

cPa DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL

DISTRICT RE-4

SPRINGFIELD, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

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

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FINANCIAL STATEMENTS

June 30, 2018

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BACA COUNTY SCHOOL DISTRICT RE-4  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2018

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BOARD OF EDUCATION

Larry Duncan	President
Rick Birdsong	Vice-President
Kay Maes	Secretary
Tyler Gibson	Treasurer
Clinton Arbuthnot	Member-Director

SCHOOL OFFICIALS

Richard Hargrove	Superintendent
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Education  
Baca County School District RE-4  
Springfield, Colorado 81073

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District Number RE-4, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District Number RE-4, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post employment benefits trend data on pages i through viii and 42 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Baca County School District Number RE-4's basic financial statements. The combining and individual fund financial statements, other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

  
Trinidad, Colorado  
February 7, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018

This Management's Discussion and Analysis (MD&A) of Springfield School District RE-4 is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this report is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the District's financial statements following this section.

The District implemented GASB 68 in 2015. The District has a net pension liability of \$12,019,643 at June 30, 2018. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District.

The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$274,478. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased \$270,314 to \$(3,578,983) from \$(3,308,669) at the end of the previous fiscal year. Fiscal year 2017 financial information has not been restated because some of the comparable information is not available

**FINANCIAL HIGHLIGHTS**

The District's total combined assets were \$4,512,937 as of June 30, 2018. The District's total liabilities were \$12,684,459 which included a total net pension liability of \$12,019,973 (due to GASB 68 required reporting). The District's Net Investment in Capital Assets as of June 30, 2018, was \$1,740,163.

The total cost of the Districts' programs increased from last year (2018), and no new programs were added for 2019.

The General Fund reported a fund balance of \$2,303,741 at the close of the fiscal year 2017 – 2018 which was \$308,137 higher than the previous year. The district strives to limit the spending of their reserves; which will eventually deplete the reserves. The district through these efforts has increased the reserves for the last three consecutive years.

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018

**OVERVIEW OF FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is normally provided in this document. Since this is the first presentation of management's discussion and analysis, no comparison data is provided. The School Districts' basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

The district-wide statements report information about the District as a whole using accounting methods similar to those used in private sector companies. The statement of net position includes all of the government's assets, liabilities and deferred flows.

The district-wide statements report the Districts' net position and how it has changed. Net position is the difference between the Districts' assets, liabilities and deferred flows is one way to measure the District's financial health or position. Increases or decreases in the Districts' net position could indicate whether the district's financial health is improving or deteriorating. One needs to consider additional factors such as changes in the District's tax base, changes in student enrollment and the condition of school buildings.

The district-wide statements are divided into two categories: Governmental activities and Business-type Activities.

*Governmental activities:* Most of the Districts' basic services are included here, such as instruction, transportation, maintenance and operations, and administration. State funding from equalization and property taxes finances most of these activities. This information is comprised of all of the following Springfield School District funds – general fund, preschool fund, lunch fund, activity fund and special revenue funds.

*Business-type activities:* The District has no business-type activities.

**FUND FINANCIAL STATEMENTS**

The fund financial statements provide detailed information about the Districts' funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other governments, uses fund accounting to ensure and demonstrate compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2018

*Governmental Funds:* Most of the District's basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. The food service fund is now included in governmental funds. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the Districts' non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

As noted earlier, net position may serve over time as an indicator of the District's financial position. The District's total net position on June 30, 2018 was (\$5,363,193). Of the District's \$4,512,937 in assets, 39% reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment).

**SPRINGFIELD SCHOOL DISTRICT RE-4**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

Table 1:						
NET POSITION	2018			2017		
	Governmental	Business Type	Total	Governmental	Business Type	Total
	Activities	Activities		Activities	Activities	
<b>ASSETS</b>						
Current and Other Assets	2,772,774	-	2,772,774	2,278,558	-	2,278,558
Capital Assets	1,740,163	-	1,740,163	1,802,648	-	1,802,648
Total Assets	4,512,937	-	4,512,937	4,081,206	-	4,081,206
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
	3,707,442	-	3,707,442	4,330,644	-	4,330,644
<b>LIABILITIES</b>						
Current and Other Liabilities	296,841	-	296,841	278,073	-	278,073
Long Term Liabilities	16,806	-	16,806	17,369	-	17,369
Net Pension Liability	12,019,643	-	12,019,643	11,166,973	-	11,166,973
Total Liabilities	12,333,290	-	12,333,290	11,462,415	-	11,462,415
<b>DEFERRED INFLOW OF RESOURCES</b>						
	899,113	-	899,113	258,104	-	258,104
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,740,163	-	1,740,163	1,802,648	-	1,802,648
Restricted for:						
Labor Reserve	104,000	-	104,000	94,100	-	94,100
Multi Year Obligations	-	-	-	-	-	-
Preschool	23,154	-	23,154	28,511	-	28,511
Insurance	-	-	-	-	-	-
Food Service	51,978	-	51,978	34,958	-	34,958
Unrestricted	(7,282,488)	-	(7,282,488)	(5,268,886)	-	(5,268,886)
	(5,363,193)	-	(5,363,193)	(3,308,669)	-	(3,308,669)

**SPRINGFIELD SCHOOL DISTRICT RE-4**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2018**

Changes In Net Position:	2018			2017		
	Governmental	Business Type		Governmental	Business Type	
	Activities	Activities	Total	Activities	Activities	Total
<b>Revenues</b>						
Charges for Services	116,866	-	116,866	109,944	-	109,944
Operating Grants and Contributions	450,735	-	450,735	352,959	-	352,959
Capital Grants and Contributions	-	-	-	-	-	-
Property taxes	745,590	-	745,590	725,005	-	725,005
Specific Ownership Taxes	86,570	-	86,570	78,812	-	78,812
Equalization	2,161,356	-	2,161,356	1,989,299	-	1,989,299
Earnings on investments	26,793	-	26,793	11,380	-	11,380
Other Revenues	113,149	-	113,149	132,586	-	132,586
Transfers	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>3,701,059</b>	<b>-</b>	<b>3,701,059</b>	<b>3,399,985</b>	<b>-</b>	<b>3,399,985</b>
<b>Expenses</b>						
Instructional services	1,950,178	-	1,950,178	1,774,613	-	1,774,613
Students	117,472	-	117,472	156,377	-	156,377
Instructional staff	57,155	-	57,155	53,968	-	53,968
District administration	185,479	-	185,479	173,475	-	173,475
School administration	137,622	-	137,622	151,854	-	151,854
Business	66,288	-	66,288	64,511	-	64,511
Operation and maintenance of facilities	480,596	-	480,596	416,328	-	416,328
Transportation	152,253	-	152,253	157,971	-	157,971
Central	31,274	-	31,274	20,647	-	20,647
Capital outlay	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Amortization of Pension Cost	2,120,436	-	2,120,436	1,762,247	-	1,762,247
Other Post Employment Benefits	608	-	608	-	-	-
Food Service	193,297	-	193,297	188,033	-	188,033
<b>TOTAL EXPENSES</b>	<b>5,492,658</b>	<b>-</b>	<b>5,492,658</b>	<b>4,920,024</b>	<b>-</b>	<b>4,920,024</b>
<b>Increase (Decrease) In Net Position</b>	<b>(1,791,599)</b>	<b>-</b>	<b>(1,791,599)</b>	<b>(1,520,039)</b>	<b>-</b>	<b>(1,520,039)</b>

The Districts' total revenues were \$3,701,059. A significant portion (59%) of the revenue comes from state aid (equalization) while (15%) comes from federal sources, other state aid and charges for services, (22%) from local property taxes and the remaining (4%) from other sources. The total cost of all programs and services \$5,492,658. The bulk of these expenses (61%) were spent on instruction and supporting services.

**SPRINGFIELD SCHOOL DISTRICT RE-4**

**Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018**

**GOVERNMENTAL ACTIVITIES**

The table below illustrates the total cost of the district's major services. It also shows the net costs of these services. (Net cost would include all expenses for the particular service less any revenue received for the service).

The majority of the cost for these services is financed with state equalization and property taxes.

<b>Governmental Activities by Major Function</b>						
			<b>2018</b>		<b>2017</b>	
			<b>Total Cost</b>	<b>Net Cost</b>	<b>Total Cost</b>	<b>Net Cost</b>
			<b>of Service</b>	<b>of Service</b>	<b>of Service</b>	<b>of Service</b>
Instructional services			1,950,178	1,601,345	1,774,613	1,506,454
Students			117,472	117,472	156,377	156,377
Instructional staff			57,155	57,155	53,968	53,968
District administration			185,479	185,479	173,475	173,475
School administration			137,622	137,622	151,854	151,854
Business			66,288	66,288	64,511	64,511
Operation and maintenance of facilities			480,596	477,046	416,328	410,132
Transportation			152,253	125,547	157,971	132,699
Central			31,274	31,274	20,647	20,647
Capital outlay			-	-	-	-
Interest			-	-	-	-
Amortization of Pension Cost			2,120,436	2,120,436	1,762,247	1,762,247
Other Post Employment Benefit			608	608	-	-
Food Service			193,297	4,785	188,033	24,757
Total			5,492,658	4,925,057	4,920,024	4,457,121

**SPECIAL REVENUE ACTIVITIES**

The food service fund is a special revenue fund. This program had revenues of \$188,512 and expenses of \$193,297. The District's lunch program is a recipient of federal food commodities and is greatly impacted when these commodities are not available to the district. The Food Service Fund was not subsidized by any General Fund money in 2017 - 2018. The district participates in the National School Lunch Program and receives reimbursement for the meals that are served. In 2004-2005 the district implemented a breakfast program that is also included in the National School Lunch Program. The district participated in a Fresh Fruits & Vegetables Program for the 2017 - 2018 school year. This program was fully funded by the district.

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018

**FINANCIAL ANALYSIS OF THE DISTRICTS' FUNDS**

State funding (equalization) for the General Fund and Colorado Preschool Project Fund is based on pupil count. Equalized funding (the per pupil amount set by Colorado Department of Education funded with local property tax and state aid) increased for 2017-2018. The District receives full per pupil funding for preschool students who qualify for the Colorado Preschool Project program. Those students enrolled in full day Kindergarten are funded at one-half of the per pupil rate. All other students enrolled in the district are funded at 100% of the per pupil rate. There were 341 students enrolled in Springfield School District RE-4 on October 1, 2017.

**GENERAL FUND BUDETARY HIGHLIGHTS**

Over the course of the year the District did not do a supplemental budget. Actual expenditures (\$3,119,180) were below the budgeted amounts. Actual revenues (\$3,499,316) were greater than the budgeted amount. The district continues to maintain frugal spending habits in an effort to spend only the money that is collected in a year.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounts to \$1,740,163.

Capital Assets ( Net of Depreciation )							
			Business			Business	
	Governmental	Type	Total	Governmental	Type	Total	
	2018	2018	2018	2017	2017	2017	
Land & Sites	-	-	-	-	-	-	-
Buildings & Improvements	1,362,374	-	1,362,374	1,433,311	-	1,433,311	
Equipment & Vehicles	377,789	-	377,789	369,337	-	369,337	
Other							
Total Capital Assets	1,740,163	-	1,740,163	1,802,648	-	1,802,648	

LONG-TERM DEBT

The District is responsible for future compensated absences (sick leave, vacation allowances, etc.). The amount due as of June 30, 2018 was \$16,806, which is 3% lower than the prior year.

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2018

**ECONOMIC FACTORS AND NEXT YEARS' BUDGETS AND RATES**

The budget for 2017-2018 will be impacted by a slight increase in enrollment, an increase in staffing, increase in minimum wage, utility costs and the rising percentage that the District pays to the Public Employees Retirement Account (PERA). The budget stabilization factor will continue to lower the per pupil factor. The district received \$102,757 from SB17-267 to be used for technology and transportation. These additional funds must be approved by the State Legislature each year. The District is committed to keeping the base salary for certified employees to a level equal to or above the other districts in the area in order to obtain quality instructors. The District's goal is to monitor spending in the district to eliminate future years of spending more than the district receives.

The Gallagher Amendment ratchets down local property taxes. The TABOR Amendment keeps property taxes down; Amendment 23 sets requirements for increasing school funding. In 2009, Amendment 23 was reinterpreted and allowed the legislature to cut funding from one year to the next. This budget stabilization factor is responsible for a reduction in per pupil funding. With increased school funding required and declining property taxes, the state is required to make up the differences on both ends.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Districts' finances and to demonstrate the District's accountability for the money it receives. We understand that all of your questions may not have been answered in this report; therefore, we invite you to contact the Springfield School District Office at 389 Tipton Street, Springfield, Colorado, 719-523-6654. You may talk directly to the Superintendent, Richard Hargrove or the Business Manager, Missy Corn.

BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF NET POSITION  
June 30, 2018

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	413,659	413,659
Investments	2,235,003	2,235,003
Accounts Receivable	8,331	8,331
Accrued Revenue	32,216	32,216
Property Taxes Receivable	64,364	64,364
Inventories	3,132	3,132
Prepaid Assets	16,069	16,069
Capital Assets	5,032,505	5,032,505
Accumulated Depreciation	<u>(3,292,342)</u>	<u>(3,292,342)</u>
<u>Total Assets</u>	<u>4,512,937</u>	<u>4,512,937</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	3,697,142	3,697,142
Other Post Employment Benefits	<u>10,300</u>	<u>10,300</u>
<u>Total Deferred Outflows</u>	<u>3,707,442</u>	<u>3,707,442</u>
 <u>LIABILITIES</u>		
Accounts Payable	12,570	12,570
Accrued Salaries and Benefits	283,142	283,142
Other Liabilities	1,129	1,129
Grant Amounts Received in Advance	76,691	76,691
Compensated Absences	16,806	16,806
Net Pension Liability	12,019,643	12,019,643
Net Other Post Employment Benefits Liability	<u>274,478</u>	<u>274,478</u>
<u>Total Liabilities</u>	<u>12,684,459</u>	<u>12,684,459</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	892,368	892,368
Other Post Employment Benefits	<u>6,745</u>	<u>6,745</u>
<u>Total Deferred Inflows</u>	<u>899,113</u>	<u>899,113</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	1,740,163	1,740,163
Restricted for:		
TABOR Reserve	104,000	104,000
Preschool	23,154	23,154
Food Service	51,978	51,978
Unrestricted	<u>(7,282,488)</u>	<u>(7,282,488)</u>
<u>TOTAL NET POSITION</u>	<u>(5,363,193)</u>	<u>(5,363,193)</u>

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



BACA COUNTY SCHOOL DISTRICT RE-4  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS:</u></b>			
Cash	351,870	61,789	413,659
Investments	2,235,003	-	2,235,003
Accounts Receivable	-	8,331	8,331
Accrued Revenue	32,216	-	32,216
Due from Other Funds	-	-	-
Property Taxes Receivable	64,364	-	64,364
Prepaid Insurance	16,069	-	16,069
Inventories	-	<u>3,132</u>	<u>3,132</u>
<u>Total Assets</u>	<u>2,699,522</u>	<u>73,252</u>	<u>2,772,774</u>
<b><u>LIABILITIES:</u></b>			
Accounts Payable	12,570	-	12,570
Accrued Salaries and Benefits	266,129	17,013	283,142
Due to Other Funds	-	-	-
Grant Amounts Received in Advance	76,691	-	76,691
Other Liabilities	-	<u>1,129</u>	<u>1,129</u>
<u>Total Liabilities</u>	<u>355,390</u>	<u>18,142</u>	<u>373,532</u>
<b><u>DEFERRED INFLOW OF RESOURCES:</u></b>			
Property Tax	<u>40,391</u>	-	<u>40,391</u>
<b><u>FUND BALANCES:</u></b>			
Nonspendable			
Inventories and Prepaids	16,069	3,132	19,201
Restricted:			
Emergency Reserve	104,000	-	104,000
Food Service	-	51,978	51,978
Preschool	23,154	-	23,154
Committed:			
Insurance	90,276	-	90,276
Unassigned	<u>2,070,242</u>	-	<u>2,070,242</u>
<u>Total Fund Balances</u>	<u>2,303,741</u>	<u>55,110</u>	<u>2,358,851</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>	<u>2,699,522</u>	<u>73,252</u>	<u>2,772,774</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2018

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

<u>Total Fund Balance – Governmental Funds</u>	2,358,851
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$5,032,505 and the accumulated depreciation is \$3,292,342.	1,740,163
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” None of the deferred property tax revenue is available in the funds.	40,391
Compensated absences are not reported as a liability in the funds.	(16,806)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(12,019,643)
Net Other Post Employment Benefits Liability	(274,478)
Deferred Outflows	3,707,442
Deferred Inflows	<u>(899,113)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(5,363,193)</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Property Taxes	743,257	-	743,257
Specific Ownership Taxes	86,570	-	86,570
Earnings on Investments	26,782	11	26,793
Other Local Sources	76,665	59,075	135,740
State Aid	2,370,636	2,811	2,373,447
Federal Aid	104,042	126,626	230,668
<u>Total Revenues</u>	<u>3,407,952</u>	<u>188,523</u>	<u>3,596,475</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	1,871,763	-	1,871,763
Supporting Services:			
Students	117,472	-	117,472
Instructional Staff	57,155	-	57,155
District Administration	185,479	-	185,479
School Administration	137,622	-	137,622
Business	66,288	-	66,288
Operation & Maintenance of Facilities	526,180	-	526,180
Transportation	125,947	-	125,947
Food Service	-	190,512	190,512
Central	31,274	-	31,274
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>3,119,180</u>	<u>190,512</u>	<u>3,309,692</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>288,772</u>	<u>(1,989)</u>	<u>286,783</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(10,887)	10,887	-
Insurance Proceeds	102,251	-	102,251
<u>Total Other Financing Sources (Uses)</u>	<u>91,364</u>	<u>10,887</u>	<u>102,251</u>
<u>NET CHANGE IN FUND BALANCES</u>	380,136	8,898	389,034
<u>FUND BALANCES – BEGINNING</u>	1,923,605	38,823	1,962,428
<u>PRIOR PERIOD ADJUSTMENT</u>	-	7,389	7,389
<u>FUND BALANCES – ENDING</u>	<u>2,303,741</u>	<u>55,110</u>	<u>2,358,851</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

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

Net Change in Fund Balances – Total Governmental Funds 389,034

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

Capital Outlays more than \$5,000	52,469	
Depreciation Expense	(114,954)	(62,485)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities. 2,333

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. 563

The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

Pension Cost	(2,120,436)	
Other Post Employment Benefits Cost	(608)	(2,121,044)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (1,791,599)

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

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
June 30, 2018

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	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	47,061
Investments	<u>-</u>
<u>Total Assets</u>	<u>47,061</u>
 <u>LIABILITIES</u>	
Due to Student Groups	47,061
Accounts Payable	<u>-</u>
<u>Total Liabilities</u>	<u>47,061</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Baca County School District RE-4 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Baca County School District RE-4. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.      Fund Accounting

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

- Major Governmental Funds

- General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

Additionally, the District reports the following fund type: Trust and Agency

The Student Activity Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E.      Cash and Investments

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

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

F.      Receivables

Property taxes levied in 2017 but uncollected in 2018 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2018 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

G.    Inventories

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

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

H.    Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I.    Deferred Outflows / Inflows of Resources

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J.    Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position.

The District records long-term debt of governmental funds at the face value. Notes payable and capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K.    Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing Baca County School District RE-4 to collect, retain and expend (during 1996 and beyond) all revenues from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending. As of June 30, 2018 the District reserved \$104,000 for this purpose.

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.    Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2017 property tax calendar for Baca County was as follows:

Levy Date	December 15, 2017
Lien Date	January 1, 2018
Tax Bills Mailed	January 1, 2018
First Installment Due	February 28, 2018
Second Installment Due	June 15, 2018
If Paid in Full, Due	April 30, 2018
Tax Sale – 2016 Delinquent Property Taxes	October 25, 2017

M.    Accumulated Sick Leave

District policy allows for the accumulation of staff leave. Staff with five years of service are paid an amount of money equal to their number of unused leave days in excess of five times \$25 per day when there is a separation from service.

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2018, the District has recorded an estimated liability of \$16,806 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
Accumulated Sick Leave	<u>17,369</u>	<u>—</u>	<u>563</u>	<u>16,806</u>

N.    Use of Estimates

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

O.    Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.     GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Inventories and Prepaids	16,069	3,132	19,201
<u>Restricted:</u>			
Emergencies	104,000	-	104,000
Preschool	23,154	-	23,154
Food Service	-	51,978	51,978
<u>Committed:</u>			
Insurance	90,276	-	90,276
<u>Assigned:</u>	-	-	-
<u>Unassigned</u>	<u>2,070,242</u>	<u>-</u>	<u>2,070,242</u>
<u>Total Fund Balances</u>	<u>2,303,741</u>	<u>55,110</u>	<u>2,358,851</u>

NOTE 2    RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

Items Eliminated

	<u>Transfer From</u>	<u>Transfer To</u>
General Fund	10,887	-
Food Service Fund	-	10,887
	<u>10,887</u>	<u>10,887</u>

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 3      BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund and Special Revenue Funds.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 4      CASH AND INVESTMENTS (Continued)

At June 30, 2018, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	198,946	220,893
Cash with County Treasurer	11,774	-
Cash on Hand	<u>-</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>460,720</u>	<u>470,893</u>

As presented above, deposits with a bank balance of \$220,893 and a carrying balance of \$198,946 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2018, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	External Investment Pool	Under 60 Day Average	2,235,003

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

**Credit Risk** – State Law limits the type of investments allowable. The investment of COLOTRUST is rated AAAM by Standard and Poor's.

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

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

The District has no recurring fair value measurements as of June 30, 2018:

- ColoTrust Investment Pool

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2018</u>
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	3,499,204	-	-	3,499,204
Vehicles	609,232	-	-	609,232
Equipment	<u>871,600</u>	<u>52,469</u>	-	<u>924,069</u>
<u>Total Depreciable Assets</u>	<u>4,980,036</u>	<u>52,469</u>	-	<u>5,032,505</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building & Site Improvements	2,065,893	70,937	-	2,136,830
Vehicles	366,690	25,792	-	392,482
Equipment	<u>744,805</u>	<u>18,225</u>	-	<u>763,030</u>
<u>Total Accumulated Depreciation</u>	<u>3,177,388</u>	<u>114,954</u>	-	<u>3,292,342</u>
<u>Total Capital Assets, Net</u>	<u>1,802,648</u>	<u>(62,485)</u>	-	<u>1,740,163</u>

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

Governmental Activities:

Instruction	78,978
Food Service	2,785
Operations and Maintenance	6,885
Transportation	<u>26,306</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>114,954</u>

NOTE 6      INTERFUND ACTIVITY

<u>Fund</u>	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General	10,887	-
Food Service	-	<u>10,887</u>
	<u>10,887</u>	<u>10,887</u>

Transfers were made to support operations in the year ended June 30, 2018

NOTE 7      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 or ten months. The salaries and benefits earned, but unpaid at June 30, 2018, are estimated to be \$283,142. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 8      PENSION PLAN

**Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

Pensions. Baca County School District RE-4 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

During the 2018 legislative session, 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*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*.

General Information about the Pension Plan

Plan description. Eligible employees of the Baca County School District RE-4 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 that can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

Benefits provided as of December 31, 2017. 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:

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 8      PENSION PLAN (Continued)

- 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, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 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.

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 retirement benefit formula shown above considering a minimum 20 years of service credit, if deemed disabled.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      PENSION PLAN (Continued)

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

*Contribution provisions as of June 30, 2018.* Eligible employees and Baca County School District RE-4 are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA- includable salary. The employer contribution requirements are summarized in the table below.

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate	10.15 %	10.15 %
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208 (1) (f)	(1.02)%	(1.02)%
Amount Apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. 24-51-411	5.000%	5.50%
Total Employer Contribution Rate to the SCHDTF	18.63%	19.13%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Baca County School District RE-4 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District RE-4 were \$329,940 for the year ended June 30, 2018.

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

At June 30, 2018, the Baca County School District RE-4 reported a liability of \$12,019,643 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Baca County School District RE-4 proportion of the net pension liability was based on Baca County School District RE-4 contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the Baca County School District RE-4 proportion was 0.0372 percent, which was a decrease of 0.0003% to its proportion measured as of December 31, 2016.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 8      PENSION PLAN (Continued)

For the year ended June 30, 2018, the Baca County School District RE-4 recognized pension expense of \$2,120,436. At June 30, 2018, the Baca County School District RE-4 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	220,991	-
Changes of assumptions or other inputs	3,069,061	(19,476)
Net difference between projected and actual earnings on pension plan investments	238,283	(710,306)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(162,586)
Contributions subsequent to the measurement date	168,807	N/A
Total	3,697,142	(892,368)

\$168,807 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, 2019. 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,	
2019	1,780,992
2020	1,034,695
2021	(2,142)
2022	(177,578)
2023	-
Thereafter	-

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      PENSION PLAN (Continued)

*Actuarial assumptions.* The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	5.26 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00 percent
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

A discount rate of 4.78 percent was used in the roll-forward calculation of the total pension liability to the measurement date of December 31, 2017.

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      PENSION PLAN (Continued)

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

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

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

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

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

*Discount rate.* The discount rate used to measure the total pension liability was 5.26 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions shown above. In addition, the following methods and assumptions were used in the projection of cash flows:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 8      PENSION PLAN (Continued)

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

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

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher compared to the current measurement date.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      **PENSION PLAN (Continued)**

*Sensitivity of the Baca County School District RE-4 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 4.78 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 (3.78 percent) or 1-percentage-point higher (6.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	15,182,853	12,019,643	9,441,988

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

**Changes between the measurement date of the net pension liability and June 30, 2018.**

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through 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. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      PENSION PLAN (Continued)

At June 30 2018, the Baca County School District RE-4 reported a liability of \$12,019,643 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the Baca County School District RE-4's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	5,430,370

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$5,610,844 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Baca County School District RE-4 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2018, program members contributed \$10,066.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 9      OTHER POST EMPLOYMENT BENEFITS

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

Summary of Significant Accounting Policies

*OPEB.* Baca County School District RE-4 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 Baca County School District RE-4 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 that can be obtained at [www.copera.org/investments/pera-financial-reports](http://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). 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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Baca County School District RE-4 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District RE-4 were \$17,823 for the year ended June 30, 2018.

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

At June 30, 2018, the Baca County School District RE-4 reported a liability of \$274,478 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017. The Baca County School District RE-4 proportion of the net OPEB liability was based on Baca County School District RE-4 contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF.

At December 31, 2017, the Baca County School District RE-4 proportion was 0.0211 percent, which was a decrease of 0.0002 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Baca County School District RE-4 recognized OPEB expense of \$608. At June 30, 2018, the Baca County School District RE-4 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,298	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(4,592)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(2,153)
Contributions subsequent to the measurement date	9,002	N/A
Total	10,300	(6,745)

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

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

\$9,002 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, 2019. 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,	
2019	(1,316)
2020	(1,316)
2021	(1,316)
2022	(1,316)
2023	(168)
Thereafter	(15)

*Actuarial assumptions.* The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 2017, gradually rising to 4.25 percent in 2023
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

The 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.

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.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

The 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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- 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 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.
- The rates of PERAcare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Baca County School District RE-4 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	266,926	274,478	283,573

*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, 2017, measurement date.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

*Sensitivity of the Baca County School District RE-4 proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	308,599	274,478	245,354

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 10     JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2017, the latest year for which audited information is available, is as follows:

Assets	1,073,792
Deferred Outflows	2,306,774
Liabilities	6,288,945
Deferred Inflows	<u>268,331</u>
Net Position	<u>(3,176,710)</u>
Revenues	2,449,802
Expenses	<u>3,215,297</u>
Change in Net Position	<u>(765,495)</u>

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

NOTE 11     RISK MANAGEMENT

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

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

NOTE 12     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 12      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2018.

An audited summary of the Colorado School District's Pool financial information at June 30, 2017 and for the six months then ended (latest information available) follows:

Total Assets	<u>42,273,940</u>
Total Liabilities	<u>11,655,251</u>
Total Equity	<u>30,618,689</u>
Revenue	7,429,394
Underwriting Expenses	<u>4,126,717</u>
Underwriting Gain (Loss)	3,302,677
Net Investment Income	276,653
Other Income	<u>-</u>
Net Income (Loss) Before Dividend	3,579,330
Dividend	<u>-</u>
Net Income	3,579,330
Change in Non Admitted Assets	<u>235,600</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u>30,618,689</u>

NOTE 13      PRIOR PERIOD ADJUSTMENT – FOOD SERVICE FUND

A receivable for the summer lunch program reimbursement due for June 30, 2017 for lunches sold was not recorded in the financial statements last year. An adjustment to increase the beginning fund balance of the Food Service Fund in the amount of \$7,389 and the entity-wide beginning net position in the same amount has been reflected in these financial statements.

NOTE 14      RESTATEMENT OF BEGINNING NET POSITION

The net position of the governmental activities has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$(3,308,668) has been changed by the net OPEB liability at June 30, 2017 of \$276,406 and related deferred flows of \$6,091, resulting in a restated beginning net position of \$(3,578,983).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

## GENERAL AND MAJOR SPECIAL REVENUE FUNDS

### General Fund

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	732,877	745,533	743,257	(2,276)
Specific Ownership Taxes	84,389	78,812	86,570	7,758
Earnings on Investments	8,600	15,685	26,782	11,097
Delinquent Taxes & Interest	3,500	3,500	3,517	17
Other	62,750	141,825	73,148	(68,677)
<u>State Sources</u>				
Equalization	2,022,666	2,159,922	2,161,356	1,434
Transportation	25,039	26,643	26,706	63
Vocational Education	15,000	14,529	14,380	(149)
Special Education	33,176	28,125	28,126	1
Other	121,777	131,446	140,068	8,622
<u>Federal Sources</u>				
Designated Purpose Grants	114,131	102,811	104,042	1,231
Other	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>3,223,905</u></b>	<b><u>3,448,831</u></b>	<b><u>3,407,952</u></b>	<b><u>(40,879)</u></b>
 <u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	1,232,316	1,285,359	1,269,123	16,236
Employee Benefits	403,591	349,959	326,597	23,362
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	51,780	51,780	43,176	8,604
Purchased Services - Other	112,140	99,900	99,795	105
Supplies and Materials	77,935	104,626	90,867	13,759
Property	83,150	64,467	34,568	29,899
Other Objects	9,600	11,920	7,637	4,283
<u>Total Instruction</u>	<u>1,970,512</u>	<u>1,968,011</u>	<u>1,871,763</u>	<u>96,248</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	44,965	32,418	25,922	6,496
Employee Benefits	13,448	7,238	5,830	1,408
Purchased Services - Professional	65,686	65,436	65,394	42
Purchased Services - Property	-	-	-	-
Purchased Services - Other	-	33,920	15,427	18,493
Supplies and Materials	600	76,635	4,482	72,153
Property	-	2,000	417	1,583
Other Objects	-	-	-	-
<u>Total Student Services</u>	<u>124,699</u>	<u>217,647</u>	<u>117,472</u>	<u>100,175</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Instructional Staff</u>				
Salaries	33,516	36,816	38,027	(1,211)
Employee Benefits	14,797	7,778	7,855	(77)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	100	100	15	85
Purchased Services – Other	-	-	-	-
Supplies and Materials	10,300	10,300	9,300	1,000
Property	400	400	42	358
Other Objects	<u>2,000</u>	<u>2,000</u>	<u>1,916</u>	<u>84</u>
<u>Total Instructional Staff</u>	<u>61,113</u>	<u>57,394</u>	<u>57,155</u>	<u>239</u>
<u>General Administration</u>				
Salaries	121,795	122,795	121,703	1,092
Employee Benefits	35,183	36,069	35,747	322
Purchased Services – Professional	31,300	18,179	16,357	1,822
Purchased Services – Other	1,000	1,300	139	1,161
Supplies and Materials	5,500	5,500	4,810	690
Property	250	250	-	250
Other Objects	<u>6,050</u>	<u>6,526</u>	<u>6,723</u>	<u>(197)</u>
<u>Total General Administration</u>	<u>201,078</u>	<u>190,619</u>	<u>185,479</u>	<u>5,140</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	101,568	98,918	98,681	237
Employee Benefits	34,344	26,013	23,940	2,073
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	3,000	1,650	1,017	633
Purchased Services – Other	11,950	11,950	10,406	1,544
Supplies and Materials	5,100	5,550	3,452	2,098
Property	300	2,900	-	2,900
Other Objects	<u>700</u>	<u>700</u>	<u>126</u>	<u>574</u>
<u>Total School Administration</u>	<u>156,962</u>	<u>147,681</u>	<u>137,622</u>	<u>10,059</u>
<u>Business Services</u>				
Salaries	40,560	41,559	41,760	(201)
Employee Benefits	12,490	12,704	11,375	1,329
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	10,500	10,500	9,893	607
Purchased Services – Other	2,450	2,050	1,710	340
Supplies and Materials	2,000	2,000	1,410	590
Property	500	500	100	400
Other Objects	<u>100</u>	<u>100</u>	<u>40</u>	<u>60</u>
<u>Total Business Services</u>	<u>68,600</u>	<u>69,413</u>	<u>66,288</u>	<u>3,125</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Operations and Maintenance</u>				
Salaries	136,338	140,022	141,094	(1,072)
Employee Benefits	47,576	35,527	34,834	693
Purchased Services – Professional	1,000	1,000	530	470
Purchased Services – Property	43,400	32,900	132,261	(99,361)
Purchased Services – Other	56,144	55,581	47,939	7,642
Supplies and Materials	22,000	113,000	100,812	12,188
Property	-	114,437	68,710	45,727
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>306,458</u>	<u>492,467</u>	<u>526,180</u>	<u>(33,713)</u>
<u>Student Transportation</u>				
Salaries	72,557	72,970	73,106	(136)
Employee Benefits	19,207	17,469	16,970	499
Purchased Services – Professional	1,600	1,600	1,557	43
Purchased Services – Property	6,800	6,500	4,473	2,027
Purchased Services – Other	-	1,400	416	984
Supplies and Materials	32,500	30,500	27,160	3,340
Property	<u>56,788</u>	<u>56,788</u>	<u>2,265</u>	<u>54,523</u>
<u>Total Student Transportation</u>	<u>189,452</u>	<u>187,227</u>	<u>125,947</u>	<u>61,280</u>
<u>Central Support</u>				
Purchased Services – Other	-	32,018	31,274	744
Other	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>4,000</u>
<u>Total Central Support</u>	<u>4,000</u>	<u>36,018</u>	<u>31,274</u>	<u>4,744</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,112,362</u>	<u>1,398,466</u>	<u>1,247,417</u>	<u>151,049</u>
<u>Appropriated Reserves</u>	<u>1,784,978</u>	<u>1,985,958</u>	<u>-</u>	<u>1,985,958</u>
<u>TOTAL EXPENDITURES</u>	<u>4,867,852</u>	<u>5,352,435</u>	<u>3,119,180</u>	<u>2,233,255</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(1,643,947)</u>	<u>(1,903,604)</u>	<u>288,772</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(20,000)	(20,000)	(10,887)	9,113
Insurance Proceeds	<u>-</u>	<u>-</u>	<u>102,251</u>	<u>102,251</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>91,364</u>	<u>111,364</u>
<u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	<u>(1,663,947)</u>	<u>(1,923,604)</u>	<u>380,136</u>	
<u>FUND BALANCE, July 1</u>	<u>1,663,947</u>	<u>1,923,604</u>	<u>1,923,605</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,303,741</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	0.0372%	0.0375%	0.0380%	0.0405%	0.0309%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$12,019,643	\$11,166,973	\$5,811,557	\$5,491,966	\$4,978,810	-	-	-	-	-
District's covered payroll	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	688%	658%	352%	329%	301%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%	62.80%	64.06%	-	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contributions	\$ 329,940	\$ 311,778	\$ 293,216	\$ 281,895	\$ 265,134	\$ 235,516	-	-	-	-
Contributions in relation to the contractually required contributions	\$ (329,940)	\$ (311,778)	\$ (293,216)	\$ (281,895)	\$ (265,134)	\$ (235,516)	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered payroll	\$ 1,747,330	\$ 1,696,245	\$ 1,653,329	\$ 1,669,754	\$ 1,656,317	\$ 1,561,542	-	-	-	-
Contributions as a percentage of covered payroll	18.88%	18.38%	17.73%	16.88%	16.01%	15.08%	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.0211%	0.0213%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$274,478	\$276,406	-	-	-	-	-	-	-	-
District's covered payroll	\$1,747,330	\$1,696,245	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.71%	16.30%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.71%	-	-	-	-	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 17,823	\$ 17,302	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (17,823)</u>	<u>\$ (17,302)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered payroll	\$1,747,330	\$1,696,245	-	-	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

AND

OTHER SCHEDULES

## SPECIAL REVENUE FUND

Food Service Fund – This fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.

## FIDUCIARY FUND

### Agency Fund

Student Activity – The District holds assets in trust for various student clubs and organizations.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2018

	<u>Food Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>		
Cash	61,789	61,789
Investments	-	-
Accounts Receivable	8,331	8,331
Accrued Revenue	-	-
Due from Other Funds	-	-
Inventories	3,132	3,132
Receivables - Other	-	-
<u>Total Assets</u>	<u>73,252</u>	<u>73,252</u>
 <u>LIABILITIES AND FUND BALANCES</u>		
<u>Liabilities</u>		
Accounts Payable	-	-
Accrued Salaries	17,013	17,013
Due to Other Funds	-	-
Other Liabilities	<u>1,129</u>	<u>1,129</u>
<u>Total Liabilities</u>	<u>18,142</u>	<u>18,142</u>
 <u>Fund Balances</u>		
Nonspendable:		
Inventories	3,132	3,132
Restricted:		
Food Service	<u>51,978</u>	<u>51,978</u>
<u>Total Fund Balances</u>	<u>55,110</u>	<u>55,110</u>
 <u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	 <u>73,252</u>	 <u>73,252</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2018

	<u>Food Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>		
Earnings on Investments	11	11
Other Local Sources	59,075	59,075
State Aid	2,811	2,811
Federal Aid	<u>126,626</u>	<u>126,626</u>
<u>Total Revenues</u>	<u>188,523</u>	<u>188,523</u>
<u>EXPENDITURES</u>		
Current:		
Instructional Services	-	-
Supporting Services:		
Food Service	190,512	190,512
Capital Outlay	-	-
<u>Total Expenditures</u>	<u>190,512</u>	<u>190,512</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(1,989)	(1,989)
<u>OTHER FINANCING SOURCES (USES)</u>		
Transfers	<u>10,887</u>	<u>10,887</u>
<u>NET CHANGE IN FUND BALANCES</u>	8,898	8,898
<u>FUND BALANCE, Beginning</u>	38,823	38,823
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>7,389</u>	<u>7,389</u>
<u>FUND BALANCE, Ending</u>	<u>55,110</u>	<u>55,110</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD SERVICE – SPECIAL REVENUE  
For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	49,405	51,099	1,694
Earnings on Investments	30	11	(19)
Other	4,300	7,976	3,676
<u>State Sources</u>			
School Lunches and Breakfast	3,255	2,811	(444)
<u>Federal Sources</u>			
School Lunches and Breakfast	86,605	114,401	27,796
Commodities	-	<u>12,225</u>	<u>12,225</u>
<u>Total Revenues</u>	<u>143,595</u>	<u>188,523</u>	<u>44,928</u>
 <u>EXPENDITURES</u>			
Salaries	68,810	72,663	(3,853)
Employee Benefits	21,785	21,867	(82)
Purchased Services – Professional	-	-	-
Purchased Services – Property	1,500	1,452	48
Purchased Services - Other	1,100	1,028	72
Food Purchases	88,321	77,341	10,980
Capital Outlay	1,500	-	1,500
Commodities	-	12,225	(12,225)
Non-Food Supplies	4,792	3,936	856
Appropriated Reserves	<u>14,610</u>	-	<u>14,610</u>
<u>Total Expenditures</u>	<u>202,418</u>	<u>190,512</u>	<u>11,906</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (58,823)	 (1,989)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>20,000</u>	<u>10,887</u>	<u>(9,113)</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (38,823)	 8,898	
 <u>FUND BALANCE, July 1</u>	 38,823	 38,823	
 <u>PRIOR PERIOD ADJUSTMENT</u>	 -	 <u>7,389</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>55,110</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF RECEIPTS AND EXPENDITURES – BUDGET AND ACTUAL  
 STUDENT ACTIVITY FUND  
 For the Year Ended June 30, 2018

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	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>RECEIPTS</u>			
Other Local	<u>211,934</u>	<u>224,716</u>	<u>12,782</u>
<u>EXPENDITURES:</u>			
Pupil Activities	<u>270,032</u>	<u>226,979</u>	<u>43,053</u>
Net Increase (Decrease) in Deposits Held	(58,098)	(2,263)	
Deposits Held – Beginning of Year	<u>58,098</u>	<u>49,324</u>	
Deposits Held – End of Year	<u>—</u>	<u>47,061</u>	

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

STATE REQUIRED SCHEDULES

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

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0250 - SPRINGFIELD RE-4  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	86g Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	1,808,703	3,246,870	2,855,262	2,190,311
18 Risk Mgmt Sub-Fund of General Fund	86,391	162,327	156,443	90,276
19 Colorado Preschool Program Fund	28,511	90,120	95,476	23,154
<b>Sub-Total</b>	<b>1,923,605</b>	<b>3,499,317</b>	<b>3,115,181</b>	<b>2,303,741</b>
11 Charter School Fund	0	0	0	0
20.716-29 Special Revenue Fund	0	0	0	0
36 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
21 Food Service Spec Revenue Fund	46,212	193,411	190,572	55,111
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
<b>Totals</b>	<b>1,964,817</b>	<b>3,692,728</b>	<b>3,298,833</b>	<b>2,358,852</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64.633 Risk-Related Activity Fund	0	0	0	0
66.55-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	48,324	324,716	226,979	47,061
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>48,324</b>	<b>324,716</b>	<b>226,979</b>	<b>47,061</b>
<b>FINAL</b>	<b>46,334</b>	<b>224,716</b>	<b>216,979</b>	<b>47,061</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 0250 - SPRINGFIELD RE-4  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

	Governmental						Proprietary						Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50-59	Risk-Related Activity Funds 60-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104,8111)	2,539,043	0	36,055	0	0	61,789	0	0	0	0	0	0	0	2,683,950
Cash with Fiscal Agent (8105)	11,774	0	0	0	0	0	0	0	0	0	0	0	0	11,774
Taxes Receivable (8121,8122)	64,364	0	0	0	0	0	0	0	0	0	0	0	0	64,364
Interfund Loans Receivable (8131,8132)	3,745	0	0	0	0	0	0	0	0	0	0	0	0	3,745
Grants Accounts Receivable (8142)	32,216	0	0	0	0	8,331	0	0	0	0	0	0	0	40,548
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	3,132	0	0	0	0	0	0	0	3,132
Prepaid Expenses 8181,8182)	16,069	0	0	0	0	0	0	0	0	0	0	0	0	16,069
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,667,211</b>	<b>0</b>	<b>36,055</b>	<b>0</b>	<b>0</b>	<b>73,121</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,823,581</b>

	Governmental						Proprietary						Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20-22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50-52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	0	0	3,745	0	0	0	0	0	0	0	0	0	0	0	3,745
Other Payables (7421-7423)	12,570	0	0	0	0	0	0	0	0	0	0	0	0	0	12,570
Accrued Expenses (7461)	256,973	0	9,156	0	0	17,013	0	0	0	0	0	0	0	0	283,142
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	76,690	0	0	0	0	0	0	0	0	0	0	0	0	0	76,690
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	1,129	0	0	0	0	0	0	0	0	1,129
Deferred Inflow (7800)	40,391	0	0	0	0	0	0	0	0	0	0	0	0	0	40,391
<b>Total Liabilities</b>	<b>386,624</b>	<b>0</b>	<b>12,901</b>	<b>0</b>	<b>0</b>	<b>18,142</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>417,667</b>

**Governmental**

**Proprietary**

**Fiduciary**

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	16,069	0	0	0	0	3,132	0	0	0	0	0	0	0	0	19,200
Restricted Fund Balance 6720	0	0	0	0	0	44,590	0	0	0	0	0	0	0	0	44,590
TABOR 3% Emergency Reserve 6721	104,000	0	0	0	0	0	0	0	0	0	0	0	0	0	104,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	23,154	0	0	0	0	0	0	0	0	0	0	0	23,154
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	90,276	0	0	0	0	0	0	0	0	0	0	0	0	0	90,276
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	-2,070,242	0	0	0	0	0	0	0	0	0	0	0	0	0	-2,070,242
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	7,389	0	0	0	0	0	0	0	0	7,389
<b>Total Fund Equity</b>	<b>2,280,587</b>	<b>0</b>	<b>23,154</b>	<b>0</b>	<b>0</b>	<b>55,111</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,061</b>	<b>0</b>	<b>2,405,914</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	<b>2,667,211</b>	<b>0</b>	<b>36,055</b>	<b>0</b>	<b>0</b>	<b>73,252</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>47,061</b>	<b>0</b>	<b>2,823,581</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>For Each Fund Type:</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>
<b>Do Assets=Liability+Fund Equity</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>	<b>Yes</b>