt: As of June 30, 2019, the District had outstanding debt of \$5,181,302 not including pension obligations.

	<b>Restated Balance 6/30/18</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 6/30/19</b>	<b>Current Portion</b>
<b><u>Governmental Activities</u></b>					
General Obligation 2015 Bonds	\$ 4,515,000	\$ -	\$ 720,000	\$ 3,795,000	\$ 730,000
Bond Premiums	208,677	-	51,322	157,355	45,440
PERA Net Pension Obligation	37,398,411	-	20,404,095	16,994,316	-
HCTF Net OBEP Obligation	854,022	-	5,260	848,762	-
Accrued Compensated Absences	138,521	-	9,474	129,047	-
Capital Leases Obligations	1,202,247	-	102,347	1,099,900	86,708
<b>Total Long-Term Obligations</b>	<b><u>\$ 44,316,878</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 21,292,498</u></b>	<b><u>\$ 23,024,380</u></b>	<b><u>\$ 862,148</u></b>

**Economic Factors:**

The primary factors impacting funding for the District continue to be student enrollment and the State’s economy. The Public School Finance Act of 1994 is the largest source of revenue for the District’s operating funds. The School Finance Act calculates per-pupil funding by school District based upon a formula that takes into consideration the cost of living, number of students, District size, personnel vs. non-personnel, and number of at-risk students. The purpose of this act was to establish a financial base of support for public education, to move towards a uniform mill levy tax statewide for all Districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the School Finance Act is derived by the following formula:

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

**Request for Information:**

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

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## FINANCIAL SECTION

# Mayberry & Company, LLC

Certified Public Accountants

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

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Board of Education  
Platte Canyon School District 1  
Bailey, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

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

### Report on Summarized Comparative Information

We have previously audited the Platte Canyon School District 1's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Matters**

**Emphasis of a Matter**

As discussed in Note 15 to the financial statements, the 2018 financial statements have been restated to reflect the inclusion of deferred outflows and inflows in the net proportion change for the PERA pension plan as well as restatement of beginning Bond Premiums. These restatements impacted the governmental activities. Our opinion is not modified with respect to this matter.

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

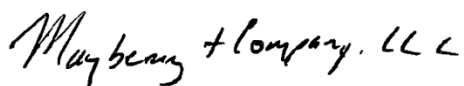
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 and pension schedules on pages 45-48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements,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

***Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 49-52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the budgetary comparison schedules on pages 53-59 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report Figures and Bolded Balance Sheet reports pages 60-63 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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## **BASIC FINANCIAL STATEMENTS**

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

PLATTE CANYON SCHOOL DISTRICT 1  
Statement of Net Position  
June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 5,900,077
Cash with Fiscal Agent	45,725
Taxes Receivable	201,259
Grants Receivable	76,991
Inventory	18,271
<b>Total Current Assets</b>	<u>6,242,323</u>
<b>Noncurrent Assets</b>	
Bond Issuance Costs	6,894
Capital Assets, not being depreciated	1,402,860
Capital Assets, being depreciated	12,134,953
<b>Total Noncurrent Assets</b>	<u>13,544,707</u>
<b>TOTAL ASSETS</b>	<u>19,787,030</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
Net Deferred Outflows Pensions	7,510,859
Net Deferred Outflows OPEB	52,177
<b>TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>7,563,036</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 27,350,066</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Interfund Accounts Payable	\$ 3,544
Accounts Payable	64,432
Accrued Interest	14,211
Accrued Salaries & Benefits	473,089
Unearned Revenue	63,471
Unearned Grant Revenue	334,304
<b>Total Current Liabilities</b>	<u>953,051</u>
<b>Noncurrent Liabilities</b>	
Due Within One Year	862,148
Due In More Than One Year	22,162,232
<b>Total Noncurrent Liabilities</b>	<u>23,024,380</u>
<b>TOTAL LIABILITIES</b>	<u>23,977,431</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	
Net Deferred Inflows Pensions	16,339,056
Net Deferred Inflows OPEB	78,465
<b>TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	<u>16,417,521</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	8,642,913
Restricted Net Position	1,264,589
Unrestricted Net Position	(22,952,388)
<b>TOTAL NET POSITION</b>	<u>(13,044,886)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 27,350,066</u>

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

PLATTE CANYON SCHOOL DISTRICT 1  
Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Primary Government</b>				
<b>Governmental Activities</b>				
Instruction	\$ 3,844,750	\$ 193,409	\$ 659,314	\$ (2,992,027)
Supporting Services	3,453,928	241,175	915,728	(2,297,025)
Interest on Long Term Debt	88,951	-	-	(88,951)
<b>Total Primary Government</b>	<u>\$ 7,387,629</u>	<u>\$ 434,584</u>	<u>\$ 1,575,042</u>	<u>(5,378,003)</u>
<b>General Revenues</b>				
Property Taxes				3,819,118
Specific Ownership Taxes				453,364
State Equalization				5,369,733
Investment Earnings				86,280
Other Revenues				62,921
<b>Total General Revenues and Transfers</b>				<u>9,791,416</u>
<b>Change in Net Position</b>				<u>4,413,413</u>
<b>Beginning Net Position</b>				<u>(17,977,470)</u>
Prior Period Restatement				519,171
<b>Beginning Net Position (As Restated)</b>				<u>(17,458,299)</u>
<b>Ending Net Position</b>				<u>\$ (13,044,886)</u>

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

PLATTE CANYON SCHOOL DISTRICT 1  
Balance Sheet  
Governmental Funds  
June 30, 2019  
(With Comparative Totals for June 30, 2018)

	Debt Service			Totals	
	General Fund	Bond Redemption Fund	Other Governmental Funds	2019	2018
<b>ASSETS</b>					
Cash and Investments	\$ 4,952,290	\$ 868,929	\$ 78,858	\$ 5,900,077	\$ 4,651,900
Cash with Fiscal Agent	42,545	3,180	-	45,725	222,219
Taxes Receivable	155,437	45,822	-	201,259	206,945
Interfund Accounts Receivable	276,952	-	69,733	346,685	288,646
Grants Receivable	-	-	76,991	76,991	246,685
Other Accounts Receivable	-	-	-	-	1,065
Inventory	-	-	18,271	18,271	21,402
<b>TOTAL ASSETS</b>	<u>\$ 5,427,224</u>	<u>\$ 917,931</u>	<u>\$ 243,853</u>	<u>\$ 6,589,008</u>	<u>\$ 5,638,862</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>Liabilities</b>					
Interfund Accounts Payable	\$ 225,075	\$ 13,785	\$ 111,369	\$ 350,229	\$ 293,357
Accounts Payable	63,945	-	487	64,432	72,772
Accrued Salaries & Benefits	433,235	-	39,854	473,089	413,624
Unearned Revenue	49,027	14,444	-	63,471	69,263
Unearned Grant Revenue	332,223	-	2,081	334,304	349,208
<b>Total Liabilities</b>	<u>1,103,505</u>	<u>28,229</u>	<u>153,791</u>	<u>1,285,525</u>	<u>1,198,224</u>
<b>Fund Balance</b>					
Nonspendable Fund Balance	-	-	18,271	18,271	21,402
Restricted Fund Balance					
Restricted for Debt Service	-	889,702	-	889,702	832,947
Restricted for TABOR Emergency	333,000	-	-	333,000	310,000
Restricted for Colorado Preschool Program	23,616	-	-	23,616	-
Committed Fund Balance					
Committed for Fund Purposes	-	-	89,896	52,833	-
Assigned Fund Balance					
Other Assigned Fund Balance	-	-	-	18,958	85,446
Unassigned Fund Balance	3,967,103	-	(18,105)	3,967,103	3,190,843
<b>Total Fund Balance</b>	<u>4,323,719</u>	<u>889,702</u>	<u>90,062</u>	<u>5,303,483</u>	<u>4,440,638</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 5,427,224</u>	<u>\$ 917,931</u>	<u>\$ 243,853</u>	<u>\$ 6,589,008</u>	<u>\$ 5,638,862</u>

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

**PLATTE CANYON SCHOOL DISTRICT 1**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2019**

Fund Balance - Governmental Funds		\$	5,303,483
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	1,402,860	
Capital assets, being depreciated		27,883,832	
Accumulated depreciation		<u>(15,748,879)</u>	13,537,813
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds			
<b>PERA Pension</b>			
Net pension deferred outflows		7,510,859	
Net pension liability		(16,994,316)	
Net pension deferred inflows		<u>(16,339,056)</u>	(25,822,513)
<b>PERA Health Care Trust Fund (OPEB)</b>			
Net OPEB deferred outflows		52,177	
Net OPEB liability		(848,762)	
Net OPEB deferred inflows		<u>(78,465)</u>	(875,050)
Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds			
Charge on refunding - net of amortization		6,894	
Bond premiums - net of amortization		<u>(157,355)</u>	(150,461)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(3,795,000)	
Capital leases payable		(1,099,900)	
Accrued interest payable		(14,211)	
Accrued compensated absences	\$	<u>(129,047)</u>	<u>(5,038,158)</u>
Total Net Position - Governmental Activities			\$ <u>(13,044,886)</u>

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

PLATTE CANYON SCHOOL DISTRICT 1  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

	Debt Service			Totals	
	General Fund	Bond Redemption	Other	2019	2018
		Fund	Governmental Funds		
<b>REVENUES</b>					
Local Sources	\$ 3,738,284	\$ 896,914	\$ 288,766	\$ 4,923,964	\$ 4,940,178
Intermediate Sources	156,906	-	-	156,906	167,989
State Sources	6,148,081	-	31,736	6,179,817	5,230,930
Federal Sources	107,490	-	502,128	609,618	583,873
<b>TOTAL REVENUES</b>	<u>10,150,761</u>	<u>896,914</u>	<u>822,630</u>	<u>11,870,305</u>	<u>10,922,970</u>
<b>EXPENDITURES</b>					
Instruction	5,084,688	-	345,701	5,430,389	4,918,146
Pupil Support	244,902	-	-	244,902	237,762
Staff Support	389,357	-	64,943	454,300	426,354
General Administration	170,822	1,709	-	172,531	315,299
School Administration	727,766	-	-	727,766	696,905
Business Services	258,176	-	-	258,176	242,753
Operations and Maintenance	1,062,186	-	-	1,062,186	923,307
Transportation	787,354	-	-	787,354	638,507
Other Central Support	107,140	-	-	107,140	179,608
Risk Management	164,411	-	-	164,411	149,175
Food Service	-	-	243,527	243,527	253,872
Community Support	-	-	185,245	185,245	160,011
Facilities	209,763	-	-	209,763	140,858
Debt Service	121,320	838,450	-	959,770	891,401
<b>TOTAL EXPENDITURES</b>	<u>9,327,885</u>	<u>840,159</u>	<u>839,416</u>	<u>11,007,460</u>	<u>10,173,958</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>822,876</u>	<u>56,755</u>	<u>(16,786)</u>	<u>862,845</u>	<u>749,012</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Proceeds	-	-	-	-	127,019
<b>CHANGE IN FUND BALANCE</b>	<u>822,876</u>	<u>56,755</u>	<u>(16,786)</u>	<u>862,845</u>	<u>876,031</u>
<b>BEGINNING FUND BALANCE</b>	<u>3,500,843</u>	<u>832,947</u>	<u>106,848</u>	<u>4,440,638</u>	<u>3,564,607</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 4,323,719</u>	<u>\$ 889,702</u>	<u>\$ 90,062</u>	<u>\$ 5,303,483</u>	<u>\$ 4,440,638</u>

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

**PLATTE CANYON SCHOOL DISTRICT 1**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2019**

Change in Fund Balance - Governmental Funds	\$	862,845	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	298,067	
Depreciation Expense		<u>(761,171)</u>	(463,104)
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds			
Change in Deferred Revenue			(69,263)
Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
<b>PERA Pension</b>			
Change in deferred pension outflows		(4,424,380)	
Change in net pension liability		20,404,095	
Change in deferred pension inflows		<u>(12,777,346)</u>	3,202,369
<b>PERA Health Care Trust Fund (OPEB)</b>			
Change in deferred OPEB outflows		21,974	
Change in net OPEB liability		5,260	
Change in deferred OPEB inflows		<u>(26,961)</u>	273
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level			
Principal payments on bonds payable		720,000	
Principal payments on capital leases		102,347	
Change in accrued interest payable		(1,127)	
Amortization of premiums and discounts		49,599	
Change in accrued compensated absences	\$	<u>9,474</u>	<u>880,293</u>
Change in Net Position - Governmental Activities	\$		<u><u>4,413,413</u></u>

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

**PLATTE CANYON SCHOOL DISTRICT 1**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Pupil Activity Fund**  
**June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	<b>Totals</b>	
	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>ASSETS</b>		
Cash and Investments	\$ 129,821	\$ 115,693
Interfund Accounts Receivable	<u>4,981</u>	<u>4,981</u>
<b>TOTAL ASSETS</b>	<u><u>134,802</u></u>	<u><u>120,674</u></u>
<b>LIABILITIES</b>		
Interfund Accounts Payable	\$ 1,437	\$ 270
Accounts Payable	<u>22,191</u>	<u>4,468</u>
<b>TOTAL LIABILITIES</b>	23,628	4,738
<b>NET POSITION</b>		
Restricted Net Position (Due to Student Groups)	<u>\$ 111,174</u>	<u>\$ 115,936</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 134,802</u></u>	<u><u>\$ 120,674</u></u>

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Reporting Entity**

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

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

**Jointly Governed Organizations**

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

**Basis of Presentation**

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements**

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

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

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

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

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

The District also reports the following nonmajor governmental funds:

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

The District reports the following fiduciary fund:

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

**Measurement Focus and Basis of Accounting**

Government-Wide and Fiduciary Fund Financial Statements

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting (Continued)**

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

**Government-Wide and Fiduciary Fund Financial Statements (Continued)**

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

**Governmental Fund Financial Statements**

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

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

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

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

Tax Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2018 property taxes were both measurable and available at June 30, 2019, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2019 but not collected by June 30, 2019. Taxes not received within 60 days subsequent to year end have been reported as a deferred inflow.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2019, the District has recorded accrued leave as disclosed in Note 6.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Notes 7 and 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows for property taxes as described above, and pension and OPEB related deferrals as further described in Notes 7 and 9.

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

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

All other remaining governmental balances are reported as unassigned.

**Net Position/Fund Balance Flow Assumptions**

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

**Revenues and Expenditures/Expenses**

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2: CASH AND INVESTMENTS**

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

Unrestricted	\$ 5,031,148
Restricted for debt service	<u>868,929</u>
Total Governmental Activities cash and investments	5,900,077
Fiduciary	<u>129,821</u>
<b>Total Cash and Investments</b>	<b><u>\$ 6,029,898</u></b>
Deposits & Investments	\$ 876,241
Investments	5,153,457
Cash on hand	<u>200</u>
<b>Total Cash and Investments</b>	<b><u>\$ 6,029,898</u></b>

**Deposits**

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2019, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank</u> <u>Balance</u>	<u>Carrying</u> <u>Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	<u>761,561</u>	<u>626,241</u>
<b>Total Deposits</b>	<b><u>\$ 1,011,561</u></b>	<b><u>\$ 876,241</u></b>

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments**

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

Credit Risk

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

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

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

During the year ended June 30, 2019, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

Concentration of Credit Risk

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

Interest Rate Risk

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investments** (Continued)

Custodial Credit Risk – Investments

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

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

	<u>Carrying Value</u>	<u>Weighted Average Maturity (in Years)</u>	<u>Rating</u>
Local Government Investment Pools	\$ 4,284,527	-	AAAm
Local Govt Invest Pools (Bond Trustee)	<u>868,929</u>	-	AAAm
<b>Total Investments</b>	<u>\$ 5,153,456</u>		

**NOTE 3: INVENTORIES**

Food Service Fund inventory as of June 30, 2019, of \$18,271, consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt plus an allowance for any processing charges paid to the third party vendor.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 4: CAPITAL ASSETS**

Activity for governmental activities capital assets is summarized below:

	<u>Balance 06/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/19</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Construction in Progress	-	42,330	-	42,330
Total Capital Assets not being depreciated	<u>1,360,530</u>	<u>42,330</u>	<u>-</u>	<u>1,402,860</u>
Capital Assets, being depreciated:				
Buildings and Improvements	23,896,253	90,202	-	23,986,455
Site Improvements	1,832,993	-	-	1,832,993
Equipment	1,974,549	165,535	(75,700)	2,064,384
Total Capital Assets being depreciated	<u>27,703,795</u>	<u>255,737</u>	<u>(75,700)</u>	<u>27,883,832</u>
Accumulated Depreciation:				
Buildings and Improvements	(12,309,916)	(608,357)	-	(12,918,273)
Site Improvements	(1,251,227)	(57,782)	-	(1,309,009)
Equipment	(1,502,265)	(95,032)	75,700	(1,521,597)
Total Accum. Depreciation	<u>(15,063,408)</u>	<u>(761,171)</u>	<u>75,700</u>	<u>(15,748,879)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 14,000,917</u></b>	<b><u>\$ (463,104)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,537,813</u></b>

Depreciation is allocated between functions as follows:

Instruction	\$ 410,649
Support Services	350,522
Governmental Depreciation Allocation	<u>\$ 761,171</u>

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

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

The salaries and benefits earned, but unpaid, in the General, Preschool, Food Service and Grants Funds as of June 30, 2019, are \$407,996, \$25,239, \$6,365 and \$33,489 respectively. Accordingly, the accrued compensation is reflected as a liability in the funds in the accompanying financial statements.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6: LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2019:

	<b>Restated Balance 6/30/18</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 6/30/19</b>	<b>Current Portion</b>	<b>Interest Expense</b>
<b><u>Governmental Activities</u></b>						
General Obligation 2015 Bonds	\$ 4,515,000	\$ -	\$ 720,000	\$ 3,795,000	\$ 730,000	\$ 123,250
Bond Premiums	208,677	-	51,322	157,355	45,440	-
PERA Net Pension Obligation	37,398,411	-	20,404,095	16,994,316	-	-
HCTF Net OBEP Obligation	854,022	-	5,260	848,762	-	-
Accrued Compensated Absences	138,521	-	9,474	129,047	-	-
Capital Leases Obligations	1,202,247	-	102,347	1,099,900	86,708	35,624
<b>Total Long-Term Obligations</b>	<b><u>\$ 44,316,878</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 21,292,498</u></b>	<b><u>\$ 23,024,380</u></b>	<b><u>\$ 862,148</u></b>	<b><u>\$ 158,874</u></b>

**2015 General Obligation Bonds**

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

Annual debt service requirements for the bonds are as follows:

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	\$ 730,000	\$ 111,250	\$ 841,250
2021	735,000	96,650	831,650
2022	750,000	81,950	831,950
2023	775,000	63,200	838,200
2024	805,000	32,200	837,200
<b>Total</b>	<b><u>\$ 3,795,000</u></b>	<b><u>\$ 385,250</u></b>	<b><u>\$ 4,180,250</u></b>

**2018 Capital Lease**

In 2018 the District entered into a capital lease arrangement for the purchase of copiers. The lease was for \$127,019 and requires 60 monthly principal payments of \$2,397 through 2022 at 11.7% interest. The District has capitalized assets related to this lease in the amount of \$127,019 with a remaining basis of \$101,615. In the event of default, the Supplier may withhold service, supplies, etc., require all past and current due amounts be paid in addition to the remaining monthly payments and charges discounted at four percent, and the present value of the amount of any purchase option. The District may also be required to return the equipment to a location designated by the lessor, immediately terminate rights to use equipment and obtain the equipment to sell at a public or private sale.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 6: LONG-TERM OBLIGATIONS (Continued)**

**2018 Capital Lease (Continued)**

Future minimum lease payments under capital lease are as follows:

<u>For Year Ended June 30</u>	<u>Amount</u>
2020	\$ 28,764
2021	28,764
2022	<u>26,367</u>
Total minimum lease payments	83,895
Less Interest at 11.7%	<u>(5,981)</u>
<b>Present value of minimum lease payments</b>	<b><u>\$ 77,914</u></b>

In 2016 the District entered into a capital lease arrangement for the upgrade of lighting throughout the District. The lease was for \$1,196,074 and requires annual principal payments on May 1<sup>st</sup> through 2031 at 2.85% interest. The District has capitalized assets related to this lease in the amount of \$1,109,074 with a remaining basis of \$961,198. In the event of default all past due, current and future amounts will become immediately due and payable, be required to return equipment at lessee’s expense to lessor, sell, lease or dispose of any equipment under the lease, demand payment of all out-of-pocket costs incurred by the lessor, and exercise any other right, remedy or privilege available under applicable laws.

Future minimum lease payments under capital lease are as follows:

<u>For Year Ended June 30</u>	<u>Amount</u>
2020	\$ 93,590
2021	95,691
2022	97,847
2023	100,062
2024	102,336
2025-2029	437,729
2030-2031	<u>320,922</u>
Total minimum lease payments	1,248,177
Less Interest at 2.85%	<u>(226,191)</u>
<b>Present value of minimum lease payments</b>	<b><u>\$ 1,021,986</u></b>

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan**

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

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

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

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

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

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,009,347 for the year ended June 30, 2019.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

At June 30, 2019, the District reported a liability of \$16,994,316 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (16,994,316)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (2,044,218)
Total	\$ (19,038,534)

At December 31, 2018, the District proportion was 0.09597 percent, which was a decrease of 0.01967 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension income of \$1,425,851, primarily related to assumption changes and changes in proportion from non-employer contributions, and revenue of \$138,014 for support from the State of Colorado as a non-employer contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 634,426	\$ -
Changes of assumptions or other inputs	\$ 3,932,742	\$ (10,568,636)
Net difference between projected and actual earnings on pension plan investments	\$ 2,392,079	\$ (1,657,557)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (4,112,863)
Contributions subsequent to the measurement date	\$ 551,612	\$ -
<b>Total</b>	<b>\$ 7,510,859</b>	<b>\$ (16,339,056)</b>

\$551,612 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2020	\$ (1,758,251)
2021	(4,900,840)
2022	(3,227,421)
2023	506,703
<b>Total</b>	<b>\$ (9,379,809)</b>

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	4.78%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00% percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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

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

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (21,605,365)	\$ (16,994,316)	\$ (13,124,867)

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

**NOTE 8: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 8: DEFINED CONTRIBUTION PENSION PLAN (Continued)**

Voluntary Investment Program (Continued)

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2019 program members contributed \$34,013.

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (Continued)**

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

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

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

*PERA Benefit Structure*

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (Continued)**

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$53,818 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$848,762 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.06238 percent, which was a decrease of 0.00333 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$55,267. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 3,246	\$ (1,292)
Net difference between projected and actual earnings on pension plan investments	\$ 15,054	\$ (10,716)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (66,457)
Contributions subsequent to the measurement date	\$ 27,923	\$ -
Total	\$ 52,177	\$ (78,465)

\$27,923 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2020	\$ (12,654)
2021	(12,654)
2022	(12,654)
2023	(9,082)
2024	(6,914)
2025	(253)
Total	\$ (54,211)

*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:

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
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%

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates</b>			
	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Proportionate share of the net OPEB asset (liability)	\$ (825,324)	\$ (848,762)	\$ (875,719)

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

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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

*Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (949,691)	\$ (848,762)	\$ (762,477)

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

**NOTE 10: RISK MANAGEMENT**

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

The District continues to carry commercial insurance for all other risks of loss, including boiler and machinery coverage. The District has not materially changed its coverage from previous years. Settled claims resulting from these risks have not exceeded commercial or District coverage in any of the past three years. The District has not recorded any liability for unpaid claims at June 30, 2019.

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2019**

**NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

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

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

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

The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$333,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

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

**PLATTE CANYON SCHOOL DISTRICT 1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 12: INTERFUND ACTIVITY**

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

General Fund due from other funds	\$ 276,952
Swimming Pool Fund due from other funds	69,733
Pupil Activity Fund due from other funds	<u>4,981</u>
<b>Total due from other funds</b>	<b><u>\$ 351,666</u></b>
General Fund due to other funds	\$ (225,075)
Food Service Fund due to other funds	(59,136)
Designated Grants Fund due to other funds	(41,421)
Pool Fund due to other funds	(10,812)
Bond Redemption Fund due to other funds	(13,785)
Pupil Activity Fund due from other funds	<u>(1,437)</u>
<b>Total due to other funds</b>	<b><u>\$ (351,666)</u></b>
Fiduciary due to Governmental Activities	\$ (1,437)
Governmental Activities due from Fiduciary	<u>1,437</u>
<b>Net Activities due (to) from</b>	<b><u>\$ -</u></b>

**NOTE 13: DEFICIT NET POSITION**

The Governmental Activities has an unrestricted net position deficit of \$22,859,783 primarily due to the PERA net pension liability of \$16,994,316, as further described in Note 7 and the net OPEB liability of \$848,762, as further discussed in Note 9. As the District has no control over pension and OPEB related benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

**NOTE 14: BUDGET VIOLATION**

The District had budget violations in the Bond Redemption and Student Activity Funds in the amounts of \$709 and 10,968, which may be a violation of state statutes.

**NOTE 15: PRIOR PERIOD RESTATEMENT**

The District has restated beginning deferred outflows and inflows related to proportion changes for the PERA pension plan. The District has restated these balances to reflect the change in proportion of plan level deferrals that had previously not been material in addition to plan level liabilities. This restatement increased governmental activities net position in the amount of \$498,558. The District has also restated bond premiums to reflect the change in amortization methods from straight line to the effective interest rate method. The effective interest rate method of amortization aligns closer to the actual interest rate reflected by the bonds. This restatement increased governmental activities net position in the amount of \$20,613 for a total restatement of \$519,171.

**REQUIRED SUPPLEMENTARY INFORMATION**

(Pension and OPEB Schedules Unaudited)

PLATTE CANYON SCHOOL DISTRICT 1

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

PERA Pension Plan

Last 10 Fiscal Years<sup>(1)</sup>

<u>Fiscal Year Ended</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District covered payroll</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.142079%	\$ (18,122,121)	\$ -	\$ (18,122,121)	\$ 5,727,651	316.40%	64.07%
June 30, 2015	0.132755%	\$ (17,992,775)	\$ -	\$ (17,992,775)	\$ 5,561,486	323.52%	62.84%
June 30, 2016	0.127913%	\$ (19,563,383)	\$ -	\$ (19,563,383)	\$ 5,574,417	350.95%	59.16%
June 30, 2017	0.121652%	\$ (36,220,517)	\$ -	\$ (36,220,517)	\$ 5,459,961	663.38%	43.13%
June 30, 2018	0.115654%	\$ (37,398,411)	\$ -	\$ (37,398,411)	\$ 5,334,985	701.00%	43.96%
June 30, 2019	0.095975%	\$ (16,994,316)	\$ (2,044,218)	\$ (19,038,534)	\$ 5,276,252	322.09%	57.01%

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

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

See the accompanying Independent Auditors' Report.

**PLATTE CANYON SCHOOL DISTRICT 1**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**PERA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 889,504	(889,504)	-	\$ 5,727,651	15.53%
June 30, 2015	913,752	(913,752)	-	\$ 5,561,486	16.43%
June 30, 2016	966,046	(966,046)	-	\$ 5,574,417	17.33%
June 30, 2017	989,891	(989,891)	-	\$ 5,459,961	18.13%
June 30, 2018	993,908	(993,908)	-	\$ 5,334,985	18.63%
June 30, 2019	1,009,347	(1,009,347)	-	\$ 5,276,252	19.13%

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

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

See the accompanying Independent Auditors' Report.

**PLATTE CANYON SCHOOL DISTRICT 1**

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

<b>Fiscal Year Ended</b>	<b>District's proportion of the net OPEB asset (liability)</b>	<b>District's proportionate share of the net OPEB asset (liability)</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>
June 30, 2017	0.069148%	\$ (896,534)	\$ 5,459,961	16.42%	16.70%
June 30, 2018	0.065715%	(854,022)	\$ 5,334,985	16.01%	17.53%
June 30, 2019	0.062384%	(848,762)	\$ 5,276,252	16.09%	17.03%

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

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

See the accompanying Independent Auditors' Report.

**PLATTE CANYON SCHOOL DISTRICT 1**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**PERA Health Care Trust Fund**

**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 55,692	\$ (55,692)	\$ -	\$ 5,459,961	1.02%
June 30, 2018	54,417	(54,417)	-	5,334,985	1.02%
June 30, 2019	53,818	(53,818)	-	5,276,252	1.02%

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

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

See the accompanying Independent Auditors' Report.

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**BUDGETARY COMPARISON SCHEDULES**

(Required Supplementary Information)

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2017)

	2019				
	Original	Final		Variance	2018
	Budget	Budget	Actual	with Final Budget	Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 2,454,741	\$ 2,429,339	\$ 2,432,205	\$ 2,866	\$ 2,442,153
Specific Ownership Taxes	450,000	450,000	453,364	3,364	479,915
Delinquent Taxes	1,000	1,000	7,892	6,892	(1,612)
MLO For Transmission	462,672	462,672	462,333	(339)	458,232
Tuition From Individuals	214,392	214,392	193,409	(20,983)	167,135
Tuition Within the BOCES	100,000	100,000	-	(100,000)	65,830
Transportation Fees	45,000	45,000	46,843	1,843	46,533
Investment Earnings	15,500	15,500	74,957	59,457	27,740
Rent Revenue	3,500	3,500	4,790	1,290	5,454
Donations	2,500	2,500	18,436	15,936	12,000
Overhead Cost Revenue	-	-	2,999	2,999	-
Other Local	61,425	61,425	41,056	(20,369)	50,515
Total Local Sources	<u>3,810,730</u>	<u>3,785,328</u>	<u>3,738,284</u>	<u>(47,044)</u>	<u>3,753,895</u>
<b>Intermediate Sources</b>					
Mineral Leases	955	955	797	(158)	955
Payments in Lieu of Taxes	-	116,853	156,109	39,256	166,752
Other Intermediate Source Revenue	18,219	-	-	-	282
Total Intermediate Sources	<u>19,174</u>	<u>117,808</u>	<u>156,906</u>	<u>39,098</u>	<u>167,989</u>
<b>State Sources</b>					
State Share (Equalization)	5,146,724	5,128,995	5,390,711	261,716	4,865,470
Hold Harmless	34,370	34,370	36,536	2,166	34,319
State Transportation	172,741	165,658	169,581	3,923	173,147
State Grants from CDE					
State ELPA: Professional Development and Student Support	836	(662)	662	1,324	1,236
State ELPA	1,112	652	652	-	929
State Share - Colorado Preschool Program (CPP)	167,508	-	-	-	-
Implementing State Educational Priorities	30,675	30,675	-	(30,675)	-
Small Rural Schools Additional Funding	345,327	342,835	355,939	13,104	-
Additional At-Risk Funding	8,000	8,000	2,996	(5,004)	3,189
READ Act	21,978	21,978	33,392	11,414	21,978
State Grants to Libraries	3,500	3,500	3,500	-	3,500
Other CDE State Grants	587	-	373	373	-
State Grants from Other Agencies					
State Vocational Education	15,226	13,860	12,024	(1,836)	46,879
State PERA Contribution	-	-	131,079	131,079	-
State Grants Provided through BOCES	5,000	5,000	31,614	26,614	76,598
Total State Sources	<u>5,953,584</u>	<u>5,754,861</u>	<u>6,169,059</u>	<u>414,198</u>	<u>5,227,245</u>
<b>Federal Sources</b>					
Federal Grants from CDE					
Title Ila Best	-	-	-	-	3,987
Race to the Top - Early Childhood Readiness Assessment	-	-	-	-	587
Medicaid Reimbursement	35,000	35,000	78,949	43,949	39,408
Federal Provided through BOCES	-	-	28,541	28,541	-
Total Federal Sources	<u>35,000</u>	<u>35,000</u>	<u>107,490</u>	<u>72,490</u>	<u>43,982</u>
<b>TOTAL REVENUES</b>	<u>9,818,488</u>	<u>9,692,997</u>	<u>10,171,739</u>	<u>478,742</u>	<u>9,193,111</u>

(Continued)

See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2017)

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	3,425,582	3,296,024	3,311,023	(14,999)	2,969,311
Benefits	1,150,640	1,118,502	1,097,879	20,623	902,659
PS - Professional	102,338	158,922	65,838	93,084	71,762
PS - Property	3,000	3,000	863	2,137	739
PS - Other	588,219	585,712	461,735	123,977	366,555
Supplies	138,200	115,282	89,732	25,550	197,584
Property	29,795	47,950	42,438	5,512	30,930
Other Expenses	32,200	10,460	15,180	(4,720)	11,325
Total Instruction	5,469,974	5,335,852	5,084,688	251,164	4,550,865
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	139,700	136,259	139,130	(2,871)	124,768
Benefits	47,000	46,192	40,944	5,248	37,806
PS - Professional	101,502	104,002	63,163	40,839	72,868
Supplies	4,190	4,640	1,666	2,974	2,320
Total Pupil Support	292,392	291,093	244,903	46,190	237,762
<b>Staff Support</b>					
Salaries	223,214	220,414	164,590	55,824	146,513
Benefits	65,920	79,434	50,724	28,710	45,138
PS - Professional	27,738	37,906	28,110	9,796	30,673
PS - Property	9,100	9,100	794	8,306	5,774
PS - Other	109,150	108,150	85,984	22,166	94,065
Supplies	27,800	31,000	24,744	6,256	18,615
Property	34,200	39,200	34,410	4,790	29,572
Other Expenses	400	400	1	399	-
Total Staff Support	497,522	525,604	389,357	136,247	370,350
<b>General Administration</b>					
Salaries	162,300	89,401	99,836	(10,435)	183,176
Benefits	58,100	31,791	29,272	2,519	46,045
PS - Professional	43,750	43,750	16,107	27,643	55,994
PS - Other	7,700	7,700	5,809	1,891	7,685
Supplies	2,300	2,300	723	1,577	3,763
Property	200	200	-	200	-
Other Expenses	17,200	17,200	19,075	(1,875)	17,510
Total General Administration	291,550	192,342	170,822	21,520	314,173
<b>School Administration</b>					
Salaries	542,300	587,836	539,298	48,538	533,522
Benefits	172,995	181,743	180,226	1,517	153,686
PS - Other	1,200	1,200	1,238	(38)	1,839
Supplies	6,300	6,300	4,494	1,806	6,176
Property	2,853	2,853	-	2,853	139
Other Expenses	2,670	2,680	2,510	170	1,543
Total School Administration	728,318	782,612	727,766	54,846	696,905

(Continued)

See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2017)

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	161,060	164,208	154,137	10,071	111,137
Benefits	44,700	48,829	37,761	11,068	30,008
PS - Professional	32,000	32,000	23,297	8,703	61,117
PS - Property	500	500	-	500	-
PS - Other	9,500	9,500	11,356	(1,856)	11,364
Supplies	32,500	32,500	31,560	940	28,437
Property	500	500	-	500	-
Other Expenses	1,200	1,200	65	1,135	690
Total Business Services	<u>281,960</u>	<u>289,237</u>	<u>258,176</u>	<u>31,061</u>	<u>242,753</u>
<b>Operations and Maintenance</b>					
Salaries	413,700	420,037	407,841	12,196	366,361
Benefits	169,690	195,316	144,521	50,795	113,182
PS - Professional	45,000	45,000	46,358	(1,358)	31,317
PS - Property	50,950	50,950	30,574	20,376	55,301
PS - Other	570	570	-	570	-
Supplies	347,470	309,470	385,228	(75,758)	354,403
Property	4,325	11,325	47,664	(36,339)	2,743
Total Operations and Maintenance	<u>1,031,705</u>	<u>1,032,668</u>	<u>1,062,186</u>	<u>(29,518)</u>	<u>923,307</u>
<b>Transportation</b>					
Salaries	386,500	376,790	381,865	(5,075)	390,523
Benefits	128,500	132,426	124,388	8,038	116,630
PS - Professional	8,000	8,000	11,154	(3,154)	3,040
PS - Property	500	500	419	81	239
PS - Other	13,475	13,475	4,627	8,848	5,831
Supplies	72,650	117,650	73,852	43,798	77,081
Property	45,176	267,176	191,049	76,127	45,163
Total Transportation	<u>654,801</u>	<u>916,017</u>	<u>787,354</u>	<u>128,663</u>	<u>638,507</u>
<b>Other Central Support</b>					
Salaries	64,200	62,664	52,461	10,203	65,845
Benefits	21,600	20,352	14,706	5,646	17,714
PS - Professional	2,300	2,600	1,838	762	2,932
PS - Property	47,300	47,500	21,363	26,137	74,451
PS - Other	4,000	3,800	1,618	2,182	2,567
Supplies	22,690	22,690	14,898	7,792	15,583
Property	900	900	256	644	516
Total Other Central Support	<u>162,990</u>	<u>160,506</u>	<u>107,140</u>	<u>53,366</u>	<u>179,608</u>
<b>Risk Management</b>					
PS - Professional	3,400	3,400	1,579	1,821	2,494
PS - Other	198,781	198,781	183,773	15,008	146,681
Property	685	685	36	649	-
Total Risk Management	<u>202,866</u>	<u>202,866</u>	<u>185,388</u>	<u>17,478</u>	<u>149,175</u>

(Continued)

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2017)

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Facilities/Capital Outlay</b>					
PS - Professional	-	-	5,184	(5,184)	5,554
PS - Property	220,000	220,000	151,031	68,969	8,285
Equipment	30,000	30,000	53,548	(23,548)	127,019
Other Capital Outlay	5,027	5,027	-	5,027	-
Total Facilities/Capital Outlay	<u>255,027</u>	<u>255,027</u>	<u>209,763</u>	<u>45,264</u>	<u>140,858</u>
<b>Debt Service</b>					
Principal	61,262	61,262	85,410	(24,148)	27,186
Interest	31,294	31,294	35,910	(4,616)	26,515
Total Debt Service	<u>92,556</u>	<u>92,556</u>	<u>121,320</u>	<u>(28,764)</u>	<u>53,701</u>
<b>TOTAL EXPENDITURES</b>	<u>9,961,661</u>	<u>10,076,380</u>	<u>9,348,863</u>	<u>727,517</u>	<u>8,497,964</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(143,173)	(383,383)	822,876	1,206,259	695,147
<b>OTHER FINANCING SOURCES (USES)</b>					
Debt Proceeds	-	-	-	-	127,019
Transfers	(20,000)	(20,000)	-	20,000	(25,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>	<u>102,019</u>
<b>CHANGE IN FUND BALANCE</b>	(163,173)	(403,383)	822,876	1,226,259	797,166
<b>BEGINNING FUND BALANCE</b>	<u>2,877,159</u>	<u>3,352,817</u>	<u>3,500,843</u>	<u>148,026</u>	<u>2,566,381</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,713,986</u>	<u>\$ 2,949,434</u>	<u>\$ 4,323,719</u>	<u>\$ 1,374,285</u>	<u>\$ 3,500,843</u>

See accompanying Independent Auditors' Report.

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**OTHER SUPPLEMENTARY INFORMATION**

**PLATTE CANYON SCHOOL DISTRICT 1**  
**Balance Sheet**  
**Governmental Funds**  
**Nonmajor Governmental Funds**  
**June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	Special Revenue			Totals	
	Food Service Fund	Designated Grants Fund	Swimming Pool Fund	2019	2018
<b>ASSETS</b>					
Cash and Investments	\$ 47,396	\$ -	\$ 31,462	\$ 78,858	\$ 208,114
Interfund Accounts Receivable	-	-	69,733	69,733	41,414
Grants Receivable	-	76,991	-	76,991	159,483
Inventory	18,271	-	-	18,271	21,402
<b>TOTAL ASSETS</b>	<b>\$ 65,667</b>	<b>\$ 76,991</b>	<b>\$ 101,195</b>	<b>\$ 243,853</b>	<b>\$ 430,413</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>Liabilities</b>					
Interfund Accounts Payable	\$ 59,136	\$ 41,421	\$ 10,812	\$ 111,369	\$ 279,572
Accounts Payable	-	-	487	487	1,093
Accrued Salaries & Benefits	6,365	33,489	-	39,854	39,550
Unearned Grant Revenue	-	2,081	-	2,081	3,350
<b>Total Liabilities</b>	<b>65,501</b>	<b>76,991</b>	<b>11,299</b>	<b>153,791</b>	<b>323,565</b>
<b>Deferred Inflows of Financial Resources</b>					
Deferred Revenues	-	-	-	-	-
<b>Fund Balance</b>					
Nonspendable Fund Balance	18,271	-	-	18,271	21,402
Committed Fund Balance	-	-	-	-	-
Committed for Fund Purpose	-	-	89,896	89,896	-
Assigned Fund Balance	-	-	-	-	87,724
Other Assigned Fund Balance	-	-	-	-	87,724
Unassigned Fund Balance	(18,105)	-	-	(18,105)	(2,278)
<b>Total Fund Balance</b>	<b>166</b>	<b>-</b>	<b>89,896</b>	<b>90,062</b>	<b>106,848</b>
<b>TOTAL LIABILITIES, DEFERRED INLFOWS AND FUND BALANCE</b>	<b>\$ 65,667</b>	<b>\$ 76,991</b>	<b>\$ 101,195</b>	<b>\$ 243,853</b>	<b>\$ 430,413</b>

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2019  
 (With Comparative Totals for the Year Ended June 30, 2018)

	Special Revenue			Totals	
	Food Service	Designated Grants	Swimming Pool	2019	2018
	Fund	Fund	Fund		
<b>REVENUES</b>					
Local Sources	\$ 121,349	\$ -	\$ 167,417	\$ 288,766	\$ 289,813
State Sources	3,451	8,285	20,000	31,736	3,686
Federal Sources	99,769	402,359	-	502,128	539,891
<b>TOTAL REVENUES</b>	<u>224,569</u>	<u>410,644</u>	<u>187,417</u>	<u>822,630</u>	<u>833,390</u>
<b>EXPENDITURES</b>					
Instruction	-	345,701	-	345,701	367,282
Staff Support	-	64,943	-	64,943	56,004
Food Service	243,527	-	-	243,527	253,872
Community Support	-	-	185,245	185,245	160,011
<b>TOTAL EXPENDITURES</b>	<u>243,527</u>	<u>410,644</u>	<u>185,245</u>	<u>839,416</u>	<u>837,169</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(18,958)	-	2,172	(16,786)	(3,779)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) - net	-	-	-	-	25,000
<b>CHANGE IN FUND BALANCE</b>	(18,958)	-	2,172	(16,786)	21,221
<b>BEGINNING FUND BALANCE</b>	19,124	-	87,724	106,848	85,627
<b>ENDING FUND BALANCE</b>	<u>\$ 166</u>	<u>\$ -</u>	<u>\$ 89,896</u>	<u>\$ 90,062</u>	<u>\$ 106,848</u>

See accompanying Independent Auditors' Report.

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## DEBT SERVICE FUND

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

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Bond Redemption Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

	2019				2018 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 850,000	\$ 850,000	\$ 883,247	\$ 33,247	\$ 889,883
Delinquent Taxes	500	500	2,344	1,844	1,121
Investment Earnings	1,200	1,200	11,323	10,123	5,466
<b>TOTAL REVENUES</b>	<u>851,700</u>	<u>851,700</u>	<u>896,914</u>	<u>45,214</u>	<u>896,470</u>
<b>EXPENDITURES</b>					
<b>Supporting Services</b>					
<b>General Administration</b>					
PS - Professional	1,000	1,000	1,709	(709)	1,126
<b>Debt Service</b>					
Principal	720,000	720,000	720,000	-	705,000
Interest	118,450	118,450	118,450	-	132,700
Total Debt Service	838,450	838,450	838,450	-	837,700
<b>TOTAL EXPENDITURES</b>	<u>839,450</u>	<u>839,450</u>	<u>840,159</u>	<u>(709)</u>	<u>838,826</u>
<b>CHANGE IN FUND BALANCE</b>	12,250	12,250	56,755	44,505	57,644
<b>BEGINNING FUND BALANCE</b>	832,947	820,701	832,947	12,246	775,303
<b>ENDING FUND BALANCE</b>	<u>\$ 845,197</u>	<u>\$ 832,951</u>	<u>\$ 889,702</u>	<u>\$ 56,751</u>	<u>\$ 832,947</u>

See accompanying Independent Auditors' Report.

### SPECIAL REVENUE FUND

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

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Food Service Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

	2019			Variance with Final Budget	2018 Actual
	Original Budget	Final Budget	Actual		
<b>REVENUES</b>					
<b>Local Sources</b>					
Investment Earnings	\$ 100	\$ 100	\$ -	\$ (100)	\$ -
Food Service Revenue	129,000	126,000	121,349	(4,651)	120,214
Total Local Sources	129,100	126,100	121,349	(4,751)	120,214
<b>State Sources</b>					
State Grants from CDE					
State Matching Child Nutrition	2,013	2,013	1,973	(40)	2,013
Start Smart Nutrition	3,000	3,000	290	(2,710)	212
School Lunch Protection Program: Free and Reduced for Pre-K th 2	850	850	1,188	338	786
Total State Sources	5,863	5,863	3,451	(2,412)	3,011
<b>Federal Sources</b>					
Federal Grants from CDE					
School Breakfast Program	20,000	20,000	11,090	(8,910)	13,023
National School Lunch Program	95,000	95,000	72,477	(22,523)	87,743
Federal Grants from Other State Agencies					
National School Lunch Program - Commodities	15,000	15,000	16,202	1,202	16,514
Total Federal Sources	130,000	130,000	99,769	(30,231)	117,280
<b>TOTAL REVENUES</b>	<b>264,963</b>	<b>261,963</b>	<b>224,569</b>	<b>(37,394)</b>	<b>240,505</b>
<b>EXPENDITURES</b>					
<b>Supporting Services</b>					
<b>Food Service</b>					
Salaries	103,560	102,835	98,633	4,202	99,786
Benefits	32,870	32,587	26,733	5,854	28,434
PS - Professional	4,373	4,373	5,329	(956)	4,971
PS - Other	500	500	583	(83)	112
Supplies	9,000	9,000	7,055	1,945	6,697
Food	117,000	112,000	87,710	24,290	93,271
Commodities	15,000	15,000	16,202	(1,202)	16,515
Other Expenses	500	2,000	1,282	718	4,087
<b>TOTAL EXPENDITURES</b>	<b>282,803</b>	<b>278,295</b>	<b>243,527</b>	<b>34,768</b>	<b>253,873</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(17,840)</b>	<b>(16,332)</b>	<b>(18,958)</b>	<b>(2,626)</b>	<b>(13,368)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	20,000	20,000	-	(20,000)	25,000
<b>CHANGE IN FUND BALANCE</b>	<b>2,160</b>	<b>3,668</b>	<b>(18,958)</b>	<b>(22,626)</b>	<b>11,632</b>
<b>BEGINNING FUND BALANCE</b>	<b>15,982</b>	<b>33,034</b>	<b>19,124</b>	<b>(13,910)</b>	<b>7,492</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 18,142</b>	<b>\$ 36,702</b>	<b>\$ 166</b>	<b>\$ (36,536)</b>	<b>\$ 19,124</b>

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Designated Grants Fund  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
<b>REVENUES</b>				
<b>State Sources</b>				
State Grants from CDE				
Computer Science Ed Grant	\$ 1,675	\$ 1,350	\$ (325)	\$ 675
State Grants from Other Agencies				
State PERA Contribution	-	6,935	6,935	-
Total State Sources	<u>1,675</u>	<u>8,285</u>	<u>6,610</u>	<u>675</u>
<b>Federal Sources</b>				
Federal Grants from CDE				
NCLB Title I, Part A - Improving Basic Programs Operated by Schools	127,717	127,716	(1)	145,876
NCLB Title II, Part A - Teacher & Principal Training	26,182	26,182	-	26,404
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	10,000	10,000	-	10,000
Federal Grants from Other State Agencies				
Carl Perkins Vocational & Applied Technology Education Act, Title I, Vocational Education	10,116	4,486	(5,630)	6,719
Direct Federal Revenue				
NCLB, Title VI, Part B, Sub-part I: REAP: Rural Education Initiatives	-	27,411	27,411	-
Federal Provided through BOCES	234,964	206,564	(28,400)	233,612
Total Federal Sources	<u>408,979</u>	<u>402,359</u>	<u>(6,620)</u>	<u>422,611</u>
<b>TOTAL REVENUES</b>	<u>410,654</u>	<u>410,644</u>	<u>(10)</u>	<u>423,286</u>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Salaries	255,099	234,770	20,329	257,281
Benefits	104,213	101,500	2,713	95,778
PS - Professional	2,581	1,704	877	4,239
PS - Other	3,500	2,782	718	418
Supplies	4,350	4,945	(595)	9,566
Property	2,000	-	2,000	-
Other Expenses	50	-	50	-
Total Instruction	<u>371,793</u>	<u>345,701</u>	<u>26,092</u>	<u>367,282</u>
<b>Staff Support</b>				
Salaries	27,129	29,255	(2,126)	27,236
Benefits	8,073	6,927	1,146	9,168
PS - Professional	2,679	-	2,679	18,925
PS - Other	-	-	-	675
Supplies	980	1,350	(370)	-
Property	-	27,411	(27,411)	-
Total Staff Support	<u>38,861</u>	<u>64,943</u>	<u>(26,082)</u>	<u>56,004</u>
<b>TOTAL EXPENDITURES</b>	<u>410,654</u>	<u>410,644</u>	<u>10</u>	<u>423,286</u>
<b>CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>BEGINNING FUND BALANCE</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

**PLATTE CANYON SCHOOL DISTRICT 1**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Swimming Pool Fund**  
**For the Year Ended June 30, 2018**  
**(With Comparative Totals for the Year Ended June 30, 2017)**

	2019		Variance with Final Budget	2018 Actual
	Final Budget	Actual		
<b>REVENUES</b>				
<b>Local Sources</b>				
MLO For Transmission	\$ 99,913	\$ 100,360	\$ 447	\$ 101,755
Community Service Revenue	42,000	49,413	7,413	47,839
Rent Revenue	15,000	15,781	781	17,089
Other Local	3,500	1,863	(1,637)	2,916
Total Local Sources	160,413	167,417	7,004	169,599
<b>State Sources</b>				
State Grants from Other Agencies				
Other Agency State Grants	20,000	20,000	-	-
<b>TOTAL REVENUES</b>	<b>180,413</b>	<b>187,417</b>	<b>7,004</b>	<b>169,599</b>
<b>EXPENDITURES</b>				
<b>Community Support</b>				
Salaries	105,210	99,730	5,480	96,514
Benefits	28,500	27,033	1,467	26,329
PS - Professional	1,500	596	904	803
PS - Property	22,000	-	22,000	-
PS - Other	600	590	10	43
Supplies	40,500	32,533	7,967	32,261
Property	7,000	23,457	(16,457)	2,785
Other Expenses	22,000	1,306	20,694	1,276
<b>TOTAL EXPENDITURES</b>	<b>227,310</b>	<b>185,245</b>	<b>42,065</b>	<b>160,011</b>
<b>CHANGE IN FUND BALANCE</b>	<b>(46,897)</b>	<b>2,172</b>	<b>49,069</b>	<b>9,588</b>
<b>BEGINNING FUND BALANCE</b>	<b>52,203</b>	<b>87,724</b>	<b>35,521</b>	<b>78,136</b>
<b>ENDING FUND BALANCE</b>	<b>\$ 5,306</b>	<b>\$ 89,896</b>	<b>\$ 84,590</b>	<b>\$ 87,724</b>

See accompanying Independent Auditors' Report.

## TRUST AND AGENCY FUNDS

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

### Pupil Activity Fund

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

**PLATTE CANYON SCHOOL DISTRICT 1**  
**Schedule of Revenues, Expenses and Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Student Activity Fund**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for the Year Ended June 30, 2018)**

	2019			2018
	Final Budget	Actual	Variance with Final Budget	
<b>ADDITIONS</b>				
Local Sources	\$ 139,313	\$ 189,206	\$ 49,893	\$ 152,851
<b>DEDUCTIONS</b>				
Instruction	183,000	193,968	(10,968)	150,372
<b>CHANGE IN NET POSITION</b>	(43,687)	(4,762)	38,925	2,479
<b>BEGINNING NET POSITION</b>	114,146	115,936	1,790	113,457
<b>ENDING NET POSITION</b>	<u>\$ 70,459</u>	<u>\$ 111,174</u>	<u>\$ 40,715</u>	<u>\$ 115,936</u>

See accompanying Independent Auditors' Report.

## **STATE COMPLIANCE**

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



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2600 - Platte Canyon 1  
 Fiscal Year 2018-19  
 Colorado School District/BOCES

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
<b>Governmental</b>							
10 General Fund	3,500,843		9,950,752		9,151,492		4,300,103
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		200,010		176,394		23,616
Sub-Total	3,500,843		10,150,762		9,327,886		4,323,719
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	19,124		224,569		243,527		166
22 Govt Designated-Purpose Grants Fund	0		410,644		410,644		0
23 Pupil Activity Special Revenue Fund	87,724		187,416		185,245		89,896
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	832,947		896,914		840,159		889,702
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	0		0		0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
<b>Totals</b>	<b>4,440,637</b>		<b>11,870,304</b>		<b>11,007,459</b>		<b>5,303,482</b>
<b>Proprietary</b>							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	115,936		189,206		193,968		111,174
79 GASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>115,936</b>		<b>189,206</b>		<b>193,968</b>		<b>111,174</b>
<b>FINAL</b>							



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 2600 - Platte Canyon 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)	4,952,290	0	0	31,462	0	47,396	868,929	0	0	0	0	129,821	0	6,029,898		
Cash with Fiscal Agent (8105)	42,545	0	0	0	0	0	3,180	0	0	0	0	0	0	45,725		
Taxes Receivable (8121,8122)	155,437	0	0	0	0	0	45,822	0	0	0	0	0	0	201,259		
Interfund Loans Receivable (8131,8132)	227,739	0	49,214	69,733	0	0	0	0	0	0	0	4,980	0	351,666		
Grants Accounts Receivable (8142)	0	0	0	76,991	0	0	0	0	0	0	0	0	0	76,991		
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Inventories (8171,8172,8173)	0	0	0	0	0	18,271	0	0	0	0	0	0	0	18,271		
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Accumulated Depreciation on Site Improvements (8222)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Assets</b>	<b>5,378,011</b>	<b>0</b>	<b>49,214</b>	<b>178,186</b>	<b>0</b>	<b>65,667</b>	<b>917,931</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134,802</b>	<b>0</b>	<b>6,723,809</b>		

	Governmental						Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>															
Interfund Payables (7401-7402)	225,075	0	0	52,233	0	59,136	13,785	0	0	0	0	1,437	0	351,666	
Other Payables (7421-7423)	63,587	0	359	487	0	0	0	0	0	0	0	22,191	0	86,624	
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Accrued Expenses (7461)	407,996	0	25,239	33,489	0	6,365	0	0	0	0	0	0	0	473,089	
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unearned Revenue (7481)	49,027	0	0	0	0	0	14,444	0	0	0	0	0	0	63,470	
Grants Deferred Revenue (7482)	332,223	0	0	2,081	0	0	0	0	0	0	0	0	0	334,304	
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Liabilities</b>	<b>1,077,908</b>	<b>0</b>	<b>25,598</b>	<b>88,290</b>	<b>0</b>	<b>65,501</b>	<b>28,229</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,628</b>	<b>0</b>	<b>1,309,154</b>	

See accompanying Independent Auditors' Report.

Governmental ..... Proprietary ..... Fiduciary .....

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	18,271	0	0	0	0	0	0	0	0	18,271
Restricted Fund Balance 6720	0	0	0	0	0	0	889,702	0	0	0	0	0	0	0	889,702
TABOR 3% Emergency Reserve 6721	333,000	0	0	0	0	0	0	0	0	0	0	0	0	0	333,000
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	23,616	0	0	0	0	0	0	0	0	0	0	0	23,616
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	89,896	0	0	0	0	0	0	0	0	0	0	89,896
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,967,103	0	0	0	0	-18,105	0	0	0	0	0	0	111,174	0	4,060,171
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>4,300,103</b>	<b>0</b>	<b>23,616</b>	<b>89,896</b>	<b>0</b>	<b>166</b>	<b>889,702</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>111,174</b>	<b>0</b>	<b>5,414,656</b>
<b>Total Liabilities &amp; Fund Equity</b>	<b>5,378,011</b>	<b>0</b>	<b>49,214</b>	<b>178,186</b>	<b>0</b>	<b>65,667</b>	<b>917,931</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>134,802</b>	<b>0</b>	<b>6,723,809</b>
	<b>General Funds 10,12-18</b>	<b>Charter School Fund 11</b>	<b>Preschool Fund 19</b>	<b>Special Revenue Funds 20, 22-29</b>	<b>Supplemental Cap Const Fund 06</b>	<b>Food Service Special Revenue Fund 21</b>	<b>Debt Service Funds 30-39</b>	<b>Capital Projects Funds 40-45, 47-49</b>	<b>Supplemental Cap Const Fund 46</b>	<b>Other Enterprise Funds 50, 52-59</b>	<b>Risk-Related Activity Funds 63-64</b>	<b>Other Internal Service Funds 60</b>	<b>Trust &amp; Agency Funds 70-79</b>	<b>Foundations Fund 85</b>	<b>Totals</b>
	<b>General Funds 10,12-18</b>	<b>Charter School Fund 11</b>	<b>Preschool Fund 19</b>	<b>Special Revenue Funds 20, 22-29</b>	<b>Supplemental Cap Const Fund 06</b>	<b>Food Service Special Revenue Fund 21</b>	<b>Debt Service Funds 30-39</b>	<b>Capital Projects Funds 40-45, 47-49</b>	<b>Supplemental Cap Const Fund 46</b>	<b>Other Enterprise Funds 50, 52-59</b>	<b>Risk-Related Activity Funds 63-64</b>	<b>Other Internal Service Funds 60</b>	<b>Trust &amp; Agency Funds 70-79</b>	<b>Foundations Fund 85</b>	<b>Totals</b>
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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