

**RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
RANGELY, COLORADO**

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

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M & H

**Maggard
& Hood, P.C.**

CERTIFIED PUBLIC ACCOUNTANTS

Board of Education
Rio Blanco County School District RE-4
Rangely, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and each fiduciary fund type, of the Rio Blanco County School District RE-4, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and each fiduciary fund type of the Rio Blanco County School District RE-4, as of June 30, 2019 and the respective changes in financial position and, where applicable cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rio Blanco County School District RE-4's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "other supplemental information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.



MAGGARD & HOOD, P.C.

Glenwood Springs, Colorado

February 6, 2020

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

Rio Blanco County School District RE-4 is a public school district that was formed in 1958 and contains approximately 1,156 square miles located in the western half of Rio Blanco County in northwestern Colorado. The District has an elementary school (PK-5) and a Junior/Senior High School (6-12). The District is a political subdivision of the State of Colorado, and serves the incorporated town of Rangely and portions of unincorporated Rio Blanco County, as well as a portion of the students that come from Dinosaur, Colorado, in Moffat County, which is just north of Rio Blanco County.

The discussion and analysis of the Rio Blanco County School District RE-4's financial performance provides an overall review of the District's financial activities. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

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

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2019, the District's share of the PERA net pension liability is approximately \$9.1 million and the District's share of the PERA HCTF net OPEB liability is \$456 thousand.
- The District's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$2.8 million after application of GASB Statements No. 68 and No. 75 which are discussed in more detail on page 10 and in the notes to the financial statements. Fund level financial statements are not impacted by GASB 68 and 75 reporting.
- The District's total net position of governmental activities increased by \$879 thousand, primarily due to the impacts of GASB Statements No. 68 and No. 75, which is a contrast to its decrease in governmental fund balances of \$1.1 million. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 17 and a discussion of the differences between the two accounting methodologies is discussed below.
- The District's total net position of business type activities decreased by approximately \$4 thousand.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Rio Blanco County School District RE-4 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Rio Blanco County School District RE-4, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

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

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

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

In the statement of net position and the statement of activities, the School District is divided into two distinct kinds of activities:

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

Business-Type Activities – Business-type activities are financed by some degree by charging external parties for the goods or services they acquire. The District Housing Fund is reported as a business-type activity as the services are provided on a charge for goods or services basis to recover the expenses of the goods and services provided.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

FUND FINANCIAL STATEMENTS

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

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

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

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

Designated Purpose Grant Fund – The special revenue Designated Purpose Grant Fund accounts for IGA grant monies received from the Western Rio Blanco Metropolitan Recreation and Park District.

Transportation Fund – The special revenue Transportation Fund accounts for transportation operations funded primarily by property taxes and other State operating grants.

Bond Redemption Fund – The Bond Redemption Fund accounts for transactions related to the District's general obligation bonds and interest. The Bond Redemption Fund was liquidated with the payoff of the District's bonds during fiscal year 2019.

Building Fund – The Building Fund accounts for facilities acquisition and construction from Bond Issue monies.

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

Proprietary Funds – The proprietary (enterprise) funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same. The District's major proprietary fund is the:

District Housing Fund – The District Housing Fund accounts for the District's employee housing.

Fiduciary Funds – All of the District's fiduciary (or *Agency*) funds are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the District's governmental funds because the District cannot use these assets to finance its operations. The fiduciary funds are:

Pupil Activity Fund – The Pupil Activity Fund accounts for student athletic/nonathletic activities.

Scholarship Funds – The Scholarship Fund accounts for available scholarship monies.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

NOTES TO THE FINANCIAL STATEMENTS

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

SUPPLEMENTAL INFORMATION

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

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal year 2019 compared to 2018.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<u>ASSETS:</u>						
Current and Other Assets	\$ 5,661	\$ 6,826	\$ 55	\$ 47	\$ 5,716	\$ 6,873
Capital Assets, Net	12,296	13,221	196	208	12,492	13,429
	17,957	20,047	251	255	18,208	20,302
<u>DEFERRED OUTFLOWS:</u>						
Related to Pensions	2,881	5,946	-	-	2,881	5,946
Related to OPEBs	23	17	-	-	23	17
	2,904	5,963	-	-	2,904	5,963
<u>LIABILITIES:</u>						
Current & Other Liabilities	633	2,359	1	-	634	2,359
Long-term Liabilities	111	-	-	-	111	-
Net Pension Liability	9,139	20,642	-	-	9,139	20,642
Net OPEB Liability	457	471	-	-	457	471
	10,340	23,472	1	-	10,341	23,472
<u>DEFERRED INFLOWS:</u>						
Related to Pensions	7,926	844	-	-	7,926	844
Related to OPEBs	34	12	-	-	34	12
	7,960	856	-	-	7,960	856
<u>NET POSITION (2016 RESTATED):</u>						
Invested in Capital Assets,						
Net of Related Debt	12,158	11,438	196	208	12,354	11,646
Restricted	546	2,702	-	-	546	2,702
Unrestricted	(10,143)	(12,458)	54	47	(10,089)	(12,411)
	\$ 2,561	\$ 1,682	\$ 250	\$ 255	\$ 2,811	\$ 1,937

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are amounts set aside by management to satisfy debt service requirements and pay for capital projects as planned by the District. The District's Statement of Net Position also includes the District's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The negative unrestricted net position balance merely represents that there are *long-term* obligations, including Pensions and OPEB, in excess of *currently* available resources.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

THE DISTRICT AS A WHOLE -- CONTINUED

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

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES:						
Program Revenues:						
Charges for Services & Sales	\$ 152	\$ 164	\$ 21	\$ 19	\$ 173	\$ 183
Operating Grants & Contributions	861	650	-	-	861	650
Capital Grants and Contributions	175	100	-	-	175	100
Total Program Revenues	1,188	914	21	19	1,209	933
General Revenues:						
Property & Ownership Taxes	2,147	3,933	-	-	2,147	3,933
Grants and Entitlements	3,568	3,394	-	-	3,568	3,394
Federal Mineral & Forest Leasing	170	181	-	-	170	181
Interest & Investment Earnings	114	64	1	-	115	64
Other General Revenues	97	80	-	-	97	80
Total General Revenues	6,096	7,652	1	-	6,097	7,652
Total Revenues	7,284	8,566	22	19	7,306	8,585
PROGRAM EXPENSES:						
Instruction	3,739	3,326	-	-	3,739	3,326
Support Services:						
Students	102	101	-	-	102	101
Instructional Staff	95	90	-	-	95	90
General Administration	299	278	-	-	299	278
School Administration	399	419	-	-	399	419
Business Support Services	159	153	-	-	159	153
Operations and Maintenance	756	701	-	-	756	701
Student Transportation	357	255	-	-	357	255
Central Support Services	248	225	-	-	248	225
Food Services	134	147	-	-	134	147
Community Services	4	4	-	-	4	4
Colorado Preschool	89	85	-	-	89	85
Facilities Acquisition/Construction	79	165	-	-	79	165
Interest and Fiscal Charges	39	115	-	-	39	115
Unallocated Depreciation	1,260	1,263	-	-	1,260	1,263
Unallocated PERA Actuarial Adj.	(1,355)	3,845	-	-	(1,355)	3,845
Unallocated OPEB Actuarial Adj.	1	7	-	-	1	7
District Housing	-	-	26	21	26	21
Total (Expenses)	6,405	11,179	26	21	6,431	11,200
Increase (Decrease) in Net Position	\$ 879	\$ (2,613)	\$ (4)	\$ (2)	\$ 875	\$ (2,615)

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. For the fiscal year 2019, the net position of the District's governmental activities increased by approximately \$879 thousand primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities. Business-type activities decreased by approximately \$4 thousand.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

THE DISTRICT AS A WHOLE -- CONTINUED

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

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

<i>(In Thousands)</i>	<u>Fiscal Year 2019</u>		<u>Fiscal Year 2018</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 3,739	\$ 2,968	\$ 3,326	\$ 2,644
Support Services:				
Students	102	100	101	101
Instructional Staff	95	63	90	70
General Administration	299	295	278	277
School Administration	399	394	419	419
Business Support Services	159	156	153	153
Operations and Maintenance	756	741	701	699
Student Transportation	357	275	255	163
Central Support Services	248	246	225	225
Food Services	134	27	147	30
Community Services	4	4	4	4
Colorado Preschool	89	89	85	85
Facilities Acquisition/Construction	79	(86)	165	165
Interest and Fiscal Charges	39	39	115	115
Unallocated Depreciation	1,260	1,260	1,263	1,263
Unallocated PERA Actuarial Adj.	(1,355)	(1,355)	3,845	3,845
Unallocated OPEB Actuarial Adj.	1	1	7	7
District Housing	26	5	21	3
Total Expenses	<u>\$ 6,431</u>	<u>\$ 5,222</u>	<u>\$ 11,200</u>	<u>\$ 10,268</u>

The dependence on general revenues for governmental activities is apparent, whereas approximately 79% and 79% of instruction activities were supported through taxes and other general revenues in 2019 and 2018, respectively. In these years, overall general revenues support was 81% in 2019 and 92% in 2018. The community as a whole is the primary support for District students.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

THE DISTRICT'S FUNDS

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

Governmental Funds –

The *General Fund* had an overall increase in fund balance of \$1,073,694. The ending fund balance of \$4,647,208 is the amount available for future spending.

The *Food Service Fund* had an overall decrease in fund balance of \$13,698. The ending fund balance of \$4,508 is the amount available for future spending.

The *Designated Grant Fund* had an overall increase in fund balance of \$441. The ending fund balance of \$639 is the amount available for future spending.

The *Transportation Fund* had an overall decrease in fund balance of \$3,005. The ending fund balance of \$1,208 is the amount available for future spending.

The *Bond Redemption Fund* had an overall decrease in fund balance of \$2,131,673. The Bond Redemption Fund was liquidated with the payoff of the District's bonds in 2019.

The *Building Fund* had an overall decrease in fund balance of \$43,967. The ending fund balance of \$346,522 is the amount available for future spending.

The *Capital Reserve Fund* had an overall increase in fund balance of \$3,896. The ending fund balance of \$42,703 is the amount available for future spending.

Proprietary (Enterprise) Funds –

The *District Housing Fund* enterprise had current year operating revenues of \$20,993 plus non-operating activity of \$881, and current year operating expenses of \$26,361 for a total decrease in net position of \$4,487. The Ending Net Position of \$250,346 includes \$196,175 invested in capital assets and \$54,171 available for future spending.

Fiduciary (Agency) Funds –

The *Pupil Activity Fund* ended the year with \$155,247 available for future spending.

The *Scholarship Fund* ended the year with \$89,067 available for future spending.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

GENERAL FUND BUDGETING HIGHLIGHTS

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

For the General Fund, actual revenues and other financing sources in the amount of \$6,912,458 were above budgetary expectations of \$6,876,755 by \$35,703.

The District's General Fund actual expenditures and other financing uses of \$5,838,764 were \$656,074 below budgeted expenditures of \$6,494,838. The major differences between budgeted amounts and actual expenditures were primarily due to excess amounts budgeted for overall salaries and benefits and overall purchased services expenditures.

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

CAPITAL ASSETS

At the end of fiscal year 2019, the District had a total of \$12,492,428 invested in capital assets, consisting of \$12,296,245 in governmental activities and \$196,175 in business-type activities. Additional information on the District's capital assets can be found in *Note 4* of the financial statements.

The following reflects the balances of fiscal year 2019 compared to fiscal year 2018:

<i>(In Thousands)</i>	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
<i>Net of Depreciation:</i>						
Land	\$ 722	\$ 722	\$ 40	\$ 40	\$ 762	\$ 762
Buildings & Improvements	11,023	12,142	156	168	11,179	12,310
Transportation Equipment	297	234	-	-	297	234
Other Equipment	254	123	-	-	254	123
	<u>\$ 12,296</u>	<u>\$ 13,221</u>	<u>\$ 196</u>	<u>\$ 208</u>	<u>\$ 12,492</u>	<u>\$ 13,429</u>

DEBT ADMINISTRATION

During fiscal year 2019, the District paid off its outstanding bonds, as scheduled. The District also entered into a capital lease for a bus which had an outstanding balance of \$138,694 as of June 30, 2019. There is no long-term debt in the Business-Type Activities for the fiscal year ended June 30, 2019.

Other long-term obligations consist of the District's proportionate share of the State PERA Net Pension Liability (see Note 1 & 10) in the amount of \$9,139,340 and PERA OPEB Liability of \$456,454.

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

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

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

The District has implemented many cost-savings measures, as well as planning for utilization of existing fund balances, to maintain faculty staffing levels. The Board and Administration continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2019

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

Rio Blanco County (Rangely) School District RE-4
Attn: Finance Director
402 W. Main Street
Rangely, CO 81648
Tel: (970) 675-2207
Fax: (970) 675-5023

GOVERNMENT - WIDE FINANCIAL STATEMENTS

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

STATEMENT OF NET POSITION

June 30, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 5,291,534	\$ 55,116	\$ 5,346,650
Receivables:			
Property Taxes	22,638	-	22,638
Intergovernmental	318,084	-	318,084
Other Receivables	1,500	-	1,500
Inventory	2,523	-	2,523
Prepaid Expenses	24,266	-	24,266
Total Current Assets	5,660,545	55,116	5,715,661
Capital Assets:			
Capital Assets, Non-depreciable	721,506	40,000	761,506
Capital Assets, Net of Depreciation	11,574,739	156,175	11,730,914
Total Capital Assets	12,296,245	196,175	12,492,420
TOTAL ASSETS	17,956,790	251,291	18,208,081
DEFERRED OUTFLOWS:			
Deferred Outflows Related to Pensions	2,881,427	-	2,881,427
Deferred Outflows Related to OPEBs	22,701	-	22,701
TOTAL DEFERRED OUTFLOWS	2,904,128	-	2,904,128
LIABILITIES:			
Accounts Payable	21,020	245	21,265
Deposit Payable	-	700	700
Accrued Salaries and Benefits	584,096	-	584,096
Other Liabilities	-	-	-
Long-term Debt:			
Portion Due or Payable within One Year - Capital Lease	27,846	-	27,846
Portion Due or Payable After One Year - Capital Lease	110,848	-	110,848
Net Pension Liability	9,139,340	-	9,139,340
Net OPEB Liability	456,454	-	456,454
TOTAL LIABILITIES	10,339,604	945	10,340,549
DEFERRED INFLOWS:			
Deferred Inflows Related to Pensions	7,926,418	-	7,926,418
Deferred Inflows Related to OPEBs	34,183	-	34,183
TOTAL DEFERRED INFLOWS	7,960,601	-	7,960,601
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	12,157,551	196,175	12,353,726
<i>Restricted for:</i>			
Facilities Acquisition/Construction	389,225	-	389,225
Emergencies	157,000	-	157,000
Unrestricted	(10,143,063)	54,171	(10,088,892)
TOTAL NET POSITION	\$ 2,560,713	\$ 250,346	\$ 2,811,059

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2019

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 3,739,007	\$ 65,411	\$ 695,911	\$ 9,841
Supporting Services:				
General Support Services:				
- Students	101,870	-	1,457	-
- Instructional Staff	94,552	-	31,080	-
- General Administration	299,377	131	4,290	-
- School Administration	399,420	-	5,455	-
Business Support Services:				
- Business Services	158,668	-	2,390	-
- Operations and Maintenance	756,329	9,517	6,240	-
Transportation	356,979	34,954	47,308	-
Central Support Services	248,071	-	1,594	-
Food Services	134,436	42,253	65,546	-
Community Support Services	3,462	-	-	-
Colorado Preschool Support Services	89,432	-	-	-
Facilities Acquisition/Construction	78,915	-	-	164,779
Interest on Long-term Debt	36,064	-	-	-
Other Costs of Long-term Debt	3,147	-	-	-
Unallocated PERA Actuarial Adjustment	(1,355,315)	-	-	-
Unallocated OPEB Actuarial Adjustment	887	-	-	-
Depreciation – Unallocated (<i>See Note 4</i>)	<u>1,260,125</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>6,405,426</u>	<u>152,266</u>	<u>861,271</u>	<u>174,620</u>
Business-Type Activities:				
District Housing	<u>26,361</u>	<u>20,993</u>	<u>-</u>	<u>-</u>
Total Business-Type Activities	<u>26,361</u>	<u>20,993</u>	<u>-</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 6,431,787</u>	<u>\$ 173,259</u>	<u>\$ 861,271</u>	<u>\$ 174,620</u>

GENERAL REVENUES:

Taxes:

- Property Taxes, Levied for General Purposes
- Property Taxes, Levied for Debt Service
- Specific Ownership Taxes, for General Purposes
- Grants and Entitlements Not Restricted to Specific Programs
- Mineral and Forest Leasing Revenues
- Unrestricted Interest and Investment Earnings
- Accretion of Bond Premium
- Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION–BEGINNING OF YEAR

NET POSITION–END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-Type Activities	Total
\$ (2,967,844)		\$ (2,967,844)
(100,413)		(100,413)
(63,472)		(63,472)
(294,956)		(294,956)
(393,965)		(393,965)
(156,278)		(156,278)
(740,572)		(740,572)
(274,717)		(274,717)
(246,477)		(246,477)
(26,637)		(26,637)
(3,462)		(3,462)
(89,432)		(89,432)
85,864		85,864
(36,064)		(36,064)
(3,147)		(3,147)
1,355,315		1,355,315
(887)		(887)
<u>(1,260,125)</u>		<u>(1,260,125)</u>
<u>(5,217,269)</u>		<u>(5,217,269)</u>
	\$ <u>(5,368)</u>	<u>(5,368)</u>
	<u>(5,368)</u>	<u>(5,368)</u>
<u>(5,217,269)</u>	<u>(5,368)</u>	<u>(5,222,637)</u>
2,014,789	-	2,014,789
14,494	-	14,494
118,137	-	118,137
3,567,864	-	3,567,864
170,216	-	170,216
114,226	881	115,107
2,852	-	2,852
93,736	-	93,736
<u>6,096,314</u>	<u>881</u>	<u>6,097,195</u>
879,045	(4,487)	874,558
<u>1,681,668</u>	<u>254,833</u>	<u>1,936,501</u>
<u>\$ 2,560,713</u>	<u>\$ 250,346</u>	<u>\$ 2,811,059</u>

FUND FINANCIAL STATEMENTS

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019

	General Fund	Food Service (Special Revenue) Fund	Designated Purpose Grant Fund
ASSETS:			
Cash and Cash Equivalents	\$ 4,870,606	\$ 2,792	\$ 3,909
Receivables:			
Property Taxes, Net	8,965	-	-
Intergovernmental	162,447	637	155,000
Other Receivables	1,500	-	-
Inventory	-	2,523	-
Due from Other Funds	167,669	-	-
Prepaid Expenses	24,266	-	-
TOTAL ASSETS	\$ 5,235,453	\$ 5,952	\$ 158,909
LIABILITIES:			
Liabilities:			
Accounts Payable	\$ 18,927	\$ -	\$ -
Accrued Salaries and Benefits	569,318	1,444	1,937
Due to Other Funds	-	-	156,333
Total Liabilities	588,245	1,444	158,270
FUND BALANCES:			
Non-spendable	24,266	2,523	-
Restricted for Capital Projects	-	-	-
Restricted for Tabor Emergencies	157,000	-	-
Assigned	-	-	639
Unassigned	4,465,942	1,985	-
Total Fund Balances	4,647,208	4,508	639
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,235,453	\$ 5,952	\$ 158,909

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

<u>Transportation Fund</u>	<u>Bond Redemption Fund</u>	<u>Building Fund</u>	<u>Capital Reserve Fund</u>	<u>Total Governmental Funds</u>
\$ 13,666	\$ -	\$ 357,858	\$ 42,703	\$ 5,291,534
1,032	-	-	-	9,997
-	-	-	-	318,084
-	-	-	-	1,500
-	-	-	-	2,523
-	-	-	-	167,669
-	-	-	-	24,266
<u>\$ 14,698</u>	<u>\$ -</u>	<u>\$ 357,858</u>	<u>\$ 42,703</u>	<u>\$ 5,815,573</u>
\$ 2,093	\$ -	\$ -	\$ -	\$ 21,020
11,397	-	-	-	584,096
-	-	11,336	-	167,669
<u>13,490</u>	<u>-</u>	<u>11,336</u>	<u>-</u>	<u>772,785</u>
-	-	-	-	26,789
-	-	346,522	42,703	389,225
-	-	-	-	157,000
1,208	-	-	-	1,847
-	-	-	-	4,467,927
<u>1,208</u>	<u>-</u>	<u>346,522</u>	<u>42,703</u>	<u>5,042,788</u>
<u>\$ 14,698</u>	<u>\$ -</u>	<u>\$ 357,858</u>	<u>\$ 42,703</u>	<u>\$ 5,815,573</u>

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2019

TOTAL GOVERNMENTAL FUND BALANCES \$ 5,042,788

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

Property taxes receivable that are due later than 60 days after year-end are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the governmental funds. 12,641

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

Governmental Capital Assets	\$ 37,028,567	
Less Accumulated Depreciation	(24,732,322)	12,296,245

Discounts on the refunding of long-term debt decrease current financial resources to governmental funds; however, on the Statement of Net Position, the discount is deferred and amortized over the term of the issuance.

Refunding Discount	\$ 1,286	
Accumulated Amortization	(1,286)	-

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Net Position, the premium is deferred and allocated over the term of the issuance as accretion of deferred premium.

Bond Premium	\$ (253,089)	
Accumulated Accretion	253,089	-

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

Accrued Interest Payable	\$ -	
Current Portion of Long-term Liabilities	(27,846)	(27,846)

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

Capital Lease Payable	\$ (110,848)	
Net Pension Liability	(9,139,340)	
Net OPEB Liability	(456,454)	
Deferred Outflows of Resources	2,904,128	
Deferred Inflows of Resources	(7,960,601)	(14,763,115)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,560,713

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2019

	General Fund	Food Service (Special Revenue) Fund	Designated Purpose Grant Fund
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Property Taxes	\$ 1,885,499	\$ -	\$ -
Specific Ownership Taxes	111,912	-	-
Local Grants	150,000	-	-
Other Local Revenues	162,213	42,253	155,847
Intergovernmental:			
Intermediate Sources	170,216	-	-
State Sources	3,866,815	5,081	2,863
Federal Sources	138,256	60,465	-
Interest Earnings	82,726	-	1,531
	<u>6,567,637</u>	<u>107,799</u>	<u>160,241</u>
Total Revenues			
EXPENDITURES:			
Instruction	3,532,805	-	200,402
Supporting Services:			
General	885,120	-	10,099
Business	911,085	-	-
Transportation	-	-	-
Central	248,071	-	-
Food Services	(98)	134,534	-
Community	3,462	-	-
Colorado Preschool	89,432	-	-
Facilities Acquisition/Construction	-	-	-
Debt Service:			
Principal	11,293	-	-
Interest	2,689	-	-
Other	-	-	-
	<u>5,683,859</u>	<u>134,534</u>	<u>210,501</u>
Total Expenditures			
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>883,778</u>	<u>(26,735)</u>	<u>(50,260)</u>
OTHER FINANCING SOURCES (USES):			
Capital Lease Proceeds	-	-	-
Transfers In	344,821	13,037	50,701
Transfers (Out)	(154,905)	-	-
	<u>189,916</u>	<u>13,037</u>	<u>50,701</u>
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	1,073,694	(13,698)	441
FUND BALANCE – BEGINNING	<u>3,573,514</u>	<u>18,206</u>	<u>198</u>
FUND BALANCE – ENDING	<u>\$ 4,647,208</u>	<u>\$ 4,508</u>	<u>\$ 639</u>

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

Transportation Fund	Bond Redemption Fund	Building Fund	Capital Reserve Fund	Total Governmental Funds
\$ 216,541	\$ 14,494	\$ -	\$ -	\$ 2,116,534
6,225	-	-	-	118,137
-	-	164,779	-	314,779
34,954	-	-	19,923	415,190
-	-	-	-	170,216
47,308	-	-	-	3,922,067
-	-	-	-	198,721
<u>1,631</u>	<u>21,836</u>	<u>5,629</u>	<u>873</u>	<u>114,226</u>
<u>306,659</u>	<u>36,330</u>	<u>170,408</u>	<u>20,796</u>	<u>7,369,870</u>
-	-	-	16,900	3,750,107
-	-	-	-	895,219
10,104	-	-	-	921,189
305,797	-	-	-	305,797
-	-	-	-	248,071
-	-	-	-	134,436
-	-	-	-	3,462
-	-	-	-	89,432
-	-	449,292	-	449,292
-	1,780,000	-	-	1,791,293
-	40,050	-	-	42,739
-	<u>3,132</u>	<u>-</u>	<u>-</u>	<u>3,132</u>
<u>315,901</u>	<u>1,823,182</u>	<u>449,292</u>	<u>16,900</u>	<u>8,634,169</u>
<u>(9,242)</u>	<u>(1,786,852)</u>	<u>(278,884)</u>	<u>3,896</u>	<u>(1,264,299)</u>
-	-	149,987	-	149,987
91,167	-	84,930	-	584,656
<u>(84,930)</u>	<u>(344,821)</u>	<u>-</u>	<u>-</u>	<u>(584,656)</u>
<u>6,237</u>	<u>(344,821)</u>	<u>234,917</u>	<u>-</u>	<u>149,987</u>
(3,005)	(2,131,673)	(43,967)	3,896	(1,114,312)
<u>4,213</u>	<u>2,131,673</u>	<u>390,489</u>	<u>38,807</u>	<u>6,157,100</u>
<u>\$ 1,208</u>	<u>\$ -</u>	<u>\$ 346,522</u>	<u>\$ 42,703</u>	<u>\$ 5,042,788</u>

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (1,114,312)

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

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year decreased from the previous fiscal year: (87,251)

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

Current Period Capitalized Outlay	\$ 387,669	
Current Period Depreciation	(1,311,307)	
Adj. to Sale/Disposal Gain (Loss)	<u>(1,000)</u>	(924,638)

Discounts on Bond Refunding are reported as Other Financing Uses in the governmental funds when paid, however they are reported as Deferred Outflows on the Statement of Net Position and amortized over the term of the new issuance. This is the amount of final amortization of discounts recognized on the current year Statement of Activities. (15)

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of bond premium. This is the amount of final accretion of bond premiums recognized on the current year statement of activities. 2,852

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

Current Period Debt Proceeds	\$ (149,987)	
Current Period Debt Repayment	<u>1,791,293</u>	1,641,306

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the current year change in accrued interest. 6,675

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

Change in Net Pension Liability	\$ 11,502,847	
Change in Net OPEB Liability	14,926	
Change in Deferred Outflows	(3,059,131)	
Change in Deferred Inflows	<u>(7,104,214)</u>	<u>1,354,428</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 879,045

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF FUND NET POSITION
PROPRIETARY (ENTERPRISE) FUNDS
JUNE 30, 2019

	<u>District Housing Fund</u>	<u>Total Enterprise Funds</u>
ASSETS:		
Cash and Cash Equivalents	\$ 55,116	\$ 55,116
Total Current Assets	<u>55,116</u>	<u>55,116</u>
Capital Assets:		
Capital Assets, Non-depreciable	40,000	40,000
Capital Assets, Net of Depreciation	<u>156,175</u>	<u>156,175</u>
Total Capital Assets	<u>196,175</u>	<u>196,175</u>
 TOTAL ASSETS	 <u>251,291</u>	 <u>251,291</u>
 LIABILITIES:		
Liabilities:		
Accounts Payable	245	245
Deposits Payable	<u>700</u>	<u>700</u>
 TOTAL LIABILITIES	 <u>945</u>	 <u>945</u>
 FUND NET POSITION:		
Invested in Capital Assets, Net of Related Debt	196,175	196,175
Unrestricted	<u>54,171</u>	<u>54,171</u>
 TOTAL FUND NET POSITION	 <u>\$ 250,346</u>	 <u>\$ 250,346</u>

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY (ENTERPRISE) FUNDS
For the Fiscal Year Ended June 30, 2019

	<u>District Housing Fund</u>	<u>Total Enterprise Funds</u>
OPERATING REVENUES:		
Rentals/Leases	\$ 20,993	\$ 20,993
Total Operating Revenues	<u>20,993</u>	<u>20,993</u>
OPERATING EXPENSES:		
Purchased Services	8,924	8,924
Supplies	5,839	5,839
Depreciation	<u>11,598</u>	<u>11,598</u>
Total Operating Expenses	<u>26,361</u>	<u>26,361</u>
OPERATING INCOME (LOSS)	<u>(5,368)</u>	<u>(5,368)</u>
NON-OPERATING INCOME (EXPENSES)		
Interest Earnings	<u>881</u>	<u>881</u>
Total Non-operating Income (Expenses)	<u>881</u>	<u>881</u>
NET INCOME (LOSS) BEFORE TRANSFERS	(4,487)	(4,487)
Transfers In (Out)	<u>-</u>	<u>-</u>
CHANGE IN FUND NET POSITION	(4,487)	(4,487)
FUND NET POSITION – BEGINNING OF YEAR	<u>254,833</u>	<u>254,833</u>
FUND NET POSITION – END OF YEAR	<u>\$ 250,346</u>	<u>\$ 250,346</u>

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF CASH FLOWS
PROPRIETARY (ENTERPRISE) FUNDS
For the Fiscal Year Ended June 30, 2019

	<u>District Housing Fund</u>	<u>Total Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers	\$ 20,993	\$ 20,993
Cash Payments for Goods and Services	<u>(14,518)</u>	<u>(14,518)</u>
Net Cash Provided (Used) by Operating Activities	<u>6,475</u>	<u>6,475</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Earnings	<u>881</u>	<u>881</u>
Net Cash Provided (Used) by Investing Activities	<u>881</u>	<u>881</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Rental Deposits	<u>350</u>	<u>350</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>350</u>	<u>350</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Cash Payments for Capital Assets	<u>-</u>	<u>-</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 7,706	 7,706
 CASH AND CASH EQUIVALENTS - BEGINNING	 <u>47,410</u>	 <u>47,410</u>
 CASH AND CASH EQUIVALENTS - ENDING	 <u>\$ 55,116</u>	 <u>\$ 55,116</u>
 <u>RECONCILIATION OF OPERATING INCOME (LOSS)</u>		
<u>TO NET CASH USED FOR OPERATING ACTIVITIES:</u>		
Operating Income (Loss)	\$ (5,368)	\$ (5,368)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation	11,598	11,598
Increase (Decrease) In Accounts Payable	<u>245</u>	<u>245</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,475</u>	<u>\$ 6,475</u>

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
 June 30, 2019

	Pupil Activity Funds		Scholarships	Total
	Junior/Senior High School	Elementary School	Scholarship Fund	Agency Funds
ASSETS:				
Cash and Cash Equivalents	\$ 148,339	\$ 6,908	\$ 89,067	\$ 244,314
LIABILITIES:				
Due Student Groups/Agency	148,339	6,908	89,067	244,314
NET POSITION:	\$ -	\$ -	\$ -	\$ -

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rio Blanco County School District RE-4 are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Financial Reporting Entity

The Rio Blanco County School District RE-4 is organized under the laws of the State of Colorado and is governed by an elected five member Board of Education. Board of Education members are elected by the citizens of Rio Blanco County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent with the authority to: a) determine its budget without another government's authority to approve or modify; b) levy taxes or charges without another government's approval; and, c) issue bonded debt without approval by another government

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

C. Basis of Presentation

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

FUND FINANCIAL STATEMENTS

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting

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

GOVERNMENTAL FUNDS

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

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The individual special revenue fund revenues/resources are as follows: 1) the Food Service Fund amounts are grants and other revenues for general food services; 2) the Designated Purpose Grant Fund amounts are from operating grants received under an intergovernmental agreement with the Western Rio Blanco Metropolitan Recreation and Park District; and 3) the Transportation Fund amounts are from designated property taxes and other local revenues.

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

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing authority is that a) the costs of goods or services provided to the general public on a continuing basis be financed or recovered primarily through user charges; or b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise Funds consists of the District Housing Fund.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

FIDUCIARY FUNDS

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

Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency Funds of the District include the Scholarship Fund, which administers two scholarship accounts, and the Pupil Activity Fund, which accounts for various student-managed activities.

E. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS

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

Like the government-wide financial statements, enterprise funds are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operations are included on the statement of net position. The statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) therein. The statement of cash flows reflects how the School District finances and meets the cash flow needs of its enterprise funds.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

BASIS OF ACCOUNTING

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

Exchange and Non-exchange Transactions

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

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

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

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

Propriety fund types use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets and Budgetary Accounting

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

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

G. Assets, Liabilities and Fund Equity

1) Cash and Investments

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

2) Receivables

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

3) Internal Balances

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

	Due To	Due From
Building Fund	\$ 167,669	\$ -
Buiding Fund	-	11,336
Designated Grant Fund	-	156,333

4) Inventory

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

5) Property Taxes Receivable/Property Tax Revenues

Property taxes are levied and collected on behalf of the District by Rio Blanco County and are reported as revenue when received by the county treasurer. Taxes receivable represent the 2018 assessed taxes yet to be collected in 2019. Amounts collectible subsequent to August 2019 have been accrued on the government-wide Statement of Net Position. The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary. Property taxes levied for 2018 and collected (including amounts receivable within 60 days of year-end) are recognized as revenue as follows:

	Assessed Valuation	Mill Levy	Amount of Taxes		Percent Collected
			Levied	Received	Levied
General Fund:					
\$238,377,100	7.902		\$1,883,656	\$1,872,320	99%
Transportation Fund:					
\$238,377,100	0.910		\$ 216,923	\$ 215,618	99%

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

6) Capital Assets

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

Buildings and Improvements	7-40 years
Vehicles and Other Equipment	5-15 years

7) Vacation, Sick Leave, and Other Compensated Absences

Vacation time earned in the current year is required to be taken by September 1 following the end of the fiscal year. If it becomes impossible for an employee to take all vacation by that time, due to the urgency of work involved in the school program, five days may be carried over to the next fiscal year. Vacation accrued of \$25,790 is included in Accrued Salaries and Benefits Payable in the General Fund.

Sick leave is earned at a rate of ten days per year to a maximum of 120 days. Upon leaving the District and upon ten consecutive years of employment, an employee will receive \$10 per day of unused sick leave, not to exceed 120 days. In addition, employees who elect to participate in a Sick Leave Bank shall contribute one sick day at the time of entry into the Bank. When the Bank total drops below the minimum of 30 days, members are assessed one day. Participants may withdraw up to fifteen days at a time from the Bank upon application in writing. Sick pay accrued of \$4,126 is included in Accrued Salaries and Benefits Payable in the General Fund.

There is no compensated time off for extra hours worked.

8) Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers' salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the fiscal year. The accrued PERA and Medicare is computed on these salaries and is also shown as a liability. Accrued salaries and benefits at June 30, 2019 were \$584,096 for governmental funds and \$0 for proprietary funds with the incremental change charged to current year expenditures, inclusive of accrued vacation and sick leave

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

8) Accrued Liabilities and Long-term Obligations (continued)

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities and bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the governmental fund financial statements, bonds are recognized as a liability when due and bond premiums, discounts and issuance costs when incurred. The face amount of debt issued and premiums are reported as and other financing source, while discounts are reported as a financing use. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures as incurred.

9) Net Position and Fund Balances

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

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

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

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

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

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

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

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

9) Net Position and Fund Balances - continued

At June 30, 2019, the amounts restricted were \$389,225 for Facilities Acquisition/Construction and \$157,000 for Tabor Emergency reserves.

H. Deferred Outflows and Inflows of Resources

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

I. Pensions

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

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

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

K. On-Behalf Payments

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Unearned Revenue

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

M. Operating Revenues and Expenses

Operating revenues are generated directly from the primary activity of enterprise funds and consist of District Housing Fund rental revenues. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

N. Contributed Capital

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

O. Inter-fund Transactions

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

P. Use of Estimates

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing the District's financial program. It is the policy of the District to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds. District policy limits investments to Certificates of Deposit in local banks and daily cash accumulation fund with ColoTrust. This policy applies to the investment of all financial assets of the District over which it exercises financial control.

Summary of Deposits and Investments

	<u>Fair Value</u>
Checking/Savings	\$ 549,408
Local Govt Investment Pools (COLOTRUST)	5,057,907
Cash with County Treasurer	1,569
Less Outstanding Items	<u>(17,920)</u>
Total Cash and Investments	<u>\$ 5,590,964</u>

This amount is reflected as follows: Governmental Activities \$5,291,534; Business- Type Activities \$55,116; and Fiduciary Activities \$244,314.

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

The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$550,977 of which \$250,000 was covered by FDIC insurance and \$300,977 by PDPA as described above.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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

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

Local Government Investment Pool (COLOTRUST)

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard & Poor's, Fitch's and Moody's rating services. The custodian's internal records segregate investments owned by the Trust. As of June 30, 2019, the District had \$0 invested in COLOTRUST PRIME, and \$5,057,907 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form.

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Risk Disclosures

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

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

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

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Maturities are structured to accommodate readily identifiable cash flows as approved by the Board.

The District was not subject to foreign currency risk.

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

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 4 - CAPITAL ASSETS

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

	Balances June 30, 2018	Additions	Dispositions	Balances June 30, 2019
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>GOVERNMENTAL ACTIVITIES</u>				
Land	\$ 721,506	\$ -	\$ -	\$ 721,506
Depreciable Capital Assets:				
Buildings and Improvements	33,872,793	40,933	-	33,913,726
Transportation Equipment	1,445,572	115,162	(23,738)	1,536,996
Other Equipment	660,552	231,574	(35,787)	856,339
Total Capital Assets	<u>36,700,423</u>	<u>387,669</u>	<u>(59,525)</u>	<u>37,028,567</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(21,730,466)	(1,159,935)	-	(22,890,401)
Transportation Equipment	(1,211,600)	(51,182)	22,738	(1,240,044)
Other Equipment	(537,474)	(100,190)	35,787	(601,877)
Total Accum Depreciation	<u>(23,479,540)</u>	<u>(1,311,307)</u>	<u>58,525</u>	<u>(24,732,322)</u>
 GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 13,220,883</u>	<u>\$ (923,638)</u>	<u>\$ (1,000)</u>	<u>\$ 12,296,245</u>
 <u>BUSINESS-TYPE ACTIVITIES</u>				
Land	\$ 40,000	\$ -	\$ -	\$ 40,000
Depreciable Capital Assets:				
Buildings and Improvements	265,422	-	-	265,422
Total Capital Assets	<u>305,422</u>	<u>-</u>	<u>-</u>	<u>305,422</u>
<i>Less Accumulated Depreciation:</i>				
Buildings and Improvements	(97,649)	(11,598)	-	(109,247)
Total Accum Depreciation	<u>(97,649)</u>	<u>(11,598)</u>	<u>-</u>	<u>(109,247)</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 207,773</u>	<u>\$ (11,598)</u>	<u>\$ -</u>	<u>\$ 196,175</u>

Depreciation expense was charged to functions/programs as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	
Pupil Transportation	\$ 51,182
Unallocated Depreciation	1,260,125
Total for Governmental Activities	<u>\$ 1,311,307</u>
 <u>BUSINESS-TYPE ACTIVITIES</u>	
District Housing	\$ 11,598
Total for Business-type Activities	<u>\$ 11,598</u>

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 5 - LONG-TERM DEBT

<u>GOVERNMENTAL ACTIVITIES</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
General Obligation and Refunding					
Bonds – Series 2008	\$ 1,780,000	\$ -	\$ (1,780,000)	\$ -	\$ -
Series 2008 Premium	2,852	-	(2,852)	-	-
Refunding Discount	(15)	-	15	-	-
Capital Lease Oblig.	-	149,987	(11,293)	138,694	27,846
GOVERNMENTAL TOTAL					
LONG-TERM DEBT, NET	<u>\$ 1,782,837</u>	<u>\$ 149,987</u>	<u>\$ (1,794,130)</u>	<u>\$ 138,694</u>	<u>\$ 27,846</u>

General Obligation and Refunding Bonds – Series 2008

General Obligation Improvement and Refunding Bonds in the face amount of \$15,000,000 were issued December 19, 2008 for the purpose of financing capital improvements, to advance refund Series 1998 General Obligation Bonds, and to pay costs of issuance, with interest rates ranging from 3.25% to 4.5% payable semi-annually June 1 and December 1, principal due and payable on December 1, and final maturity December 1, 2018. A portion of the Bonds were issued for the purpose of refunding outstanding Series 1998 General Obligation Bonds in the principal amount of \$605,000. The advance refunding resulted in a \$1,286 difference between the reacquisition price and net carrying amount of the old debt (amortized over the remaining term of the bonds using the effective interest method). In addition, there was an original issue premium of \$253,089 (accrued over the remaining term of the bonds using the effective interest method). Final payment was made on the bonds during the current fiscal year.

Capital Lease Obligation

The District entered into a capital lease in the amount of \$149,987 January 7, 2019 to finance the purchase of Prometheum Boards. The annual interest rate is 4.5% with monthly payments of \$2,796 and a final maturity date of January 7, 2024. The District’s General Fund is being used to service the capital lease obligation.

BUSINESS-TYPE ACTIVITIES

The District has no long-term debt in the Business-type Activities as of June 30, 2019.

NOTE 6 - CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2019 the District was not aware of any unaccrued amounts to be refunded to the Colorado Department of Education. The District believes that any potential disallowed expenditures, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

NOTE 7 - COMMITMENTS

Operating Leases

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 8 - INVENTORIES

Food Service inventory as of June 30, 2019 of \$2,523 consisted of purchased non-food supplies and purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Department of Agriculture, are recorded at their estimated fair market value when received.

NOTE 9 - JOINTLY GOVERNED ORGANIZATION

The Rio Blanco School District RE-4 is a member of the Rio Blanco Board of Cooperative Educational Services (BOCES), a jointly governed organization of two regional school districts, with each member district appropriating a member of the Board of Education and the superintendent of each participating District to the BOCES board of directors. The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES does not meet the criteria for inclusion within the reporting entity of the District. Financial statements for the BOCES can be obtained directly from BOCES at (970) 675-2064.

NOTE 10 - DEFINED BENEFIT PENSION PLAN

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE 10 - 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 the Colorado Public Employees' Retirement Association (PERA). Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the Federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at: www.copera.org/investments/pera-financial-reports.

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

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

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

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

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$558,366 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$9,139,340 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of net pension liability, the related support from the State as a non-employer contributing entity, and total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 9,139,340
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	\$ 74,222
TOTAL	\$ 9,213,562

At December 31, 2018, the District's proportion was 0.0516141173 % which was a decrease of 0.0122215534% from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension expense of \$(796,950) and revenue of \$74,222 for support from the State as a non-employer contributing entity.

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 310,017	\$ -
Changes of assumptions or other inputs	1,705,898	5,683,686
Net difference between projected and actual earnings on pension plan investments	498,150	-
Changes in proportion and differences between contrib. recognized and proportionate share of contributions	81,960	2,242,732
Contributions subsequent to the measurement date	285,402	-
TOTAL	\$ 2,881,427	\$ 7,926,418

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

The amount of \$285,402 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2020.

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

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2020	\$ 52,388	\$ 879,811
2021	18,530	857,610
2022	11,042	505,311
2023	-	-
2024	-	-
Thereafter	-	-

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

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40 percent
Real Wage Growth	1.10 percent
Wage Inflation	3.50 percent
Salary Increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	4.78 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent compounded annually
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

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

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

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

Actuarial Assumptions – (continued)

Discount Rate

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Sensitivity of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 11,619,107	\$ 9,139,340	\$ 7,058,397

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

NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN: Voluntary Investment Program

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

Funding Policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2019 program members contributed \$32,786 for the Voluntary Investment Program.

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

General Information about the OPEB Plan

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$29,772 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$456,454 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 0.0335494542%, which was a decrease of 0.0027217387% from its proportion measured at December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$30,658. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,657	\$ 695
Changes of assumptions or other inputs	3,202	-
Net difference between projected and actual earnings on OPEB plan investments	2,625	-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	33,488
Contributions subsequent to the measurement date	15,217	-
TOTAL	\$ 22,701	\$ 34,183

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

The amount of \$15,217 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2020	\$ -	\$ 6,807
2021	-	6,807
2022	-	6,807
2023	-	6,807
2024	-	6,260
Thereafter	-	-

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40 percent
Real Wage Growth	1.10 percent
Wage Inflation	3.50 percent
Salary Increases, including wage inflation	3.50 percent in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Health care cost trend rates / PERA Benefit Structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A Premiums	3.00 percent for 2018, Gradually rising to 5.00 percent in 2025

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

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

Medicare Plan	Cost for Members Without Medicare Part A
Self-funded Medicare Supplemental Plans	\$289
Kaiser Permanente Medicare Advantage HMO	\$300
Rocky Mountain Health Plans Medicare HMO	\$270
UnitedHealthcare Medicare HMO	\$400

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

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

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

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

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

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00 %	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	\$443,850	\$456,454	\$470,952

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

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

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

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

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

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

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 510,733	\$ 456,454	\$ 410,051

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 15 - RISK MANAGEMENT

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

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Compliance

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

B. TABOR Amendment – Tax, Spending and Debt Limitations

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

TABOR requires that revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue. TABOR also requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In November 1999 the District's electorate passed a ballot issue allowing the District to collect, retain and expend revenues notwithstanding any of TABOR'S revenue limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$157,000 as of June 30, 2019.

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 17 - NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

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

NOTE 18 - SUBSEQUENT EVENTS

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

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUES FUNDS

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended June 30, 2019

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	\$ 1,923,274	\$ 1,817,142	\$ 1,885,499	\$ 68,357
Specific Ownership Taxes	60,000	90,000	111,912	21,912
Local Grants	158,608	183,608	150,000	(33,608)
Other Local Revenues	102,000	269,458	162,213	(107,245)
Intergovernmental:				
Intermediate Sources	172,000	172,000	170,216	(1,784)
State Sources	3,843,588	3,804,031	3,866,815	62,784
Federal Sources	109,000	130,516	138,256	7,740
Interest Earnings	25,000	50,000	82,726	32,726
Total Revenues	6,393,470	6,516,755	6,567,637	50,882
EXPENDITURES:				
Instruction	3,713,213	3,645,892	3,532,805	113,087
Supporting Services:				
General	1,010,376	980,909	885,120	95,789
Business	1,075,362	1,111,676	911,085	200,591
Central	307,408	327,608	248,071	79,537
Food Services	2,500	2,500	(98)	2,598
Community	8,603	8,603	3,462	5,141
Colorado Preschool	86,500	98,650	89,432	9,218
Debt Service –				
Principal	-	3,000	2,689	311
Interest	-	14,000	11,293	2,707
Total Expenditures	6,203,962	6,192,838	5,683,859	508,979
Excess of Revenues Over (Under) Expenditures	189,508	323,917	883,778	559,861
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	360,000	344,821	(15,179)
Operating Transfers (Out)	(342,000)	(302,000)	(154,905)	147,095
Total Other Financing Sources (Uses)	(342,000)	58,000	189,916	131,916
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(152,492)	381,917	1,073,694	691,777
FUND BALANCE-BEGINNING	2,976,870	3,573,514	3,573,514	-
FUND BALANCE-ENDING	\$ 2,824,378	\$ 3,955,431	\$ 4,647,208	\$ 691,177

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2019

	<u>FOOD SERVICE (SPECIAL REVENUE) FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Local Sources	\$ 47,300	\$ 47,300	\$ 42,253	\$ (5,047)
Intergovernmental:				
State Sources	1,550	1,550	5,081	3,531
Federal Sources	<u>57,500</u>	<u>57,500</u>	<u>60,465</u>	<u>2,965</u>
Revenues	<u>106,350</u>	<u>106,350</u>	<u>107,799</u>	<u>1,449</u>
EXPENDITURES:				
Food Services:				
Salaries	75,000	75,000	55,271	19,729
Employee Benefits	17,144	17,144	13,181	3,963
Purchased Services	3,350	3,350	4,539	(1,189)
Supplies and Materials:				
Purchased Food/Supplies	48,000	48,000	50,373	(2,373)
Donated Commodities	6,000	6,000	8,818	(2,818)
Capital Outlay/Other	<u>-</u>	<u>-</u>	<u>2,352</u>	<u>(2,352)</u>
Expenditures	<u>149,494</u>	<u>149,494</u>	<u>134,534</u>	<u>14,960</u>
Excess of Revenues Over (Under) Expenditures	(43,144)	(43,144)	(26,735)	16,409
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>45,000</u>	<u>45,000</u>	<u>13,037</u>	<u>(31,963)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	1,856	1,856	(13,698)	(15,554)
FUND BALANCE–BEGINNING	<u>15,189</u>	<u>18,206</u>	<u>18,206</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ 17,045</u>	<u>\$ 20,062</u>	<u>\$ 4,508</u>	<u>\$ (15,554)</u>

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – DESIGNATED PURPOSE GRANT FUND
For the Fiscal Year Ended June 30, 2019

	<u>DESIGNATED PURPOSE GRANT FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Intergovernmental:				
Local Sources	\$ 120,000	\$ 120,000	\$ 155,000	\$ 35,000
State Sources	-	-	2,863	2,863
Other Local Sources	-	-	847	847
Interest Earnings	40	40	1,531	1,491
Total Revenues	<u>120,040</u>	<u>120,040</u>	<u>160,241</u>	<u>40,201</u>
EXPENDITURES:				
Instruction	224,806	224,506	200,402	24,104
Supporting Services:				
General	7,100	7,400	10,099	(2,699)
Total Expenditures	<u>231,906</u>	<u>231,906</u>	<u>210,501</u>	<u>21,405</u>
Excess of Revenues Over (Under) Expenditures	(111,866)	(111,866)	(50,260)	61,606
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	117,000	117,000	50,701	(66,299)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	5,134	5,134	441	(4,693)
FUND BALANCE – BEGINNING	<u>161</u>	<u>198</u>	<u>198</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ 5,295</u>	<u>\$ 5,332</u>	<u>\$ 639</u>	<u>\$ (4,693)</u>

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – TRANSPORTATION FUND
For the Fiscal Year Ended June 30, 2019

	TRANSPORTATION FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	\$ 91,500	\$ 217,021	\$ 216,541	\$ (480)
Specific Ownership Taxes	3,000	3,000	6,225	3,225
Other Local Revenues	15,000	31,000	34,954	3,954
Intergovernmental:				
State Sources	35,000	42,954	47,308	4,354
Interest Earnings	-	-	1,631	1,631
Total Revenues	144,500	293,975	306,659	12,684
EXPENDITURES:				
Supporting Services:				
Business	-	12,300	10,104	2,196
Transportation	320,117	321,031	305,797	15,234
Total Expenditures	320,117	333,331	315,901	17,430
Excess of Revenues Over (Under) Expenditures	(175,617)	(39,356)	(9,242)	30,114
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	180,000	55,070	6,237	(48,833)
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	4,383	15,714	(3,005)	(18,719)
FUND BALANCE – BEGINNING	4,434	4,213	4,213	-
FUND BALANCE – ENDING	\$ 8,817	\$ 19,927	\$ 1,208	\$ (18,719)

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

REQUIRED SUPPLEMENTARY INFORMATION

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

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2019

<u>Colorado PERA:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>				
	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>	<u>2016 / (2015)</u>	<u>2015 / (2014)</u>
District's proportion (percentage) of the collective net pension liability	0.516141173%	0.0638356707%	0.0645152809%	0.0627448219%	0.0622843806%
District's proportionate share of the collective pension liability	\$ 9,139,340	\$ 20,642,187	\$ 19,208,694	\$ 9,596,377	\$ 8,441,626
District's covered payroll	\$ 2,837,505	\$ 2,944,665	\$ 2,937,020	\$ 2,734,403	\$ 2,609,266
District's proportionate share of the net pension liability as a percentage of its covered payroll	322%	701%	654%	351%	324%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.13%	59.16%	62.84%

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2019

	Reporting Fiscal Year				
	2019	2018	2017	2016	2015
<u>Colorado PERA:</u>					
Statutorily required contribution	\$ 558,366	\$ 533,380	\$ 558,813	\$ 484,984	\$ 482,060
District contributions in relation to the statutorily required contribution	<u>558,366</u>	<u>533,380</u>	<u>558,813</u>	<u>484,984</u>	<u>482,060</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,918,794	\$ 2,825,113	\$ 3,040,009	\$ 2,734,403	\$ 2,609,266
District's contributions as a percentage of covered payroll	19.13%	18.9%	18.4%	18.3%	17.9%

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

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

REQUIRED SUPPLEMENTARY INFORMATION

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

AND

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2019

	Reporting Fiscal Year / (Measurement Date)		
	2019 / (2018)	2018 / (2017)	2017 / (2016)
<u>Colorado PERA HCTF:</u>			
District's proportion of the Net OPEB Liability	0.0335494542%	0.0362711929%	0.0366712509%
District's proportionate share of the Net OPEB Liability	\$ 456,454	\$ 471,380	\$ 475,455
District's covered payroll	\$ 2,837,505	\$ 2,944,665	\$ 2,937,020
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.09%	16.01%	16.19%
Plan fiduciary net position as a percentage of the total OPEB liability	17.03%	17.53%	16.72%

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

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS
JUNE 30, 2019

	<u>Reporting Fiscal Year</u>		
	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Colorado PERA:</u>			
Contractually Required Contribution	\$ 29,772	\$ 28,816	\$ 31,008
District Contributions in relation to the contractually required contribution	<u>29,772</u>	<u>28,816</u>	<u>31,008</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 2,918,794	\$ 2,825,113	\$ 3,040,009
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%

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

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenue from Local Sources and Interest:			
Property Taxes	\$ 1,817,142	\$ 1,885,499	\$ 68,357
Specific Ownership Taxes	90,000	111,912	21,912
Grants and Contributions	183,608	150,000	(33,608)
Rental Income	3,000	2,475	(525)
Other Local Revenues	266,458	159,738	(106,720)
Interest on Deposits	<u>50,000</u>	<u>82,726</u>	<u>32,726</u>
Total Revenue from Local Sources and Interest	<u>2,410,208</u>	<u>2,392,350</u>	<u>(17,858)</u>
Revenue from Intermediate Sources:			
Mineral Leasing Revenues	100,000	109,944	9,944
Forest Reserve and Impact Fees	<u>72,000</u>	<u>60,272</u>	<u>(11,728)</u>
Total Revenue from Intermediate Sources	<u>172,000</u>	<u>170,216</u>	<u>(1,784)</u>
Revenue from State Sources:			
State Equalization	3,567,826	3,567,864	38
ELPA Grants	1,900	657	(1,243)
Small Rural School Districts	180,805	180,806	1
Read Act	30,000	30,052	52
Library Grant	3,500	3,500	-
At-Risk Funding	-	1,909	1,909
On-behalf PERA Funding	-	66,687	66,687
Vocational Education	<u>20,000</u>	<u>15,340</u>	<u>(4,660)</u>
Total Revenue from State Sources	<u>3,804,031</u>	<u>3,866,815</u>	<u>62,784</u>
Revenue from Federal Sources:			
Title I	50,000	41,133	(8,867)
Title II A	12,000	15,058	3,058
Title IV	-	10,000	10,000
Rural Low Income Schools	21,516	21,516	-
Carl Perkins Grant	7,000	10,139	3,139
REAP Grant	<u>40,000</u>	<u>40,410</u>	<u>410</u>
Total Revenue from Federal Sources	<u>130,516</u>	<u>138,256</u>	<u>7,740</u>
TOTAL REVENUES	6,516,755	6,567,637	50,882
Transfers In	<u>360,000</u>	<u>344,821</u>	<u>(15,179)</u>
BUDGETARY REVENUES	<u>\$ 6,876,755</u>	<u>\$ 6,912,458</u>	<u>\$ 35,703</u>

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
INSTRUCTION:			
Salaries	\$ 1,755,199	\$ 1,682,446	\$ 72,753
Employee Benefits	927,311	865,506	61,805
Purchased Services	810,113	843,588	(33,475)
Supplies and Materials	70,350	52,789	17,561
Capital Outlay	1,769	7,504	(5,735)
Other Expenditures/Equalization Withholding	<u>81,150</u>	<u>80,972</u>	<u>178</u>
TOTAL INSTRUCTION	<u>3,645,892</u>	<u>3,532,805</u>	<u>113,087</u>
GENERAL SUPPORTING SERVICES:			
<i>Student Support:</i>			
Salaries	59,238	59,738	(500)
Employee Benefits	31,154	31,589	(435)
Purchased Services	1,500	469	1,031
Supplies and Materials	10,800	9,269	1,531
Other Expenditures	<u>-</u>	<u>805</u>	<u>(805)</u>
Subtotal	<u>102,692</u>	<u>101,870</u>	<u>822</u>
<i>Instructional Staff:</i>			
Salaries	62,233	61,902	331
Employee Benefits	8,871	14,520	(5,649)
Purchased Services	6,580	56	6,524
Supplies and Materials	<u>10,700</u>	<u>7,975</u>	<u>2,725</u>
Subtotal	<u>88,384</u>	<u>84,453</u>	<u>3,931</u>
<i>General Administration:</i>			
Salaries	186,891	176,699	10,192
Employee Benefits	71,932	60,071	11,861
Purchased Services	50,850	29,626	21,224
Supplies and Materials	21,500	23,005	(1,505)
Capital Outlay	600	-	600
Other Expenditures	<u>10,000</u>	<u>9,976</u>	<u>24</u>
Subtotal	<u>341,773</u>	<u>299,377</u>	<u>42,396</u>
<i>School Administration:</i>			
Salaries	255,055	231,374	23,631
Employee Benefits	151,555	131,683	19,872
Purchased Services	23,500	17,381	6,119
Supplies and Materials	14,500	17,924	(3,424)
Capital Outlay	2,500	570	1,930
Other Expenditures	<u>1,000</u>	<u>488</u>	<u>512</u>
Subtotal	<u>448,060</u>	<u>399,420</u>	<u>48,640</u>
TOTAL GENERAL SUPPORT	<u>980,909</u>	<u>885,120</u>	<u>95,789</u>

(continued on next page)

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2019

<i>(continued)</i>	Budget	Actual	Variance Favorable (Unfavorable)
BUSINESS SUPPORTING SERVICES:			
<i>Business Services:</i>			
Salaries	\$ 106,327	\$ 108,287	\$ (1,960)
Employee Benefits	42,747	41,268	1,479
Purchased Services	11,540	5,272	6,268
Supplies and Materials	15,250	2,808	12,442
Capital Outlay	1,200	-	1,200
Other Expenditures	8,750	1,033	7,717
Subtotal	185,814	158,668	27,146
 <i>Operations and Maintenance:</i>			
Salaries	299,894	256,673	43,221
Employee Benefits	179,568	116,281	63,287
Purchased Services	174,700	140,481	34,219
Supplies and Materials	271,200	227,350	43,850
Capital Outlay	500	11,632	(11,132)
Subtotal	925,862	752,417	173,445
TOTAL BUSINESS SUPPORT	1,111,676	911,085	200,591
 CENTRAL SUPPORTING SERVICES:			
Salaries	59,800	65,453	(5,653)
Employee Benefits	23,558	25,325	(1,767)
Purchased Services	170,750	109,132	61,618
Supplies and Materials	53,000	44,263	8,737
Capital Outlay	20,000	3,898	16,102
Other Expenditures	500	-	500
TOTAL CENTRAL SUPPORT	327,608	248,071	79,537
 FOOD SERVICES SUPPORT:			
Supplies and Materials	2,500	(98)	2,598
TOTAL FOOD SVC SUPPORT	2,500	(98)	2,598
 COMMUNITY SUPPORTING SERVICES:			
Employee Benefits/Supplies	8,603	3,462	5,141
TOTAL COMMUNITY SUPPORT	8,603	3,462	5,141
 COLORADO PRESCHOOL:			
Purchased Services	98,650	89,432	9,218
TOTAL COLORADO PRESCHOOL	98,650	89,432	9,218
 DEBT SERVICE:			
Principal and Interest	17,000	13,982	3,018
TOTAL DEBT SERVICE	17,000	13,982	3,018
 OTHER FINANCING USES:			
Transfers Out	302,000	154,905	147,095
TOTAL BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ 6,494,838	\$ 5,838,764	\$ 656,074

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
COMBINING BALANCE SHEET
GENERAL FUND (FUND 10: GENERAL AND FUND 19: PRESCHOOL FUND)
For the Fiscal Year Ended June 30, 2019

	<u>GENERAL (FUND 10)</u>	<u>PRESCHOOL (FUND 19)</u>	<u>TOTAL GENERAL FUND</u>
ASSETS:			
Cash and Cash Equivalents	\$ 4,870,606	\$ -	\$ 4,870,606
Receivables:			
Property Taxes , Net	8,965	-	8,965
Intergovernmental	162,447	-	162,447
Other Receivables	1,500	-	1,500
Due from Other Funds	167,669	-	167,669
Prepaid Expenses	<u>24,266</u>	<u>-</u>	<u>24,266</u>
 TOTAL ASSETS	 <u>\$ 5,235,453</u>	 <u>\$ -</u>	 <u>\$ 5,235,453</u>
 LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 18,927	\$ -	\$ 18,927
Accrued Salaries and Benefits	<u>569,318</u>	<u>-</u>	<u>569,318</u>
 Total Liabilities	 <u>588,245</u>	 <u>-</u>	 <u>588,245</u>
Fund Balances:			
Non-spendable	24,266	-	24,266
Restricted for Emergencies	157,000	-	157,000
Unassigned	<u>4,465,942</u>	<u>-</u>	<u>4,465,942</u>
Total Fund Balances	<u>4,647,208</u>	<u>-</u>	<u>4,647,208</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 5,235,453</u>	 <u>\$ -</u>	 <u>\$ 5,235,453</u>

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND (FUND 10: GENERAL AND FUND 19: PRESCHOOL FUND)
For the Year Ended June 30, 2019

	<u>GENERAL (FUND 10)</u>	<u>PRESCHOOL (FUND 19)</u>	<u>TOTAL GENERAL FUND</u>
REVENUES:			
Local Sources	\$ 2,309,624	\$ -	\$ 2,309,624
Intermediate Sources	170,216	-	170,216
State Sources	3,866,815	-	3,866,815
Federal Sources	138,256	-	138,256
Interest Earnings	<u>82,726</u>	<u>-</u>	<u>82,726</u>
Total Revenues	<u>6,567,637</u>	<u>-</u>	<u>6,567,637</u>
EXPENDITURES:			
Instructional	3,532,805	-	3,532,805
Supporting Services:-			
General	885,120	-	885,120
Business	911,085	-	911,085
Central	248,071	-	248,071
Food Service	(98)	-	(98)
Community	3,462	-	3,462
Colorado Preschool	-	89,432	89,432
Debt Service:			
Principal	11,293	-	11,293
Interest	<u>2,689</u>	<u>-</u>	<u>2,689</u>
Total Expenditures	<u>5,594,427</u>	<u>89,432</u>	<u>5,683,859</u>
Excess of Revenues Over (Under) Expenditures	<u>973,210</u>	<u>(89,432)</u>	<u>883,778</u>
OTHER FINANCING SOURCES (USES):			
Transfers In (Out)	<u>100,484</u>	<u>89,432</u>	<u>189,916</u>
Total Other Financing Sources (Uses)	<u>100,484</u>	<u>89,432</u>	<u>189,916</u>
Excess of Revenues and Other Financings Sources Over (Under) Expenditures and Other Financing (Uses)	1,073,694	-	1,073,694
-			
FUND BALANCES – Beginning	<u>3,573,514</u>	<u>-</u>	<u>3,573,514</u>
FUND BALANCES – Ending	<u>\$ 4,647,208</u>	<u>\$ -</u>	<u>\$ 4,647,208</u>

OTHER SUPPLEMENTAL INFORMATION

BOND REDEMPTION (DEBT SERVICE) FUND

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEBT SERVICE FUND – BOND REDEMPTION FUND
For the Fiscal Year Ended June 30, 2019

	<u>BOND REDEMPTION FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Property Taxes	\$ 10,000	\$ 32,877	\$ 14,494	\$ (18,383)
Interest Earnings	5,000	19,500	21,836	2,336
Total Revenues	<u>15,000</u>	<u>52,377</u>	<u>36,330</u>	<u>(16,047)</u>
EXPENDITURES:				
Debt Service	<u>2,194,569</u>	<u>1,824,050</u>	<u>1,823,182</u>	<u>868</u>
Total Expenditures	<u>2,194,569</u>	<u>1,824,050</u>	<u>1,823,182</u>	<u>868</u>
Excess of Revenues Over (Under) Expenditures	(2,179,569)	(1,771,673)	(1,786,852)	(15,179)
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	<u>-</u>	<u>(360,000)</u>	<u>(344,821)</u>	<u>15,179</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(2,179,569)	(2,131,673)	(2,131,673)	-
FUND BALANCE – BEGINNING	<u>2,179,569</u>	<u>2,131,673</u>	<u>2,131,673</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

OTHER SUPPLEMENTAL INFORMATION

CAPITAL PROJECTS FUNDS
(CAPITAL RESERVE FUND AND BUILDING FUND)

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS – CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2019

	CAPITAL RESERVE FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources	\$ 9,000	\$ 14,800	\$ 19,923	\$ 5,123
Interest Earnings	200	200	873	673
Total Revenues	<u>9,200</u>	<u>15,000</u>	<u>20,796</u>	<u>5,796</u>
EXPENDITURES:				
Supporting Services:				
Instructional	35,477	41,277	16,900	24,377
General	-	-	-	-
Total Expenditures	<u>35,477</u>	<u>41,277</u>	<u>16,900</u>	<u>24,377</u>
Excess of Revenues Over (Under) Expenditures	(26,277)	(26,277)	3,896	30,173
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(26,277)	(26,277)	3,896	30,173
FUND BALANCE – BEGINNING	<u>38,627</u>	<u>38,807</u>	<u>38,807</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ 12,350</u>	<u>\$ 12,530</u>	<u>\$ 42,703</u>	<u>\$ 30,173</u>

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

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF BUDGETARY REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS – BUILDING FUND
For the Fiscal Year Ended June 30, 2019

	BUILDING FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Grants	\$ 90,000	\$ 407,279	\$ 164,779	\$ (242,500)
Interest Earnings	-	-	5,629	5,629
Total Revenues	90,000	407,279	170,408	(236,871)
EXPENDITURES:				
Facilities Acquisition/Construction	220,763	617,972	449,292	168,680
Total Expenditures	220,763	617,972	449,292	168,680
Excess of Revenues Over (Under) Expenditures	(130,763)	(210,693)	(278,884)	(68,191)
OTHER FINANCING SOURCES (USES):				
Capital Lease Proceeds	-	-	149,987	149,987
Transfers In (Out)	-	84,930	84,930	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(130,763)	(125,763)	(43,967)	81,796
FUND BALANCE – BEGINNING	388,244	390,489	390,489	-
FUND BALANCE – ENDING	\$ 257,481	\$ 264,726	\$ 346,522	\$ 81,796

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

OTHER SUPPLEMENTAL INFORMATION

PROPRIETARY (ENTERPRISE) FUND

RIO BLANCO COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF BUDGETARY REVENUES AND EXPENSES
– BUDGET AND ACTUAL
ENTERPRISE FUND – DISTRICT HOUSING FUND
For the Year Ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>GAAP Operating Revenues:</i>				
Rental Income/Misc	\$ 20,000	\$ 26,000	\$ 20,993	\$ (5,007)
<i>GAAP Non-Operating Revenues:</i>				
Interest Earnings	200	200	881	681
TOTAL BUDGETARY REVENUES	\$ 20,200	\$ 26,200	\$ 21,874	\$ (4,326)
<i>GAAP Operating Expenses:</i>				
Purchased Services	3,500	10,900	8,924	1,976
Supplies and Materials	8,500	8,500	5,839	2,661
Non-Capitalized Capital Outlay	5,000	5,000	-	5,000
Other Expenditures	3,200	1,800	-	1,800
Depreciation	-	-	11,598	(11,598)
<i>Non-GAAP Budgetary Adjustments:</i>				
Capital Outlay	-	-	-	-
Depreciation	-	-	(11,598)	11,598
TOTAL BUDGETARY EXPENSES	\$ 20,200	\$ 26,200	\$ 14,763	\$ 11,437

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

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 2720 - Rangely RE-4
 Fiscal Year 2018-19
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	3,573,514	6,668,121	5,594,427	4,647,208
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	89,432	89,432	0
Sub-Total	3,573,514	6,757,554	5,683,859	4,647,208
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	18,206	120,836	134,534	4,508
22 Govt Designated-Purpose Grants Fund	198	210,942	210,501	639
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	4,212	312,896	315,900	1,208
31 Bond Redemption Fund	2,131,673	-308,491	1,823,182	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	390,489	405,324	449,292	346,522
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	38,808	20,795	16,900	42,703
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	6,157,099	7,519,857	8,634,169	5,042,787
Proprietary				
50 Other Enterprise Funds	254,833	21,874	26,361	250,346
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	254,833	21,874	26,361	250,346
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	75,618	22,574	9,125	89,067
74 Pupil Activity Agency Fund	125,528	212,890	183,171	155,247
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	201,146	235,464	192,296	244,314

FINAL



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

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

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

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental						Proprietary					Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79		Foundations Fund 85
Non-spendable Fund Balance 6710	0	0	0	0	0	3,269	0	0	0	0	0	0	0	0	3,269
Restricted Fund Balance 6720	0	0	0	0	0	4,863	181,832	222,897	0	0	0	0	0	0	409,592
TABOR 3% Emergency Reserve 6721	95,000	0	0	0	0	0	0	0	0	0	0	0	0	0	95,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Full-Day Kindergarten Reserve 6725	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	
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assigned Fund Balance 6760	0	0	0	17,785	0	0	0	0	0	0	0	0	0	17,785	
Unassigned Fund Balance 6770	1,177,686	0	0	0	0	0	0	0	0	0	0	0	141,630	1,319,316	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Restricted Net Assets 6791	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	
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Fund Equity	1,272,686	0	0	17,785	0	8,132	181,832	222,897	0	0	0	0	141,630	0	1,844,962
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	1,566,069	0	0	17,797	0	8,132	181,832	438,887	0	0	0	0	141,630	0	2,354,346
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
For Each Fund Type: Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes