

**CALHAN SCHOOL DISTRICT RJ-1**  
Calhan, Colorado

Financial Statements

For the Year Ended June 30, 2018

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 Calhan, Colorado  
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### INDEPENDENT AUDITOR'S REPORT

Board of Education  
Calhan School District RJ-1  
Calhan, Colorado 80808

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Calhan School District RJ-1, as of and for the year ended June 30, 2018, 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, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Calhan School District RJ-1, as of June 30, 2018, and the respective changes in financial position 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, pension information and other post-employment benefit information on pages a-f and 28-32 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. For the management discussion and analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calhan School District RJ-1's basic financial statements. The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual nonmajor fund financial statements and the Auditor's Integrity Report 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, based on our audit, the procedures performed as described above, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Winfrey, County & Hays, PC*

Winfrey, County & Hays, PC

October 26, 2018

# CALHAN SCHOOL DISTRICT RJ-1

## Management's Discussion and Analysis

Year Ending June 30, 2018

As management of Calhan School District RJ-1 we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2018. We encourage readers to consider the information presented here in conjunction with the information furnished in our financial statements.

### Financial Highlights

- The net position of the District decreased by \$3,066,478 to negative \$4,127,130.
- The District's governmental funds reported unassigned fund balances of \$1,430,039 in the General Fund, a committed fund balance for capital projects in the Capital Reserve Fund of \$85,566.
- The general fund showed an increase of \$238,504, the capital reserve fund an increase of \$11,082, the food service fund an increase of \$3,941, and the student activity fund a decrease of \$575.

### Overview of the Financial Statements

The annual audit report has four parts: 1) the management's discussion and analysis, 2) the basic financial statements, 3) required supplementary and other information, and 4) auditor's financial data integrity (CDE form).

The management's discussion and analysis is a general statement about the annual audit report prepared by the superintendent of schools. The intent is to report only the most relevant financial information about Calhan School District RJ-1.

The basic financial statements report the combined government-wide finances, individual government funds, fiduciary funds, and provide financial commentary. For Calhan School District, government funds include general operations, capital reserve and bond redemption funds. Calhan also has one fiduciary fund (pupil activity).

The next section is for both required supplementary and other information. This section provides additional explanations and supports the information in the basic financial statements.

The auditor's financial data integrity is a form required by the Colorado Department of Education for their automated data exchange system. It shows the total financial transactions for all funds.

### Government-Wide Financial Statements

These statements report information about the District as a whole using accounting methods similar to those methods used by private sector companies.

The statement of net position presents information on all 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 whether the financial position is improving or deteriorating.

**CALHAN SCHOOL DISTRICT RJ-1**  
Management's Discussion and Analysis  
Year Ending June 30, 2018  
(continued)

The statement of activities presents information showing how the District's net position changed. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The government-wide statements are divided into two categories:

Governmental activities – all of the District's basic services are included, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes, state and federal subsidies, and grants finance these activities.

Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

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

Fiduciary Funds act as a trustee or fiduciary for student activities. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

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

Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information for budgetary comparison.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In case of Calhan School District, liabilities exceed assets by approximately \$4,127,130 at the close of the most recent fiscal year.

The District's net position is negative \$4,127,130, with \$7,568,662 invested in capital assets (land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The amount invested in capital assets is not available for future spending. Currently the District has no debt for capital assets.

**CALHAN SCHOOL DISTRICT RJ-1**  
Management's Discussion and Analysis  
Year Ending June 30, 2018  
(continued)

The following table will show a comparison of governmental type activities between the fiscal years of 2018 and 2017.

Net Position - Fiscal Year Ended June 30, 2018 and 2017

	<u>Governmental Activities</u>	
	<u>6/30/18</u>	<u>6/30/17</u>
Current and other assets	1,881,852	1,638,057
Capital assets	<u>7,568,662</u>	<u>7,679,061</u>
Total Assets	9,450,514	9,317,118
Deferred Outflows	4,824,719	6,095,559
Current Liabilities	210,327	219,265
Net Health Care Trust Fund Liability	381,834	0
Net Pension Liability	<u>16,720,871</u>	<u>15,863,550</u>
Total Liabilities	17,313,032	16,082,815
Unearned Revenue	2,970	3,189
Deferred Inflows	1,086,361	387,325
Net Position		
Invested in capital assets	7,568,662	7,679,061
Restricted to TABOR	136,296	123,470
Unrestricted	<u>(11,832,088)</u>	<u>(8,863,184)</u>
Total Net Position	<u>(4,127,130)</u>	<u>(1,060,652)</u>

**CALHAN SCHOOL DISTRICT RJ-1**  
Management's Discussion and Analysis  
Year Ending June 30, 2018  
(continued)

The net position of the District decreased by \$2,685,815. Most of the governmental activities were financed by taxpayers through state equalization payments and local property taxes.

Change in Net Position  
Fiscal Year Ended June 30, 2018 and 2017

	<u>Governmental Activities</u>	
	<u>6/30/18</u>	<u>6/30/17</u>
<b>REVENUES</b>		
Program Revenues		
Charges for service	106,517	65,105
State grants	647,276	916,698
Federal grants	102,102	150,240
General Revenues		
Property taxes	1,062,040	764,316
Specific ownership	122,235	92,197
State equalization	2,670,358	2,902,581
Donations	0	20,000
Interest	14,635	10,535
Other	<u>41,683</u>	<u>(123,238)</u>
Total Revenue	4,766,846	4,798,434
<b>EXPENSES</b>		
Instruction	4,347,587	3,703,070
Pupil Services	241,062	446,275
Instructional Services	309,302	237,974
General Administration	277,494	299,796
School Administration	437,262	648,831
Accounting	263,278	197,906
Operations & Maintenance	544,577	556,678
Pupil Transportation	650,534	530,525
District Wide Costs	58,103	58,889
Student Activities	39,917	0
Food Services	<u>283,546</u>	<u>253,839</u>
Total Expenses	<u>7,452,661</u>	<u>6,933,784</u>
Increase (Decrease) in Net Position	<u>(2,685,815)</u>	<u>(2,135,350)</u>

**CALHAN SCHOOL DISTRICT RJ-1**  
 Management's Discussion and Analysis  
 Year Ending June 30, 2018  
 (continued)

Financial Analysis of the District's Funds

At June 30, 2018, the District governmental funds reported a combined fund balance of \$1,668,555, which is an increase of \$252,952.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance is \$1,430,039. As a measure of liquidity, it may be useful to compare both the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 34% of total general fund expenditures.

The committed fund balance in the Capital Projects Fund is \$85,566. The Food Service Fund and the Student Activity Special Revenue Funds have assigned balances of \$2,631 and \$4,247, respectively. Food Service has nonspendable fund balance of \$9,774 for its inventory.

Capital Assets and Debt Administration

As of June 30, 2018, the District had \$7,568,662 invested in capital assets (net of accumulated depreciation). This was a \$110,399 decrease in net capital assets, net of depreciation expense.

	<u>06/30/18</u>	<u>06/30/17</u>
Sites	92,868	92,868
Site Improvement	455,567	442,870
Buildings	9,277,609	9,170,450
Transportation	967,534	971,540
Equipment	<u>611,764</u>	<u>602,213</u>
Total	11,405,342	11,279,940
Accumulated Depreciation	<u>(3,836,680)</u>	<u>(3,600,879)</u>
Net Capital Assets	<u><u>7,568,662</u></u>	<u><u>7,679,061</u></u>

The major fixed assets purchases in the current year was the replacement of a roof for an additional \$74,777, a modular for the new ag classroom for \$32,383, a sound system in the gym for \$7,097, a Clavinova for \$2,000, a new range/oven for \$4,579, site improvements of \$12,697, and a Dodge Caravan for \$11,000.

Long Term Debt

The District debt consists of the net pension liability of \$16,720,871 and the net health care trust fund liability of \$381,834.

**CALHAN SCHOOL DISTRICT RJ-1**  
Management's Discussion and Analysis  
Year Ending June 30, 2018  
(continued)

Major Fund Budgetary Highlights

The District approves the original budget in June based on enrollment projections for the following school year. In October, after funded pupil counts are refined, necessary budget adjustments are made.

Colorado statutes permit transferring budgeted amounts from one object or purpose to another within the same fund. Board policy allows management to transfer budgets between objects or purposes without obtaining authorization from the Board.

Economic Factors and Next Year's Budgets and Rates

The District has experienced an increase in enrollment the last two years. We plan to revise our Master Plan and have a demographic study completed to determine if this could be a continuing trend. If so, we want to be able to plan for the future. We have had to add a couple of teachers and additional paraprofessionals to meet the instructional needs of the students. We are also providing more choices for our secondary students with Vocational and Career Technology Courses. These programs are going to require more square footage than what we currently have. We want to look at the possibility of a bond or mill levy override to fund an addition to our campus to support these programs and enhance our sports facilities with a new football field and competition track. For 2018-2019 our focus will be on an updated demographic study and a revised Master Plan to help us plan for the future.

Additional Financial Information

The "Management's Discussion and Analysis" report is designed to provide a general overview of the District's finances with comments and predictions made by the District's superintendent. For additional information, contact the Calhan School District Office (719) 347-2541.

## BASIC FINANCIAL STATEMENTS

CALHAN SCHOOL DISTRICT RJ-1  
Statement of Net Position  
June 30, 2018

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and cash equivalents	1,370,157
Certificates of deposit	349,057
Accounts/Grants receivable	109,840
Inventory	9,774
Accrued property taxes receivable	43,022
Capital assets, net of accumulated depreciation	<u>7,568,662</u>
Total Assets	9,450,514
DEFERRED OUTFLOWS	4,824,719
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable/Payroll deductions	35,962
Accrued salaries payable	<u>174,365</u>
Total Current Liabilities	210,327
Long Term Liabilities	
Net Health Care Trust Fund Liability	381,834
Net Pension Liability	<u>16,720,871</u>
Total Liabilities	17,313,032
UNEARNED REVENUE	2,970
DEFERRED INFLOWS	1,086,361
<b>NET POSITION</b>	
Invested in capital assets	7,568,662
Restricted for TABOR	136,296
Unrestricted	<u>(11,832,088)</u>
Total Net Position	<u>(4,127,130)</u>

CALHAN SCHOOL DISTRICT RJ-1  
Statement of Activities  
For the Year Ended June 30, 2018

		Program Revenues		
<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>	
Governmental Activities				
Instructional	4,347,587	34,517	493,511	
Support Services				
Pupil services	241,062	19,342		
Instructional services	309,302			
General administration	277,494			
School administration	437,262			
Accounting	263,278			
Operations & maintenance	544,577			41,127
Pupil transportation	650,534		80,430	
District wide costs	58,103			
Student Activities	39,917			
Food Services	<u>283,546</u>	<u>52,658</u>	<u>134,311</u>	<u>0</u>
Total Governmental Activities	7,452,661	106,517	708,251	41,127

General revenues:

Taxes

Property taxes, levied for general purposes

Specific ownership taxes

State Equalization

Miscellaneous

Gain (Loss) on assets

Investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Prior Year Adjustment (Note - 2D)

Net Position - Ending

Net (Expense) Revenue and  
Changes in Net Position

Governmental  
Activities

(3,819,559)

(221,720)

(309,302)

(277,494)

(437,262)

(263,278)

(503,450)

(570,104)

(58,103)

(39,917)

(96,577)

(6,596,766)

1,062,040

122,235

2,670,358

43,871

(2,188)

14,635

3,910,951

(2,685,815)

(1,060,652)

(380,663)

(4,127,130)

CALHAN SCHOOL DISTRICT RJ-1  
Balance Sheet  
Governmental Funds  
June 30, 2018

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	1,271,204	85,566	13,387	1,370,157
Certificates of deposit	349,057	0	0	349,057
Accounts/Grants receivable	109,840	0	0	109,840
Inventory	0	0	9,774	9,774
Accrued property taxes receivable	<u>43,022</u>	<u>0</u>	<u>0</u>	<u>43,022</u>
Total Assets	<u>1,773,123</u>	<u>85,566</u>	<u>23,162</u>	<u>1,881,852</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Payroll Deductions	35,962	0	0	35,962
Accrued salaries payable	<u>170,827</u>	<u>0</u>	<u>3,539</u>	<u>174,365</u>
Total Liabilities	206,788	0	3,539	210,327
Unearned Revenue	0	0	2,970	2,970
<b>Fund Balances</b>				
Restricted for TABOR	136,296	0	0	136,296
Committed for capital projects	0	85,566	0	85,566
Nonspendable	0	0	9,774	9,774
Assigned	0	0	6,878	6,878
Unassigned	<u>1,430,039</u>	<u>0</u>	<u>0</u>	<u>1,430,039</u>
Total Fund Balances	<u>1,566,335</u>	<u>85,566</u>	<u>16,653</u>	<u>1,668,555</u>
Total Liabilities and Fund Balances	<u>1,773,123</u>	<u>85,566</u>	<u>23,162</u>	<u>1,881,852</u>

CALHAN SCHOOL DISTRICT RJ-1  
Balance Sheet  
Governmental Funds  
June 30, 2018

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

Total Governmental Fund Balances	1,668,555
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,568,662
Deferred outflows of resources are not financial resources and thus are not reported as assets in governmental funds	4,824,719
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(17,102,705)
Deferred inflows of resources are not financial resources and thus are not reported as assets in governmental funds	<u>(1,086,361)</u>
Net Position of Governmental Activities	<u><u>(4,127,130)</u></u>

CALHAN SCHOOL DISTRICT RJ-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>NonMajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Local Sources				
Property Taxes	1,062,040	0	0	1,062,040
Specific Ownership Taxes	122,235	0	0	122,235
Interest	13,818	632	0	14,449
Other	158,725	2,100	0	160,825
Charges for Service	0	0	72,185	72,185
Intergovernmental				
State Sources				
Equalization	2,670,358	0	0	2,670,358
Transportation	80,430	0	0	80,430
Other	311,072	41,127	2,934	355,133
Federal Sources	<u>102,102</u>	<u>0</u>	<u>131,377</u>	<u>233,479</u>
Total Revenues	4,520,779	43,859	206,496	4,771,134
<b>EXPENDITURES</b>				
Current				
Instruction	2,373,028	0	0	2,373,028
Supporting Services				
Pupils	132,457	0	32,828	165,285
Instructional staff services	226,242	0	0	226,242
General administration	164,718	0	0	164,718
School administration	235,730	0	0	235,730
Accounting	161,744	0	0	161,744
Operations & maintenance	383,407	0	0	383,407
Pupil transportation	380,398	0	0	380,398
District wide costs	58,103	0	0	58,103
Food Service	0	0	197,713	197,713
Capital Outlay	<u>66,448</u>	<u>92,777</u>	<u>12,589</u>	<u>171,814</u>
Total Expenditures	<u>4,182,275</u>	<u>92,777</u>	<u>243,131</u>	<u>4,518,182</u>

CALHAN SCHOOL DISTRICT RJ-1  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2018  
(continued)

	<u>General</u>	<u>Capital Reserve</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
Revenues over (under) Expenditures	338,504	(48,918)	(36,634)	252,952
Other Financing Uses				
Operating Transfers In (Out)	<u>(100,000)</u>	<u>60,000</u>	<u>40,000</u>	<u>0</u>
Revenues over (under) Expenditures & Other Financing Uses	238,504	11,082	3,366	252,952
Fund Balance - Beginning	<u>1,327,832</u>	<u>74,484</u>	<u>13,287</u>	<u>1,415,604</u>
Fund Balance - Ending	<u>1,566,336</u>	<u>85,566</u>	<u>16,653</u>	<u>1,668,556</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities

Net change in fund balances - total governmental funds	252,952
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.	
Capital outlays	144,533
Depreciation expense	<u>(250,644)</u> (106,111)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Pension expenses	(2,825,153)
Other post-employment benefit expenses	(3,215)
Gain (loss) on disposal of assets is not recognized in governmental funds, but the sale of the assets is recorded as income.	
Cash received on sale of asset	(2,100)
Recognized gain (loss)	<u>(2,188)</u> (4,288)
Change in net position of government activities	<u>(2,685,815)</u>

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1  
Student Activity Agency Fund  
Statement of Fiduciary Net Position  
June 30, 2018

	Student Activity Fund
<b>ASSETS</b>	
Cash in bank	79,408
<b>LIABILITIES</b>	
Held in trust for activities	<u>79,408</u>
<b>NET POSITION</b>	<u>0</u>

## Notes to the Financial Statements

CALHAN SCHOOL DISTRICT RJ-1  
Calhan, Colorado  
Notes to the Financial Statements  
June 30, 2018

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The District is a political subdivision of the State of Colorado which is governed by an elected board of 5 members. A summary of the Calhan School District RJ-1's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments.

This report includes all funds of Calhan School District RJ-1.

B. Basis of Presentation

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 school district. As a general rule, the effect of interfund activity has been eliminated from these statements.

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

Fund financial statements are also provided in the report for all of the governmental funds and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The District reports the following major governmental funds:

The general fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The capital projects fund accumulates funds to pay for capital projects.

Additionally the District reports the Student Activity Agency Fund which accounts for cash held by the District for related organizations. It is custodial in nature and does not involve measurement of results of operations.

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C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary 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. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

The governmental fund financial statements are reported using the current financial resources measurement focus and 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 with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar -

Submission of a proposed budget to the Board of Education is due by May 31. On June 10 or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection.

The last date for final adoption of the budget and appropriation resolution is June 30.

January 31 is last date to change adopted budget.

By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

E. Encumbrances

Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

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F. Assets, Liabilities and Fund Balances/Net Position

1. Deposits

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

State statutes authorize the District to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is insured or is secured by pledge of eligible collateral as required by CRS 11-10.5-107.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds."

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

3. Inventories

The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken as of June 30, 2018 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined by the school district as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	7-30
Buildings	10-50
Equipment	5-25
Vehicles	7-10

The District does not have any infrastructure assets.

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5. Compensated Absences

All employees are allowed from 9 to 12 days per year. Upon retirement in accordance with PERA, employees may be paid up to 30 days at the current substitute pay. No liability deemed necessary.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds issuance costs are reported as deferred charges and amortized over the term of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. 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. Actual results could differ from those estimates.

8. Fund Balances and Net Position

In the government-wide, net position are classified in the following categories;

Invested in Capital Assets – this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Reserved Net position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved Net position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

When restricted and unrestricted funds are available, restricted are deemed first spent.

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

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

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

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's Board of Directors. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

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

Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

When committed, assigned, or unassigned funds are available, committed is first spent, then assigned.

At June 30, 2018 the amounts restricted was \$136,296 for the TABOR Reserve. Within the governmental fund financial statements, amounts committed included \$85,566 in the capital projects, the amount nonspendable for food service is \$9,771; the amount assigned for food service is \$2,631; and the amount assigned for student activities is \$4,247.

## (2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment’s language in order to determine its compliance.

The voters of the District passed a ballot question in November of 1996 which allows them to retain the excess revenue received for the 1996-1997 year and future years.

- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.
- C. Expenditures in the Food Service Fund of \$203,214 exceeds the budgeted amount of \$192,470. This may be a violation of state budget laws.
- D. For the fiscal year ended June 30, 2018, the District implemented GASB 75, reporting for Other Post-Employment Benefits (OPEB) associated with the PERA Health Care Trust Fund (HCTF). As a result, a prior year adjustment was required that included the amount \$392,656 of net HCTF liability for the District as computed by HCTF, less the amount the District submitted to HCTF of \$11,993 after HCTF’s year end. The net prior year adjustment is \$380,663.

## (3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit".

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State 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 specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

The Colorado Division of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the District’s deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

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At June 30, 2018, the District's cash deposits had a bank balance and carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured	\$500,000	\$386,028
Deposits uncollateralized in institution pools	<u>1,306,283</u>	<u>1,412,594</u>
Total Deposits	\$1,806,283	1,798,622
Shown as Certificates of Deposits		(349,057)
Cash in Fiduciary Fund		<u>(79,408)</u>
Cash		1,370,157

As presented above for the District, deposits with a bank balance of \$1,306,283 and a carrying balance of \$1,412,594 as of June 30, 2018, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

- B. Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notice of delinquencies are mailed in September, and tax sales scheduled for November.

- C. Changes in General Fixed Assets - a summary of changes in the District general fixed assets follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities</b>				
Sites	92,868	0	0	92,868
Site Improvements	442,870	12,697	0	455,567
Buildings	9,170,450	107,159	0	9,277,609
Equipment	602,212	13,676	4,125	611,763
Transportation	<u>971,540</u>	<u>11,000</u>	<u>15,006</u>	<u>967,534</u>
Total	11,279,940	144,533	19,131	11,405,342
<b>Less Accumulated Depreciation</b>				
Site	0	0	0	0
Site Improvements	234,330	19,295	0	253,625
Buildings	2,091,126	179,730	0	2,270,856
Equipment	467,931	24,784	4,125	488,590
Transportation	<u>807,492</u>	<u>26,835</u>	<u>10,718</u>	<u>823,609</u>
Total	<u>3,600,879</u>	<u>250,644</u>	<u>14,843</u>	<u>3,836,680</u>
<b>Governmental Activities</b>				
Capital Assets, Net	<u>7,679,061</u>	<u>(106,111)</u>	<u>4,288</u>	<u>7,568,662</u>

Depreciation expense for the governmental activities was allocated \$26,835 to Transportation, \$222,913 to Instruction, and \$896 to Food Service.

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D. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended June 30, 2018, was as follows:

<u>Issue</u>	<u>Balance July 1, 2017</u>	<u>Addition</u>	<u>Deletion</u>	<u>Balance June 30, 2018</u>
Trust Fund Liability	<u>392,656</u>	<u>31,726</u>	<u>42,547</u>	<u>381,835</u>
Net Pension Liability	<u>15,863,550</u>	<u>3,509,636</u>	<u>2,652,315</u>	<u>16,720,871</u>

(4) OTHER INFORMATION

- A. Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool (CSDSIP), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSIP for its liability, property and casualty, vehicle, mechanical and crime insurance coverage. The intergovernmental agreement of formation of CSDSIP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. The General Fund transferred \$20,000 to the Food Services Fund, \$60,000 to Capital Projects Fund, and \$20,000 to Student Activity Special Revenue Fund for operating purposes.
- D. Defined Benefit Pension Plan

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension 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.

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

*Benefits provided as of December 31, 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:

- 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.

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.

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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.

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

*Contributions provisions as June 30, 2018:* Eligible employees and the District 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 <sup>1</sup>	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) <sup>1</sup>	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF <sup>1</sup>	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 <sup>1</sup>	5.00%	5.50%
<b>Total employer contribution rate to the SCHDTF<sup>1</sup></b>	<b>18.63%</b>	<b>19.13%</b>

<sup>1</sup>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 District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$458,894 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 District reported a liability of \$16,720,871 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 District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF.

At December 31, 2017, the District's proportion was 0.0517090556 percent, which was a decrease of 0.0015710565 from its proportion measured as of December 31, 2016.

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For the year ended June 30, 2018 the District recognized pension expense of \$2,825,153. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	307,426	-0-
Changes of assumptions or other inputs	4,269,460	27,093
Net difference between projected and actual earnings on pension plan investments	-0-	656,645
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	386,320
Contributions subsequent to the measurement date	233,573	N/A
Total	4,810,459	1,070,057

There is \$233,573 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, which 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	(213,979)
2020	(136,678)
2021	( 35,663)
2022	-0-
2023	-0-
Thereafter	-0-

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*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.

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

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

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

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

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

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

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- 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.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 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 (5.78 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	21,121,304	16,720,871	13,135,021

*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).

### **Payables to the pension plan**

#### **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.

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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.

At June 30, 2018, the District reported a liability of \$16,720,871 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 District'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%	\$ 7,554,345

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 \$7,554,345 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

E. Other Post-Employment Benefits

Health Care Trust Fund

**Summary of Significant Accounting Policies**

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

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### **General Information about the OPEB Plan**

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

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.

*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.

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Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$24,790 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 District reported a liability of \$381,834 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 District's proportion of the net OPEB liability was based on Districts 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 District's proportion was 0.0293808620 percent, which was a decrease of 0.0009041917 from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$3,215. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	1,806	-0-
Changes of assumptions or other inputs	-0-	-0-
Net difference between projected and actual earnings on OPEB plan investments	-0-	6,388
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	9,916
Contributions subsequent to the measurement date	12,454	N/A
Total	14,260	16,304

There is \$12,454 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, 2018. 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	(1,948)
2020	(1,948)
2021	(1,948)
2022	(1,948)
2023	(1,948)
Thereafter	( 175)

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*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 OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.00 percent
Medicare Part A premiums	3.00 percent for 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

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.

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%

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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.

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.
- 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.

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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:

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%
<b>Total</b>	<b>100.00%</b>	

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

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

	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	371,328	381,834	394,487

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

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

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

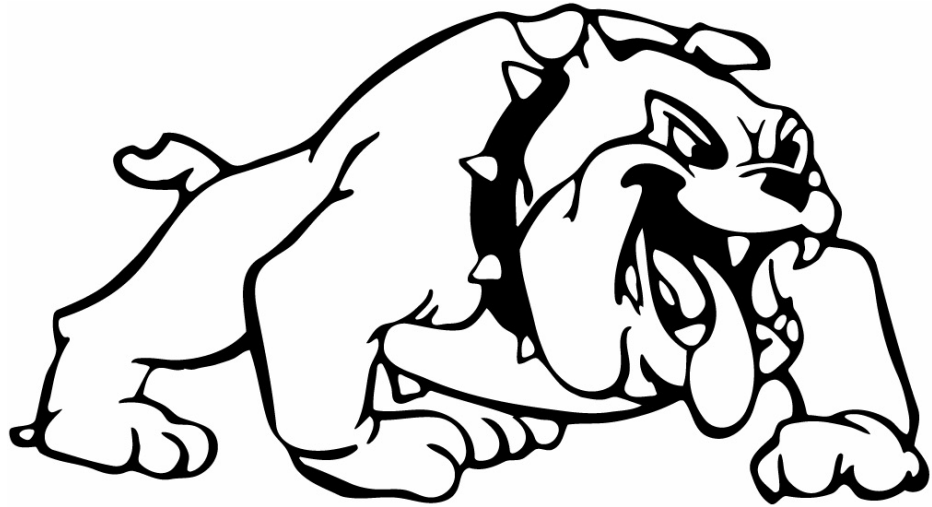
	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	429,301	381,834	341,319

*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).

- F. Joint Venture - The District participates in the Pikes Peak Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board of BOCES has final authority for all budgeting and financing of the joint venture. Each member pays a membership fee and then contributes additional monies in the relationship their students using the program to the total number of students and member schools using the program in the BOCES.

At June 30, 2017, total assets were \$13,468,655, deferred outflows was \$12,258,061, total liabilities were \$36,354,291, deferred inflows was \$364,177, total net position was (\$10,991,752), revenues were \$11,404,672, and expenses were \$19,787,744.

Complete financial statements can be obtained from their office at 2883 S Circle Drive, Colorado Springs, CO, 80906.



REQUIRED SUPPLEMENTARY INFORMATION

CALHAN SCHOOL DISTRICT RJ-1  
 Budgetary Comparison Schedule  
 Major Governmental Funds  
 For the Year Ended June 30, 2018

	<u>General Fund</u>			Variance With Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
REVENUES	<u>Original</u>	<u>Final</u>		
Local sources				
Taxes	1,063,308	1,063,308	1,184,274	120,966
Other	89,507	89,507	172,542	83,035
State Sources				
Equalization	2,762,353	2,762,353	2,670,358	(91,995)
Other	387,681	387,681	391,502	3,821
Federal Sources	<u>92,089</u>	<u>92,089</u>	<u>102,102</u>	<u>10,013</u>
Total Revenues	4,394,938	4,394,938	4,520,779	125,841
EXPENDITURES				
Current				
Instruction	2,458,105	2,458,105	2,373,028	85,077
Supporting Services				
Pupils	134,476	134,476	132,457	2,019
Instructional Staff - Library	219,793	219,793	226,242	(6,449)
General Administration	166,693	166,693	164,718	1,975
School Administration	238,847	238,847	235,730	3,117
Business Services	149,854	149,854	161,744	(11,890)
Operations & Maintenance	335,905	335,905	383,407	(47,502)
Pupil Transportation	378,906	378,906	380,398	(1,492)
District Wide Costs	72,069	72,069	58,103	13,966
Appropriated reserves	1,439,122	1,439,122	0	1,439,122
Capital Outlay	<u>89,000</u>	<u>89,000</u>	<u>66,448</u>	<u>22,552</u>
Total Expenditures	<u>5,682,770</u>	<u>5,682,770</u>	<u>4,182,275</u>	<u>1,500,495</u>
Excess of revenues over (under) expenditures (under) Expenditures	(1,287,832)	(1,287,832)	338,504	1,626,336
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(100,000)</u>	<u>(60,000)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,327,832)	(1,327,832)	238,504	1,566,336
Fund Balance - Beginning	<u>1,327,832</u>	<u>1,327,832</u>	<u>1,327,832</u>	<u>0</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>1,566,336</u>	<u>1,566,336</u>

See auditor's report and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1  
 Schedule of District's Proportionate Share of the Net Pension Liability-PERA School Division Trust Fund

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion (percentage) of the collective net pension liability	0.051709%	0.053280%	0.055899%	0.568124%	0.056798%
Proportionate share of the collective net pension liability	16,720,871	15,863,550	8,549,392	7,699,984	7,054,581
Covered payroll	2,385,275	2,391,307	2,439,092	2,380,029	2,289,705
Proportionate share of the net pension liability as a percentage of its covered employee payroll	701.00%	663.38%	350.52%	323.52%	308.10%
Plan fiduciary net position as a percentage of total pension liability	43.96%	43.10%	59.20%	62.80%	64.06%

Note 1: The amounts presented for each year were determined as of December 31.

Note 2: Information is not currently available for years prior to 2013; additional years will be displayed as they become available.

CALHAN SCHOOL DISTRICT RJ-1  
Schedule of Contributions and Related Ratios-PERA School Division Trust Fund  
Last 10 Fiscal Years

As of June 30,	<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>
Statutorily required contributions	458,894	433,073	429,212	414,071	368,042	349,377	357,225	330,161	325,403	310,607
Contributions in relation to the statutorily required contribution	<u>458,894</u>	<u>433,073</u>	<u>429,212</u>	<u>414,071</u>	<u>368,042</u>	<u>349,377</u>	<u>357,225</u>	<u>330,161</u>	<u>325,403</u>	<u>310,607</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered-employee payroll	2,430,429	2,356,279	2,420,811	2,452,885	2,302,870	2,317,762	2,519,606	2,487,116	2,630,332	2,706,601
Contributions as a percentage of covered-employee payroll	18.88%	18.38%	17.73%	16.88%	15.98%	15.07%	14.18%	13.27%	12.37%	11.48%

Note 1: Information above is presented as of the District's fiscal year.

CALHAN SCHOOL DISTRICT RJ-1  
 Schedule of District's Proportionate Share of the Other Post-Employment Benefit  
 Liability-Health Care Trust Fund

	<u>2017</u>	<u>2016</u>
Proportion (percentage) of the collective net pension liability	0.0293808620%	0.0302850537%
Proportionate share of the collective net pension liability	381,834	392,656
Covered payroll	2,385,275	2,391,307
Proportionate share of the net pension liability as a percentage of its covered employee payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of total pension liability	17.53%	N/A

Note 1: The amounts presented for each year were determined as of December 31

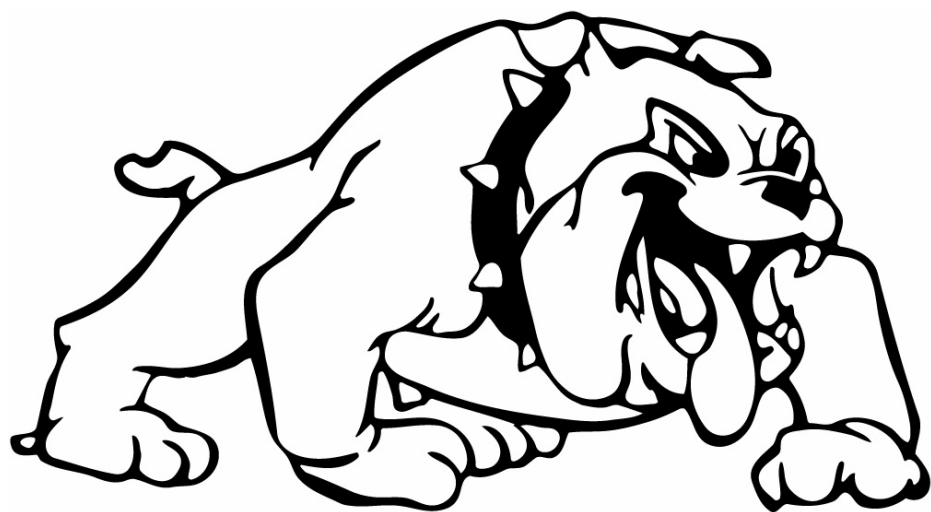
Note 2: Information is not currently available for years prior to 2016; additional years will be displayed as they become available

CALHAN SCHOOL DISTRICT RJ-1  
 Schedule of Contributions and Related Ratios-Health Care Trust Fund

As of June 30,	<u>2018</u>	<u>2017</u>
Statutorily required contributions	24,790	24,034
Contributions in relation to the statutorily required contribution	<u>24,790</u>	<u>24,034</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>
Covered-employee payroll	2,430,429	2,356,279
Contributions as a percentage of covered-employee payroll	1.02%	1.02%

Note 1: Information above is presented as of the District's fiscal year.

Note 2: Information is not currently available for years prior to 2017; additional years will be displayed as they become available.



## OTHER INFORMATION

CALHAN SCHOOL DISTRICT RJ-1  
Combining Balance Sheet  
NonMajor Governmental Funds  
June 30, 2018

ASSETS	<u>Food Service</u>	<u>Student Activity</u>	<u>Total</u>
Cash & cash equivalents	9,140	4,247	13,387
Inventory	<u>9,774</u>	<u>0</u>	<u>9,774</u>
Total Assets	<u>18,915</u>	<u>4,247</u>	<u>23,162</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accrued salaries & benefits	<u>3,539</u>	<u>0</u>	<u>3,539</u>
Total Liabilities	3,539	0	3,539
 Unearned revenue	 2,970	 0	 2,970
FUND BALANCE			
Nonspendable	9,774	0	9,774
Assigned	<u>2,631</u>	<u>4,247</u>	<u>6,878</u>
Total Fund Balance	<u>12,406</u>	<u>4,247</u>	<u>16,653</u>
 Total Liabilities and Fund Balance	 <u>18,915</u>	 <u>4,247</u>	 <u>23,162</u>

CALHAN SCHOOL DISTRICT RJ-1  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
NonMajor Governmental Funds  
June 30, 2018

REVENUES	Food <u>Service</u>	Student <u>Activity</u>	<u>Total</u>
Local	52,844	19,342	72,185
State	2,934	0	2,934
Federal	<u>131,377</u>	<u>0</u>	<u>131,377</u>
Total Revenues	187,155	19,342	206,496
EXPENDITURES			
Salaries & Benefits	103,715	0	103,715
Purchased Services	2,144	12,518	14,662
Supplies	91,417	8,765	100,182
Dues & Fees	0	8,838	8,838
Other	437	2,707	3,144
Capital Outlay	<u>5,501</u>	<u>7,089</u>	<u>12,589</u>
Total Expenditures	<u>203,214</u>	<u>39,917</u>	<u>243,131</u>
Revenues over (under)			
Expenditures	(16,059)	(20,575)	(36,634)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	<u>20,000</u>	<u>20,000</u>	<u>40,000</u>
Excess of Revenues and Other Sources over (under) Expenditures	3,941	(575)	3,366
Fund Balance - Beginning	<u>8,465</u>	<u>4,822</u>	<u>13,287</u>
Fund Balance - Ending	<u>12,406</u>	<u>4,247</u>	<u>16,653</u>

INDIVIDUAL FUND FINANCIAL STATEMENTS

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in another fund. It is the most significant fund in relation to the district's overall operation.

CALHAN SCHOOL DISTRICT RJ-1  
General Fund  
Comparative Balance Sheet

ASSETS	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
Cash			
In Bank	1,271,204	1,097,768	173,436
With County Treasurer	0	9,168	(9,168)
Certificates of Deposit	<u>349,057</u>	<u>346,452</u>	<u>2,606</u>
Total Cash	1,620,261	1,453,388	166,873
Accounts/Grants Receivable	109,840	43,932	65,908
Accrued Property Tax Receivable	<u>43,022</u>	<u>47,818</u>	<u>(4,795)</u>
Total Assets	<u>1,773,123</u>	<u>1,545,137</u>	<u>227,986</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	0	40,000	(40,000)
Accrued Salaries and Benefits Payable	170,827	177,306	(6,479)
Payroll Deductions	<u>35,962</u>	<u>0</u>	<u>35,962</u>
Total Liabilities	206,788	217,306	(10,518)
Fund Balance			
Restricted for TABOR Reserve	136,296	123,470	12,826
Restricted for Preschool	0	4,365	(4,365)
Unassigned	<u>1,430,039</u>	<u>1,199,996</u>	<u>230,043</u>
Total Fund Balance	<u>1,566,335</u>	<u>1,327,831</u>	<u>238,504</u>
Total Liabilities and Fund Balance	<u>1,773,123</u>	<u>1,545,137</u>	<u>227,986</u>

CALHAN SCHOOL DISTRICT RJ-1  
 General Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2018  
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
<b>REVENUES</b>				
From Local Sources				
Current Property Taxes	985,480	1,060,057	74,577	762,233
Specific Ownership Taxes	75,578	122,235	46,657	92,197
Delinquent Taxes & Interest	2,250	1,983	(267)	2,082
Investment Interest	6,000	13,818	7,818	8,715
Other	<u>83,507</u>	<u>158,725</u>	<u>75,218</u>	<u>114,673</u>
Total Local Sources	1,152,815	1,356,817	204,002	979,901
From State Sources				
Equalization	2,762,353	2,670,358	(91,995)	2,902,581
Vocational Education	11,148	10,519	(629)	0
Transportation	80,241	80,430	189	85,191
Other Grants	<u>296,292</u>	<u>300,553</u>	<u>4,261</u>	<u>104,471</u>
Total State Sources	3,150,034	3,061,860	(88,174)	3,092,243
From Federal Sources				
Grants	<u>92,089</u>	<u>102,102</u>	<u>10,013</u>	<u>150,240</u>
Total Revenues	4,394,938	4,520,779	125,841	4,222,384
<b>EXPENDITURES</b>	<u>5,682,770</u>	<u>4,182,275</u>	<u>1,500,495</u>	<u>3,959,794</u>
Excess of Revenues over (under) Expenditures	(1,287,832)	338,504	1,626,336	262,589
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(40,000)</u>	<u>(100,000)</u>	<u>(60,000)</u>	<u>(240,000)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,327,832)	238,504	1,566,336	22,589
Fund Balance - Beginning	<u>1,327,832</u>	<u>1,327,832</u>	<u>0</u>	<u>1,305,243</u>
Fund Balance - Ending	<u>0</u>	<u>1,566,336</u>	<u>1,566,336</u>	<u>1,327,832</u>

CALHAN SCHOOL DISTRICT RJ-1  
 General Fund  
 Statement of Expenditures - Budget and Actual  
 For the Year Ended June 30, 2018  
 With Comparative Actual Amounts for the Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
<b>INSTRUCTION</b>				
Current				
Salaries	1,533,638	1,543,610	(9,972)	1,390,583
Employee Benefits	514,510	479,462	35,048	429,528
Purchased Services	189,309	141,291	48,018	136,503
Supplies and Materials	220,648	204,871	15,777	165,372
Other	0	3,794	(3,794)	0
Capital Outlay	<u>29,000</u>	<u>15,762</u>	<u>13,238</u>	<u>58,894</u>
Total Instruction	2,487,105	2,388,790	98,315	2,180,881
 <b>SUPPORTING SERVICES</b>				
<b>Pupils</b>				
Current				
Salaries	96,428	96,464	(36)	134,045
Employee Benefits	35,228	34,745	483	47,312
Purchased Services	700	0	700	50
Supplies and Materials	1,200	1,157	43	1,182
Other	<u>920</u>	<u>90</u>	<u>830</u>	<u>229</u>
Total Pupils	134,476	132,457	2,019	182,818
<b>Instructional Staff Services</b>				
Current				
Salaries	60,498	73,775	(13,277)	57,181
Employee Benefits	21,266	22,680	(1,414)	16,073
Purchased Services	125,029	116,290	8,739	93,942
Supplies and Materials	12,500	13,108	(608)	12,663
Other	<u>500</u>	<u>389</u>	<u>111</u>	<u>385</u>
Total Instructional Staff	219,793	226,242	(6,449)	180,242
<b>General Administration</b>				
Current				
Salaries	105,000	100,170	4,830	114,818
Employee Benefits	27,480	27,025	455	37,325
Purchased Services	24,200	23,540	660	17,717
Supplies and Materials	1,500	899	601	2,443
Other	<u>8,513</u>	<u>13,083</u>	<u>(4,570)</u>	<u>11,567</u>
Total General Administration	166,693	164,718	1,975	183,870

## CALHAN SCHOOL DISTRICT RJ-1

## General Fund

## Statement of Expenditures - Budget and Actual

For the Year Ended June 30, 2018

With Comparative Actual Amounts for the Year Ended June 30, 2017

(continued)

			Variance	Actual
			Favorable	Prior
	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>	<u>Year</u>
School Administration				
Current				
Salaries	175,982	179,004	(3,022)	277,175
Employee Benefits	53,900	51,027	2,873	83,528
Purchased Services	5,015	3,258	1,757	2,353
Supplies and Materials	3,100	1,878	1,222	4,948
Other	<u>850</u>	<u>563</u>	<u>287</u>	<u>980</u>
Total School Administration	238,847	235,730	3,117	368,983
Accounting				
Current				
Salaries	90,100	90,183	(83)	68,675
Employee Benefits	28,339	28,393	(54)	23,400
Purchased Services	30,615	41,182	(10,567)	34,937
Supplies and Materials	<u>800</u>	<u>1,986</u>	<u>(1,186)</u>	<u>1,556</u>
Total Other Business Services	149,854	161,744	(11,890)	128,569
Operations and Maintenance				
Current				
Salaries	135,784	138,260	(2,476)	146,838
Employee Benefits	52,214	47,489	4,725	56,313
Purchased Services	54,832	70,404	(15,572)	58,099
Supplies and Materials	93,075	127,254	(34,179)	101,358
Other	0	0	0	0
Capital Outlay	<u>42,000</u>	<u>39,686</u>	<u>2,314</u>	<u>5,200</u>
Total Operations & Maintenance	377,905	423,094	(45,189)	367,807
Pupil Transportation				
Current				
Salaries	211,202	216,103	(4,901)	175,382
Employee Benefits	71,275	68,749	2,526	58,560
Purchased Services	24,229	32,683	(8,454)	28,201
Supplies and Materials	72,200	62,863	9,337	45,593
Capital Outlay	<u>18,000</u>	<u>11,000</u>	<u>7,000</u>	<u>0</u>
Total Pupil Transportation	<u>396,906</u>	<u>391,398</u>	<u>5,508</u>	<u>307,736</u>
TOTAL SUPPORTING SERVICES	1,684,474	1,735,382	(50,908)	1,720,024

CALHAN SCHOOL DISTRICT RJ-1  
 General Fund  
 Statement of Expenditures - Budget and Actual  
 For the Year Ended June 30, 2018  
 With Comparative Actual Amounts for the Year Ended June 30, 2017  
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
District Wide Costs				
Current				
Supplies and Materials	<u>72,069</u>	<u>58,103</u>	<u>13,966</u>	<u>58,889</u>
Total District Wide Costs	72,069	58,103	13,966	58,889
Appropriated Reserves	<u>1,439,122</u>	<u>0</u>	<u>1,439,122</u>	<u>0</u>
<b>TOTAL EXPENDITURES</b>	<u><u>5,682,770</u></u>	<u><u>4,182,275</u></u>	<u><u>1,500,495</u></u>	<u><u>3,959,794</u></u>

## SPECIAL REVENUES FUNDS

Food Services Fund - to account for revenue and expenditures associated with providing hot lunches to students, teachers, and visitors.

Student Activity Fund - to account for the revenues reported and the expenditures of each of the activities reported.

CALHAN SCHOOL DISTRICT RJ-1  
Food Services Special Revenue Fund  
Comparative Balance Sheet

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
<b>ASSETS</b>			
Current Assets			
Cash in Bank	9,140	7,427	1,713
Inventory	<u>9,774</u>	<u>6,186</u>	<u>3,589</u>
Total Current Assets	<u>18,915</u>	<u>13,613</u>	<u>5,302</u>
 <b>LIABILITY AND FUND BALANCE</b>			
Current Liabilities			
Accrued Salaries & Benefits	3,539	1,959	1,579
Unearned Revenue	2,970	3,189	(219)
Fund Balance			
Nonspendable	9,774	6,186	3,589
Assigned	<u>2,631</u>	<u>2,279</u>	<u>352</u>
Total Fund Balance	<u>12,406</u>	<u>8,465</u>	<u>3,941</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>	 <u>18,915</u>	 <u>13,613</u>	 <u>5,302</u>

CALHAN SCHOOL DISTRICT RJ-1  
 Food Services Special Revenue Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2018  
 With Comparative Actual Amounts for the Year Ended June 30, 2017

REVENUES	Budget		Variance	
	(Non-GAAP)	Actual	Favorable	Prior
			(Unfavorable)	Year
Charges for Service				
Meals	43,700	52,658	8,958	39,236
Interest Income	70	186	116	89
State Grants	3,350	2,934	(416)	2,822
Federal Aid	105,000	119,626	14,626	109,709
Commodities Donated	<u>11,885</u>	<u>11,752</u>	<u>(133)</u>	<u>12,619</u>
Total Revenue	164,005	187,155	23,150	164,476
EXPENDITURES				
Current				
Salaries	76,972	76,203	769	69,083
Benefits	28,367	27,513	854	26,237
Food & Milk	65,755	77,583	(11,828)	69,500
Commodities	10,000	10,969	(969)	11,964
Purchased Services	2,500	2,144	356	3,414
Supplies	1,300	2,865	(1,565)	3,166
Dues & fees	300	437	(137)	0
Capital Outlay	500	5,501	(5,001)	0
Appropriated Reserve	<u>6,776</u>	<u>0</u>	<u>6,776</u>	<u>0</u>
Total Expenditures	<u>192,470</u>	<u>203,214</u>	<u>(10,744)</u>	<u>183,364</u>
Excess of Revenues over				
(under) Expenditures	(28,465)	(16,059)	12,406	(18,888)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Excess of Revenues and Other Sources				
over (under) Expenditures	(8,465)	3,941	12,406	1,112
Fund Balance - Beginning	<u>8,465</u>	<u>8,465</u>	<u>(0)</u>	<u>7,353</u>
Fund Balance - Ending	<u>0</u>	<u>12,406</u>	<u>12,406</u>	<u>8,465</u>

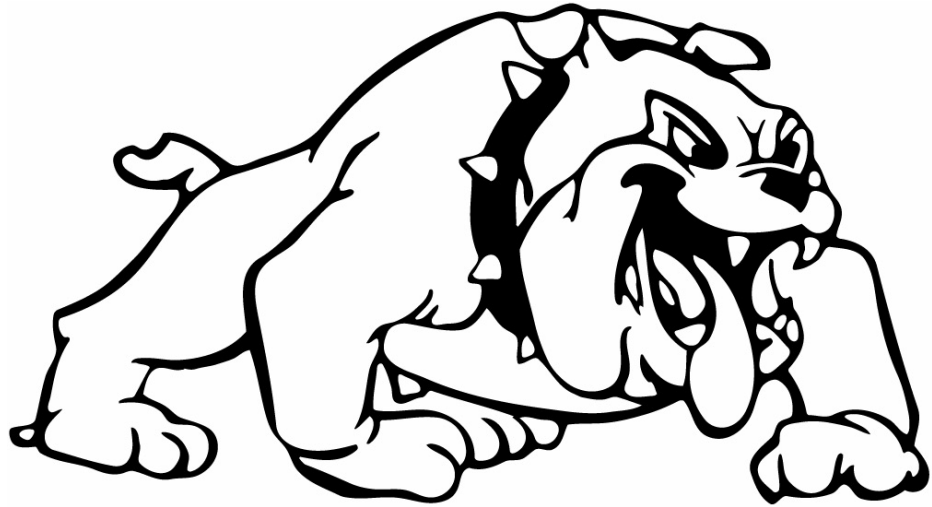
See auditor's letter and notes to the financial statements.

CALHAN SCHOOL DISTRICT RJ-1  
Student Activity Special Revenue Fund  
Comparative Balance Sheet

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash in Bank	<u>4,247</u>	<u>4,822</u>	<u>(575)</u>
FUND BALANCE			
Assigned	<u>4,247</u>	<u>4,822</u>	<u>(575)</u>

CALHAN SCHOOL DISTRICT RJ-1  
Student Activity Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2018

REVENUES	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Prior Year
Local Sources				
Gates Fees	18,000	18,078	78	21,897
Other	<u>200</u>	<u>1,264</u>	<u>1,064</u>	<u>512</u>
Total Revenues	18,200	19,342	1,142	22,409
 EXPENDITURES				
Current				
Officials	12,000	12,518	(518)	10,213
Supplies	8,750	8,765	(15)	13,822
Dues & Fees	8,150	8,838	(688)	2,748
Other	5,000	2,707	2,293	3,618
Equipment	9,200	7,089	2,111	7,958
Contingency Reserve	<u>4,922</u>	<u>0</u>	<u>4,922</u>	<u>0</u>
Total Expenditures	<u>48,022</u>	<u>39,917</u>	<u>8,105</u>	38,359
Revenues over (under) Expenditures	(29,822)	(20,575)	9,247	(15,949)
 OTHER FINANCING SOURCES				
Operating Transfers In	<u>25,000</u>	<u>20,000</u>	<u>(5,000)</u>	<u>20,000</u>
Revenues and Other Sources over (under) Expenditures	(4,822)	(575)	4,247	4,051
Fund Balance - Beginning	<u>4,822</u>	<u>4,822</u>	<u>0</u>	<u>772</u>
Fund Balance - Ending	<u>0</u>	<u>4,247</u>	<u>4,247</u>	<u>4,822</u>



## CAPITAL PROJECTS FUND

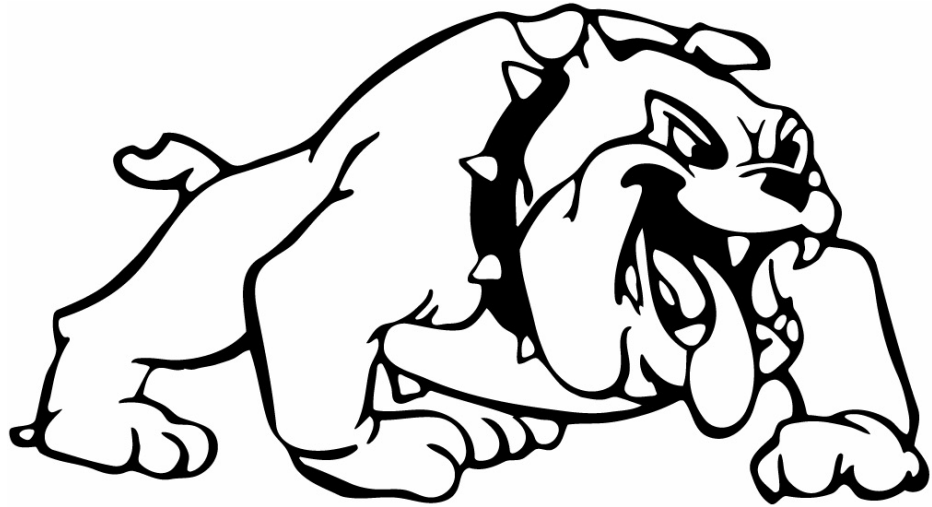
Capital Projects Fund - to account for acquisition of land or improvements and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishing therein; construction of additions to existing structures; procurement of equipment for new buildings and additions to existing buildings and installation thereof; alterations and improvements to existing structures where the estimated cost of such projects for labor and materials is in excess of two thousand five hundred dollars; acquisition of school buses or other equipment, the estimated unit cost of which, including any necessary installations, is in excess of two thousand five hundred dollars; installment purchase agreements or lease agreements with an option to purchase for a period not to exceed twenty years under which a school district becomes entitled to the use of real property and related equipment for a school site, building, or structure. Also allowed are lease agreements with option to purchase for a period of one year or less, including lease agreements consisting of a series of one-year terms renewable at the option of the district. Financing is provided by a transfer from the General Fund and State grants.

CALHAN SCHOOL DISTRICT RJ-1  
Capital Reserve Capital Projects Fund  
Comparative Balance Sheet

	<u>6/30/18</u>	<u>6/30/17</u>	<u>Change</u>
ASSETS			
Cash in Bank	85,566	74,484	11,082
Grants Receivable	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>85,566</u>	<u>74,484</u>	<u>11,082</u>
COMMITTED FUND BALANCE	<u>85,566</u>	<u>74,484</u>	<u>11,082</u>

CALHAN SCHOOL DISTRICT RJ-1  
 Capital Reserve Capital Projects Fund  
 Statement of Revenues, Expenditures, and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2018  
 With Comparative Actual Amounts for the Year Ended June 30, 2017

REVENUES	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Local Sources				
Investment Earnings	1,500	632	(868)	1,732
Sale of Assets	799	2,100	1,301	799
State Grants	<u>42,392</u>	<u>41,127</u>	<u>(1,265)</u>	<u>535,852</u>
Total Revenues	44,691	43,859	(832)	538,382
EXPENDITURES				
Current				
Special Projects Salaries	0	0	0	28,239
Capital Outlay				
Land and Improvements	0	0	0	58,245
Equipment	0	0	0	23,899
Buildings	74,776	92,777	(18,001)	1,185,908
Appropriated Reserve	<u>44,399</u>	<u>0</u>	<u>44,399</u>	<u>0</u>
Total Expenditures	<u>119,175</u>	<u>92,777</u>	<u>26,398</u>	<u>1,296,291</u>
Excess of Revenues over (under) Expenditures	(74,484)	(48,918)	25,566	(757,909)
Other Financing Sources (Uses)				
Operating Transfers Out	<u>0</u>	<u>60,000</u>	<u>60,000</u>	<u>200,000</u>
Excess of Revenues over (under) Expenditures and Transfers Out	(74,484)	11,082	85,566	(557,909)
Fund Balance - Beginning	<u>74,484</u>	<u>74,484</u>	<u>0</u>	<u>632,393</u>
Fund Balance - Ending	<u>0</u>	<u>85,566</u>	<u>85,566</u>	<u>74,484</u>



## AGENCY FUND

Student Activity Fund - to act as custodian for the classes and activities of the district.

CALHAN SCHOOL DISTRICT RJ-1  
 Student Activity Agency Fund  
 Statement of Changes in Assets and Liabilities- Budget and Actual  
 For the Year Ended June 30, 2018

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
BB Girls Summer Camp	944	4,488	6,080	(648)
BB Summer Camp	6,065	10,203	13,165	3,103
FB Summer Camp	137	3,048	4,115	(930)
Wrestling Summer Camp	0	5,000	0	5,000
Summer VB Camp	5,705	7,766	10,181	3,289
Baseball Club	766	4,420	4,307	879
H S Cheerleaders	0	5,867	5,090	777
MS Cheerleaders	0	1,316	1,080	236
Track Club	394	1,055	1,313	136
Booster Club Student Aid	762	0	348	414
MS Basketball	636	2,498	2,721	413
Weight Room	900	0	620	280
Class of 2015	1	0	0	1
Class of 2018	830	3,470	4,260	40
Class of 2019	(281)	10,995	10,518	196
Copier	3,224	0	3,221	3
FBLA	211	0	211	0
Leo Club	807	6,356	6,078	1,086
Stuco	2,494	260	387	2,367
FFA	0	11,870	2,265	9,605
Band	3,099	8	337	2,770
Drama	5,394	8,318	9,055	4,657
Speech	(377)	377	0	0
Computer Tech	349	0	0	349
Media	3,640	2,018	2,020	3,638
Music	(337)	337	0	0
AP Biology	91	142	114	120

CALHAN SCHOOL DISTRICT RJ-1  
 Student Activity Agency Fund  
 Statement of Changes in Assets and Liabilities- Budget and Actual  
 For the Year Ended June 30, 2018  
 (continued)

	Balance <u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30</u>
Yearbook	(1,508)	2,168	2,048	(1,388)
HS Art	914	0	0	914
K-5 Principal	586	923	1,474	35
Title I	68	0	0	68
Elementary Stuco	1,284	0	1,284	0
Destination Imagination	478	0	0	478
Elementary PE	55	0	0	55
Clearing K-12	328	801	982	146
Eldon Glaser Scholarship	2,675	2,500	500	4,675
General Activity Fund	18,516	0	2,123	16,393
Checking Interest	671	158	0	829
CD 11819	398	0	0	398
Drivers Education	6,607	0	0	6,607
H S Principal	(13)	552	332	207
M S Stuco	187	0	0	187
Tutor	0	330	330	0
Back Pack Program	235	0	0	235
Volunteers	1,253	0	416	837
Playground account	3,367	0	0	3,367
Elementary SPED	659	0	0	659
Crew	495	93	207	381
Field Trips/Transportation	821	4,251	3,146	1,926
Band/Music California Trip	1,805	0	0	1,805
I Pad Clearing	2,940	9,339	9,525	2,754
Rock Band	<u>0</u>	<u>58</u>	<u>0</u>	<u>58</u>
Total	78,273	110,986	109,851	79,408
 Budget	 <u>78,273</u>	 <u>95,000</u>	 <u>173,273</u>	 <u>0</u>
 Variance - Favorable (Unfavorable)	 <u>0</u>	 <u>15,986</u>	 <u>63,422</u>	 <u>79,408</u>

AUDITOR'S INTEGRITY REPORT



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0970 - CALHAN RJ-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	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>						
10 General Fund	1,327,831		4,420,779	4,182,275		1,566,335
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
<b>Sub-Total</b>	<b>1,327,831</b>		<b>4,420,779</b>	<b>4,182,275</b>		<b>1,566,335</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	8,465		207,155	203,214		12,406
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	4,822		39,342	39,917		4,247
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	0		0	0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	74,484		103,859	92,777		85,566
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
<b>Totals</b>	<b>1,415,603</b>		<b>4,771,134</b>	<b>4,518,182</b>		<b>1,668,555</b>
<b>Proprietary</b>						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
<b>Totals</b>	<b>0</b>		<b>0</b>	<b>0</b>		<b>0</b>
<b>Fiduciary</b>						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	78,273		110,986	109,851		79,408
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
<b>Totals</b>	<b>78,273</b>		<b>110,986</b>	<b>109,851</b>		<b>79,408</b>
<b>FINAL</b>						<b>79,408</b>