

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDING
JUNE 30, 2020**

PLATTE CANYON SCHOOL DISTRICT 1

BAILEY, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2020

BOARD OF EDUCATION

Katie Spodyak – President
Frank VanDeHey – Vice-President
Joe Burgett – Secretary
Heather Prewitt – Treasurer
Amy Carman - Director

ADMINISTRATIVE STAFF

Michael Schmidt
Superintendent of Schools

Ashley Stephen
Business Manager

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Roster of School Officials	
Table of Contents	
FINANCIAL SECTION	
MANAGEMENT’S DISCUSSION AND ANALYSIS	
(Required Supplementary Information – Unaudited)	M1 – M6
INDEPENDENT AUDITORS’ REPORT	1 – 2
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	3
Statement of Activities	4
Fund Financial Statements:	
Balance Sheet - Governmental Funds	5
Reconciliation of Governmental Fund Balances to Governmental Activities Net Position	6
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	7
Reconciliation of Governmental Changes in Fund Balance to Governmental Activities Change in Net Position	8
Notes to Financial Statements	9 – 42
REQUIRED SUPPLEMENTARY INFORMATION (Pension Schedules Unaudited)	
Schedule of District’s Proportionate Share of the Net PERA Pension Liability	43
Schedule of District PERA Pension Contributions	44
Schedule of District’s Proportionate Share of the Net HCTF OPEB Liability	45
Schedule of District HCTF OPEB Contributions	46

TABLE OF CONTENTS
(Continued)

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	47 – 50
OTHER SUPPLEMENTARY INFORMATION	
Special Revenue Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Food Service Fund	51
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Designated Grants Fund	52
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Pupil Activity Fund	53
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Swimming Pool Fund	54
Debt Service Funds:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual – Bond Redemption Fund	55
Trust and Agency Funds:	
Combining Statement of Fiduciary Net Position – Fiduciary Funds	56
Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds	57
Schedule of Revenues, Expense and Changes in Fiduciary Net Position - Budget and Actual - Pupil Activity Agency Fund	58
STATE COMPLIANCE	
Auditors Integrity Report	59
Bolded Balance Sheet Report	60 – 62

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

Platte Canyon School District RE 1

Management Discussion and Analysis

As management of Platte Canyon School District RE 1, we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The liabilities of the District exceeded its assets as of June 30, 2020, by \$9,599,657 (net position). The negative net position is due to GASB Statement No. 68 and 75 on pension disclosures which reflects the District's proportionate share of the pension plan's unfunded pension liability.
- The District's net position decreased by \$3,334,055 from FY2019.
- The District's General Fund had an ending fund balance of \$4,543,453, or 46% of total General Fund Expenditures.

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

Government-wide financial statements–

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

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

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

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

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

The government-wide financial statements can be found on pages 3 through 8 of this report.

Fund Financial Statements

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

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

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

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

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

The basic major governmental fund statements start on page 3.

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

Notes to the Financial Statements

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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

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

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

Platte Canyon School District No.1 Net Position

	2020	2019
Assets:		
Current Assets	\$ 7,174,899	\$ 6,242,323
Capital Assets – Net	13,118,432	13,544,707
Deferred Outflows of Resources	3,410,543	7,563,036
Capital Assets & Deferred Outflows of Financial Resources	<u>23,703,874</u>	<u>27,350,066</u>
Liabilities:		
Current Liabilities	1,488,686	953,051
Non-current Liabilities	19,082,387	23,024,380
Deferred Inflows of Resources	12,732,458	16,417,521
Total Liabilities & Deferred Inflows of Financial Resources	<u>33,303,531</u>	<u>40,394,952</u>
Net Position:		
Net Invested in Capital Assets	9,851,486	8,642,913
Restricted	1,263,098	1,264,589
Unrestricted Net Position	(20,714,241)	(22,952,388)
Total Net Position(Deficit)	<u>(9,599,657)</u>	<u>(13,044,886)</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 23,703,874</u>	<u>\$ 27,350,066</u>

Of the District's total assets, 65% are capital assets (e.g. land, buildings, and equipment). The District uses these assets to provide instruction and related services to its students. Although the District's investment in capital assets is reported as net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Net position for governmental activities decreased by \$3,334,055. The following schedule summarizes the District's change in net position:

Platte Canyon School District No.1 Net Position

	2020	2019
Program Revenues:		
Charges for Services	\$ 431,673	\$ 434,584
Operating Grants	1,375,904	1,575,042
Total Program Revenues	<u>1,807,577</u>	<u>2,009,626</u>
General Revenues:		
Taxes	4,786,389	4,272,482
State Equalization	5,063,789	5,369,733
Investment Earnings	70,196	86,280
Miscellaneous Revenues	<u>109,434</u>	<u>62,921</u>
Total General Revenues	<u>10,029,808</u>	<u>9,791,416</u>
Total Revenues	<u>11,837,385</u>	<u>11,801,042</u>
Expenses:		
Instruction	4,480,111	3,844,750
Supporting Services	4,023,219	3,453,928
	<u>-</u>	<u>88,951</u>
Total Expenses	<u>8,503,330</u>	<u>7,387,629</u>
Change in Net Position	<u>3,334,055</u>	<u>4,413,413</u>
Net Position - Beginning	(13,044,886)	(17,977,470)
Prior Period Restatement	<u>111,174</u>	<u>519,171</u>
Net Position - Beginning (Restated)	<u>(12,933,712)</u>	<u>(17,458,299)</u>
Net Position Ending	<u>\$ (9,599,657)</u>	<u>\$ (13,044,886)</u>

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

Financial Highlights:

The District continued to work on fleet maintenance, building maintenance and upgrades, (including the completion of the District safety upgrade) technology updates, and staff compensation as outlined by the FY20 annual and amended budgets. During the spring of FY2020, the impact of the COVID 19 Pandemic was highly impactful for the District, with all services closed from March through May, 2020. Loss of revenue in the form of tuition and paid meals resulted in larger than anticipated General Fund transfers to the Pre School Fund and Food Services Fund. All large purchasing and projects not already in progress by March of 2020 were put on hold due to the shutdown of many major services and potential financial impact of the pandemic.

Financial Analysis of the District's Funds:

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with

finance-related legal requirements.

Governmental Funds:

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

At the end of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$5,698,880 which is an increase of \$395,397 from the restated prior year ending fund balances.

General Fund Budgetary Highlights

The District’s budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The budget is prepared based on an estimate of forecasted student count. The General Fund’s actual results were under budgeted appropriations by \$792,780.

Capital Assets and Debt Administration

The District’s investment in capital assets for governmental activities as of June 30, 2020, amounts to \$13,118,432 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, net of accumulated depreciation, and construction in progress. The total net increase (decrease) in capital assets for the current fiscal year was \$419,381.

	<u>Balance 06/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/20</u>
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated:				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Construction in Progress	<u>42,330</u>	-	<u>(42,330)</u>	<u>-</u>
Total Capital Assents not being depreciated	<u>1,402,860</u>	-	<u>(42,330)</u>	<u>1,360,530</u>
Capital Assets, being depreciated:				
Buildings and Improvements	23,986,455	244,497	-	24,230,952
Site Improvements	1,832,993	-	-	1,832,993
Equipment	<u>2,064,384</u>	<u>128,087</u>	-	<u>2,192,471</u>
Total Capital Assets being depreciated	<u>27,883,832</u>	<u>372,584</u>	-	<u>28,256,416</u>
Accumulated Depreciation:				
Buildings and Improvements	(12,918,273)	(554,146)	-	(13,472,419)
Site Improvements	(1,309,009)	(47,984)	-	(1,356,993)
Equipment	<u>(1,521,597)</u>	<u>(147,505)</u>	-	<u>(1,669,102)</u>
Total Accum. Depreciation	<u>(15,748,879)</u>	<u>(749,635)</u>	-	<u>(16,498,514)</u>
Net Governmental Capital Assets	<u>\$ 13,537,813</u>	<u>\$ (377,051)</u>	<u>\$ (42,330)</u>	<u>\$ 13,118,432</u>

Long Term Debt: As of June 30, 2020, the District had outstanding debt of \$19,194,302.

	<u>Balance 6/30/19</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 6/30/20</u>	<u>Current Portion</u>	<u>Interest Expense</u>
<u>Governmental Activities</u>						
General Obligation 2015 Bonds	\$ 3,795,000	\$ -	\$ 730,000	\$ 3,065,000	\$ 735,000	\$ 102,733
Bond Premiums	157,355	-	45,440	111,915	39,477	(45,440)
PERA Net Pension Obligation	16,994,316	-	2,855,000	14,139,316	-	-
HCTF Net OBEP Obligation	848,762	-	153,585	695,177	-	-
Accrued Compensated Absences	129,047	30,193	-	159,240	-	-
Capital Leases Obligations	1,099,900	-	76,246	1,023,654	86,708	47,331
Total Long-Term Obligations	<u>\$ 23,024,380</u>	<u>\$ 30,193</u>	<u>\$ 3,860,271</u>	<u>\$ 19,194,302</u>	<u>\$ 861,185</u>	<u>\$ 104,624</u>

Economic Factors:

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

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

Request for Information:

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

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FINANCIAL SECTION

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Education
Platte Canyon School District 1
Bailey, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Platte Canyon School District 1, Colorado, as of and for the year ended June 30, 2020, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Canyon School District 1, Colorado, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Platte Canyon School District 1's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Emphasis of a Matter

As discussed in Note 15 to the financial statements, the 2020 financial statements have been restated as a result of the moving of the District's pupil activities to a special revenue fund presentation pursuant to GASB Statement No. 84-Fiduciary Activities. This restatement impacted the governmental activities and special revenue and fiduciary presentations. Our opinion is not modified with respect to these matters.

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

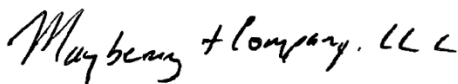
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M6 and pension schedules on pages 43-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 47-51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the budgetary comparison schedules on pages 52-57 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report Figures and Bolded Balance Sheet reports pages 58-61 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2020.

PLATTE CANYON SCHOOL DISTRICT 1

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 6,517,373
Cash with Fiscal Agent	87,958
Taxes Receivable	269,773
Grants Receivable	285,413
Inventory	14,382
Capital and Other Assets	
Capital Assets not Being Depreciated	1,360,530
Capital Assets Being Depreciated	28,256,416
Accumulated Depreciation	<u>(16,498,514)</u>
Total Assets	<u>20,293,331</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	3,362,090
Net OPEB Deferred Outflows	48,453
Total Deferred Outflows of Financial Resources	<u>3,410,543</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 23,703,874</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 12,438
Accrued Interest	12,667
Accrued Salaries & Benefits	483,460
Unearned Revenue	71,789
Unearned Revenue Grants	908,332
Noncurrent Liabilities	
Due Within One Year	821,708
Due In More Than One Year	<u>18,260,679</u>
Total Liabilities	<u>20,571,073</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	12,420,285
Net OPEB Deferred Inflows	200,258
Bond Premiums	<u>111,915</u>
Total Deferred Inflows of Financial Resources	<u>12,732,458</u>
Net Position	
Net Investment in Capital Assets	9,851,486
Restricted Net Position	1,263,098
Unrestricted Net Position	<u>(20,714,241)</u>
Total Net Position	<u>(9,599,657)</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 23,703,874</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

Statement of Activities

For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Program Revenues</u>			Net (Expense)
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	Revenue and Change in Net Position
Primary Government				
Governmental Activities				Governmental Activities
Instruction	\$ 4,479,702	\$ 241,533	\$ 611,728	\$ (3,626,441)
Supporting Services	4,034,432	190,140	774,979	(3,069,313)
Total Primary Government	<u>\$ 8,514,134</u>	<u>\$ 431,673</u>	<u>\$ 1,386,707</u>	<u>(6,695,754)</u>
				General Revenues
				Property Taxes 4,277,940
				Specific Ownership Taxes 508,449
				State Equalization 5,063,789
				Investment Earnings 70,196
				Other Revenues 109,435
				<u>Total General Revenues 10,029,809</u>
				Change in Net Position 3,334,055
				Beginning Net Position (13,044,886)
				Prior Period Restatement 111,174
				<u>Beginning Net Position (As Restated) (12,933,712)</u>
				<u>Ending Net Position \$ (9,599,657)</u>

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

PLATTE CANYON SCHOOL DISTRICT 1
 Balance Sheet
 Governmental Funds
 June 30, 2020

	<u>Special Revenue</u>				
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Designated Grants Fund</u>	<u>Pupil Activity Fund</u>	<u>Swimming Pool Fund</u>
ASSETS					
Cash and Investments	\$ 5,283,408	\$ 146,860	\$ -	\$ 111,729	\$ 60,693
Cash with Fiscal Agent	80,949	-	-	-	-
Taxes Receivable	213,839	-	-	-	-
Interfund Accounts Receivable	290,152	-	-	1,777	24,259
Grants Receivable	89,058	-	196,355	-	-
Inventory	-	14,382	-	-	-
TOTAL ASSETS	<u>\$ 5,957,406</u>	<u>\$ 161,242</u>	<u>\$ 196,355</u>	<u>\$ 113,506</u>	<u>\$ 84,952</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE					
Liabilities					
Interfund Accounts Payable	\$ 4,445	\$ 136,199	\$ 161,759	\$ -	\$ -
Accounts Payable	12,438	-	-	-	-
Accrued Salaries & Benefits	443,022	8,842	31,596	-	-
Unearned Revenue	48,716	10,330	-	-	-
Unearned Revenue Grants	905,332	-	3,000	-	-
Total Liabilities	<u>1,413,953</u>	<u>155,371</u>	<u>196,355</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Financial Resources					
Fund Balance					
Nonspendable Fund Balance	-	14,382	-	-	-
Restricted Fund Balance					
Restricted for Debt Service	-	-	-	-	-
Restricted for TABOR Emergencies	312,000	-	-	-	-
Restricted for Colorado Preschool Program	-	-	-	-	-
Committed Fund Balance	-	-	-	113,506	84,952
Unassigned Fund Balance	4,231,453	(8,511)	-	-	-
Total Fund Balance	<u>4,543,453</u>	<u>5,871</u>	<u>-</u>	<u>113,506</u>	<u>84,952</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 5,957,406</u>	<u>\$ 161,242</u>	<u>\$ 196,355</u>	<u>\$ 113,506</u>	<u>\$ 84,952</u>

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

Debt Service		Totals	
Bond Redemption			
Fund	2020	2019	
\$ 914,683	\$ 6,517,373	\$ 5,900,076	
7,009	87,958	45,725	
55,934	269,773	201,259	
-	316,188	346,686	
-	285,413	76,991	
-	14,382	18,271	
<u>\$ 977,626</u>	<u>\$ 7,491,087</u>	<u>\$ 6,589,008</u>	
\$ 13,785	\$ 316,188	\$ 350,229	
-	12,438	64,433	
-	483,460	473,089	
12,743	71,789	63,470	
-	908,332	334,304	
<u>26,528</u>	<u>1,792,207</u>	<u>1,285,525</u>	
-	14,382	18,271	
951,098	951,098	889,702	
-	312,000	333,000	
-	-	23,616	
-	198,458	71,791	
-	4,222,942	3,967,103	
<u>951,098</u>	<u>5,698,880</u>	<u>5,303,483</u>	
<u>\$ 977,626</u>	<u>\$ 7,491,087</u>	<u>\$ 6,589,008</u>	

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PLATTE CANYON SCHOOL DISTRICT 1

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2020**

Fund Balance - Governmental Funds		\$ 5,698,880	
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$ 1,360,530		
Capital assets, being depreciated	28,256,416		
Accumulated depreciation	<u>(16,498,514)</u>	13,118,432	
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds			
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows	3,362,090		
Net pension liability	(14,139,316)		
Net pension deferred inflows	<u>(12,420,285)</u>	(23,197,511)	
OPEB Liability			
Net OPEB deferred outflows	48,453		
Net OPEB liability	(695,177)		
Net OPEB deferred inflows	<u>(200,258)</u>	(846,982)	
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable	(3,065,000)		
Capital leases payable	(1,023,654)		
Accrued interest payable	(12,667)		
Bond premiums	(111,915)		
Accrued compensated absences	<u>(159,240)</u>	(4,372,476)	
Total Net Position - Governmental Activities		<u>\$ (9,599,657)</u>	

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

PLATTE CANYON SCHOOL DISTRICT 1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Special Revenue</u>			
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Designated Grants Fund</u>	<u>Pupil Activity Fund</u>
REVENUES				
Local Sources	\$ 4,115,398	\$ 89,191	\$ -	\$ 146,636
Intermediate Sources	144,860	-	-	-
State Sources	5,677,931	4,367	-	-
Federal Sources	90,339	73,226	416,523	-
TOTAL REVENUES	<u>10,028,528</u>	<u>166,784</u>	<u>416,523</u>	<u>146,636</u>
EXPENDITURES				
Current:				
Instruction	5,180,941	-	347,120	144,304
Pupil Support	208,977	-	-	-
Staff Support	536,780	-	69,403	-
General Administration	172,287	-	-	-
School Administration	844,947	-	-	-
Business Services	255,047	-	-	-
Operations and Maintenance	1,284,996	-	-	-
Transportation	632,571	-	-	-
Risk Management	288,840	-	-	-
Other Supporting Services	82,471	-	-	-
Food Service	-	236,080	-	-
Community Support	-	-	-	-
Facilities	122,033	-	-	-
Debt Service	123,904	-	-	-
TOTAL EXPENDITURES	<u>9,733,794</u>	<u>236,080</u>	<u>416,523</u>	<u>144,304</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	294,734	(69,296)	-	2,332
OTHER FINANCING SOURCES (USES)				
Transfers in (Out)	(75,000)	75,000	-	-
CHANGE IN FUND BALANCE	<u>219,734</u>	<u>5,704</u>	<u>-</u>	<u>2,332</u>
BEGINNING FUND BALANCE	4,323,719	166	-	-
Prior Period Adjustment	-	-	-	111,174
BEGINNING FUND BALANCE (As Restated)	<u>4,323,719</u>	<u>166</u>	<u>-</u>	<u>111,174</u>
ENDING FUND BALANCE	<u>\$ 4,543,453</u>	<u>\$ 5,870</u>	<u>\$ -</u>	<u>\$ 113,506</u>

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

		Debt Service		Totals	
Swimming Pool		Bond			
Redemption		Redemption			
Fund	Fund	2020	2019		
\$ 157,662	\$ 897,055	\$ 5,405,942	\$ 4,923,963		
35,000	-	179,860	156,906		
-	-	5,682,298	6,179,817		
-	-	580,088	609,619		
<u>192,662</u>	<u>897,055</u>	<u>11,848,188</u>	<u>11,870,305</u>		
-	-	5,672,365	5,429,797		
-	-	208,977	180,293		
-	-	606,183	519,501		
-	1,709	173,996	172,530		
-	-	844,947	727,766		
-	-	255,047	258,176		
-	-	1,284,996	1,062,186		
-	-	632,571	787,354		
-	-	288,840	271,551		
-	-	82,471	-		
-	-	236,080	243,527		
197,606	-	197,606	185,245		
-	-	122,033	209,763		
-	833,950	957,854	959,770		
<u>197,606</u>	<u>835,659</u>	<u>11,563,966</u>	<u>11,007,459</u>		
(4,944)	61,396	284,222	862,846		
-	-	-	-		
<u>(4,944)</u>	<u>61,396</u>	<u>284,222</u>	<u>862,846</u>		
89,896	889,702	5,303,483	4,440,637		
-	-	111,174	-		
<u>89,896</u>	<u>889,702</u>	<u>5,414,657</u>	<u>4,440,637</u>		
<u>\$ 84,952</u>	<u>\$ 951,098</u>	<u>\$ 5,698,879</u>	<u>\$ 5,303,483</u>		

PLATTE CANYON SCHOOL DISTRICT 1

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2020**

Change in Fund Balance - Governmental Funds		\$	284,222
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	330,254	
Depreciation Expense		<u>(749,635)</u>	(419,381)
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Pension Liability			
Current year change and amortization of deferred outflows - net		(4,148,769)	
Change in net pension liability		2,855,000	
Current year change and amortization of deferred inflows - net		<u>3,918,771</u>	2,625,002
OPEB Liability			
Current year change and amortization of deferred outflows - net		(3,724)	
Change in OPEB liability		153,585	
Current year change and amortization of deferred inflows - net		<u>(121,793)</u>	28,068
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable		730,000	
Principal payments on capital leases		76,246	
Amortization of bond premiums/deferred charge (gain)		38,546	
Change in accrued interest payable		1,544	
Change in accrued compensated absences		<u>(30,193)</u>	816,143
Total Net Position - Governmental Activities		<u>\$</u>	<u>3,334,054</u>

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Jointly Governed Organizations

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

Basis of Presentation

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

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

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

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

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

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

The District reports the following fiduciary fund:

Agency (Pupil Activity) Fund – This fund is used to account for the money held in trust by the District for student organizations and for scholarships. This fund is custodial and does not measure the results of operations. This account has been moved to Special Revenue Funds as June 30, 2020.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-Wide and Fiduciary Fund Financial Statements

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

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

Governmental Fund Financial Statements

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

Tax Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2019 property taxes were both measurable and available at June 30, 2020, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2020 but not collected by June 30, 2020. Taxes not received within 60 days subsequent to year end have been reported as a deferred inflow.

Accrued Compensated Absences - Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2020, the District has recorded accrued leave as disclosed in Note 6.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumptions

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

Revenues and Expenditures/Expenses

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS

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

Unrestricted	\$ 5,602,690
Restricted for debt service	<u>914,683</u>
Total Cash and Investments	<u>\$ 6,517,373</u>
Deposits & Investments	\$ 723,260
Investments	5,793,913
Cash on hand	<u>200</u>
Total Cash and Investments	<u>\$ 6,517,373</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2020, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	<u>563,749</u>	<u>473,260</u>
Total Deposits	<u>\$ 813,749</u>	<u>\$ 723,260</u>

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

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

Credit Risk

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

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

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

During the year ended June 30, 2020, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

Concentration of Credit Risk

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

Interest Rate Risk

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the District did not have any investments requiring safekeeping.

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

	<u>Carrying Value</u>	<u>Weighted Average Maturity (in Years)</u>	<u>Rating</u>
Local Government Investment Pools	\$ 4,879,230	-	AAAm
Local Govt Invest Pools (Bond Trustee)	914,683	-	AAAm
Total Investments	<u>\$ 5,793,913</u>		

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2020, of \$14,382, consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt plus an allowance for any processing charges paid to the third party vendor.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4: CAPITAL ASSETS

Activity for governmental activities capital assets is summarized below:

	<u>Balance 06/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/20</u>
<u>Governmental Activities:</u>				
Capital Assets, not being depreciated:				
Land	\$ 1,360,530	\$ -	\$ -	\$ 1,360,530
Construction in Progress	42,330	-	(42,330)	-
Total Capital Assents not being depreciated	<u>1,402,860</u>	<u>-</u>	<u>(42,330)</u>	<u>1,360,530</u>
Capital Assets, being depreciated:				
Buildings and Improvements	23,986,455	244,497	-	24,230,952
Site Improvements	1,832,993	-	-	1,832,993
Equipment	2,064,384	128,087	-	2,192,471
Total Capital Assets being depreciated	<u>27,883,832</u>	<u>372,584</u>	<u>-</u>	<u>28,256,416</u>
Accumulated Depreciation:				
Buildings and Improvements	(12,918,273)	(554,146)	-	(13,472,419)
Site Improvements	(1,309,009)	(47,984)	-	(1,356,993)
Equipment	(1,521,597)	(147,505)	-	(1,669,102)
Total Accum. Depreciation	<u>(15,748,879)</u>	<u>(749,635)</u>	<u>-</u>	<u>(16,498,514)</u>
Net Governmental Capital Assets	<u>\$ 13,537,813</u>	<u>\$ (377,051)</u>	<u>\$ (42,330)</u>	<u>\$ 13,118,432</u>

Depreciation is allocated between functions as follows:

Instruction	\$ 401,329
Support Services	348,306
Governmental Depreciation Allocation	<u>\$ 749,635</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

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

The salaries and benefits earned, but unpaid, in the General, Preschool, Food Service and Grants Funds as of June 30, 2020, are \$417,986, \$25,037, \$8,842 and \$31,596 respectively. Accordingly, the accrued compensation is reflected as a liability in the funds in the accompanying financial statements.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2020:

	<u>Balance</u> <u>6/30/19</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance</u> <u>6/30/20</u>	<u>Current</u> <u>Portion</u>	<u>Interest</u> <u>Expense</u>
<u>Governmental Activities</u>						
General Obligation 2015 Bonds	\$ 3,795,000	\$ -	\$ 730,000	\$ 3,065,000	\$ 735,000	\$ 102,733
Bond Premiums	157,355	-	45,440	111,915	39,477	(45,440)
PERA Net Pension Obligation	16,994,316	-	2,855,000	14,139,316	-	-
HCTF Net OBEP Obligation	848,762	-	153,585	695,177	-	-
Accrued Compensated Absences	129,047	30,193	-	159,240	-	-
Capital Leases Obligations	1,099,900	-	76,246	1,023,654	86,708	47,331
Total Long-Term Obligations	<u>\$ 23,024,380</u>	<u>\$ 30,193</u>	<u>\$ 3,860,271</u>	<u>\$ 19,194,302</u>	<u>\$ 861,185</u>	<u>\$ 104,624</u>

2015 General Obligation Bonds

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

Annual debt service requirements for the bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 735,000	\$ 96,650	\$ 831,650
2022	750,000	81,950	831,950
2023	775,000	63,200	838,200
2024	805,000	32,200	837,200
Total	<u>\$ 3,065,000</u>	<u>\$ 274,000</u>	<u>\$ 3,339,000</u>

2018 Capital Lease

In 2018 the District entered into a capital lease arrangement for the purchase of copiers. The lease was for \$127,019 and requires 60 monthly principal payments of \$2,397 through 2022 at 11.7% interest. The District has capitalized assets related to this lease in the amount of \$127,019 with a remaining basis of \$88,913. In the event of default, the Supplier may withhold service, supplies, etc., require all past and current due amounts be paid in addition to the remaining monthly payments and charges discounted at four percent, and the present value of the amount of any purchase option. The District may also be required to return the equipment to a location designated by the lessor, immediately terminate rights to use equipment and obtain the equipment to sell at a public or private sale.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

2018 Capital Lease (Continued)

Future minimum lease payments under capital lease are as follows:

<u>For Year Ended June 30</u>	<u>Amount</u>
2021	\$ 28,764
2022	26,367
Total minimum lease payments	55,131
Less Interest at 11.7%	(2,663)
Present value of minimum lease payments	<u>\$ 52,468</u>

In 2016 the District entered into a capital lease arrangement for the energy efficiency improvements including upgrade of lighting throughout the District. The lease was for \$1,196,074 and requires annual principal payments on May 1st through 2031 at 2.85% interest. The District has capitalized assets related to this lease in the amount of \$1,109,074 with a remaining basis of \$887,260. In the event of default all past due, current and future amounts will become immediately due and payable, be required to return equipment at lessee’s expense to lessor, sell, lease or dispose of any equipment under the lease, demand payment of all out-of-pocket costs incurred by the lessor, and exercise any other right, remedy or privilege available under applicable laws.

Future minimum lease payments under capital lease are as follows:

<u>For Year Ended June 30</u>	<u>Amount</u>
2021	\$ 97,798
2022	100,531
2023	103,343
2024	106,238
2025-2029	459,363
2030-2031	274,093
Total minimum lease payments	1,141,366
Less Interest at 2.85%	(170,180)
Present value of minimum lease payments	<u>\$ 971,186</u>

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies (Continued)

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

General Information about the Pension Plan

- 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.

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

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

	January 1, 2019 Through June 30, 2019	July 1, 2019 Through June 30, 2020
Employer contribution rate	10.15%	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.38%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of \$225 million (in actual dollars). Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, direct distribution.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,070,918 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2020, the District reported a liability of \$14,139,316 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (14,139,316)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (1,591,527)
Total	\$ (15,730,843)

At December 31, 2019, the District proportion was 0.09464 percent, which was a decrease of 0.00133 from its proportion measured as of December 31, 2018.

PLATTE CANYON SCHOOL DISTRICT 1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2020, the District recognized pension expense of \$1,528,127 and revenue of \$1,591,527 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 787,481	\$ -
Changes of assumptions or other inputs	\$ 493,273	\$ (6,503,776)
Net difference between projected and actual earnings on pension plan investments	\$ 1,532,190	\$ (3,384,102)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (2,532,407)
Contributions subsequent to the measurement date	\$ 549,146	\$ -
Total	\$ 3,362,090	\$ (12,420,285)

\$549,146 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2021	\$ (5,352,348)
2022	(3,678,928)
2023	(6,299)
2024	(569,766)
Total	\$ (9,607,341)

Actuarial assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ For 2019, the AI was 0.0%

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

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

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

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

The actuarial assumptions used in the December 31, 2018, 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.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target 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	10 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop .50 percent every year until they are zero. Additionally, estimated employer contributions included 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 of Colorado, as a nonemployer contributing entry, provides 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.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (18,751,760)	\$ (14,139,316)	\$ (10,266,767)

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

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN (Continued)

Voluntary Investment Program (Continued)

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2020 program members contributed \$92,100.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member’s years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF).

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$56,724 for the year ended June 30, 2019.

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

At June 30, 2020, the District reported a liability of \$695,177 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.06185 percent, which was a decrease of 0.00054 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District's recognized OPEB expense of \$26,572. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 2,452	\$ (116,824)
Net difference between projected and actual earnings on pension plan investments	\$ 11,290	\$ (23,218)
Changes of assumptions or other inputs	\$ 5,809	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (60,216)
Contributions subsequent to the measurement date	\$ 28,902	\$ -
Total	\$ 48,453	\$ (200,258)

\$28,902 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2021	\$ (41,294)
2022	(41,294)
2023	(37,721)
2024	(34,851)
2025	(24,115)
2026	(1,432)
Total	\$ (180,707)

Actuarial assumptions. The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

PLATTE CANYON SCHOOL DISTRICT 1

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2018, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty–five or older and who are not eligible for premium–free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 per month.

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

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, 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.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The 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
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target 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 one percentage point higher than the current rates:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (678,664)	\$ (695,177)	\$ (714,260)

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members
- assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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. There is no change in the discount rate from the prior measurement date.

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (786,038)	\$ (695,177)	\$ (617,472)

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

NOTE 10: RISK MANAGEMENT

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

The District continues to carry commercial insurance for all other risks of loss, including boiler and machinery coverage. The District has not materially changed its coverage from previous years. Settled claims resulting from these risks have not exceeded commercial or District coverage in any of the past three years. The District has not recorded any liability for unpaid claims at June 30, 2020.

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

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

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES (Continued)

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

The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$312,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

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

NOTE 12: INTERFUND ACTIVITY

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

General Fund due from other funds	\$ 290,152
Swimming Pool Fund due from other funds	24,259
Pupil Activity Fund due from other funds	<u>1,777</u>
Total due from other funds	<u>\$ 316,188</u>
General Fund due to other funds	\$ 4,445
Food Service Fund due to other funds	136,199
Designated Grants Fund due to other funds	161,759
Bond Redemption Fund due to other funds	<u>13,785</u>
Total due to other Funds	<u>\$ 316,188</u>

NOTE 13: DEFICIT NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$20,714,241 primarily due to the PERA net pension liability of \$14,139,316, as further described in Note 7 and the net OPEB liability of \$695,177, as further discussed in Note 9. As the District has no control over pension and OPEB related benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

PLATTE CANYON SCHOOL DISTRICT 1

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14: PRIOR PERIOD RESTATEMENT

The District's pupil activities were reclassified to a special revenue fund presentation pursuant to GASB Statement No. 84 – Fiduciary Activities. This resulted in a restatement that increased governmental activities net position in the amount of \$111,174, with offsetting restatements in the Pupil Activity special revenue fund and the fiduciary funds.

In addition, as part of the June 30, 2019 audit, the District's pool activities were recorded in Pupil Activity fund. This resulting in a restatement decreasing Pupil Activity Fund net position by \$(89,896). The Pupil Activity Fund had a net restatement in the amount of \$21,278.

REQUIRED SUPPLEMENTARY INFORMATION

(Pension and OPEB Schedules Unaudited)

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.142079%	\$ (18,122,121)	\$ -	\$ (18,122,121)	\$ 5,727,651	316.40%	64.07%
June 30, 2015	0.132755%	\$ (17,992,775)	\$ -	\$ (17,992,775)	\$ 5,561,486	323.52%	62.84%
June 30, 2016	0.127913%	\$ (19,563,383)	\$ -	\$ (19,563,383)	\$ 5,574,417	350.95%	59.16%
June 30, 2017	0.121652%	\$ (36,220,517)	\$ -	\$ (36,220,517)	\$ 5,459,961	663.38%	43.13%
June 30, 2018	0.115654%	\$ (37,398,411)	\$ -	\$ (37,398,411)	\$ 5,334,985	701.00%	43.96%
June 30, 2019	0.095975%	\$ (16,994,316)	\$ (2,044,218)	\$ (19,038,534)	\$ 5,276,252	322.09%	57.01%
June 30, 2020	0.094642%	\$ (14,139,316)	\$ (1,591,527)	\$ (15,730,843)	\$ 5,525,893	255.87%	64.52%

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

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

See the accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

**PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 889,504	\$ (889,504)	\$ -	\$ 5,727,651	15.53%
June 30, 2015	\$ 913,752	\$ (913,752)	\$ -	\$ 5,561,486	16.43%
June 30, 2016	\$ 966,046	\$ (966,046)	\$ -	\$ 5,574,417	17.33%
June 30, 2017	\$ 989,891	\$ (989,891)	\$ -	\$ 5,459,961	18.13%
June 30, 2018	\$ 993,908	\$ (993,908)	\$ -	\$ 5,334,985	18.63%
June 30, 2019	\$ 1,009,347	\$ (1,009,347)	\$ -	\$ 5,276,252	19.13%
June 30, 2020	\$ 1,070,918	\$ (1,070,918)	\$ -	\$ 5,525,893	19.38%

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

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

See the accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1

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

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.069148%	\$ (896,534)	\$ 5,459,961	16.420%	16.70%
June 30, 2018	0.065715%	\$ (854,022)	\$ 5,334,985	16.008%	17.53%
June 30, 2019	0.062384%	\$ (848,762)	\$ 5,276,252	16.086%	17.03%
June 30, 2020	0.061849%	\$ (695,177)	\$ 5,525,893	12.580%	24.49%

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

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

See the accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 55,692	\$ (55,692)	\$ -	\$ 5,459,961	1.02%
June 30, 2018	\$ 54,417	\$ (54,417)	\$ -	\$ 5,334,985	1.02%
June 30, 2019	\$ 53,818	\$ (53,818)	\$ -	\$ 5,276,252	1.02%
June 30, 2020	\$ 56,364	\$ (56,364)	\$ -	\$ 5,525,893	1.02%

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

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

See the accompanying Independent Auditors' Report.

BUDGETARY COMPARISON SCHEDULES

(Required Supplementary Information)

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 3,074,085	\$ 3,260,315	\$ 3,284,597	\$ 24,282	\$ 2,894,538
Specific Ownership Taxes	300,308	284,340	508,449	224,109	453,364
Delinquent Taxes	1,000	7,500	8,970	1,470	7,892
Tuition From Individuals	201,411	174,900	98,314	(76,586)	193,409
Tuition Within the BOCES	65,000	-	-	-	-
Transportation Fees	45,000	45,000	33,850	(11,150)	46,843
Investment Earnings	32,000	48,000	58,052	10,052	74,957
Rent Revenue	3,500	3,500	3,368	(132)	4,790
Donations	1,500	3,000	8,250	5,250	8,606
Overhead Cost Revenue	-	-	7,538	7,538	2,999
Other Local	60,000	20,000	104,011	84,011	50,887
Total Local Sources	<u>3,783,804</u>	<u>3,846,555</u>	<u>4,115,399</u>	<u>268,844</u>	<u>3,738,285</u>
Intermediate Sources					
Mineral Leases	955	916	916	-	797
Payment in Lieu of Taxes	85,500	85,500	143,632	58,132	156,109
Other Intermediate Source Revenue	-	-	312	312	-
Total Intermediate Sources	<u>86,455</u>	<u>86,416</u>	<u>144,860</u>	<u>58,444</u>	<u>156,906</u>
State Sources					
State Share (Equalization)	5,234,677	5,063,804	5,063,789	(15)	5,129,651
Hold Harmless	-	-	-	-	36,536
State Transportation	162,000	158,466	164,566	6,100	153,202
State Grants from CDE					
State ELPA Prof Dev and Student Support	650	650	725	75	662
State ELPA	650	650	617	(33)	652
State Share - Colorado Preschool Program (CPP)	218,345	218,345	1,029	(217,316)	-
Implementing State Educational Priorities	30,670	30,662	-	(30,662)	-
READ Act	23,500	23,011	-	(23,011)	33,392
State Grants to Libraries	3,500	3,500	1,727	(1,773)	3,500
Small Rural Schools Additional Funding	235,741	235,741	156,717	(79,024)	355,939
Additional As- Risk Funding	8,000	1,000	2,309	1,309	2,996
Kindergarten Facility Grant	-	21,850	-	(21,850)	-
READ Act	-	-	23,011	23,011	-
AP Exam Fee Grant	-	-	-	-	372
State Grants from Other Agencies					
State Vocational Education	22,000	22,000	4,988	(17,012)	12,024
State PERA Contribution	-	-	135,832	135,832	131,079
Other Agency State Grants	-	-	7,132	7,132	256,461
State Grants Provided through BOCES	5,000	5,000	115,489	110,489	31,615
Total State Sources	<u>5,944,733</u>	<u>5,784,679</u>	<u>5,677,931</u>	<u>(106,748)</u>	<u>6,148,081</u>
Federal Sources					
Federal Grants from CDE					
Medicaid Revenue	47,000	47,000	74,909	27,909	78,949
Federal Provided through BOCES	-	-	15,430	15,430	28,541
Total Federal Sources	<u>47,000</u>	<u>47,000</u>	<u>90,339</u>	<u>43,339</u>	<u>107,490</u>
TOTAL REVENUES	<u>9,861,992</u>	<u>9,764,650</u>	<u>10,028,529</u>	<u>263,879</u>	<u>10,150,762</u>

See the accompanying Independent Auditors' Report

(Continued)

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES					
Instruction					
Salaries	3,440,770	3,469,488	3,336,738	132,750	3,310,431
Benefits	1,104,789	1,071,850	1,062,781	9,069	1,097,879
PS-Professional	101,300	150,050	145,935	4,115	65,838
PS-Property	3,000	3,000	2,090	910	863
PS-Other	509,350	483,485	463,196	20,289	464,509
Supplies	154,650	159,710	140,735	18,975	89,732
Property	8,950	11,642	10,019	1,623	42,437
Other Expenses	11,350	13,700	19,448	(5,748)	12,407
Total Instruction	<u>5,334,159</u>	<u>5,362,925</u>	<u>5,180,942</u>	<u>181,983</u>	<u>5,084,096</u>
Supporting Services					
Pupil Support					
Salaries	73,669	73,571	78,153	(4,582)	74,521
Benefits	43,042	39,946	40,085	(139)	40,943
PS- Professional	112,200	99,500	83,910	15,590	63,163
Supplies	3,300	8,300	6,829	1,471	1,666
Total Pupil Support	<u>232,211</u>	<u>221,317</u>	<u>208,977</u>	<u>12,340</u>	<u>180,293</u>
Staff Support					
Salaries	234,221	213,689	206,083	7,606	229,792
Benefits	61,293	53,547	48,085	5,462	50,724
PS- Professional	96,405	16,770	11,118	5,652	28,110
PS- Property	4,500	4,000	-	4,000	794
PS-Other	117,150	108,335	85,811	22,524	85,984
Supplies	28,950	26,880	18,759	8,121	24,743
Property	194,300	166,000	166,924	(924)	34,410
Other Expenses	200	200	-	200	1
Total Staff Support	<u>737,019</u>	<u>589,421</u>	<u>536,780</u>	<u>52,641</u>	<u>454,558</u>
General Administration					
Salaries	90,216	91,716	91,792	(76)	99,836
Benefits	25,410	28,392	31,109	(2,717)	29,272
PS- Professional	43,750	36,750	25,871	10,879	16,107
PS-Other	7,200	7,200	4,374	2,826	5,809
Supplies	1,800	1,500	1,178	322	723
Property	200	400	382	18	-
Other Expenses	16,800	16,556	17,581	(1,025)	19,075
Total General Administration	<u>185,376</u>	<u>182,514</u>	<u>172,287</u>	<u>10,227</u>	<u>170,822</u>
School Administration					
Salaries	626,665	644,701	630,753	13,948	539,298
Benefits	206,643	199,564	207,380	(7,816)	180,226
PS-Other	1,850	1,500	559	941	1,238
Supplies	5,800	5,800	3,578	2,222	4,495
Property	2,450	1,950	588	1,362	-
Other Expenses	3,050	2,330	2,089	241	2,510
Total School Administration	<u>846,458</u>	<u>855,845</u>	<u>844,947</u>	<u>10,898</u>	<u>727,767</u>

See the accompanying Independent Auditors' Report

(Continued)

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	164,411	151,534	155,514	(3,980)	154,137
Benefits	42,157	36,443	39,858	(3,415)	37,761
PS- Professional	23,400	22,100	13,341	8,759	23,297
PS- Property	500	250	-	250	-
PS-Other	10,100	11,910	7,175	4,735	11,356
Supplies	45,100	43,964	38,410	5,554	31,560
Property	1,000	1,000	-	1,000	-
Other Expenses	800	800	749	51	65
Total Business Services	<u>287,468</u>	<u>268,001</u>	<u>255,047</u>	<u>12,954</u>	<u>258,176</u>
Operations and Maintenance					
Salaries	460,651	448,407	410,580	37,827	407,841
Benefits	162,052	152,136	150,669	1,467	144,521
PS- Professional	97,000	112,490	96,445	16,045	46,358
PS- Property	39,000	29,100	34,447	(5,347)	30,574
PS-Other	500	500	-	500	-
Supplies	376,600	367,900	346,189	21,711	385,228
Property	73,500	251,500	246,666	4,834	47,664
Total Operations and Maintenance	<u>1,209,303</u>	<u>1,362,033</u>	<u>1,284,996</u>	<u>77,037</u>	<u>1,062,186</u>
Transportation					
Salaries	392,969	368,602	373,738	(5,136)	381,865
Benefits	109,130	128,052	127,138	914	124,388
PS- Professional	12,000	12,000	5,896	6,104	11,154
PS- Property	500	500	430	70	420
PS-Other	6,000	6,000	167	5,833	4,627
Supplies	90,700	90,700	62,409	28,291	73,851
Property	105,000	77,502	62,793	14,709	191,049
Total Transportation	<u>716,299</u>	<u>683,356</u>	<u>632,571</u>	<u>50,785</u>	<u>787,354</u>
Risk Management					
Salaries	54,080	54,080	53,397	683	52,461
Benefits	17,109	17,270	17,166	104	14,706
PS- Professional	5,600	4,816	3,940	876	3,416
PS- Property	45,800	45,784	12,658	33,126	21,363
PS-Other	238,065	226,145	186,920	39,225	164,414
Supplies	17,200	16,200	14,311	1,889	14,899
Property	1,200	800	448	352	292
Total Risk Management	<u>379,054</u>	<u>365,095</u>	<u>288,840</u>	<u>76,255</u>	<u>271,551</u>
Other Supporting Services					
Salaries	80,310	85,000	67,589	17,411	-
Benefits	-	17,000	14,882	2,118	-
Total Other Supporting Services	<u>80,310</u>	<u>102,000</u>	<u>82,471</u>	<u>19,529</u>	<u>-</u>
Total Supporting Services	<u>4,673,498</u>	<u>4,629,582</u>	<u>4,306,916</u>	<u>322,666</u>	<u>3,912,707</u>
Facilities/Capital Outlay					
PS- Professional	-	5,184	-	5,184	5,184
PS- Property	309,000	198,480	122,033	76,447	151,031
Equipment	30,000	25,000	-	25,000	53,548
Total Facilities/Capital Outlay	<u>339,000</u>	<u>228,664</u>	<u>122,033</u>	<u>106,631</u>	<u>209,763</u>

PLATTE CANYON SCHOOL DISTRICT 1
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Debt Service					
Interest	29,549	29,549	47,658	(18,109)	35,910
Principal	65,592	65,592	76,246	(10,654)	85,410
Total Debt Service	95,141	95,141	123,904	(28,763)	121,320
TOTAL EXPENDITURES	10,441,798	10,316,312	9,733,795	582,517	9,327,886
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(579,806)	(551,662)	294,734	846,396	822,876
OTHER FINANCING SOURCES (USES)					
Escrow Payment	(5,500)	-	-	-	-
Transfers	(25,000)	(45,000)	(75,000)	(30,000)	-
CHANGE IN FUND BALANCE	(610,306)	(596,662)	219,734	816,396	822,876
BEGINNING FUND BALANCE	2,949,433	4,347,335	4,323,719	(23,616)	3,500,843
ENDING FUND BALANCE	\$ 2,339,127	\$ 3,750,673	\$ 4,543,453	\$ 792,780	\$ 4,323,719

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

INTENTIONALLY LEFT BLANK

SPECIAL REVENUE FUND

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

PLATTE CANYON SCHOOL DISTRICT 1
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Food Service Fund
 For the Year Ended June 30, 2020

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Investment Earnings	\$ 100	\$ 100	\$ -	\$ (100)	\$ -
Food Service Revenue	120,000	138,500	89,191	(49,309)	121,349
Total Local Sources	120,100	138,600	89,191	(49,409)	121,349
State Sources					
State Grants from CDE					
State Matching Child Nutrition	2,013	2,013	1,753	(260)	1,972
Start Smart Nutrition	3,000	3,000	103	(2,897)	290
School Lunch Protection: F&R for Pre-K thru 2nd	850	850	600	(250)	1,189
State Grants from Other Agencies					
Other Agency State Grants	-	-	1,911	1,911	-
Total State Sources	5,863	5,863	4,367	(1,496)	3,451
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	20,000	15,000	7,854	(7,146)	11,090
National School Lunch Program	95,000	95,000	54,569	(40,431)	72,477
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	15,000	15,000	10,803	(4,197)	16,202
Total Federal Sources	130,000	125,000	73,226	(51,774)	99,769
TOTAL REVENUES	255,963	269,463	166,784	(102,679)	224,569
EXPENDITURES					
Supporting Services					
Food Service					
Salaries	109,963	116,674	108,357	8,317	98,633
Benefits	28,939	22,200	26,771	(4,571)	26,733
PS- Professional	4,673	4,674	4,261	413	5,329
PS-Other	500	500	-	500	583
Supplies	9,000	9,000	5,384	3,616	7,055
Food	95,750	95,750	74,862	20,888	86,181
Commodities	17,000	18,500	16,197	2,303	17,731
Property	-	25,000	-	25,000	-
Other Expenses	2,000	2,000	247	1,753	1,282
TOTAL EXPENDITURES	267,825	294,298	236,079	58,219	243,527
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(11,862)	(24,835)	(69,295)	(44,460)	(18,958)
OTHER FINANCING SOURCES (USES)					
Transfers	25,000	45,000	75,000	30,000	-
CHANGE IN FUND BALANCE	13,138	20,165	5,705	(14,460)	(18,958)
BEGINNING FUND BALANCE	36,702	166	166	-	19,124
ENDING FUND BALANCE	\$ 49,840	\$ 20,331	\$ 5,871	\$ (14,460)	\$ 166

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Designated Grants Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
State Sources					
State Grants from CDE					
Computer Science Education	\$ 1,675	\$ 1,675	\$ -	\$ (1,675)	\$ 1,350
State PERA Contribution	-	-	-	-	6,935
Total State Sources	<u>1,675</u>	<u>1,675</u>	<u>-</u>	<u>(1,675)</u>	<u>8,285</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Prgms Oper by Sch	123,101	127,902	121,893	(6,009)	127,716
NCLB Title II, Part A- Teacher & Principal Trng	28,288	29,545	28,591	(954)	26,182
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	10,000	-	10,000
Federal Grants from Other State Agencies					
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	7,113	12,858	8,101	(4,757)	4,486
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	-	22,000	17,875	(4,125)	27,411
Federal Provided through BOCES	229,336	246,000	230,063	(15,937)	206,563
Total Federal Sources	<u>397,838</u>	<u>448,305</u>	<u>416,523</u>	<u>(31,782)</u>	<u>402,358</u>
TOTAL REVENUES	<u>399,513</u>	<u>449,980</u>	<u>416,523</u>	<u>(33,457)</u>	<u>410,643</u>
EXPENDITURES					
Instruction					
Salaries	236,551	252,401	250,377	2,024	234,770
Benefits	69,635	92,076	83,945	8,131	101,499
PS-Professional	1,351	1,467	500	967	1,704
PS-Other	2,500	8,991	6,507	2,484	2,782
Supplies	30,063	10,100	5,792	4,308	4,945
Property	1,500	2,300	-	2,300	-
Other Expenses	50	50	-	50	-
Total Instruction	<u>341,650</u>	<u>367,385</u>	<u>347,121</u>	<u>20,264</u>	<u>345,700</u>
Supporting Services					
Staff Support					
Salaries	43,326	41,004	38,749	2,255	29,255
Benefits	7,122	12,416	11,083	1,333	6,927
PS- Professional	4,800	5,500	700	4,800	-
PS-Other	1,675	1,675	995	680	-
Supplies	940	-	-	-	1,350
Property	-	22,000	17,875	4,125	27,411
Total Supporting Services	<u>57,863</u>	<u>82,595</u>	<u>69,402</u>	<u>13,193</u>	<u>64,943</u>
TOTAL EXPENDITURES	<u>399,513</u>	<u>449,980</u>	<u>416,523</u>	<u>33,457</u>	<u>410,643</u>
CHANGE IN FUND BALANCE	-	-	-	-	-
BEGINNING FUND BALANCE	-	-	-	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2020

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ -	\$ -	\$ 3,417	\$ 3,417	\$ -
Pupil Activity Revenues	151,328	158,372	143,219	(15,153)	-
TOTAL REVENUES	<u>151,328</u>	<u>158,372</u>	<u>146,636</u>	<u>(11,736)</u>	<u>-</u>
EXPENDITURES					
Instruction					
PS-Professional	-	-	11,767	(11,767)	-
PS-Other	-	-	3,205	(3,205)	-
Supplies	173,088	186,401	120,763	65,638	-
Other Expenses	-	-	8,569	(8,569)	-
TOTAL EXPENDITURES	<u>173,088</u>	<u>186,401</u>	<u>144,304</u>	<u>42,097</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>(21,760)</u>	<u>(28,029)</u>	<u>2,332</u>	<u>30,361</u>	<u>-</u>
BEGINNING FUND BALANCE	107,380	111,174	-	(111,174)	-
PRIOR PERIOD RESTATEMENT	-	-	111,174	111,174	-
BEGINNING FUND BALANCE (As Restated)	<u>107,380</u>	<u>111,174</u>	<u>111,174</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 85,620</u>	<u>\$ 83,145</u>	<u>\$ 113,506</u>	<u>\$ 30,361</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Swimming Pool Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ -	\$ -	\$ 96,045	\$ 96,045	\$ -
Delinquent Taxes	99,783	99,783	-	(99,783)	100,359
Community Service Revenue	45,000	45,000	40,393	(4,607)	49,413
Rent Revenue	15,500	15,500	15,800	300	15,781
Other Local	3,700	3,700	5,424	1,724	1,863
Total Local Sources	163,983	163,983	157,662	(6,321)	167,416
Intermediate Sources					
Other Intermediate Source Revenue	-	-	35,000	35,000	-
State Sources					
State Grants from Other Agencies					
Other Agency State Grants	35,000	35,000	-	(35,000)	20,000
TOTAL REVENUES	198,983	198,983	192,662	(6,321)	187,416
EXPENDITURES					
Supporting Services					
Community Support					
Salaries	78,285	80,286	102,208	(21,922)	99,730
Benefits	14,685	24,415	27,961	(3,546)	27,033
PS- Professional	1,500	1,000	2,088	(1,088)	596
PS- Property	22,000	12,000	-	12,000	-
PS-Other	700	1,200	811	389	590
Supplies	42,000	42,000	27,174	14,826	32,532
Property	47,000	47,000	36,626	10,374	23,457
Other Expenses	17,000	17,000	738	16,262	1,306
TOTAL EXPENDITURES	223,170	224,901	197,606	27,295	185,244
CHANGE IN FUND BALANCE	(24,187)	(25,918)	(4,944)	20,974	2,172
BEGINNING FUND BALANCE	37,739	89,896	89,896	-	87,724
ENDING FUND BALANCE	\$ 13,552	\$ 63,978	\$ 84,952	\$ 20,974	\$ 89,896

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

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

PLATTE CANYON SCHOOL DISTRICT 1
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ 850,000	\$ 850,000	\$ 885,730	\$ 35,730	\$ 883,247
Delinquent Taxes	500	500	2,599	2,099	2,344
Investment Earnings	1,200	1,200	8,726	7,526	11,323
TOTAL REVENUES	<u>851,700</u>	<u>851,700</u>	<u>897,055</u>	<u>45,355</u>	<u>896,914</u>
EXPENDITURES					
Supporting Services					
General Administration					
PS- Professional	<u>1,000</u>	<u>7,500</u>	<u>1,709</u>	<u>5,791</u>	<u>1,709</u>
Debt Service					
Interest	111,250	111,250	103,950	7,300	118,450
Principal	<u>730,000</u>	<u>730,000</u>	<u>730,000</u>	-	<u>720,000</u>
Total Debt Service	<u>841,250</u>	<u>841,250</u>	<u>833,950</u>	<u>7,300</u>	<u>838,450</u>
TOTAL EXPENDITURES	<u>842,250</u>	<u>848,750</u>	<u>835,659</u>	<u>13,091</u>	<u>840,159</u>
CHANGE IN FUND BALANCE	9,450	2,950	61,396	58,446	56,755
BEGINNING FUND BALANCE	<u>845,197</u>	<u>889,702</u>	<u>889,702</u>	-	<u>832,947</u>
ENDING FUND BALANCE	<u>\$ 854,647</u>	<u>\$ 892,652</u>	<u>\$ 951,098</u>	<u>\$ 58,446</u>	<u>\$ 889,702</u>

See accompanying Independent Auditors' Report.

TRUST AND AGENCY FUNDS

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

Pupil Activity Fund

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

PLATTE CANYON SCHOOL DISTRICT 1
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>	<u>Totals</u>	
		<u>2020</u>	<u>2019</u>
	<u>Pupil Activity</u>		
	<u>Agency Fund</u>		
ASSETS			
Cash and Investments	\$ -	\$ -	\$ 129,821
Interfund Accounts Receivable	-	-	4,981
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,802</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Liabilities			
Interfund Accounts Payable	\$ -	\$ -	\$ 1,437
Accounts Payable	-	-	22,191
Total Liabilities	-	-	23,628
Net Position			
Restricted for Student Activity/Scholarship	-	-	111,174
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,802</u>

See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Agency Funds</u>	<u>Totals</u>	
	<u>Pupil Activity</u>		
	<u>Agency Fund</u>	<u>2020</u>	<u>2019</u>
ADDITIONS			
Local Sources	\$ -	\$ -	\$ 189,206
DEDUCTIONS			
Instruction	-	-	193,968
CHANGE IN FIDUCIARY NET POSITION	-	-	(4,762)
BEGINNING NET POSITION	111,174	111,174	115,936
Prior Period Adjustment	(111,174)	(111,174)	-
BEGINNING NET POSITION (As Restated)	-	-	115,936
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,174</u>

See the accompanying Independent Auditors' Report

PLATTE CANYON SCHOOL DISTRICT 1
Statement of Changes in Fiduciary Net Position
Budget and Actual
Pupil Activity Agency Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		2019	
	Final Budget	Actual	Variance with Final Budget	Actual
ADDITIONS				
Local Sources	\$ -	\$ -	\$ -	\$ 189,206
DEDUCTIONS				
Instruction	-	-	-	193,968
CHANGE IN FIDUCIARY NET POSITION	-	-	-	(4,762)
BEGINNING NET POSITION	-	111,174	111,174	115,936
Prior Period Adjustment	-	(111,174)	(111,174)	-
BEGINNING NET POSITION (As Restated)	-	-	-	115,936
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,174</u>

See the accompanying Independent Auditors' Report

STATE COMPLIANCE

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



Colorado Department of Education
Auditors Integrity Report
 District: 2600 - Platte Canyon 1
 Fiscal Year 2019-20
 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	4,045,122	9,635,484	9,380,504	4,300,103
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	58,862	318,044	353,290	23,616
Sub- Total	4,103,984	9,953,528	9,733,794	4,323,719
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	94,839	192,662	197,606	89,896
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	-5,539	241,784	236,079	166
22 Govt Designated-Purpose Grants Fund	0	416,523	416,523	0
23 Pupil Activity Special Revenue Fund	108,841	146,637	144,304	111,174
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	828,306	897,054	835,659	889,702
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	5,130,431	11,848,189	11,563,964	5,414,656
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

DRAFT



Colorado Department of Education
Bolded Balance Sheet Report

District: 2600 - Platte Canyon 1
 Fiscal Year 2019-20
 Colorado School District/BOCES

See accompanying Independent Auditors' Report.

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	5,283,408	0	0	172,423	0	0	146,860	914,683	0	0	0	0	0	0	0	6,517,373		
Cash with Fiscal Agent (8105)	80,949	0	0	0	0	0	0	7,009	0	0	0	0	0	0	0	87,959		
Taxes Receivable (8121,8122)	213,839	0	0	0	0	0	0	55,934	0	0	0	0	0	0	0	269,773		
Interfund Loans Receivable (8131,8132)	272,301	0	17,852	26,035	0	0	0	0	0	0	0	0	0	0	0	316,188		
Grants Accounts Receivable (8142)	89,058	0	0	196,355	0	0	0	0	0	0	0	0	0	0	0	285,413		
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Inventories (8171,8172,8173)	0	0	0	0	0	0	14,382	0	0	0	0	0	0	0	0	14,382		
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Accumulated Depreciation on Site Improvements (8222)	0	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	0		
Total Assets	5,939,555	0	17,852	394,813	0	0	161,241	977,626	0	0	0	0	0	0	0	7,491,087		

	Governmental										Proprietary					Fiduciary
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	4,445	161,759	0	0	136,199	13,785	0	0	0	0	0	0	0	316,188
Other Payables (7421-7423)	12,438	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,438
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	417,986	0	25,037	31,596	0	0	8,842	0	0	0	0	0	0	0	0	483,460
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	48,716	0	0	0	0	0	10,330	12,743	0	0	0	0	0	0	0	71,789
Grants Deferred Revenue (7482)	905,332	0	0	3,000	0	0	0	0	0	0	0	0	0	0	0	908,332
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	1,384,472	0	29,481	196,355	0	0	155,370	26,528	0	0	0	0	0	0	0	1,792,207

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	14,382	0	0	0	0	0	0	0	0	14,382
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	312,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	312,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	18,958	0	0	0	0	0	0	0	0	18,958
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,988,103	0	23,616	89,896	0	0	-33,174	889,702	0	0	0	0	0	111,174	0	5,069,316
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	111,174	0	0	0	0	0	0	0	0	0	-111,174	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	4,300,103	0	23,616	201,069	0	0	166	889,702	0	0	0	0	0	0	0	5,414,656

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	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	5,684,575	0	53,097	397,424	0	0	155,536	916,231	0	0	0	0	0	0	0	7,206,863

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	No	Yes	No	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes