

**GILPIN COUNTY SCHOOL DISTRICT RE-1  
BLACK HAWK, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEAR ENDING  
JUNE 30, 2018**

GILPIN COUNTY SCHOOL DISTRICT RE-1  
BLACK HAWK, COLORADO  
ROSTER OF SCHOOL OFFICIALS  
JUNE 30, 2018

BOARD OF EDUCATION

Craig Holmes – President  
Steve Boulter – Vice-President  
Sarah Swanson – Secretary/Treasurer  
Kersten Armstrong – Member  
Brook Ramsey - Member

ADMINISTRATIVE STAFF

David MacKenzie  
Superintendent of Schools

Terry Scharg  
Business Manager

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**Required Supplementary Information (RSI)**  
**June 30, 2018**

The discussion and analysis of Gilpin County School District RE-1's (the "District") financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2018. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

**Financial Highlights**

Over the last several years, the Gilpin County School District student population has remained fairly consistent, although it increased in 2017-18. This helps provide a steady revenue stream for the District. Due to an economic recession in prior years and the current State financial situation, the Colorado Department of Education continues to reduce the District's total program funding by applying a negative stabilization factor. For the 2017-2018 fiscal year, the negative factor for Gilpin County School increased by \$16,202 from the prior year to \$498,546. Fortunately, additional revenue has been generated for the District since 2013-2014 from the passage of a mill levy override and additional revenue has been generated since the beginning of 2009 from a sales tax implemented by the City of Black Hawk. It is understood that these funds are generated at the discretion of Black Hawk City Council so district administration must remain cautious how these funds are spent.

Once again, the academic and curricular programs were fully supported in this budget. Gilpin County School District's funded pupil count for the 2017-2018 year was 440, which, under normal circumstances, would have provided total program funding of \$4,515,409 or per pupil funding of \$10,262. After the negative factor was applied by the State, the adjusted total program funding was \$4,016,862, resulting in per pupil funding of \$9,129. This funding was split between a state share of \$2,634,923 and local property tax of \$1,289,898 plus specific ownership taxes of \$92,042 based on an assessed valuation of \$316,539,374. As a result of the implementation of the negative factor by the State, Gilpin County School District has experienced a reduction in funding of \$1,133 per pupil. In addition to total program funding, the District receives \$952,351 annually for the General Fund as a result of voter-approved mill levy overrides on property taxes, as well as the Black Hawk Educational Enhancement tax.

Teaching staff remained constant for the 2017-2018 school year and base salary for a beginning teacher in the district was increased by one percent (1%) to \$32,801. Teachers, as well as classified staff and administrative staff, received a step on the respective salary grid. The District continued to devote resources to teacher professional development, invested in Google Chromebooks for all secondary students, college online courses, off-site vocational training, building repairs and improvements, new playground equipment, and expansion of the athletic field. Throughout this budget development process the financial management staff attempted to provide staff with an increase that was competitive with neighboring school districts and that kept up with the CPI inflation figure of 2.8%, but also attempted to maintain a healthy financial status for the District for the future. To maintain competitive rates, the District retained its current health insurance

provider, which resulted in an increase of one-half percent in health insurance rates. Also, the District changed dental insurance providers. As a result, the cost of dental insurance decreased by 23% for 2017-18. The end result was a total benefit decrease of \$4.50 per employee per month. The District currently pays the entire employee portion of health insurance costs. In addition, the District's contribution to the Public Employees' Retirement Association (PERA) increased again this year bringing its total cost to 20.15% of employee compensation.

The District's fund balance in its General Fund remains strong through a healthy, fiscally conservative approach to financial management. The District remains focused on a course of ensuring a strong financial future, free of crisis mitigation.

### **Using the Basic Financial Statements**

The basic financial statements consist of the Management's Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements – the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operation in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

### **Financial Analysis of the District as a Whole**

The District's total net position from governmental activities was \$6,753,482 as of June 30, 2018. This represents a decrease of \$3,428,155 in total net position from the prior fiscal year. Several years ago, the District was required to start reporting its proportionate share of the net pension liability in compliance with GASB 68. Commencing with the 2017-18 fiscal year, the District is now also required to report Other Post-Employment Benefit (OPEB) liabilities on the financial statements. The reporting of the net pension liability and OPEB liabilities has a significant effect on the District's net position. Detailed information about the Defined Benefit Pension Plan can be found in Note 7 to the financial statements on pages 20-27 and detailed information about Other Post-Employment Benefits can be found in Note 9 to the financial statements on pages 28-38.

The District meets or exceeds all financial reporting requirements of the Colorado Department of Education, as well as meets all financial accreditation standards. The District continues to maintain adequate reserves to meet all financial obligations.

## Government-Wide Financial Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private businesses. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader whether or not the financial position of the school district as a whole has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the School District reports the following type of activity:

Governmental Activities – The School District's programs and services are reported here including instruction, support services, operations and maintenance of plant, food service, pupil transportation and general obligation debt repayment.

A condensed summary of the District's Net Position is as follows:

	<b>Governmental Activities</b>	
	<b>2018</b>	<b>2017</b>
Current & Other Assets	\$ 6,374,380	\$ 5,704,266
Capital Assets - Net	18,080,360	16,904,772
Total Deferred Outflows of Financial Resources	6,221,507	7,135,070
<b>Total Assets</b>	<b>30,676,247</b>	<b>29,744,108</b>
Current Liabilities	1,737,199	486,555
Non-Current Liabilities	20,618,145	18,706,440
<b>Total Liabilities</b>	<b>22,355,344</b>	<b>19,192,995</b>
Deferred Inflows of Resources	1,567,421	369,476
Net Investment in Capital Assets	18,055,382	16,832,393
Restricted Net Position	178,226	166,226
Unrestricted Net Position	(11,480,126)	(6,816,982)
<b>Total Net Position</b>	<b>\$ 6,753,482</b>	<b>\$ 10,181,637</b>
<b>Total Liabilities, Deferred Inflows and Net Position</b>	<b>30,676,247</b>	<b>29,744,108</b>

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are primarily amounts legally restricted for TABOR emergencies and for debt repayment.

A condensed Statement of Activities and Changes in Net Position is as follows:

	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2018</b>	<b>2017</b>
<b>Program Revenues:</b>		
Charges for Services	\$ 247,429	\$ 180,568
Operating Grants	1,378,692	1,331,104
<b>Total Program Revenues</b>	<b>1,626,121</b>	<b>1,511,672</b>
<b>General Revenues:</b>		
Taxes	2,535,838	2,573,624
State Equalization	2,633,285	2,341,949
Investment Income	52,256	32,045
Gain (Loss) on Capital Asset Disposals	(5,680)	52,387
Miscellaneous	53,712	73,790
<b>Total General Revenues</b>	<b>5,269,411</b>	<b>5,073,795</b>
<b>Total Revenues</b>	<b>6,895,532</b>	<b>6,585,467</b>
<b>Expenses</b>		
Instruction	5,489,458	4,830,623
Supporting Services	4,388,025	4,226,159
Invested in Long Term Debt	1,883	51,332
<b>Total Expenses</b>	<b>9,879,366</b>	<b>9,108,114</b>
<b>Change in Net Position</b>	<b>(2,983,834)</b>	<b>(2,522,647)</b>
<b>Net Position - Beginning</b>	<b>10,181,637</b>	<b>12,704,284</b>
<b>Prior Period Restatement</b>	<b>(444,321)</b>	<b>-</b>
<b>Net Position - Beginning ( As Restated)</b>	<b>9,737,316</b>	<b>12,704,284</b>
<b>Net Position - Ending</b>	<b>\$ 6,753,482</b>	<b>\$ 10,181,637</b>

The District's primary revenue source is per pupil funding which is a combination of State Equalization and local property taxes. The major changes in the District's operations were described above.

## **Reporting the School District's Most Significant Funds**

The analysis of the School District's major funds begins on page five. Fund financial reports provide detailed information about the School District's major funds. The District's major fund is the General Fund. The District also has the following non-major funds, Food Service, Designated Grants, Transportation, and Capital Projects Fund.

**Governmental Funds.** Most of the District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Capital Projects, Designated Grants, Food Service, and Transportation Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Capital Projects Fund accounts for the District's capital needs, the Designated Grants Fund accounts for the District's grant activity, the Food Service Fund accounts for the food service operation, and the Transportation Fund accounts for the District's local and state transportation funding and expenditures.

**Proprietary Funds.** The Proprietary Fund has historically operated as an enterprise fund using the same basis of accounting as business-type activities. The District no longer has a Proprietary Fund.

**Fiduciary Funds.** Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's Fiduciary Fund is the Pupil Activity Fund. The Pupil Activity Fund generally accounts for student generated revenues and expenditures related to non-classroom activities.

## **Fund Financial Statements**

As of June 30, 2018, the District's governmental funds reported a combined fund balance of \$4,446,735 which is a decrease of \$693,735 from the June 30, 2017 balance. The following is additional information, by fund, which contributed to the change.

General Fund revenues for 2017-2018 exceeded revenues from the prior fiscal year by \$355,787 primarily due to an increase in student count, as well as additional state and federal funding. General Fund expenditures were \$178,534 higher than the prior fiscal year. Overall, fund equity decreased in the General Fund by \$47,734 due to capital expenditures.

The Capital Projects Fund has an ending fund balance of \$499,490. The equity balance will be used as the need arises. As the building continues to age, additional funds will be necessary to maintain it in good condition. The District is also planning on making capital improvements to the property. In the 2017-18 fiscal year, capital funds were used to paint and refurbish one of the water storage tanks, install new playground equipment, and to begin construction on a new track and football field, as well as for lease payments on business equipment and other student transportation vehicles.

The designated Grant Fund is generally self-balancing in that the District recognizes grant revenues to the extent it incurs expenditures.

In the Food Service Fund, the District's revenues increased by \$14,181 from the previous year. Expenses came in under budget, but increased by \$18,272 from the previous fiscal year. The transfer from the General Fund to support food service operations increased by \$4,091.

## **Capital Assets**

As of June 30, 2018, the District had \$18,080,360 invested in a broad range of governmental capital assets, including land, buildings, and furniture and equipment. This represents a net increase of \$1,175,588 from last year. A Summary of the District's Governmental Activity Capital Assets is as follows:

A summary of the District's Governmental Activity Capital Assets is as follows:

	<b>Balance 06/30/17</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 06/30/18</b>
<b><u>Governmental Activities:</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 434,588	\$ -	\$ -	434,588
Construction in Progress	54,332	1,541,570	54,332	1,541,570
Total Capital Assents not being depreciated	<u>488,920</u>	<u>1,541,570</u>	<u>54,332</u>	<u>1,976,158</u>
Capital Assets, being depreciated:				
Buildings and Improvements	23,305,176	17,000	-	23,322,176
Transportation Equipment	712,847	-	-	712,847
Food Service Equipment	51,559	-	-	51,559
Other Equipment	557,410	167,721	8,000	717,131
Total Capital Assets being depreciated	<u>24,626,992</u>	<u>184,721</u>	<u>8,000</u>	<u>24,803,713</u>
Accumulated Depreciation:				
Buildings and Improvements	(7,477,315)	(348,081)	-	(7,825,396)
Transportation Equipment	(387,853)	(42,522)	-	(430,375)
Food Service Equipment	(41,735)	(1,403)	-	(43,138)
Other Equipment	(304,237)	(98,685)	(2,320)	(400,602)
Total Accum. Depreciation	<u>(8,211,140)</u>	<u>(490,691)</u>	<u>(2,320)</u>	<u>(8,699,511)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 16,904,772</u></b>	<b><u>\$ 1,235,600</u></b>	<b><u>\$ 5,680</u></b>	<b><u>\$ 18,080,360</u></b>

In 2017-2018, the District painted and refurbished one of the water storage tanks, installed new playground equipment, and began construction of a new track and football field. The only other capital asset activity was the recording of depreciation expense. The District does not maintain separate infrastructure assets as all infrastructure has been included with the related capital asset.

## Long-Term Debt

The following is a summary of the District's outstanding long-term debt:

	<b>Restated Balance 6/30/17</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 6/30/18</b>	<b>Current Portion</b>	<b>Interest Expense</b>
<b><u>Governmental Activities</u></b>						
Bus Leases Payable	\$ 35,803	\$ -	\$ (35,803)	\$ -	\$ -	\$ 1,024
Copier Leases Payable	36,576	-	(11,598)	24,978	11,598	1,542
PERA OPEB Liability	458,699	-	1,260	459,959	-	-
PERA Net Pension Obligation	18,531,734	1,499,983	-	20,031,717	-	-
Accrued Compensated Absences	102,327	1,684	-	104,011	-	-
<b>Total Long-Term Obligations</b>	<b><u>\$ 19,165,139</u></b>	<b><u>\$ 1,501,667</u></b>	<b><u>\$ (46,141)</u></b>	<b><u>\$ 20,620,665</u></b>	<b><u>\$ 11,598</u></b>	<b><u>\$ 2,566</u></b>

The District currently has long-term debt payables for the photocopier equipment and the 2017 Bluebird bus, which was paid off in March of 2018.

Additional information regarding the District's debt can be found in Note 6 to the financial statements on page 20.

### **General Fund Budget**

The Board of Education adopts the District's budget in June of each year. Changes are then made by December after student enrollment is identified through the October count. Thereafter, the school district's revised budget is approved by the Board of Education. Program funding is based upon student enrollment on October 1<sup>st</sup> of each year. The majority of changes to the General Fund budget are in the area of salary and benefits due to staff changes and changes in instructional needs. The per pupil funding is a combination of property tax, state equalization and specific ownership tax.

The on-going budget analysis, assisted by District Accountability Committee input, establishes the base of expenditure assumptions for each fiscal year. After reviewing enrollment projections and the most current revenue assumptions provided by the Colorado Department of Education, a preliminary budget is prepared prioritizing the needs expressed throughout this budget process. Wages and benefits have always been a priority in order for the Gilpin County School District to retain its position of being competitive in the hiring and retention of quality staff. The District also prioritizes teacher professional development for maximum teacher effectiveness and small classroom sizes to provide the best possible learning experience for students. In addition, the District provides Chromebooks for a majority of the students to enhance their learning experience and provide them with the technological skills they will need for the future.

### **Economic Factors and Next Year's Budget**

The Colorado Legislature approved funding for the 2018-2019 school year at the end of the Legislative Assembly. Even though the economy has recovered from a recession, the State financial situation is still having an impact on public school finance. The voter-approved mill levy override and the sales tax in Black Hawk have provided relief for Gilpin County School from the economic situation that is affecting school districts throughout the State of Colorado.

Gilpin County School District's projected funded pupil count for the 2018-2019 school year was 440.3, providing total formula funding of \$4,669,156. After application of the negative factor in the amount of \$404,547, total formula funding will be \$4,264,609, resulting in per pupil funding of \$9,686. This funding is split between a State share of \$2,846,686, a local share of \$1,323,120, and specific ownership revenues of \$94,803, based on a projected assessed valuation of \$324,692,020. The total formula accounted for inflation of 3.4%. In addition, the District also receives General Fund override revenues of \$952,351. Our past practice in the Gilpin County School District has been to cut budgets to balance our revenue and expenditures. Normally, we have a balanced budget, but this year's budget will be an exception since the District has decided to build a new track and football field. This year's budget anticipates a reduction in the fund balance of \$1,600,000.

Base salary for a beginning teacher in the district for the 2018-2019 fiscal year will be increased by one percent (1%) to \$33,129. Staff will also receive a step on the salary grid for the 2018-2019 school year. A new health insurance plan with Cigna was put in place for the 2018-2019 school

year which resulted in a 40% increase in health insurance benefits. Due to conflicting State and Federal laws regarding large employers, numerous insurance companies opting out of insuring Non-ERISA plans, and high employee claims, it became difficult to find a competitive health insurance plan. The District did not change dental insurance providers. The cost of dental insurance increased by 3% for 2018-19. The end result was a total benefit increase of \$178.05 per employee per month. The District currently pays the entire employee portion of health insurance costs. The District's contribution to the Public Employees' Retirement Association (PERA) will remain at 20.15% for the 2018-19 fiscal year.

### **Requests for Information**

This financial report is designed to provide a general overview of the Gilpin County School District RE-1's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, 10595 Highway 119, Black Hawk, Colorado 80422.

## FINANCIAL SECTION

# Holscher, Mayberry & Company, LLC

Certified Public Accountants

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

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Board of Education  
Gilpin County School District RE-1  
Black Hawk, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Gilpin County School District RE-1, Colorado, as of and for the year ended June 30, 2018, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Gilpin County School District RE-1, Colorado, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Report on Summarized Comparative Information

We have previously audited the Gilpin County School District RE-1's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 28, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Emphasis of Matter**

As discussed in Note 16 to the financial statements, the 2017 financial statements have been restated to reflect the adoption of GASB Statement Number 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The adoption of the standard required restatement of the beginning June 30, 2018 fiscal year net position. Our opinion is not modified with respect to this matter.

**Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M9 and pension schedules on pages 41 - 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 45 - 47 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the budgetary comparison schedules on pages 48 - 55 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Integrity Report Figures and Bolded Balance Sheet reports pages 56 – 59 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2018.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Statement of Net Position  
June 30, 2018

	<b>Governmental Activities</b>
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 6,264,419
Cash with Fiscal Agent	14,280
Taxes Receivable	68,102
Grants Receivable	22,352
Other Accounts Receivable	80
Inventory	5,147
<b>Total Current Assets</b>	<u>6,374,380</u>
<b>Noncurrent Assets</b>	
Capital Assets, not being depreciated	1,976,158
Capital Assets, being depreciated	16,104,202
<b>Total Noncurrent Assets</b>	<u>18,080,360</u>
<b>TOTAL ASSETS</b>	<u>24,454,740</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
Net Deferred Outflows Pensions	6,204,891
Net Deferred Outflows OPEB	16,616
<b>TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>6,221,507</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 30,676,247</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 1,176,644
Retainage Payable	60,778
Accrued Salaries & Benefits	499,777
<b>Total Current Liabilities</b>	<u>1,737,199</u>
<b>Noncurrent Liabilities</b>	
Due Within One Year	11,598
Due In More Than One Year	20,606,547
<b>Total Noncurrent Liabilities</b>	<u>20,618,145</u>
<b>TOTAL LIABILITIES</b>	<u>22,355,344</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	
Deferred Revenue	49,790
Deferred Grant Revenue	140,656
Net Deferred Inflows Pensions	1,367,367
Net Deferred Inflows OPEB	9,608
<b>TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	<u>1,567,421</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	18,055,382
Restricted Net Position	178,226
Unrestricted Net Position	(11,480,126)
<b>TOTAL NET POSITION</b>	<u>6,753,482</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 30,676,247</u>

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



GILPIN COUNTY SCHOOL DISTRICT RE-1  
 Balance Sheet  
 Governmental Funds  
 June 30, 2018  
 (With Comparative Totals for June 30, 2017)

	Capital Projects			Totals	
	General Fund	Capital Reserve Project Fund	Other Governmental Funds	2018	2017
<b>ASSETS</b>					
Cash and Investments	\$ 4,514,160	\$ 1,720,151	\$ 30,108	\$ 6,264,419	\$ 5,468,264
Cash with Fiscal Agent	13,489	-	791	14,280	42,467
Taxes Receivable	64,328	-	3,774	68,102	62,304
Grants Receivable	15,939	-	6,413	22,352	37,318
Other Accounts Receivable	-	-	80	80	88,687
Inventory	-	-	5,147	5,147	5,226
<b>TOTAL ASSETS</b>	<u>\$ 4,607,916</u>	<u>\$ 1,720,151</u>	<u>\$ 46,313</u>	<u>\$ 6,374,380</u>	<u>\$ 5,704,266</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts Payable	16,194	1,159,883	567	1,176,644	20,313
Retainage Payable	-	60,778	-	60,778	-
Accrued Salaries & Benefits	476,054	-	23,723	499,777	465,559
<b>Total Liabilities</b>	<u>492,248</u>	<u>1,220,661</u>	<u>24,290</u>	<u>1,737,199</u>	<u>485,872</u>
<b>Deferred Inflows of Financial Resources</b>					
Deferred Revenue	46,912	-	2,878	49,790	21,269
Deferred Grant Revenue	140,656	-	-	140,656	56,655
<b>Total Deferred Inflows of Financial Resources</b>	<u>187,568</u>	<u>-</u>	<u>2,878</u>	<u>190,446</u>	<u>77,924</u>
<b>Fund Balance</b>					
Nonspendable Fund Balance	-	-	5,147	5,147	5,226
Restricted Fund Balance					
Restricted for TABOR Emergencies	173,000	-	-	173,000	161,000
Committed Fund Balance					
Committed for Fund Purposes	-	-	13,998	13,998	13,919
Assigned Fund Balance					
Other Assigned Fund Balance	-	499,490	-	499,490	1,145,492
Unassigned Fund Balance	3,755,100	-	-	3,755,100	3,814,833
<b>Total Fund Balance</b>	<u>3,928,100</u>	<u>499,490</u>	<u>19,145</u>	<u>4,446,735</u>	<u>5,140,470</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 4,607,916</u>	<u>\$ 1,720,151</u>	<u>\$ 46,313</u>	<u>\$ 6,374,380</u>	<u>\$ 5,704,266</u>

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2018**

Fund Balance - Governmental Funds		\$	4,446,735
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	1,976,158		
Capital assets, being depreciated	24,803,713		
Accumulated depreciation	<u>(8,699,511)</u>		18,080,360
Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds			
<b>PERA Pension</b>			
Net pension deferred outflows	6,204,891		
Net pension liability	(20,031,717)		
Net pension deferred inflows	<u>(1,367,367)</u>		(15,194,193)
<b>PERA Health Care Trust Fund (OPEB)</b>			
Net OPEB deferred outflows	16,616		
Net OPEB liability	(457,439)		
Net OPEB deferred inflows	<u>(9,608)</u>		(450,431)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Capital leases payable	(24,978)		
Accrued compensated absences	<u>(104,011)</u>		<u>(128,989)</u>
Total Net Position - Governmental Activities		\$	<u><u>6,753,482</u></u>

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

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	Capital Projects			Totals	
	General Fund	Capital Reserve Project Fund	Other Governmental Funds	2018	2017
<b>REVENUES</b>					
Local Sources	\$ 3,616,988	\$ -	\$ 227,473	\$ 3,844,461	\$ 3,758,645
Intermediate Sources	16,406	-	-	16,406	14,742
State Sources	2,744,398	-	47,198	2,791,596	2,513,609
Federal Sources	86,323	-	162,426	248,749	250,594
<b>TOTAL REVENUES</b>	<u>6,464,115</u>	<u>-</u>	<u>437,097</u>	<u>6,901,212</u>	<u>6,537,590</u>
<b>EXPENDITURES</b>					
Instruction	2,949,733	-	62,164	3,011,897	2,828,365
Pupil Support	254,520	-	-	254,520	231,894
Staff Support	64,692	-	20,342	85,034	84,619
General Administration	339,783	-	-	339,783	356,021
School Administration	357,827	11,395	-	369,222	361,778
Business Services	118,110	-	-	118,110	115,323
Operations and Maintenance	798,363	-	-	798,363	850,928
Transportation	-	-	271,718	271,718	348,309
Other Central Support	271,745	-	-	271,745	227,283
Food Service	-	-	235,034	235,034	216,762
Community Support	84,667	-	-	84,667	79,776
Facilities	-	1,704,887	-	1,704,887	449,759
Debt Service	-	49,967	-	49,967	49,967
<b>TOTAL EXPENDITURES</b>	<u>5,239,440</u>	<u>1,766,249</u>	<u>589,258</u>	<u>7,594,947</u>	<u>6,200,784</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	1,224,675	(1,766,249)	(152,161)	(693,735)	336,806
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) - net	(1,272,408)	1,120,247	152,161	-	-
<b>CHANGE IN FUND BALANCE</b>	(47,733)	(646,002)	-	(693,735)	336,806
<b>BEGINNING FUND BALANCE</b>	3,975,833	1,145,492	19,145	5,140,470	4,803,664
<b>ENDING FUND BALANCE</b>	<u>\$ 3,928,100</u>	<u>\$ 499,490</u>	<u>\$ 19,145</u>	<u>\$ 4,446,735</u>	<u>\$ 5,140,470</u>

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2018**

Change in Fund Balance - Governmental Funds	\$	(693,735)
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Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level

Capitalized Asset Purchases	1,671,959	
Depreciation Expense	(490,691)	
Gain (Loss) on Asset Disposals	<u>(5,680)</u>	1,175,588

Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.

**PERA Pension**

Change in deferred pension outflows	(930,179)	
Change in net pension liability	(1,499,983)	
Change in deferred pension inflows	(1,075,815)	

**PERA Health Care Trust Fund (OPEB)**

Change in deferred OPEB outflows	2,238	
Change in net OPEB liability	1,260	
Change in deferred OPEB inflows	<u>(9,608)</u>	(3,512,087)

Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level

Principal payments on capital leases	47,401	
Change in accrued interest payable	683	
Change in accrued compensated absences	<u>(1,684)</u>	<u>46,400</u>

Change in Net Position - Governmental Activities	\$	<u>(2,983,834)</u>
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The accompanying footnotes are an integral part of these financial statements.

**GILPIN COUNTY SCHOOL DISTRICT RE-1**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**Pupil Activity Fund**  
**June 30, 2018**  
**(With Comparative Totals for June 30, 2017)**

	<u>Totals</u>	
	<u>2018</u>	<u>2017</u>
<b>ASSETS</b>		
Cash and Investments	\$ 94,463	\$ 106,412
<b>NET POSITION</b>		
Restricted Net Position (Due to Student Groups)	<u>\$ 94,463</u>	<u>\$ 106,412</u>

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

## GILPIN COUNTY SCHOOL DISTRICT RE-1

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Gilpin County School District RE-1 (the "District") conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

##### **Reporting Entity**

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

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

##### **Jointly Governed Organizations**

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

##### **Basis of Presentation**

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

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements**

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

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

The District reports the following major governmental funds:

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

Capital Projects (Capital Reserve) Fund - This fund is authorized by Colorado School Law. It is primarily funded through General Fund transfers. This fund was considered nonmajor in the prior year.

The District also reports the following nonmajor governmental funds:

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

The District reports the following fiduciary fund:

Agency (Pupil Activity) Fund – This fund is used to account for the money held in trust by the District for student organizations and for scholarships. This fund is custodial and does not measure the results of operations.

**Measurement Focus and Basis of Accounting**

**Government-Wide and Fiduciary Fund Financial Statements**

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2018

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus and Basis of Accounting** (Continued)

Government-Wide and Fiduciary Fund Financial Statements (Continued)

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

Governmental Fund Financial Statements

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

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

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

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

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

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

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

Buildings and Site Improvements	20-70 years
Vehicles	12 years
Other Equipment	5-50 years

Tax Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2017 property taxes were both measurable and available at June 30, 2018, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2018 but not collected by June 30, 2018. Taxes not received within 60 days subsequent to year end have been reported as a deferred inflow.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2018, the District has recorded accrued leave as disclosed in Note 6.

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

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

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

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

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

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

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

All other remaining governmental balances are reported as unassigned.

**Net Position/Fund Balance Flow Assumptions**

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

**Revenues and Expenditures/Expenses**

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

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

**Comparative Data**

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since its inclusion would make the statements unduly complex and difficult to understand.

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 2: CASH AND INVESTMENTS**

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

Governmental Activities	\$ 6,264,420
Fiduciary	<u>94,463</u>
<b>Total Cash and Investments</b>	<b><u>\$ 6,358,883</u></b>
Deposits & Investments	\$ 3,418,158
Investments	<u>2,940,725</u>
<b>Total Cash and Investments</b>	<b><u>\$ 6,358,883</u></b>

**Deposits**

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2018, all of the District's deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<b>Bank</b>	<b>Carrying</b>
	<b>Balance</b>	<b>Balance</b>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized (Not held in District's name)	<u>3,271,976</u>	<u>3,418,158</u>
<b>Total Deposits</b>	<b><u>\$ 3,521,976</u></b>	<b><u>\$ 3,668,158</u></b>

## GILPIN COUNTY SCHOOL DISTRICT RE-1

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

#### NOTE 2: CASH AND INVESTMENTS (Continued)

##### **Investments**

##### Credit Risk

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

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

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

During the year ended June 30, 2018, the District invested funds in Colostrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation.

##### Concentration of Credit Risk

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

##### Interest Rate Risk

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

##### Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2018, the District did not have any investments requiring safekeeping.

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 3: INVENTORIES**

Food Service Fund inventory as of June 30, 2018, of \$5,417, consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt plus an allowance for any processing charges paid to the third party vendor.

**NOTE 4: CAPITAL ASSETS**

Activity for governmental activities capital assets is summarized below:

	<u>Balance 06/30/17</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/18</u>
<b><u>Governmental Activities:</u></b>				
Capital Assets, not being depreciated:				
Land	\$ 434,588	\$ -	\$ -	434,588
Construction in Progress	<u>54,332</u>	<u>1,541,570</u>	<u>54,332</u>	<u>1,541,570</u>
Total Capital Assents not being depreciated	<u>488,920</u>	<u>1,541,570</u>	<u>54,332</u>	<u>1,976,158</u>
Capital Assets, being depreciated:				
Buildings and Improvements	23,305,176	17,000	-	23,322,176
Transportation Equipment	712,847	-	-	712,847
Food Service Equipment	51,559	-	-	51,559
Other Equipment	<u>557,410</u>	<u>167,721</u>	<u>8,000</u>	<u>717,131</u>
Total Capital Assets being depreciated	<u>24,626,992</u>	<u>184,721</u>	<u>8,000</u>	<u>24,803,713</u>
Accumulated Depreciation:				
Buildings and Improvements	(7,477,315)	(348,081)	-	(7,825,396)
Transportation Equipment	(387,853)	(42,522)	-	(430,375)
Food Service Equipment	(41,735)	(1,403)	-	(43,138)
Other Equipment	<u>(304,237)</u>	<u>(98,685)</u>	<u>(2,320)</u>	<u>(400,602)</u>
Total Accum. Depreciation	<u>(8,211,140)</u>	<u>(490,691)</u>	<u>(2,320)</u>	<u>(8,699,511)</u>
<b>Net Governmental Capital Assets</b>	<b><u>\$ 16,904,772</u></b>	<b><u>\$ 1,235,600</u></b>	<b><u>\$ 5,680</u></b>	<b><u>\$ 18,080,360</u></b>

Depreciation is allocated between functions as follows:

Instruction	\$ 212,564
Support Services	<u>254,920</u>
Governmental Depreciation Allocation	<b><u>\$ 467,484</u></b>

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

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

The salaries and benefits earned, but unpaid, in the General, Transportation, and Food Service Funds as of June 30, 2018, are \$476,055, \$9,459, and \$14,264, respectively. Accordingly, the accrued compensation is reflected as a liability in the funds in the accompanying financial statements.

**NOTE 6: LONG-TERM OBLIGATIONS**

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2018:

	<u>Restated Balance 6/30/17</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 6/30/18</u>	<u>Current Portion</u>	<u>Interest Expense</u>
<b><u>Governmental Activities</u></b>						
Bus Leases Payable	\$ 35,803	\$ -	\$ (35,803)	\$ -	\$ -	\$ 1,024
Copier Leases Payable	36,576	-	(11,598)	24,978	11,598	1,542
PERA OPEB Liability	458,699	-	1,260	459,959	-	-
PERA Net Pension Obligation	18,531,734	1,499,983	-	20,031,717	-	-
Accrued Compensated Absences	102,327	1,684	-	104,011	-	-
<b>Total Long-Term Obligations</b>	<b><u>\$ 19,165,139</u></b>	<b><u>\$ 1,501,667</u></b>	<b><u>\$ (46,141)</u></b>	<b><u>\$ 20,620,665</u></b>	<b><u>\$ 11,598</u></b>	<b><u>\$ 2,566</u></b>

**Capital Leases Payable**

In September 2012, the District entered into a capital lease agreement for the purchase of copiers. In June 2016, the District exchanged the equipment from the September 2012 lease for a new lease with new equipment. The new lease bears interest at 5% and requires 60 monthly payments of \$1,895 through June 2020 including maintenance and supplies. The underlying equipment capitalized under this lease has a remaining value of \$29,012 as of June 30, 2018.

Future minimum copier capital lease payments at June 30, 2018, are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 13,140
2020	13,140
Total Future Minimum Lease Payments	26,280
Less Interest at 5.0%	(1,302)
<b>Present Value of Payments</b>	<b><u>\$ 24,978</u></b>

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 6: LONG-TERM OBLIGATIONS**(Continued)

**Capital Leases Payable** (Continued)

In March 2016, the District entered into a capital lease agreement for the purchase of a new school bus. The lease bears interest at 2.90% and requires 3 annual payments of \$36,827 through February 2018. A bus with a remaining value of \$85,054 has been capitalized under this lease. This lease was paid off in 2018.

**NOTE 7: 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.

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).

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

*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.

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

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

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

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

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), 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 for the SCHDTF.

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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.

*Contribution provisions as of 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:

<b>January 1<sup>st</sup> through December 31<sup>st</sup></b>	<b>2014<sup>1</sup></b>	<b>2015<sup>1</sup></b>	<b>2016<sup>1</sup></b>	<b>2017<sup>1</sup></b>
Employer contribution rate	10.15%	10.15%	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	3.80%	4.20%	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	3.50%	4.00%	4.50%	5.00%
<b>Total employer contribution rate to the SCHDTF</b>	<b>16.43%</b>	<b>17.33%</b>	<b>18.13%</b>	<b>18.63%</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 District were \$532,367 for the plan year ended December 31, 2017 and \$547,890 for the fiscal year ended June 30, 2018.

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

**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 \$20,031,717 for its proportionate share of the net pension liability. The net pension liability 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 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 .06195%, which was a decrease of .0002938% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018 the District recognized pension expense of \$4,036,666. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 369,548	\$ -
Changes of assumptions or other inputs	\$ 5,131,734	\$ (32,612)
Net difference between projected and actual earnings on pension plan	\$ 407,069	\$ (1,183,783)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 10,445	\$ (150,972)
Contributions subsequent to the measurement date	\$ 286,095	\$ -
<b>Total</b>	<b>\$ 6,204,891</b>	<b>\$ (1,367,367)</b>

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

\$140,847 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Total
2019	\$ 3,095,361
2020	1,746,065
2021	5,949
2022	(295,946)
Total	\$ 4,551,429

*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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	5.26%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2.00%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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.

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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 rate 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.

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:

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Rate of Return</b>
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

*Discount rate.* The discount rate used to measure the total pension liability was 4.78 percent. The projection of cash flows used to determine the discount rate applied the actuarial cost method and assumptions described 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 3.5%.
- 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.

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

- 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 percent, at which point, the AED and SAED will each drop 0.50 percent 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 on a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. As the ad hoc post-retirement benefit increase 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 GASB Statement No. 67 projections test indicates that the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Board of Governors of the Federal Reserve System, was applied to periods on or 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%.

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.

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

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

*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%, 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%) or 1-percentage-point higher (5.78%) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension asset (liability)	\$ (25,303,465)	\$ (20,031,717)	\$ (15,735,844)

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

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

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through SB 18-200: Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

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

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

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**NOTE 7: DEFINED BENEFIT PENSION PLAN** (Continued)

**Changes between the measurement date of the net pension liability and June 30, 2018** (Continued)

- 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 \$20,031,717 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.

<b>Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)</b>	<b>Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)</b>
7.25%	\$9,050,156

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 \$9,350,931 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**NOTE 8: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2018 program members contributed \$46,968.

## GILPIN COUNTY SCHOOL DISTRICT RE-1

### NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2018

#### NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

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

###### Health Care Trust Fund

*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.

*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.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**General Information about the OPEB Plan (Continued)**

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

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

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

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

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**General Information about the OPEB Plan (Continued)**

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District, were \$29,147, for the plan year ended December 31, 2017 and \$35,844 for the fiscal 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 \$457,439 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 proportion of the net OPEB liability was based on the District's 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 proportion was 0.035198%, which was an decrease of .00018% from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$35,460. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 2,163	\$ -
Net difference between projected and actual earnings on pension plan	\$ -	\$ (7,653)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (1,955)
Contributions subsequent to the measurement date	\$ 14,453	\$ -
<b>Total</b>	<b>\$ 16,616</b>	<b>\$ (9,608)</b>

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

\$14,453 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:	Fiscal Year Totals
2019	\$ (1,872)
2020	(1,872)
2021	(1,873)
2022	(1,872)
2023	41
2024	3
Total	\$ (7,445)

*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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.00 % for 2017, gradually rising to 4.25% in 2023

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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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%

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 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

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

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

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

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- Initial per capital 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 to 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

- The rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
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%
Proportionate share of the net OPEB asset (liability)	\$ (444,853)	\$ (457,439)	\$ (472,598)

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 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 (3.78 percent) or 1-percentage-point higher (4.78 percent) than the current rate:

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	3.78%	4.78%	5.78%
Proportionate share of the net OPEB asset (liability)	\$ (514,306)	\$ (457,439)	\$ (408,902)

*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).

**NOTE 10: RISK MANAGEMENT**

The District carries insurance coverage for all foreseeable risks of loss. These include, but are not necessarily limited to, worker’s compensation, property and liability, bond, and errors and omissions.

The District carries property, liability and bond coverage and workers compensation coverage through commercial insurance carriers. Risk of loss transfers to those carriers.

The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2018.

GILPIN COUNTY SCHOOL DISTRICT RE-1

**NOTES TO THE FINANCIAL STATEMENTS**

JUNE 30, 2018

**NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

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

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

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

The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$173,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

**NOTE 12: INTERFUND TRANSFERS**

The District has recorded the following routine transfers:

General Fund Transfer to Capital Projects Fund	\$ (225,419)
General Fund Transfer to Transportation Fund	(72,366)
General Fund Transfer to Food Service Fund	(58,322)
Capital Projects transfer from General Fund	225,419
Transportation transfer from General Fund	72,366
Food Service transfer from General Fund	58,322
<b>Net Transfers</b>	<b>\$ -</b>

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2018**

**NOTE 13: DEFICIT NET POSITION**

The Governmental Activities has an unrestricted net position deficit of \$(11,480,126) primarily due to the PERA net pension liability of \$20,031,717, and OPEB net liability of \$457,439 as further described in Notes 7 and 9. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

**NOTE 14: CONVENIENCE STORE RECEIVABLE**

During the 2016 fiscal year, the District entered into memorandum of understanding whereby the Gilpin County Education Foundation will operate a convenience store to be staffed by District provided employees. The Foundation agreed to reimburse the District for all incurred costs. As of June 30, 2018, the Foundation owed the District \$100,383 for incurred costs.

**NOTE 15: BUDGET VIOLATION**

The District's expenditures in the Capital Reserve Project Fund exceeded appropriations by \$335,510, which may be a violation of Colorado Statutes.

**NOTE 16: PRIOR PERIOD RESTATEMENT**

For the fiscal year, the District adopted GASB Statement Number 68 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The statement places a long-term obligation, as well as related deferred outflows and inflows, on the Statement of Net Position related to future postemployment benefit obligations. The District has restated the beginning net position for the governmental activities for those balances that were applicable as of June 30, 2017. This restatement resulted in a net decrease in governmental activity net position of \$(444,321).

**REQUIRED SUPPLEMENTARY INFORMATION**

(Pension and OPEB Schedules - Unaudited)

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

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

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
District's proportion of the net pension asset (liability)	0.061948%	0.062242%	0.063618%
District's proportionate share of the net pension asset (liability)	\$ (20,031,717)	\$ (18,531,734)	\$ (9,729,850)
District's covered-employee payroll	\$ 2,857,579	\$ 2,793,515	\$ 2,772,437
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	701.00%	663.38%	350.95%
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.16%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

<u>6/30/15</u>	<u>6/30/14</u>
0.063179%	0.067195%
\$ (8,562,897)	\$ (8,570,743)
\$ 2,646,753	\$ 2,708,857
323.52%	316.40%
62.84%	64.07%

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

	<u>6/30/18</u>	<u>6/30/17</u>	<u>6/30/16</u>
Contractually required contributions	\$ 532,367	\$ 506,464	\$ 480,463
Actual contributions	<u>\$ (532,367)</u>	<u>\$ (506,464)</u>	<u>\$ (480,463)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,857,579	\$ 2,793,515	\$ 2,772,437
Contributions as a percentage of covered-employee payroll	18.63%	18.13%	17.33%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

<u>6/30/15</u>	<u>6/30/14</u>
\$ 434,862	\$ 420,685
<u>(434,862)</u>	<u>(420,685)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 2,646,753	\$ 2,708,857
16.43%	15.53%

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

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

	<u>06/30/18</u>	<u>06/30/17</u>
District's proportion of the net pension asset (liability)	0.035198%	0.035379%
District's proportionate share of the net pension asset (liability)	\$ (457,439)	\$ (458,699)
District's covered-employee payroll	\$ 2,857,575	\$ 2,793,529
District's proportionate share of the net pension asset (liability) as a percentage of covered-employee payroll	16.01%	16.42%
Plan fiduciary net position as a percentage of the total pension liability	17.53%	16.70%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date show

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

See the accompanying Independent Auditors' Report.

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**SCHEDULE OF DISTRICT CONTRIBUTIONS  
PERA Health Care Trust Fund  
Last 10 Fiscal Years<sup>(1)</sup>**

	<u>06/30/18</u>	<u>06/30/17</u>
Contractually required contributions	\$ 29,147	\$ 28,494
Actual contributions	<u>(29,147)</u>	<u>(28,494)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,857,575	\$ 2,793,529
Contributions as a percentage of covered employee payroll	1.02%	1.02%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

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**BUDGETARY COMPARISON SCHEDULES**

(Required Supplementary Information)

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	2018				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2017 Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 2,439,765	\$ 2,242,249	\$ 2,253,651	\$ 11,402	\$ 2,287,887
Specific Ownership Taxes	136,000	136,000	158,754	22,754	146,542
Delinquent Taxes	6,000	6,000	(11,936)	(17,936)	(10,139)
Tuition From Individuals	60,000	88,000	90,510	2,510	71,753
Investment Earnings	27,000	45,000	52,113	7,113	31,805
Pupil Activity Revenues	13,000	13,000	15,026	2,026	14,373
Fees	(5,000)	(5,000)	(5,663)	(663)	(5,693)
Community Service Revenue	81,094	82,097	55,000	(27,097)	8,924
Donations	794,000	794,000	976,517	182,517	906,067
Sale of Fixed Assets/Insurance Proceeds	-	-	-	-	4,510
Instructional Materials Fees	2,000	2,000	1,908	(92)	2,092
Other Local	30,200	24,200	31,108	6,908	61,601
Total Local Sources	<u>3,584,059</u>	<u>3,427,546</u>	<u>3,616,988</u>	<u>189,442</u>	<u>3,519,722</u>
<b>Intermediate Sources</b>					
Mineral Leases	220	184	184	-	220
Payments in Lieu of Taxes	12,000	14,800	16,222	1,422	14,522
Total Intermediate Sources	<u>12,220</u>	<u>14,984</u>	<u>16,406</u>	<u>1,422</u>	<u>14,742</u>
<b>State Sources</b>					
State Share (Equalization)	2,198,959	2,634,923	2,633,285	(1,638)	2,341,949
State Grants from CDE					
State ELPA: Professional Development and Student Support	-	618	618	-	-
State ELPA	-	464	464	-	-
Small Rural Schools Additional Funding	42,178	197,684	59,413	(138,271)	54,929
Additional At-Risk Funding	-	2,013	-	(2,013)	3,217
READ Act	-	19,654	19,282	(372)	22,772
State Grants Provided through BOCES	31,000	30,675	31,335	660	33,258
Total State Sources	<u>2,272,137</u>	<u>2,886,031</u>	<u>2,744,397</u>	<u>(141,634)</u>	<u>2,456,125</u>
<b>Federal Sources</b>					
Federal Grants from CDE					
Race to the Top - Early Childhood Readiness Assessment	-	418	418	-	197
Federal Provided through BOCES	107,315	85,905	85,905	-	117,541
Total Federal Sources	<u>107,315</u>	<u>86,323</u>	<u>86,323</u>	<u>-</u>	<u>117,738</u>
<b>TOTAL REVENUES</b>	<u>5,975,731</u>	<u>6,414,884</u>	<u>6,464,114</u>	<u>49,230</u>	<u>6,108,327</u>

(Continued)

See the accompanying Independent Auditors' Report

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
<b>EXPENDITURES</b>					
<b>Instruction</b>					
Salaries	1,990,342	1,993,771	1,974,732	19,039	1,905,781
Benefits	684,279	723,523	672,352	51,171	606,494
PS - Professional	5,000	2,013	-	2,013	14,495
PS - Property	2,500	2,500	1,439	1,061	(657)
PS - Other	157,650	194,552	160,101	34,451	101,707
Supplies	172,050	163,432	137,438	25,994	144,348
Property	4,000	4,000	3,442	558	3,691
Other Expenses	1,400	1,400	229	1,171	536
Total Instruction	<u>3,017,221</u>	<u>3,085,191</u>	<u>2,949,733</u>	<u>135,458</u>	<u>2,776,395</u>
<b>Supporting Services</b>					
<b>Pupil Support</b>					
Salaries	71,872	71,872	70,644	1,228	71,174
Benefits	27,219	27,075	27,123	(48)	26,309
PS - Professional	27,000	27,000	14,768	12,232	16,535
PS - Other	97,836	122,122	125,238	(3,116)	97,302
Supplies	17,000	17,000	16,647	353	17,170
Property	500	500	100	400	3,344
Other Expenses	200	200	-	200	60
Total Pupil Support	<u>241,627</u>	<u>265,769</u>	<u>254,520</u>	<u>11,249</u>	<u>231,894</u>
<b>Staff Support</b>					
Salaries	61,349	49,941	37,978	11,963	46,563
Benefits	28,120	22,480	18,351	4,129	18,647
Supplies	9,250	8,850	3,632	5,218	2,611
Property	3,000	3,400	1,979	1,421	2,585
Other Expenses	2,850	2,850	2,752	98	2,505
Total Staff Support	<u>104,569</u>	<u>87,521</u>	<u>64,692</u>	<u>22,829</u>	<u>72,911</u>
<b>General Administration</b>					
Salaries	166,617	158,116	159,792	(1,676)	163,070
Benefits	56,753	51,998	50,693	1,305	58,067
PS - Professional	42,900	42,900	22,622	20,278	27,211
PS - Other	23,750	23,750	19,085	4,665	19,160
Supplies	83,800	83,800	79,827	3,973	79,669
Other Expenses	10,600	10,600	7,764	2,836	8,844
Total General Administration	<u>384,420</u>	<u>371,164</u>	<u>339,783</u>	<u>31,381</u>	<u>356,021</u>
<b>School Administration</b>					
Salaries	240,845	245,045	237,013	8,032	236,332
Benefits	100,557	101,287	95,125	6,162	95,028
PS - Other	5,600	11,206	9,602	1,604	3,508
Supplies	13,413	13,813	15,437	(1,624)	13,712
Other Expenses	2,300	2,300	650	1,650	1,795
Total School Administration	<u>362,715</u>	<u>373,651</u>	<u>357,827</u>	<u>15,824</u>	<u>350,375</u>

(Continued)  
See the accompanying Independent Auditors' Report

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	2018				2017
	Original Budget	Final Budget	Actual	Variance with Final Budget	Actual
(Continued)					
<b>EXPENDITURES (Continued)</b>					
<b>Supporting Services (Continued)</b>					
<b>Business Services</b>					
Salaries	84,776	84,776	84,596	180	82,230
Benefits	24,217	24,156	24,237	(81)	23,164
PS - Professional	4,000	4,000	3,080	920	3,287
PS - Property	6,600	6,600	6,043	557	6,507
PS - Other	400	400	154	246	135
Total Business Services	<u>119,993</u>	<u>119,932</u>	<u>118,110</u>	<u>1,822</u>	<u>115,323</u>
<b>Operations and Maintenance</b>					
Salaries	130,453	123,632	114,774	8,858	129,491
Benefits	45,899	39,528	34,956	4,572	42,039
PS - Professional	35,000	35,000	35,000	-	35,000
PS - Property	262,200	308,347	239,151	69,196	221,136
PS - Other	40,600	45,400	42,647	2,753	33,015
Supplies	390,300	527,459	296,619	230,840	332,140
Property	79,700	81,200	35,216	45,984	58,107
Total Operations and Maintenance	<u>984,152</u>	<u>1,160,566</u>	<u>798,363</u>	<u>362,203</u>	<u>850,928</u>
<b>Other Central Support</b>					
Salaries	69,999	69,999	69,999	-	67,800
Benefits	21,096	21,045	19,344	1,701	18,737
PS - Professional	61,500	81,500	74,764	6,736	42,930
PS - Other	106,500	106,500	97,699	8,801	92,135
Supplies	6,000	11,000	9,939	1,061	5,681
Total Other Central Support	<u>265,095</u>	<u>290,044</u>	<u>271,745</u>	<u>18,299</u>	<u>227,283</u>
<b>Community Support</b>					
Salaries	70,574	71,574	72,850	(1,276)	68,468
Benefits	11,643	11,646	11,817	(171)	11,308
Total Community Support	<u>82,217</u>	<u>83,220</u>	<u>84,667</u>	<u>(1,447)</u>	<u>79,776</u>
Contingency	<u>3,284,519</u>	<u>3,975,833</u>	-	<u>3,975,833</u>	-
<b>TOTAL EXPENDITURES</b>	<u>8,846,528</u>	<u>9,812,891</u>	<u>5,239,440</u>	<u>4,573,451</u>	<u>5,060,906</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(2,870,797)	(3,398,007)	1,224,674	4,622,681	1,047,421
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	(413,722)	(577,826)	(1,272,408)	(694,582)	(356,107)
<b>CHANGE IN FUND BALANCE</b>	(3,284,519)	(3,975,833)	(47,734)	3,928,099	691,314
<b>BEGINNING FUND BALANCE</b>	<u>3,284,519</u>	<u>3,975,833</u>	<u>3,975,833</u>	-	<u>3,284,519</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,928,099</u>	<u>\$ 3,928,099</u>	<u>\$ 3,975,833</u>

See accompanying Independent Auditors' Report.

**GILPIN COUNTY SCHOOL DISTRICT RE-1**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2018**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

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**OTHER SUPPLEMENTARY INFORMATION**

GILPIN COUNTY SCHOOL DISTRICT RE-1  
 Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2018  
 (With Comparative Totals for June 30, 2017)

	Special Revenue			Totals	
	Food Service Fund	Designated Grants Fund	Transportation Fund	2018	2017
<b>ASSETS</b>					
Cash and Investments	\$ 23,538	\$ (6,413)	\$ 12,983	\$ 30,108	\$ 20,681
Cash with Fiscal Agent	-	-	791	791	2,556
Taxes Receivable	-	-	3,774	3,774	3,751
Grants Receivable	-	6,413	-	6,413	13,890
Other Accounts Receivable	80	-	-	80	63
Inventory	5,147	-	-	5,147	5,226
<b>TOTAL ASSETS</b>	<b>\$ 28,765</b>	<b>\$ -</b>	<b>\$ 17,548</b>	<b>\$ 46,313</b>	<b>\$ 46,167</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts Payable	-	-	567	567	1,034
Accrued Salaries & Benefits	9,459	-	14,264	23,723	24,445
<b>Total Liabilities</b>	<b>9,459</b>	<b>-</b>	<b>14,831</b>	<b>24,290</b>	<b>25,479</b>
<b>Deferred Inflows of Financial Resources</b>					
Deferred Revenues	161	-	2,717	2,878	1,543
<b>Fund Balance</b>					
Nonspendable Fund Balance	5,147	-	-	5,147	5,226
Other Commitments	13,998	-	-	13,998	13,919
<b>Total Fund Balance</b>	<b>19,145</b>	<b>-</b>	<b>-</b>	<b>19,145</b>	<b>19,145</b>
<b>TOTAL LIABILITIES, DEFERRED INLFOWS AND FUND BALANCE</b>	<b>\$ 28,765</b>	<b>\$ -</b>	<b>\$ 17,548</b>	<b>\$ 46,313</b>	<b>\$ 46,167</b>

See accompanying Independent Auditors' Report.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	Special Revenue			Totals	
	Food Service Fund	Designated Grants Fund	Transportation Fund	2018	2017
<b>REVENUES</b>					
Local Sources	\$ 86,297	\$ -	\$ 141,176	\$ 227,473	\$ 238,924
State Sources	2,904	3,500	40,794	47,198	57,484
Federal Sources	83,420	79,006	-	162,426	132,856
<b>TOTAL REVENUES</b>	<u>172,621</u>	<u>82,506</u>	<u>181,970</u>	<u>437,097</u>	<u>429,264</u>
<b>EXPENDITURES</b>					
Instruction	-	62,164	-	62,164	51,970
Staff Support	-	20,342	-	20,342	11,708
Transportation	-	-	271,718	271,718	279,511
Food Service	235,034	-	-	235,034	216,763
<b>TOTAL EXPENDITURES</b>	<u>235,034</u>	<u>82,506</u>	<u>271,718</u>	<u>589,258</u>	<u>559,952</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(62,413)	-	(89,748)	(152,161)	(130,688)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) - net	62,413	-	89,748	152,161	130,688
<b>CHANGE IN FUND BALANCE</b>	-	-	-	-	-
<b>BEGINNING FUND BALANCE</b>	<u>19,145</u>	-	-	<u>19,145</u>	<u>19,145</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 19,145</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,145</u>	<u>\$ 19,145</u>

See accompanying Independent Auditors' Report.

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## SPECIAL REVENUE FUND

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

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Food Service Fund  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>				
<b>Local Sources</b>				
Food Service Revenue	\$ 80,000	\$ 84,985	\$ 4,985	\$ 83,426
Other Local	200	1,312	1,112	230
Total Local Sources	<u>80,200</u>	<u>86,297</u>	<u>6,097</u>	<u>83,656</u>
<b>State Sources</b>				
State Matching Child Nutrition	1,100	1,311	211	1,249
Start Smart Nutrition	400	573	173	374
School Lunch Protection Program: Free and Reduced for Pre-K th 2	600	1,020	420	483
Total State Sources	<u>2,100</u>	<u>2,904</u>	<u>804</u>	<u>2,106</u>
<b>Federal Sources</b>				
Federal Grants from CDE				
School Breakfast Program	12,000	12,391	391	11,057
National School Lunch Program	59,000	59,885	885	49,860
Federal Grants from Other State Agencies				
National School Lunch Program - Commodities	11,000	11,144	144	11,761
Total Federal Sources	<u>82,000</u>	<u>83,420</u>	<u>1,420</u>	<u>72,678</u>
<b>TOTAL REVENUES</b>	<u>164,300</u>	<u>172,621</u>	<u>8,321</u>	<u>158,440</u>
<b>EXPENDITURES</b>				
<b>Supporting Services</b>				
<b>Food Service</b>				
Salaries	77,728	73,429	4,299	64,454
Benefits	34,228	31,920	2,308	28,903
PS - Other	400	282	118	120
Supplies	20,900	16,952	3,948	17,320
Food	120,300	101,307	18,993	94,204
Commodities	11,000	11,144	(144)	11,761
Contingency	19,145	-	19,145	-
<b>TOTAL EXPENDITURES</b>	<u>283,701</u>	<u>235,034</u>	<u>48,667</u>	<u>216,762</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(119,401)	(62,413)	56,988	(58,322)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	100,256	62,413	(37,843)	58,322
<b>CHANGE IN FUND BALANCE</b>	(19,145)	-	19,145	-
<b>BEGINNING FUND BALANCE</b>	19,145	19,145	-	19,145
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 19,145</u>	<u>\$ 19,145</u>	<u>\$ 19,145</u>

See accompanying Independent Auditors' Report.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Designated Grants Fund  
 For the Year Ended June 30, 2018  
 (With Comparative Totals for the Year Ended June 30, 2017)

	2018			2017 Actual
	Final Budget	Actual	Variance with Final Budget	
<b>REVENUES</b>				
<b>State Sources</b>				
State Grants to Libraries	\$ 3,500	\$ 3,500	\$ -	\$ 3,500
<b>Federal Sources</b>				
Federal Grants from CDE				
NCLB Title I, Part A - Improving Basic Programs Opreated by Schools	15,628	15,319	(309)	17,485
NCLB Title II, Part A - Teacher & Principal Training	9,376	5,720	(3,656)	8,208
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	10,000	9,729	(271)	-
NCLB, Title VI, Part B, Sub-part I: REAP: Rural Education Initiatives	54,885	48,238	(6,647)	34,485
Total Federal Sources	89,889	79,006	(10,883)	60,178
<b>TOTAL REVENUES</b>	<b>93,389</b>	<b>82,506</b>	<b>(10,883)</b>	<b>63,678</b>
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Salaries	47,045	43,897	3,148	40,584
Benefits	17,004	14,268	2,736	11,386
Supplies	4,000	3,999	1	-
Total Instruction	68,049	62,164	5,885	51,970
<b>Supporting Services</b>				
<b>Staff Support</b>				
Salaries	4,900	4,750	150	-
Benefits	1,100	980	120	-
PS - Professional	5,400	5,392	8	-
PS - Other	9,528	5,720	3,808	8,208
Supplies	3,500	3,500	-	3,500
Total Staff Support	24,428	20,342	4,086	11,708
<b>General Administration</b>				
Other Expenses	912	-	912	-
<b>TOTAL EXPENDITURES</b>	<b>93,389</b>	<b>82,506</b>	<b>10,883</b>	<b>63,678</b>
<b>CHANGE IN FUND BALANCE</b>	-	-	-	-
<b>BEGINNING FUND BALANCE</b>	-	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See accompanying Independent Auditors' Report.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Transportation Fund  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017	
	Final Budget	Actual		Budget	Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Property Taxes	\$ 140,031	\$ 133,212	\$ (6,819)	\$ 146,481	
Specific Ownership Taxes	4,000	8,923	4,923	9,568	
Delinquent Taxes	120	(769)	(889)	(657)	
Investment Earnings	400	143	(257)	240	
Fees	(150)	(333)	(183)	(365)	
Total Local Sources	144,401	141,176	(3,225)	155,267	
<b>State Sources</b>					
State Transportation	40,700	40,794	94	51,878	
<b>TOTAL REVENUES</b>	<b>185,101</b>	<b>181,970</b>	<b>(3,131)</b>	<b>207,145</b>	
<b>EXPENDITURES</b>					
<b>Supporting Services</b>					
<b>Transportation</b>					
Salaries	208,619	165,026	43,593	154,292	
Benefits	79,287	62,797	16,490	65,585	
PS - Professional	1,200	1,056	144	446	
PS - Property	12,260	4,338	7,922	6,625	
PS - Other	15,758	8,859	6,899	8,650	
Supplies	60,300	29,642	30,658	43,913	
<b>TOTAL EXPENDITURES</b>	<b>377,424</b>	<b>271,718</b>	<b>105,706</b>	<b>279,511</b>	
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(192,323)</b>	<b>(89,748)</b>	<b>102,575</b>	<b>(72,366)</b>	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers	192,323	89,748	(102,575)	72,366	
<b>CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>BEGINNING FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

See accompanying Independent Auditors' Report.

## CAPITAL PROJECTS FUND

Capital Projects Funds (Capital Reserve Fund) – These funds are used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

GILPIN COUNTY SCHOOL DISTRICT RE-1  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Capital Reserve Project Fund  
For the Year Ended June 30, 2018  
(With Comparative Totals for the Year Ended June 30, 2017)

	2018		Variance with Final Budget	2017
	Final Budget	Actual		Actual
<b>EXPENDITURES</b>				
<b>Supporting Services</b>				
<b>School Administration</b>				
Property	\$ 28,327	\$ 11,395	\$ 16,932	\$ 11,403
<b>Transportation</b>				
Property	-	-	-	68,798
<b>Facilities/Capital Outlay</b>				
Land and Improvements	705,000	1,704,887	(999,887)	449,759
<b>Debt Service</b>				
Principal	35,850	47,401	(11,551)	45,849
Interest	1,070	2,566	(1,496)	4,118
Total Debt Service	36,920	49,967	(13,047)	49,967
Contingency	645,492	-	645,492	-
<b>TOTAL EXPENDITURES</b>	<b>1,430,739</b>	<b>1,766,249</b>	<b>(335,510)</b>	<b>579,927</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(1,430,739)</b>	<b>(1,766,249)</b>	<b>(335,510)</b>	<b>(579,927)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	285,247	1,120,247	835,000	225,419
<b>CHANGE IN FUND BALANCE</b>	<b>(1,145,492)</b>	<b>(646,002)</b>	<b>499,490</b>	<b>(354,508)</b>
<b>BEGINNING FUND BALANCE</b>	<b>1,145,492</b>	<b>1,145,492</b>	<b>-</b>	<b>1,500,000</b>
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 499,490</b>	<b>\$ 499,490</b>	<b>\$ 1,145,492</b>

See accompanying Independent Auditors' Report.

## TRUST AND AGENCY FUNDS

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

### Pupil Activity Fund

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

**GILPIN COUNTY SCHOOL DISTRICT RE-1**  
**Schedule of Revenues, Expenses and Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Pupil Activity Agency Fund**  
**For the Year Ended June 30, 2018**  
**(With Comparative Totals for the Year Ended June 30, 2017)**

	2018		Variance with Final Budget	2017 Actual
	Final Budget	Actual		
<b>ADDITIONS</b>				
Local Sources	\$ 250,000	\$ 158,548	\$ (91,452)	\$ 167,488
<b>DEDUCTIONS</b>				
Instruction	250,000	170,497	79,503	143,805
Contingency	106,412	-	106,412	-
<b>TOTAL DEDUCTIONS</b>	<u>356,412</u>	<u>170,497</u>	<u>185,915</u>	<u>143,805</u>
<b>CHANGE IN NET POSITION</b>	(106,412)	(11,949)	94,463	23,683
<b>BEGINNING NET POSITION</b>	106,412	106,412	-	82,729
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ 94,463</u>	<u>\$ 94,463</u>	<u>\$ 106,412</u>

See accompanying Independent Auditors' Report.

## **STATE COMPLIANCE**

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



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1330 - GILPIN COUNTY RE-1  
 Fiscal Year 2017-18  
 Colorado School District/BOCES

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

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
	+		-	=
<b>Governmental</b>				
10 General Fund	3,975,833	5,159,767	5,207,500	3,928,099
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	31,939	31,939	0
<b>Sub- Total</b>	<b>3,975,833</b>	<b>5,191,706</b>	<b>5,239,439</b>	<b>3,928,099</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	19,145	235,033	235,033	19,145
22 Govt Designated-Purpose Grants Fund	0	82,506	82,506	0
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	271,718	271,718	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	1,145,493	1,120,247	1,766,250	499,490
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>5,140,471</b>	<b>6,901,210</b>	<b>7,594,946</b>	<b>4,446,735</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	106,412	158,549	170,497	94,463
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>106,412</b>	<b>158,549</b>	<b>170,497</b>	<b>94,463</b>

FINAL



**Colorado Department of Education**

**Bolded Balance Sheet Report**

District: 1330 - GILPIN COUNTY RE-1

Fiscal Year 2017-18

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals			
Cash and Investments (8100-8104,8111)	4,514,160	0	0	6,570	0	23,538	0	1,720,151	0	0	0	94,463	0	6,358,883				
Cash with Fiscal Agent (8105)	13,489	0	0	791	0	0	0	0	0	0	0	0	0	14,281				
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Taxes Receivable (8121,8122)	64,328	0	0	3,774	0	0	0	0	0	0	0	0	0	68,102				
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Grants Accounts Receivable (8142)	15,939	0	0	6,413	0	0	0	0	0	0	0	0	0	22,352				
Other Receivables (8151-8154,8161)	0	0	0	0	0	80	0	0	0	0	0	0	0	80				
Inventories (8171,8172,8173)	0	0	0	0	0	5,147	0	0	0	0	0	0	0	5,147				
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
<b>Total Assets</b>	<b>4,607,917</b>	<b>0</b>	<b>0</b>	<b>17,549</b>	<b>0</b>	<b>28,765</b>	<b>0</b>	<b>1,720,151</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94,463</b>	<b>0</b>	<b>6,468,845</b>				

Proprietary

Governmental

Fiduciary

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	16,195	0	0	568	0	0	0	1,159,883	0	0	0	0	0	0	1,176,646
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	60,778	0	0	0	0	0	0	60,778
Accrued Expenses (7461)	476,055	0	0	14,264	0	9,459	0	0	0	0	0	0	0	0	499,777
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	46,912	0	0	2,717	0	161	0	0	0	0	0	0	0	0	49,790
Deferred Inflow Grants (7801)	140,656	0	0	0	0	0	0	0	0	0	0	0	0	0	140,656
<b>Total Liabilities</b>	<b>679,817</b>	<b>0</b>	<b>0</b>	<b>17,549</b>	<b>0</b>	<b>9,620</b>	<b>0</b>	<b>1,220,661</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,927,647</b>

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</b>	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	5,147	0	0	0	0	0	0	0	0	5,147
Restricted Fund Balance 6720	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TABOR 3% Emergency Reserve 6721	173,000	0	0	0	0	0	0	0	0	0	0	0	0	0	173,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	13,998	0	0	0	0	0	0	0	0	13,998
Assigned Fund Balance 6760	0	0	0	0	0	0	0	499,490	0	0	0	0	0	0	499,490
Unassigned Fund Balance 6770	3,755,099	0	0	0	0	0	0	0	0	0	0	0	94,463	0	3,849,563
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>3,928,099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,145</b>	<b>0</b>	<b>499,490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>94,463</b>	<b>0</b>	<b>4,541,198</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	4,607,917	0	0	17,549	0	28,765	0	1,720,151	0	0	0	0	94,463	0	6,468,845
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	
<b>Do Assets=Liability+Fund Equity</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes