

cPa DIXON, WALLER & CO., INC.

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LAS ANIMAS SCHOOL

DISTRICT RE-1

LAS ANIMAS, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2018

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS  
JUNE 30, 2018

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LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2018

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BOARD OF EDUCATION

Robert Bucholz	President
Steven Gallegos	Vice-President
Dustin Wallace	Treasurer
Bill Deal	Secretary
JoEllen Netherton	Member

SCHOOL OFFICIALS

Elsie Goines	Superintendent
Nichole Eastin	Business Manager

FINANCIAL SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Las Animas School District Number RE-1  
Las Animas, Colorado 81054

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Las Animas School District Number RE-1, 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 Las Animas School District Number RE-1, 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 benefit trend data on pages i through x and 47 through 53 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 Las Animas School District Number RE-1'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 respects in relation to the basic financial statements as a whole.

*Autor, Waller & Co., Inc.*

November 21, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

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# Las Animas School District RE-1

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<p><b>Management's Discussion and Analysis</b> For the Fiscal Year Ended June 30, 2018</p>
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**Las Animas School District RE-1  
1021 Second Street  
Las Animas, CO 81054  
(719) 456-0161**

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**1021 Second Street**  
**Las Animas, CO 81054**  
**(719) 456-0161**

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

This section of the Las Animas School District RE-1's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year which ended June 30, 2018. Please read it in conjunction with District's financial statements, which follow this section.

The District has implemented GASB 68 regarding pensions. The net pension liability is \$17,039,935 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 \$389,120. 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 -\$372,611 to -\$476,154 from -\$103,543 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.

Beginning July 1, 2016 Las Animas School District RE-1 became an authorizer for two online schools, AIM Global and Art Immersion.

**Las Animas School District RE-1**  
**Fund Equity & Reserves**

**Fund Equity and Reserves-**  
**All Governmental Funds**

**\$4,619,231**

**General Fund 72%**  
**Government Grants 0%**  
**Capital Projects 1%**  
**Bond Fund 16%**  
**Capital Reserve-Capital Project 11%**

## FINANCIAL HIGHLIGHTS

- The District's total combined net position was -\$1,347,930 at June 30, 2018.
- The General Fund ending balance at June 30, 2018, is \$2,473,708 for an increase of \$733,845 from last year.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Las Animas School District RE-1's basic financial statements. This annual report consists of three parts:

- Management's discussion and analysis
- Fund financial statements
- Notes to basic financial statements.

The Management's Discussion and Analysis also contains other supplemental information.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements with a comparison of the District's budget for the year.

### Government-wide Financial Statements:

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The government-wide statements relate to those activities directly related to the education of the students.

The *statement of net position* presents information on all of the District's assets and liabilities with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District.

The government-wide financial statements of the District are reported in one category:

- *Governmental Activities*: This category consolidates all of the following Las Animas School District RE-1 funds: (1) General Fund (2) Bond Redemption Fund (3) Food Service Fund (4) Capital Projects Funds, and (5) Government Designated Purpose Grants Fund. Most of the District's basic services are included here, such as instructional, transportation, maintenance and operations, administration, and food service.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds

**Governmental Funds:** Most of the District's basic services are included in the governmental funds, which focus on (1) how cash and other financial assets that can be readily converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the government funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements, or on the subsequent page, that explains the relationship (or differences) between them.

Las Animas School District RE-1 maintains five individual governmental funds. Information is presented separately in the governmental fund – balance sheet and in the governmental fund – statement of revenues, expenditures and changes in fund balances for the (1) General Fund (2) Bond Redemption Fund (3) Food Service Fund (4) Capital Projects Fund and (5) Government Designated Purpose Grants Fund. Also included in the supplementary information section is budget-to-actual information for the debt service fund as required by law.

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as the student activity fund. The District is responsible for ensuring that the assets reported in this fund are used for their intended purpose and by those to whom the assets belong. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The district maintains only one fiduciary fund, which is categorized as an agency fund. This is the student activity fund so there will be no statement of changes in fiduciary net assets as it is not required for agency funds.

### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 12 of this report.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Cash, investments, receivables, inventories and prepaid expenditures are current assets. These assets are available to provide resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

Table A-1 provides a summary of the District's net position for 2018 compared to 2017.

**TABLE A-1**

**Condensed Statement of Net Position**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>TOTAL</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current & Other Assets	\$4,558,760	\$4,530,922	\$0	\$0	\$4,530,922	\$4,530,922
Capital Assets	\$17,012,639	\$15,313,379	\$0	\$0	\$17,012,639	\$15,313,379
Accumulated Depreciation	-\$7,487,612	-\$7,003,978	\$0	\$0	-\$7,487,612	-\$7,003,978
Bond Issue Cost	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL ASSETS</b>	<b>\$14,083,787</b>	<b>\$12,840,323</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,083,787</b>	<b>\$12,840,323</b>
<b>Deferred Outflows</b>	<b>\$5,319,997</b>	<b>\$6,020,670</b>			<b>\$5,319,997</b>	<b>\$6,020,670</b>
Other Liabilities	\$946,220	\$1,621,628	\$0	\$0	\$946,220	\$1,621,628
Long Term Debt and NPO	\$18,508,805	\$16,736,383			\$18,508,805	\$16,736,383
<b>TOTAL LIABILITIES</b>	<b>\$19,455,025</b>	<b>\$18,358,011</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,455,025</b>	<b>\$18,358,011</b>
<b>Deferred Inflows</b>	<b>\$1,296,689</b>	<b>\$606,525</b>			<b>\$1,296,689</b>	<b>\$606,525</b>
Net Assets Invested in Capital Assets, Net of Related Debt	\$8,519,139	\$7,285,512	\$0	\$0	\$8,519,139	\$7,285,512
Restricted	\$1,231,368	\$1,033,486			\$1,231,368	\$1,033,486
Unrestricted	-\$11,098,437	-\$8,422,541	\$0	\$0	-\$11,098,437	-\$8,422,541
<b>TOTAL NET POSITION</b>	<b>-\$1,347,930</b>	<b>-\$103,543</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$1,347,930</b>	<b>-\$103,543</b>

**Changes in Net Position:**

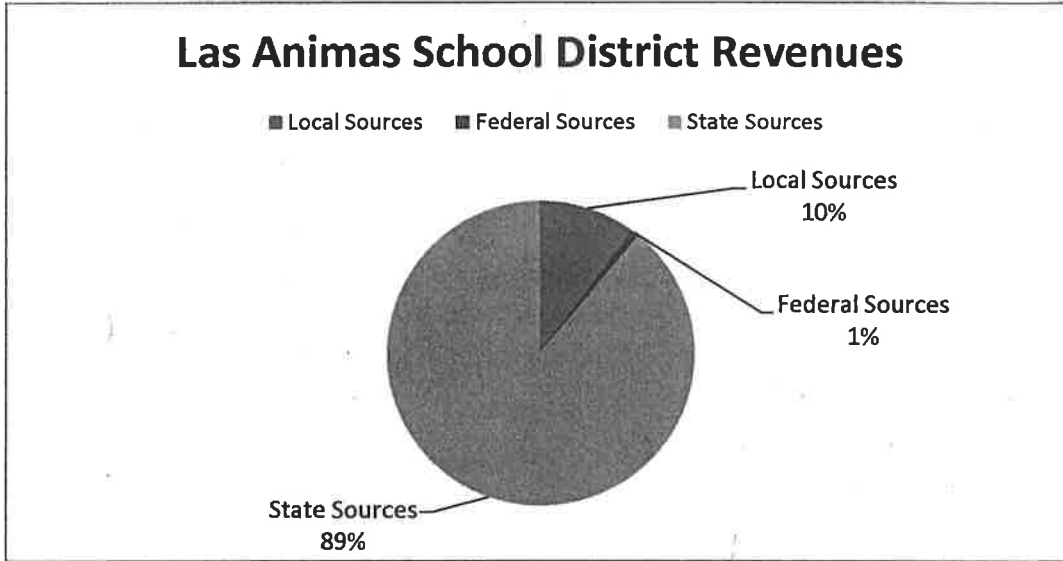
Total net position of the Las Animas School District decreased by \$1,244,387.

**Statement of Revenues, Expenditures, and Change in Net Position:**

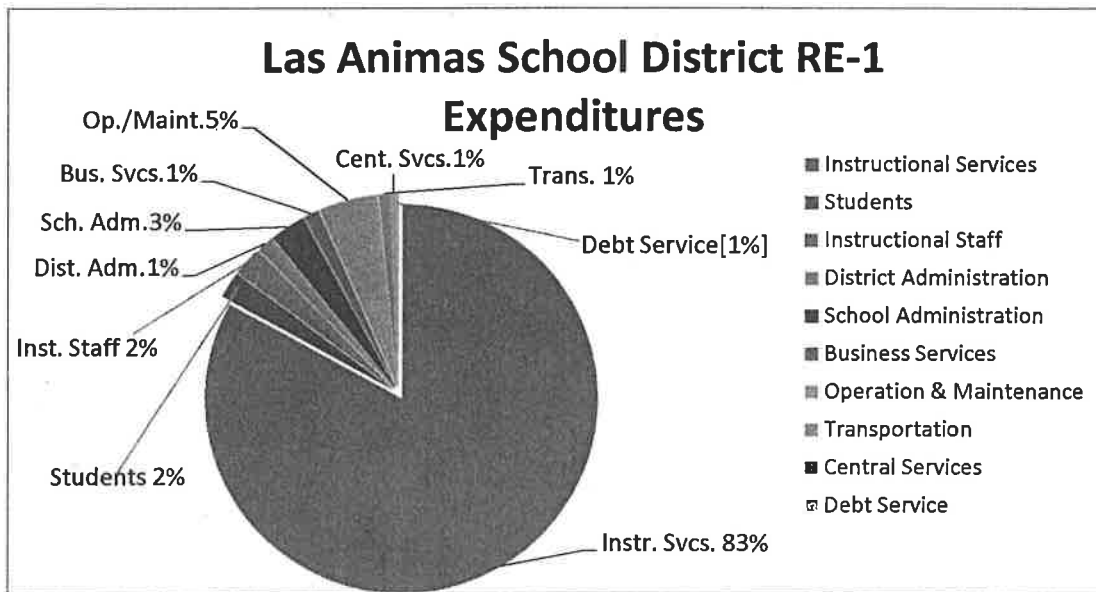
	<u>Governmental Activities</u>		<u>Business Type Activities</u>		<u>Total</u>	
	<u>2017-2018</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2016-2017</u>
<b>REVENUES:</b>						
Property Taxes	\$1,368,817	\$1,355,678			\$1,368,817	\$1,355,678
Ownership Taxes	\$119,765	\$114,156			\$119,765	\$114,156
Earnings on Investments	\$18,996	\$10,496	\$0	\$0	\$18,996	\$10,496
Equalization	\$12,227,064	\$7,032,909			\$12,227,064	\$7,032,909
Charges for Services	\$56,334	\$59,586	\$0	\$0	\$56,334	\$59,586
Operating and Capital Grants	\$2,008,103	\$1,616,813	\$0	\$0	\$2,008,103	\$1,616,813
Other Local Sources	\$120,675	\$19,176	\$0	\$0	\$120,675	\$19,176
Transfers	<u>0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0	\$0
<b>TOTAL REVENUES</b>	<b>\$15,919,754</b>	<b>\$10,208,814</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,919,754</b>	<b>\$10,208,814</b>
<b>EXPENDITURES:</b>						
Instructional Services	\$10,988,365	\$6,575,697	\$0		\$10,988,365	\$6,575,697
<b>Supporting Services:</b>						
Students	\$275,057	\$301,469	\$0		\$275,057	\$301,469
Instructional Staff	\$337,200	\$268,433	\$0		\$337,200	\$268,433
District Admin.	\$172,413	\$165,188	\$0		\$172,413	\$165,188
School Admin.	\$358,567	\$347,299	\$0		\$358,567	\$347,299
Business	\$161,929	\$137,092	\$0		\$161,929	\$137,092
Operation/Maint.	\$607,469	\$561,382	\$0		\$607,469	\$561,382
Transportation	\$135,779	\$168,236	\$0		\$135,779	\$168,236
Central Svcs.	\$43,723	\$62,142	\$0		\$43,723	\$62,142
Pension Cost	\$2,819,089	\$2,280,567	\$0		\$2,819,089	\$2,280,567
Debt Service	\$0	\$0	\$0		\$0	\$0
Principal	\$0	\$0	\$0		\$0	\$0
Other Post-Employment Benefits	\$6,765	\$0			\$6,765	\$0
Interest	\$27,709	\$24,107	\$0		\$27,709	\$24,107
Capital Outlay	\$544,198	\$19,857	\$0		\$544,198	\$19,857
Food Service	<u>\$320,032</u>	<u>\$311,449</u>	<u>\$0</u>	<u>\$0</u>	\$320,032	\$311,449
<b>TOTAL EXPENDITURES</b>	<b>\$16,798,295</b>	<b>\$11,222,917</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,798,295</b>	<b>\$11,222,917</b>
<b>NET CHANGE</b>	<b>(\$871,776)</b>	<b>(\$1,014,103)</b>	<b>0</b>	<b>0</b>	<b>(\$871,776)</b>	<b>(\$1,014,103)</b>
<b>BEGINNING NET POSITION(as restated)</b>	<b>(\$476,154)</b>	<b>\$910,560</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$476,154)</b>	<b>\$910,560</b>
<b>ENDING NET POSITION</b>	<b>(\$1,347,930)</b>	<b>(\$103,543)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,347,930)</b>	<b>(\$103,543)</b>

The District's General Fund revenues totaled \$14,289,118 with General Fund expenditures totaling \$12,403,273. Chart A-2 and A-3 give percentages of revenue sources and expenditures by program.

**CHART A-2**  
**Revenues**



**CHART A-3 Expenditures**



### **Governmental Activities:**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$10,435.68 per brick and mortar funded student and \$7,022.42 per online funded student. In fiscal year 2017 - 2018, the brick and mortar **funded** pupil count was 493.3 students and the online **funded** pupil count was 1,193 students. Funding for the School Finance Act comes from property taxes, specific ownership taxes and state equalization.

Governmental funds include the General, Consolidated Grant Program, Capital Projects, Colorado Preschool Program, Student Activity, Bond Redemption and Food Service Funds.

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

#### **General Fund:**

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. The School Board approves a budget in June based on enrollment projections for the following school year. In January of 2018, the School Board approved a final issuance of the budget.

The \$2,473,708 General Fund balance as of June 30, 2018, includes \$448,000 reserved for TABOR.

The budgetary basis differs from generally accepted accounting principles (GAAP) in the treatment of accrued salaries, benefits and related liabilities. According to state statutes, the accrued salaries and related benefits do not need to be "funded" and, therefore, are not subtracted from budgetary basis fund balance.

#### **Bond Redemption Fund/Long Term Debt:**

At year-end, the District had total general obligation debt outstanding of \$795,000. The mill levy is set each year to provide property tax revenue sufficient to pay principal and interest as required by the bond amortization schedule.

#### **Grant Fund – Special Revenue:**

The District uses this fund to account for the proceeds of the specific revenue sources that are legally restricted to expenditures for specified purposes. Revenues from designated purpose grants amounted to \$349,586 in the year ended June 30, 2018.

#### **Capital Projects Fund:**

A new Capital Projects fund was established in 2010 for purposes of capital expenditures such as school and activity buses or major construction repairs or projects. Although not a requirement, the district intends to transfer at least \$100,000 to this fund each year as a reserve account for capital expenditures.

#### **Food Service Fund -- Special Revenue:**

The Food Service Fund reported an ending fund balance of \$62,697. The district subsidized the food program by \$0 during the 2017 - 2018 fiscal year. The food service fund receives no support from tax revenue.

**CAPITAL ASSET ADMINISTRATION**

At the end of 2017, the District had invested \$17,012,639 in a broad range of capital assets, including land, equipment, buildings, and vehicles.

<b>Las Animas School District RE-1 CAPITAL ASSETS</b>	
Land, Buildings, Site Improvements	\$15,804,874
Vehicles	\$572,706
Equipment	\$635,059
<b>TOTAL FUNDS CAPITAL ASSETS</b>	<b>\$17,012,639</b>

Accumulated depreciation on the above governmental fixed assets amounted to \$7,487,612 at June 30, 2018 for a net value of \$9,525,027.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

Information from the 2017 - 2018 student enrollments "October Count" shows that Las Animas School District RE-1 had 19 brick and mortar students less than last year. The District's enrollment for the last five years has been as follows:

	Actual 17 – 18 FY	Actual 16 – 17 FY	Actual 15 – 16 FY	Actual 14 – 15 FY	Actual 13- 14 FY
Total October 1 Certified Pupil Count	505 Brick/Mortar 1,214 Online	524 Brick/Mortar 651 Online	533	501	492
Total Funded Pupil Count	493.3 Brick/Mortar 1,193 Online	509.4 Brick/Mortar 601 Online	499.6	482.5	503.3

Based on historical trends, our projections for student enrollment are expected to slightly decline.

Each year, the United States and the State of Colorado experience slowing economic conditions. One impact of this economic slowing is the reduction in the State of Colorado's General Fund revenues, which continue to decline.

Because educational expenditures represent a significant portion of the State of Colorado's total expenditures, the District anticipates its revenues may be adversely impacted.

## CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's financials and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nichole Eastin, Finance Director, Las Animas School District RE-1, 1021 Second Street, Las Animas, Colorado 81054.

Respectfully Submitted,  
Nichole Eastin  
Finance Director

BASIC FINANCIAL STATEMENTS

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF NET POSITION  
June 30, 2018

	<u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Equivalents	4,163,866	4,163,866
Accounts Receivable	317,397	317,397
Accrued Revenue	16,787	16,787
Property Taxes Receivable	51,000	51,000
Inventories	9,710	9,710
Capital Assets	17,012,639	17,012,639
Accumulated Depreciation	<u>(7,487,612)</u>	<u>(7,487,612)</u>
<u>Total Assets</u>	<u>14,083,787</u>	<u>14,083,787</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Deferred Refunding – Debt	6,439	6,439
Pension	5,297,304	5,297,304
Other Post Employment Benefits	16,254	16,254
<u>Total Deferred Outflows</u>	<u>5,319,997</u>	<u>5,319,997</u>
<u>LIABILITIES</u>		
Accounts Payable	154,033	154,033
Accrued Salaries and Benefits	406,300	406,300
Grant Amounts Received in Advance	375,372	375,372
Accrued Interest Payable	10,515	10,515
Noncurrent Liabilities:		
Bond Payments Due Within One Year	150,000	150,000
Capital Leases Due Within One Year	113,044	113,044
Bond Due in More Than One Year	645,000	645,000
Capital Leases Due in More Than One Year	97,844	97,844
Unamortized Bond Premium	29,674	29,674
Compensated Absences	44,188	44,188
Net Pension Liability	17,039,935	17,039,935
Net Other Post Employment Benefits Liability	<u>389,120</u>	<u>389,120</u>
<u>Total Liabilities</u>	<u>19,455,025</u>	<u>19,455,025</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	1,290,179	1,290,179
Other Post Employment Benefits	<u>6,510</u>	<u>6,510</u>
<u>Total Deferred Inflows</u>	<u>1,296,689</u>	<u>1,296,689</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	8,519,139	8,519,139
Restricted:		
TABOR Reserve	448,000	448,000
Food Service	52,987	52,987
Debt Service	730,381	730,381
Unrestricted	<u>(11,098,437)</u>	<u>(11,098,437)</u>
<u>TOTAL NET POSITION</u>	<u>(1,347,930)</u>	<u>(1,347,930)</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

	Net (Expenses) Revenue and Changes in Net Position				
	Primary Government			Total	
	Charges for Services	Program Revenues Operating Grants & Contributions	Capital Grants and Contributions		Governmental Activities
<b>FUNCTIONS</b>	<b>Expenses</b>				
Instructional Services	10,988,365	12,851	909,060	-	(10,066,454)
Supporting Services:					
Students	275,057	-	-	-	(275,057)
Instructional Staff	337,200	-	34,487	-	(302,713)
District Administration	172,413	-	-	-	(172,413)
School Administration	358,567	-	-	-	(358,567)
Business	161,929	-	-	-	(161,929)
Operation & Maintenance of Facilities	607,469	-	-	-	(607,469)
Transportation	135,779	-	28,387	-	(107,392)
Central Support	43,723	-	-	-	(43,723)
Food Service	320,032	43,483	270,681	-	(5,868)
Other	-	-	-	-	-
Capital Outlay	544,198	-	-	765,488	221,290
Interest on Long-Term Debt	27,709	-	-	-	(27,709)
Pension Cost	2,819,089	-	-	-	(2,819,089)
Other Post Employment Benefits Cost	6,765	-	-	-	(6,765)
<b>Total Governmental Activities</b>	<b>16,798,295</b>	<b>56,334</b>	<b>1,242,615</b>	<b>765,488</b>	<b>(14,733,858)</b>
<b>Total School District</b>	<b>16,798,295</b>	<b>56,334</b>	<b>1,242,615</b>	<b>765,488</b>	<b>(14,733,858)</b>
<b>General Revenues</b>					
Property Taxes Levied for General Purposes					1,368,817
Specific Ownership Taxes					119,765
Equalization					12,227,064
Earnings on Investments					18,996
Other Revenues					127,440
<b>Total General Revenues</b>					<b>13,862,082</b>
<b>Change in Net Position</b>					<b>(871,776)</b>
<b>Net Position, Beginning (as Restated)</b>					<b>(476,154)</b>
<b>Net Position, Ending</b>					<b>(1,347,930)</b>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<b><u>ASSETS</u></b>			
Cash	2,979,488	41,739	726,608
Investments	-	-	-
Accounts Receivable	274,799	15,388	-
Accrued Revenue	-	-	-
Due From Other Funds	25,973	-	-
Property Taxes Receivable	44,500	-	6,500
Inventories	-	-	-
<u>Total Assets</u>	<u>3,324,760</u>	<u>57,127</u>	<u>733,108</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	98,943	22,629	-
Accrued Salaries and Benefits	371,301	-	-
Due To Other Funds	-	34,498	-
Other Payables	-	-	-
Grant Amounts Received in Advance	<u>362,014</u>	-	-
<u>Total Liabilities</u>	<u>832,258</u>	<u>57,127</u>	<u>-</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>			
Property Tax	<u>18,794</u>	<u>-</u>	<u>2,727</u>
<b><u>FUND BALANCES:</u></b>			
Nonspendable:			
Inventories	-	-	-
Restricted:			
Emergency Reserve	448,000	-	-
Debt Service	-	-	730,381
Preschool	-	-	-
Capital Outlay	-	-	-
Food Service	-	-	-
Committed:			
Capital Outlay	-	-	-
Assigned:			
Grant Expenditures	-	-	-
Unassigned:			
<u>Total Fund Balances</u>	<u>2,025,708</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>2,473,708</u>	<u>-</u>	<u>730,381</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>			
	<u>3,324,760</u>	<u>57,127</u>	<u>733,108</u>

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

Other Governmental Funds	Total Governmental Funds
416,031	4,163,866
-	-
27,210	317,397
16,787	16,787
34,498	60,471
-	51,000
<u>9,710</u>	<u>9,710</u>
<u>504,236</u>	<u>4,619,231</u>
32,461	154,033
34,999	406,300
25,973	60,471
-	-
<u>13,358</u>	<u>375,372</u>
<u>106,791</u>	<u>996,176</u>
<u>-</u>	<u>21,521</u>
9,710	9,710
-	448,000
-	730,381
-	-
-	-
52,987	52,987
334,551	334,551
197	197
-	<u>2,025,708</u>
<u>397,445</u>	<u>3,601,534</u>
<u>504,236</u>	<u>4,619,231</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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>	3,601,534
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$17,012,639 and the accumulated depreciation is \$7,487,612.	9,525,027
Property tax revenue is recognized when earned (claim to resources established) rather than when “available” in the entity-wide financial statements.	21,521
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(10,515)
Long-term liabilities, including capital leases and general obligation bonds are not due and payable in the current period and therefore are not reported in the funds. Deferrals due to refundings and bond premiums are recorded at the entity-wide level only.	
Capital Leases	(210,888)
G.O. Bonds	(795,000)
Deferred Refunding	6,439
Bond Premium	<u>(29,674)</u>
	(1,029,123)
The liability for compensated absences is not recorded in the funds.	(44,188)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(17,039,935)
Net Other Post Employment Benefits Liability	(389,120)
Deferred Outflows	5,313,558
Deferred Inflows	<u>(1,296,689)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(1,347,930)</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>
<u>REVENUES:</u>			
Property Taxes	1,201,062	-	176,544
Specific Ownership Taxes	104,654	-	15,111
Earnings on Investments	8,391	-	9,870
Other Local Sources	139,936	-	354
State Aid	12,664,977	669,440	-
Federal Aid	170,098	-	-
<u>Total Revenues</u>	<u>14,289,118</u>	<u>669,440</u>	<u>201,879</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	10,186,169	-	-
Supporting Services:			
Students	275,057	-	-
Instructional Staff	302,713	-	-
District Administration	172,413	-	-
School Administration	358,567	-	-
Business	161,929	-	-
Operation & Maintenance of Facilities	603,469	-	-
Transportation	122,874	-	-
Central	41,859	-	1,864
Food Service	-	-	-
Debt Service:			
Principal	33,961	-	140,000
Interest	3,547	-	27,450
Capital Outlay	140,715	836,800	-
<u>Total Expenditures</u>	<u>12,403,273</u>	<u>836,800</u>	<u>169,314</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>1,885,845</u>	<u>(167,360)</u>	<u>32,565</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(1,152,000)	(34,498)	-
Insurance Proceeds	-	-	-
Lease Proceeds	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(1,152,000)</u>	<u>(34,498)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	733,845	(201,858)	32,565
<u>FUND BALANCES – BEGINNING</u>	<u>1,739,863</u>	<u>201,858</u>	<u>697,816</u>
<u>FUND BALANCES – ENDING</u>	<u>2,473,708</u>	<u>-</u>	<u>730,381</u>

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

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	1,377,606
-	119,765
735	18,996
43,483	183,773
3,852	13,338,269
<u>630,752</u>	<u>800,850</u>
<u>678,822</u>	<u>15,839,259</u>
329,436	10,515,605
-	275,057
34,487	337,200
-	172,413
-	358,567
-	161,929
-	603,469
-	122,874
-	43,723
314,051	314,051
-	173,961
-	30,997
<u>1,284,852</u>	<u>2,262,367</u>
<u>1,962,826</u>	<u>15,372,213</u>
<u>(1,284,004)</u>	<u>467,046</u>
1,186,498	-
96,049	96,049
<u>155,960</u>	<u>155,960</u>
<u>1,438,507</u>	<u>252,009</u>
154,503	719,055
<u>242,942</u>	<u>2,882,479</u>
<u>397,445</u>	<u>3,601,534</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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 719,055

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used 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	1,718,169	
Depreciation Expense	<u>(502,543)</u>	1,215,626

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. (8,789)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of discounts and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrued in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of Debt Principal	173,961	
Lease Proceeds	(155,960)	
Interest Expense	<u>3,288</u>	21,289

Compensated absences are not recognized as a liability in the funds. This is the current year change. 6,897

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	(2,819,089)	
Other Post Employment Benefits Cost	<u>(6,765)</u>	(2,825,854)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (871,776)

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF FIDUCIARY NET POSITION  
AGENCY FUND  
June 30, 2018

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	<u>Student Activities Fund</u>
<u>ASSETS</u>	
Cash	75,432
Investments	-
Deposits Held by Others	-
<u>Total Assets</u>	<u>75,432</u>
<u>LIABILITIES</u>	
Due to Student Groups	75,432
Accounts Payable	-
<u>Total Liabilities</u>	<u>75,432</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Las Animas School District Number RE-1 (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 Las Animas School District Number RE-1. 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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 and proprietary funds. Major individual governmental funds (General Fund, Bond Redemption Debt Service Fund and Capital Project Fund) and 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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 inflows/outflows, 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
  1. 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.
  2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
  3. Capital Project Fund – used to account for bond proceeds, grants and other sources for capital expenditures on a designated project.

Additionally, the District reports the following fund type: 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Receivables 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.

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 (5-40 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 and the balance sheet 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 and governmental balance sheet 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund and Capital Reserve Capital Projects 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 1997 the registered voters approved a ballot resolution authorizing Las Animas School District Number RE-1 to collect, retain and expend (during 1995 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 (excluding bonded debt service). As of June 30, 2018 the District reserved \$448,000 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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 Las Animas 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.      COMPENSATED ABSENCES

The District has policies regarding vacation and sick pay benefits and the payment of accumulated amounts at separation from service. After 10 years of service and termination for reasons other than retirement, payment will be made for unused leave up to 12 days based on the average daily rate paid to the employee during their last 5 years. Employees eligible for retirement will be paid ¼ of unused leave not to exceed 30 days at the average daily rate paid them during their last 5 years.

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>
<u>51,085</u>	<u>      -</u>	<u>6,897</u>	<u>44,188</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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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 balances 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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>Capital Projects Capital Projects Fund</u>	<u>Designated Purpose Grants Fund</u>	<u>Food Service Fund</u>	<u>Debt Service Fund</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>							
Inventories	-	-	-	9,710	-	-	9,710
<u>Restricted:</u>							
Emergencies	448,000	-	-	-	-	-	448,000
Debt Service	-	-	-	-	730,381	-	730,381
Preschool	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-
Food Service	-	-	-	52,987	-	-	52,987
<u>Committed:</u>							
Capital Outlay	-	-	-	-	-	334,551	334,551
<u>Assigned:</u>							
Grant							
Expenditures	-	-	197	-	-	-	197
<u>Unassigned</u>	<u>2,025,708</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,025,708</u>
 <u>Total Fund</u>							
<u>Balances</u>	<u>2,473,708</u>	<u>-</u>	<u>197</u>	<u>62,697</u>	<u>730,381</u>	<u>334,551</u>	<u>3,601,534</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 governmental 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
Continued

The following transactions between funds have been eliminated in the government-wide statements:

Transfers:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
Food Service Fund	-	-
General Fund	-	1,152,000
Capital Reserve-Capital Project Fund	1,186,498	34,498
Capital Project-Capital Project Fund	-	-
	<u>1,186,498</u>	<u>1,186,498</u>

Interfund Balances:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Food Service Fund	-	10,360
General Fund	25,973	-
Capital Reserve-Capital Project Fund	34,498	-
Capital Project-Capital Project Fund	-	34,498
Designated Purpose Grant Fund	-	15,613
	<u>60,471</u>	<u>60,471</u>

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, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 3      BUDGETARY INFORMATION (Continued)

6. Budgets for the General, Special Revenue, Capital Projects and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds.

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.

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	3,248,048	3,536,830
Cash Equivalents	724,585	724,585
Cash with County Treasurer	15,790	-
Cash on Hand	875	-
<u>Total Cash and Deposits</u>	<u>4,239,298</u>	<u>4,511,415</u>

As presented above, deposits with a bank balance of \$3,536,830 and a carrying balance of \$3,248,048 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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>	<u>Adjustments</u>	Balance <u>June 30, 2018</u>
<u>Non-Depreciable Assets:</u>					
Land	77,029	-	-	-	77,029
Construction in Progress	-	501,348	-	-	501,348
<u>Total Non-Depreciable Assets</u>	<u>77,029</u>	<u>501,348</u>	<u>-</u>	<u>-</u>	<u>578,377</u>
<u>Depreciable Assets:</u>					
Buildings	13,899,472	842,300	-	-	14,741,772
Site Improvements	431,364	53,361	-	-	484,725
Vehicles	537,615	54,000	18,909	-	572,706
Equipment	276,121	267,160	-	-	543,281
Food Service Equipment	91,778	-	-	-	91,778
<u>Total Depreciable Assets</u>	<u>15,236,350</u>	<u>1,216,821</u>	<u>18,909</u>	<u>-</u>	<u>16,434,262</u>
<u>Less Accumulated</u>					
<u>Depreciation for:</u>					
Building	5,874,684	451,151	-	-	6,325,835
Site Improvements	335,983	13,424	-	-	349,407
Vehicles	517,408	11,622	18,909	-	510,121
Equipment	199,143	20,365	-	-	219,508
Food Service Equipment	76,760	5,981	-	-	82,741
<u>Total Accumulated Depreciation</u>	<u>7,003,978</u>	<u>502,543</u>	<u>18,909</u>	<u>-</u>	<u>7,487,612</u>
<u>Total Capital Assets, Net</u>	<u>8,309,401</u>	<u>1,215,626</u>	<u>-</u>	<u>-</u>	<u>9,525,027</u>

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

Governmental Activities:

Instruction	479,657
Operation & Maintenance	4,000
Transportation	12,905
Food Service	5,981
<u>Total Depreciation Expense – Governmental Activities</u>	<u>502,543</u>

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 6      INTERFUND TRANSACTIONS

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	25,973	-
Capital Reserve – Capital Project Fund	34,498	-
Food Service Fund	-	10,360
Capital Project – Capital Project Fund	-	34,498
Bond Redemption Fund	-	15,613
	<u>60,471</u>	<u>60,471</u>

All interfund due to/from amounts were accumulated in the normal course of operations and represent amounts paid or settled between the General Fund and other operating funds of the District. All are expected to be repaid in the upcoming period.

	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General	1,152,000	-
Capital Reserve – Capital Projects	-	1,186,498
Food Service Fund	-	-
Capital Project – Capital Project Fund	34,498	-
	<u>1,186,498</u>	<u>1,186,498</u>

Transfers were made in the normal course of operations to support funding needs.

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 to ten months. The salaries and benefits earned, but unpaid, at June 30, 2018, are estimated to be \$406,300 and have been budgeted for payment during the following fiscal year. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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. Las Animas School District Number RE-1 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 Las Animas School District Number RE-1 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:

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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 Las Animas School District Number RE-1 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 Las Animas School District Number RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Las Animas School District Number RE-1 were \$471,992 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 Las Animas School District Number RE-1 reported a liability of \$17,039,935 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 Las Animas School District Number RE-1 proportion of the net pension liability was based on Las Animas School District Number RE-1 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 Las Animas School District Number RE-1 proportion was 0.0527 percent, which was an increase of 0.0003 percent of its proportion measured as of December 31, 2016.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

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

For the year ended June 30, 2018, the Las Animas School District Number RE-1 recognized pension expense of \$2,819,089. At June 30, 2018, the Las Animas School District Number RE-1 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	313,293	-
Changes of assumptions or other inputs	4,350,928	(27,610)
Net difference between projected and actual earnings on pension plan investments	337,808	(1,006,983)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	50,174	(255,586)
Contributions subsequent to the measurement date	245,101	N/A
Total	5,297,304	(1,290,179)

\$245,101 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	2,508,005
2020	1,483,247
2021	22,519
2022	(251,747)
2023	-
Thereafter	-

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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%.

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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.

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June 30, 2018

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

*Sensitivity of the Las Animas School District Number RE-1 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	21,524,336	17,039,935	13,385,660

*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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 8**      PENSION PLAN (Continued)

At June 30 2018, the Las Animas School District Number RE-1 reported a liability of \$17,039,935 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 Las Animas School District Number RE-1'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%	7,698,495

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 \$7,954,364 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 Las Animas School District Number RE-1 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 \$7,664.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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.* Las Animas School District Number RE-1 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 Las Animas School District Number RE-1 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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 Las Animas School District Number RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Las Animas School District Number RE-1 were \$25,491 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 Las Animas School District Number RE-1 reported a liability of \$389,120 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 Las Animas School District Number RE-1 proportion of the net OPEB liability was based on Las Animas School District Number RE-1 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 Las Animas School District Number RE-1 proportion was 0.0299 percent, which was an increase of 0.0001 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Las Animas School District Number RE-1 recognized OPEB expense of \$6,765. At June 30, 2018, the Las Animas School District Number RE-1 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	1,840	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	(6,510)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,345	-
Contributions subsequent to the measurement date	13,069	N/A
Total	16,254	(6,510)

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

\$13,069 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	(1,002)
2020	(1,002)
2021	(1,002)
2022	(1,002)
2023	627
Thereafter	56

*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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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:

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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 Las Animas School District Number RE-1 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	378,414	389,120	402,015

*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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 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 Las Animas School District Number RE-1 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	437,493	389,120	347,832

*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).

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 10    JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the Santa Fe Trail 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 for the year ended June 30, 2017, is as follows:

Assets and Deferred Outflows	4,401,612
Liabilities and Deferred Inflows	<u>9,279,768</u>
Net Position	<u>(4,878,156)</u>
Revenues	<u>2,769,488</u>
Expenses	<u>4,140,865</u>
Changes in Net Position	<u>(1,371,377)</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. The BOCES files an audit annually with the Colorado State Auditor's Office.

NOTE 11    LONG-TERM DEBT

The District had changes in its long-term obligations as follows:

	<u>Balance</u> <u>7-1-2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-2018</u>	<u>Current</u> <u>Portion</u>
Football Lights Lease	-	155,960	-	155,960	76,938
Lighting Lease	88,889	-	33,961	54,928	36,106
General Obligation Bonds 2015	935,000	-	140,000	795,000	150,000
Deferred Refunding	<u>(9,295)</u>	<u>-</u>	<u>(2,856)</u>	<u>(6,439)</u>	<u>(2,326)</u>
<u>Total</u>	<u>1,014,594</u>	<u>155,960</u>	<u>171,105</u>	<u>999,449</u>	

Lighting Lease

The District entered into a capital lease arrangement to improve the lighting in district buildings during the year ended June 30, 2010. The original balance was \$325,375 and called for quarterly payments of \$8,459 to \$9,575. The interest rate is 4.65%.

In 2018, the District purchased football lights by entering into a capital lease arrangement. The amount financed was \$155,960. A payment of \$82,201 per year will be made beginning August 1, 2018. Payments include interest at a rate of 3.95%.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 11    LONG-TERM DEBT (Continued)

Lighting Lease (Continued)

Minimum future payments for these leases follow:

<u>Year</u>	<u>Principal</u>		<u>Interest</u>		<u>Payments</u>
	<u>Football Lighting</u>	<u>Light Improvement</u>	<u>Football Lighting</u>	<u>Light Improvement</u>	
2019	76,938	36,106	5,263	1,932	120,239
2020	<u>79,022</u>	<u>18,822</u>	<u>3,179</u>	<u>328</u>	<u>101,351</u>
	<u>155,960</u>	<u>54,928</u>	<u>8,442</u>	<u>2,260</u>	221,590
				Less Amounts Representing Interest	<u>10,702</u>
				Present Value of Future Minimum Payments	<u>210,888</u>

General Obligation Refunding Series 2015

On September 2, 2015, the District issued \$1,075,000 in General Obligation Refunding Bonds with an average interest rate of 3.1% to advance refund \$1,090,000 of outstanding 2002 General Obligation Bonds bearing interest rates ranging from 3.00% to 4.75%. Refunding proceeds of \$1,105,018 were deposited with an escrow agent to provide debt service payments of \$1,090,000 in principal and \$183,908 in interest on the 2002 Series Bonds. As a result, that portion of 2002 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements.

The District completed the advance refunding to reduce the total debt service payments over the next 7 years by \$77,933 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$99,348.

As a result of the difference between the reacquisition price and the carrying amount of the old debt, a deferred refunding was recorded in the amount of \$15,018. It will be amortized against interest costs of the refunding issue.

Below is a schedule of debt service requirements to maturity:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2019	150,000	25,350
2020	155,000	19,350
2021	155,000	14,700
2022	165,000	10,050
2023	<u>170,000</u>	<u>5,100</u>
<u>Total</u>	<u>795,000</u>	<u>74,550</u>

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

NOTE 12    COLORADO SCHOOL DISTRICTS SELF-INSURANCE POOL

The District belongs to the Colorado School Districts 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 coverages. 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.

As the District did not exercise oversight responsibility not 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 fund from which they were paid.

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 for the six months ended June 30, 2017 (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	-
Net Income (Loss) Before Dividend	<u>3,579,330</u>
Dividend	-
Net Income (Loss)	<u>3,579,330</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>235,606</u>
Return of Capital Contributions from Members	-
Unassigned Surplus	<u>30,618,689</u>

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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NOTE 13    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 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 \$(103,543) has been changed by the net OPEB liability at June 30, 2017 of \$(386,592) and related deferred flows of \$13,981, resulting in a restated beginning net position of \$(476,154).

REQUIRED SUPPLEMENTARY INFORMATION

BUDGET COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT  
BENEFIT TREND DATA

## BUDGET COMPARISONS

### 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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Local Sources</u>				
Property Taxes	1,180,578	1,193,174	1,201,062	7,888
Specific Ownership Taxes	105,795	105,795	104,654	(1,141)
Earnings on Investments	3,000	7,060	8,391	1,331
Delinquent Taxes & Interest	4,200	4,200	2,465	(1,735)
Other	12,000	128,907	137,471	8,564
<u>State Sources</u>				
Equalization	10,511,919	12,217,996	12,227,064	9,068
Transportation	24,000	28,320	28,387	67
Vocational Education	14,000	14,000	27,780	13,780
Other	28,560	314,987	381,746	66,759
<u>Federal Sources</u>				
Designated Purpose Grants	128,870	163,224	170,098	6,874
Other	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>12,012,922</u></b>	<b><u>14,177,663</u></b>	<b><u>14,289,118</u></b>	<b><u>111,455</u></b>
 <u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,675,606	1,675,606	1,564,350	111,256
Employee Benefits	645,736	645,736	545,521	100,215
Purchased Services - Professional	5,766,217	7,703,567	7,842,270	(138,703)
Purchased Services – Property	24,950	24,950	-	24,950
Purchased Services – Other	178,340	178,340	97,864	80,476
Supplies and Materials	128,615	128,615	134,988	(6,373)
Property	10,000	10,000	-	10,000
Other Objects	1,160	1,160	1,176	(16)
<u>Total Instruction</u>	<u>8,430,624</u>	<u>10,367,974</u>	<u>10,186,169</u>	<u>181,805</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	86,065	86,065	82,403	3,662
Employee Benefits	24,915	24,915	24,339	576
Purchased Services – Professional	42,069	42,069	42,299	(230)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	151,805	151,805	123,730	28,075
Supplies and Materials	13,500	13,500	2,286	11,214
Property	-	-	-	-
Other Objects	5,550	5,550	-	5,550
<u>Total Student Supporting Services</u>	<u>323,904</u>	<u>323,904</u>	<u>275,057</u>	<u>48,847</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Instructional Staff</u>				
Salaries	70,024	70,024	94,168	(24,144)
Benefits	104,719	104,719	112,479	(7,760)
Purchased Services – Professional	53,939	53,939	92,022	(38,083)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	5,000	5,000	4,044	956
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>233,682</u>	<u>233,682</u>	<u>302,713</u>	<u>(69,031)</u>
<u>General Administration</u>				
Salaries	94,000	94,000	93,044	956
Employee Benefits	27,588	27,588	25,911	1,677
Purchased Services – Professional	38,900	38,900	24,228	14,672
Purchased Services – Other	13,200	13,200	10,009	3,191
Supplies and Materials	6,800	6,800	6,739	61
Property	-	-	-	-
Other Objects	9,100	9,100	12,482	(3,382)
<u>Total General Administration</u>	<u>189,588</u>	<u>189,588</u>	<u>172,413</u>	<u>17,175</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	243,169	243,169	245,099	(1,930)
Employee Benefits	83,762	83,762	80,180	3,582
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	23,200	23,200	22,241	959
Purchased Services – Other	2,300	2,300	1,207	1,093
Supplies and Materials	6,550	6,550	5,263	1,287
Property	5,710	5,710	2,657	3,053
Other Objects	1,515	1,515	1,920	(405)
<u>Total School Administration</u>	<u>366,206</u>	<u>366,206</u>	<u>358,567</u>	<u>7,639</u>
<u>Business Services</u>				
Salaries	87,003	87,003	86,880	123
Employee Benefits	31,303	31,303	33,801	(2,498)
Purchased Services – Professional	29,000	29,000	28,820	180
Purchased Services – Property	3,000	3,000	1,791	1,209
Purchased Services – Other	600	600	854	(254)
Supplies and Materials	20,000	20,000	9,783	10,217
Property	-	-	-	-
Other Objects	300	300	-	300
<u>Total Business Services</u>	<u>171,206</u>	<u>171,206</u>	<u>161,929</u>	<u>9,277</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
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>	<u>Variance -</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	168,719	168,719	178,869	(10,150)
Employee Benefits	55,224	55,224	55,007	217
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	64,510	64,510	73,856	(9,346)
Purchased Services – Other	70,800	70,800	60,329	10,471
Supplies and Materials	255,300	255,300	235,408	19,892
Property	1,200	1,200	-	1,200
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>615,753</u>	<u>615,753</u>	<u>603,469</u>	<u>12,284</u>
<u>Student Transportation</u>				
Salaries	76,500	76,500	58,509	17,991
Employee Benefits	16,333	16,333	13,994	2,339
Purchased Services – Professional	1,800	1,800	1,062	738
Purchased Services – Property	25,000	25,000	24,230	770
Purchased Services – Other	11,800	11,800	9,347	2,453
Supplies and Materials	25,000	25,000	15,732	9,268
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>156,433</u>	<u>156,433</u>	<u>122,874</u>	<u>33,559</u>
<u>Central Support</u>				
Purchased Services – Professional	750	750	750	-
Purchased Services – Other	62,100	62,100	40,681	21,419
Supplies and Materials	2,200	2,200	428	1,772
<u>Total Central Support</u>	<u>65,050</u>	<u>65,050</u>	<u>41,859</u>	<u>23,191</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,121,822</u>	<u>2,121,822</u>	<u>2,038,881</u>	<u>82,941</u>
Capital Outlay – Facilities	375,333	375,333	140,715	234,618
Debt Service	37,509	37,509	37,508	1
Appropriated Reserves	2,210,145	1,825,788	-	1,825,788
<u>TOTAL EXPENDITURES</u>	<u>13,175,433</u>	<u>14,728,426</u>	<u>12,403,273</u>	<u>2,325,153</u>
Revenues Over (Under) Expenditures	(1,162,511)	(550,763)	1,885,845	
<u>Other Financing Sources (Uses)</u>				
Transfers	(377,100)	(1,189,100)	(1,152,000)	37,100
<u>Total Other Financing Sources (Uses)</u>	<u>(377,100)</u>	<u>(1,189,100)</u>	<u>(1,152,000)</u>	<u>37,100</u>
<u>Revenues and Other Financing Sources Over</u> <u>(Under) Expenditures and Other Uses</u>	<u>(1,539,611)</u>	<u>(1,739,863)</u>	<u>733,845</u>	
<u>FUND BALANCE, July 1</u>	<u>1,539,611</u>	<u>1,739,863</u>	<u>1,739,863</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,473,708</u>	

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
District's proportion of the net pension liability (asset)	0.0527%	0.0524%	0.0554%	0.0582%	0.0602%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$17,039,935	\$15,618,571	\$8,468,936	\$7,884,069	\$7,671,728	-	-	-	-	-
District's covered-employee payroll	\$2,499,119	\$2,382,277	\$2,349,848	\$2,457,376	\$2,423,132	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	682%	655%	360%	321%	317%	-	-	-	-	-
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.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 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	\$ 471,992	\$ 437,931	\$ 416,702	\$ 414,975	\$ 389,021	\$ 371,082	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (471,992)</u>	<u>\$ (437,931)</u>	<u>\$ (416,702)</u>	<u>\$ (414,975)</u>	<u>\$ (389,021)</u>	<u>\$ (371,082)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered-employee payroll	\$2,499,119	\$2,382,277	\$2,349,848	\$2,457,376	\$2,433,132	\$2,449,484	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.89%	18.38%	17.73%	16.89%	16.05%	15.15%	-	-	-	-

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (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)	0.0299%	0.0298%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$389,120	\$386,592	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$2,499,119	\$2,382,277	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	15.57%	16.23%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%	-	-	-	-	-	-	-	-

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Contractually required contributions	\$ 25,491	\$ 24,299	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (25,491)</u>	<u>\$ (24,299)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$2,499,119	\$2,382,277	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

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

COMBINING FUND FINANCIAL STATEMENTS  
AND INDIVIDUAL FUND BUDGET SCHEDULES

Capital Project Funds

Capital Project – Capital Project Fund - This fund accounts for a capital project funded through dedicated revenues from bonds, grants or other sources.

Capital Reserve Capital Project Fund – This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Bond Redemption Debt Service Fund

Bond Redemption Debt Service Fund – Used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Food Service Fund

This fund accounts for all the financial activities associated with the District's school breakfast and lunch program.

Designated Purpose Grants Fund

This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2018

	<u>Special Revenue Funds</u>		<u>Capital Project Fund</u>	Total Nonmajor Governmental Funds
	<u>Food Service</u>	<u>Designated Purpose Grants</u>	<u>Capital Reserve Capital Project</u>	
<u>Assets</u>				
Cash and Equivalents	54,829	28,688	332,514	416,031
Investments	-	-	-	-
Accounts Receivable	27,210	-	-	27,210
Accrued Revenue	-	16,787	-	16,787
Due From Other Funds	-	-	34,498	34,498
Inventories	<u>9,710</u>	<u>-</u>	<u>-</u>	<u>9,710</u>
<u>Total Assets</u>	<u>91,749</u>	<u>45,475</u>	<u>367,012</u>	<u>504,236</u>
<u>Liabilities and Fund Balances</u>				
<u>Liabilities:</u>				
Accounts Payable	-	-	32,461	32,461
Accrued Salaries	18,692	16,307	-	34,999
Due To Other Funds	10,360	15,613	-	25,973
Grant Amounts Received in Advance	-	<u>13,358</u>	-	<u>13,358</u>
<u>Total Liabilities</u>	<u>29,052</u>	<u>45,278</u>	<u>32,461</u>	<u>106,791</u>
<u>Fund Balances:</u>				
Nonspendable:				
Inventories	9,710	-	-	9,710
Restricted:				
Food Service	52,987	-	-	52,987
Committed:				
Capital Outlay	-	-	334,551	334,551
Assigned:				
Grant Expenditures	-	197	-	197
Unassigned:				
Total Fund Balances	<u>62,697</u>	<u>197</u>	<u>334,551</u>	<u>397,445</u>
<u>Total Liabilities &amp; Fund Balances</u>	<u>91,749</u>	<u>45,475</u>	<u>367,012</u>	<u>504,236</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2018

	Special Revenue Funds		Capital Project Fund	Total Other Governmental Funds
	Food Service	Designated Purpose Grants	Capital Reserve Capital Project	
<u>Revenues</u>				
Local Sources:				
Earnings on Investments	281	-	454	735
Fees and Charges	43,483	-	-	43,483
State Sources	3,852	-	-	3,852
Federal Sources	<u>266,829</u>	<u>363,923</u>	-	<u>630,752</u>
<u>Total Revenues</u>	<u>314,445</u>	<u>363,923</u>	<u>454</u>	<u>678,822</u>
<u>Expenditures</u>				
Current:				
Instructional Services	-	329,436	-	329,436
Supporting Services				
Instructional Staff	-	34,487	-	34,487
Food Service	314,051	-	-	314,051
Capital Outlay	-	-	<u>1,284,852</u>	<u>1,284,852</u>
<u>Total Expenditures</u>	<u>314,051</u>	<u>363,923</u>	<u>1,284,852</u>	<u>1,962,826</u>
<u>Excess (Deficiency) of Revenues</u>				
<u>Over (Under) Expenditures</u>	394	-	(1,284,398)	(1,284,004)
<u>Other Financing Sources (Uses)</u>				
Transfers	-	-	1,186,498	1,186,498
Lease Proceeds	-	-	155,960	155,960
Insurance Proceeds	-	-	<u>96,049</u>	<u>96,049</u>
<u>Total Other Financing Sources (Uses)</u>	-	-	<u>1,438,507</u>	<u>1,438,507</u>
<u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	394	-	154,109	154,503
<u>Fund Balances – Beginning</u>	<u>62,303</u>	<u>197</u>	<u>180,442</u>	<u>242,942</u>
<u>Fund Balances – Ending</u>	<u>62,697</u>	<u>197</u>	<u>334,551</u>	<u>397,445</u>

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 CAPITAL PROJECT - CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
State Grants	<u>1,003,040</u>	<u>1,467,890</u>	<u>669,440</u>	<u>(798,450)</u>
<u>Total Revenues</u>	<u>1,003,040</u>	<u>1,467,890</u>	<u>669,440</u>	<u>(798,450)</u>
<u>Expenditures</u>				
Capital Outlay Buildings	<u>1,260,776</u>	<u>1,669,748</u>	<u>836,800</u>	<u>832,948</u>
<u>Total Expenditures</u>	<u>1,260,776</u>	<u>1,669,748</u>	<u>836,800</u>	<u>832,948</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(257,736)</u>	<u>(201,858)</u>	<u>(167,360)</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>-</u>	<u>-</u>	<u>(34,498)</u>	<u>(34,498)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(34,498)</u>	<u>(34,498)</u>
<u>Revenues and Sources Over (Under) Expenditures and Uses</u>	<u>(257,736)</u>	<u>(201,858)</u>	<u>(201,858)</u>	
<u>FUND BALANCES, July 1</u>	<u>257,736</u>	<u>201,858</u>	<u>201,858</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	<u>-</u>	

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 CAPITAL RESERVE - CAPITAL PROJECT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local	-	-	-	-
Earnings on Investments	900	900	454	(446)
State Grants	-	-	-	-
Federal Grants	-	-	-	-
<u>Total Revenues</u>	<u>900</u>	<u>900</u>	<u>454</u>	<u>(446)</u>
<u>Expenditures</u>				
Capital Outlay	382,000	1,333,341	1,284,852	48,489
Appropriated Reserves	<u>108,900</u>	-	-	-
<u>Total Expenditures</u>	<u>490,900</u>	<u>1,333,341</u>	<u>1,284,852</u>	<u>48,489</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(490,000)</u>	<u>(1,332,441)</u>	<u>(1,284,398)</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	340,000	1,152,000	1,186,498	34,498
Lease Proceeds	-	-	155,960	155,960
Insurance Proceeds	-	-	96,049	96,049
<u>Total Other Financing Sources (Uses)</u>	<u>340,000</u>	<u>1,152,000</u>	<u>1,438,507</u>	<u>286,507</u>
<u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	(150,000)	(180,441)	154,109	
<u>FUND BALANCES, July 1</u>	<u>150,000</u>	<u>180,441</u>	<u>180,442</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	<u>334,551</u>	

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 BOND REDEMPTION DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property Tax	185,000	185,000	176,544	(8,456)
Specific Ownership Tax	15,000	15,000	15,111	111
Earnings on Investments	600	600	9,870	9,270
Other Local	600	600	354	(246)
<u>Total Revenues</u>	<u>201,200</u>	<u>201,200</u>	<u>201,879</u>	<u>679</u>
<u>EXPENDITURES</u>				
Debt Service:				
Principal	140,000	140,000	140,000	-
Interest	27,450	27,450	27,450	-
Other	1,800	1,800	1,864	(64)
Appropriated Reserves	<u>777,591</u>	<u>766,039</u>	-	<u>766,039</u>
<u>Total Expenditures</u>	<u>946,841</u>	<u>935,289</u>	<u>169,314</u>	<u>765,975</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	(745,641)	(734,089)	32,565	
<u>FUND BALANCES, July 1</u>	<u>745,641</u>	<u>734,089</u>	<u>697,816</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	<u>730,381</u>	

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
FOOD SERVICE – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	Budgeted Amounts		Actual	Variance- Favorable (Unfavorable)
	Original	Budget		
<u>REVENUES</u>				
<u>Local Sources</u>				
Food Sales	28,000	39,500	43,483	3,983
Earnings on Investments	135	230	281	51
Other	-	-	-	-
<u>State Sources</u>				
School Lunches and Breakfast	4,300	4,300	3,852	(448)
<u>Federal Sources</u>				
School Lunches and Breakfast	222,500	263,500	252,066	(11,434)
Commodities	8,000	20,000	14,763	(5,237)
<u>Total Revenues</u>	<u>262,935</u>	<u>327,530</u>	<u>314,445</u>	<u>(13,085)</u>
 <u>EXPENDITURES</u>				
Salaries	98,000	98,000	92,104	5,896
Employee Benefits	40,060	40,060	33,458	6,602
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	1,300	1,300	1,284	16
Purchased Services - Other	1,750	1,750	699	1,051
Food Purchases	144,000	169,000	154,644	14,356
Capital Outlay	-	-	-	-
Commodities	9,000	9,000	14,762	(5,762)
Non-Food Supplies	10,031	13,850	17,100	(3,250)
Other	-	-	-	-
Appropriated Reserves	34,198	94,343	-	94,343
<u>Total Expenditures</u>	<u>338,339</u>	<u>427,303</u>	<u>314,051</u>	<u>113,252</u>
 <u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	(75,404)	(99,773)	394	
 <u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Transfers	37,100	37,100	-	(37,100)
 <u>REVENUES AND SOURCES OVER</u>				
<u>(UNDER) EXPENDITURES AND USES</u>	(38,304)	(62,673)	394	
 <u>FUND BALANCE, July 1</u>				
	38,304	62,673	62,303	
<u>FUND BALANCE, June 30</u>				
	-	-	62,697	

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
DESIGNATED PURPOSE GRANT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2018

	<u>Budget Amounts</u>		<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	<u>349,586</u>	<u>412,735</u>	<u>363,923</u>	<u>(48,812)</u>
<u>Total Revenues</u>	<u>349,586</u>	<u>412,735</u>	<u>363,923</u>	<u>(48,812)</u>
 <u>Expenditures</u>				
Instruction	300,372	354,860	329,436	25,424
Support Services	33,307	53,492	34,487	19,005
Other	<u>16,111</u>	<u>4,580</u>	-	<u>4,580</u>
<u>Total Expenditures</u>	<u>349,790</u>	<u>412,932</u>	<u>363,923</u>	<u>49,009</u>
 <u>Revenues Over (Under) Expenditures</u>	(204)	(197)	-	
 <u>Other Financing Sources (Uses)</u>				
Transfers	-	-	-	-
 <u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	(204)	(197)	-	
 <u>Fund Balance, July 1</u>	<u>204</u>	<u>197</u>	<u>197</u>	
 <u>Fund Balance, June 30</u>	<u>-</u>	<u>-</u>	<u>197</u>	

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

LAS ANIMAS SCHOOL DISTRICT NUMBER RE-1  
 STUDENT ACTIVITY FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES –  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>RECEIPTS</u>			
Other Local	200,000	152,834	(47,166)
<u>Total Receipts</u>	<u>200,000</u>	<u>152,834</u>	<u>(47,166)</u>
 <u>EXPENDITURES</u>			
Pupil Activities	284,877	162,279	122,598
 Net Increase (Decrease) in Deposits Held	(84,877)	(9,445)	
Deposits Held – Beginning of Year	<u>84,877</u>	<u>84,877</u>	
Deposits Held – End of Year	<u>—</u>	<u>75,432</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: 0290 - LAS ANIMAS RE-1  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior-Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	1000 - 5999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	1,736,364	12,965,530	12,230,206	2,473,708
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	1,479	171,587	173,066	0
<b>Sub-Total</b>	<b>1,739,843</b>	<b>13,137,117</b>	<b>12,403,272</b>	<b>2,473,708</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const Tech Main Fund	0	0	0	0
21 Food Service Spec Revenue Fund	62,303	314,445	314,051	62,687
22 Govt Designated-Purpose Grants Fund	197	363,923	363,923	197
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	697,816	201,879	169,314	730,381
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	201,858	614,942	836,800	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	180,442	1,438,960	1,284,852	334,551
46 Supplemental Cap Const Tech Main Fund	0	0	0	0
<b>Proprietary</b>	<b>7,852,779</b>	<b>16,071,266</b>	<b>15,372,215</b>	<b>1,601,533</b>
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,55-69 Other Internal Service Funds	0	0	0	0
<b>Fiduciary</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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	84,877	152,834	162,279	75,433
79 GASR 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Final</b>	<b>16,877</b>	<b>16,071</b>	<b>15,372</b>	<b>75,433</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 0290 - LAS ANIMAS RE-1  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,914,436	0	51,284	28,688	0	54,829	724,585	374,253	0	0	0	0	75,433	0	4,223,507
Cash with Fiscal Agent (8105)	13,767	0	0	0	0	0	2,023	0	0	0	0	0	0	0	15,790
Taxes Receivable (8121,8122)	44,500	0	0	0	0	0	6,500	0	0	0	0	0	0	0	51,000
Interfund Loans Receivable (8131,8132)	59,621	0	0	0	0	0	0	34,498	0	0	0	0	0	0	94,120
Grants Accounts Receivable (8142)	274,799	0	0	16,787	0	27,210	0	15,388	0	0	0	0	0	0	334,184
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	9,711	0	0	0	0	0	0	0	0	9,711
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>3,307,124</b>	<b>0</b>	<b>51,284</b>	<b>45,475</b>	<b>0</b>	<b>91,749</b>	<b>733,108</b>	<b>424,139</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,433</b>	<b>0</b>	<b>4,728,311</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 08	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	33,648	15,613	0	10,360	0	34,488	0	0	0	0	0	0	94,120
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	98,937	0	0	0	0	0	0	32,461	0	0	0	0	0	0	131,398
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	22,629	0	0	0	0	0	0	22,629
Accrued Expenses (7461)	353,665	0	17,636	16,307	0	18,692	0	0	0	0	0	0	0	0	406,300
Payroll Ded. and Withholdings (7471-7473)	6	0	0	0	0	0	0	0	0	0	0	0	0	0	6
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	362,014	0	0	13,358	0	0	0	0	0	0	0	0	0	0	375,372
Deferred Inflow (7800)	18,794	0	0	0	0	0	2,727	0	0	0	0	0	0	0	21,521
<b>Total Liabilities</b>	<b>833,416</b>	<b>0</b>	<b>51,284</b>	<b>15,278</b>	<b>0</b>	<b>29,052</b>	<b>2,727</b>	<b>89,588</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,051,346</b>

**Governmental**

**Proprietary**

**Fiduciary**

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	Non-spendable Fund Balance 6710	0	0	0	0	0	9,710	0	0	0	0	0	0	0	0
Restricted Fund Balance 6720	0	0	0	0	0	0	730,381	0	0	0	0	0	0	0	730,381
TABOR 3% Emergency Reserve 6721	448,000	0	0	0	0	0	0	0	0	0	0	0	0	0	448,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	197	0	0	0	334,551	0	0	0	0	75,433	0	410,180
Unassigned Fund Balance 6770	2,035,708	0	0	0	0	52,987	0	0	0	0	0	0	0	0	2,078,695
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>2,473,708</b>	<b>0</b>	<b>0</b>	<b>197</b>	<b>0</b>	<b>62,697</b>	<b>730,381</b>	<b>334,551</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>75,433</b>	<b>0</b>	<b>3,676,966</b>

Total Liabilities & Fund Equity	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
	3,307,124	0	0	51,284	45,475	0	91,749	733,108	424,139	0	0	0	0	75,433	0

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
	3,307,124	0	51,284	45,475	0	91,749	733,108	424,139	0	0	0	0	75,433

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

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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