

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

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**SANGRE DE CRISTO SCHOOL DISTRICT**

**NUMBER RE-22J**

**MOSCA, COLORADO**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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

**TABLE OF CONTENTS**

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**

**FINANCIAL STATEMENTS**

**JUNE 30, 2018**

	<u>Page</u>
<b>Title Page</b>	
<b>Table of Contents</b>	
<b>Roster of Officials</b>	
<b><u>FINANCIAL SECTION:</u></b>	
<b>Independent Auditor's Report .....</b>	<b>1-2</b>
<b>Management's Discussion and Analysis.....</b>	<b>i-xi</b>
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
<b>Government Wide Financial Statements:</b>	
<b>Statement of Net Position.....</b>	<b>3</b>
<b>Statement of Activities.....</b>	<b>4</b>
<b>Fund Financial Statements:</b>	
<b>Balance Sheet – Governmental Funds .....</b>	<b>5</b>
<b>Reconciliation of Governmental Funds Balance Sheet     to Statement of Net Position .....</b>	<b>6</b>
<b>Statement of Revenues, Expenditures and Changes in     Fund Balances – Governmental Funds.....</b>	<b>7</b>
<b>Reconciliation of the Statement of Revenues, Expenditures and Changes in     Fund Balances of Governmental Funds to the     Statement of Activities .....</b>	<b>8</b>
<b>Statement of Fiduciary Net Position.....</b>	<b>9</b>

<b>Fund Financial Statements (Continued):</b>	<u>Page</u>
Statement of Changes in Fiduciary Net Position .....	10
Notes to Basic Financial Statements .....	11-45
 <b><u>REQUIRED SUPPLEMENTAL INFORMATION – BUDGETARY COMPARISONS:</u></b>	
<b>Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual:</b>	
General Fund .....	46-47
 <b>Pension Trend Data:</b>	
Schedule of Proportionate Share of Net Pension Liability .....	48
Schedule of District Contributions - Pension .....	49
 <b>Other Post Employment Benefits (OPEB) Trend Data:</b>	
Schedule of Proportionate Share of Net OPEB Liability .....	50
Schedule of District Contributions – OPEB .....	51
 <b><u>COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:</u></b>	
<b>Schedule of Revenues, Expenditures and Changes in Fund Balances– Budget (GAAP Basis) and Actual:</b>	
Capital Reserve–Capital Projects Fund .....	52
Bond Redemption – Debt Service Fund .....	53
Combining Balance Sheet – Nonmajor Governmental Funds.....	54
Combining Statement of Revenues, Expenditures and Changes In Fund Balances – Nonmajor Governmental Funds.....	55
Food Services – Special Revenue Fund .....	56
Building – Capital Projects Fund.....	57
 <b><u>Fiduciary Funds:</u></b>	
Schedule of Changes in Assets and Liabilities .....	58
Schedule of Receipts and Disbursements – Budget (GAAP Basis) and Actual.....	59
Schedule of Changes in Fiduciary Net Position – Budget (GAAP Basis) and Actual.....	60
 <b><u>STATE REQUIRED SCHEDULES:</u></b>	
Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund).....	61
Bolded Balance Sheet.....	62-64

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2018**

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**BOARD OF EDUCATION**

<b>James Cooley</b>	<b>President</b>
<b>Ray Newmyer</b>	<b>Vice-President</b>
<b>Deb Morris</b>	<b>Secretary/Treasurer</b>
<b>Stacey Eskew</b>	<b>Member</b>
<b>Keeli McCarty</b>	<b>Member</b>

**SCHOOL OFFICIALS**

<b>Brady Stagner</b>	<b>Superintendent</b>
<b>Brenda Mixon</b>	<b>Business Manager</b>

**FINANCIAL SECTION**

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

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Sangre De Cristo School District Number RE-22J  
Mosca, Colorado 81146

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Sangre De Cristo School District Number RE-22J, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Sangre De Cristo School District Number RE-22J, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and other post employment benefits trend data on pages i through xi and 46 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sangre De Cristo School District Number RE-22J's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Simon, Waller & Co., Inc.*

Trinidad, Colorado

November 30, 2018

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Sangre de Cristo School

District Re – 22 J

8751 Lane 7 North

Mosca, CO 81146

(719) 378-2310

Management's  
Discussion & Analysis

2017-2018  
Financial Statement

# Sangre de Cristo School District RE - 22 J

## Management's Discussion and Analysis

The discussion and analysis of Sangre de Cristo School District RE - 22 J's 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 review the information presented here in conjunction with the notes to the basic financial statements and to enhance their understanding of the District's performance.

The Management Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued in June 1999. The GASB requires certain comparative information between the current year and the prior year to be presented in the MD&A.

### Financial Highlights

- The assets of Sangre de Cristo School District RE – 22 J exceeded its liabilities at the close of June 30, 2018 by \$7,846,372. Net position is less than previous year by \$2,542,302 due to PERA Pension and OPEB Liability along with associated deferred flow.
- The District's governmental activities total net position decreased by \$2,542,302 due in large part to change in net Pension and OPEB liability, and related deferred flows.
- Expenses from governmental activities of \$6,752,496; were offset by program specific charges, grants and contributions of \$724,360. General revenues from property taxes and state equalization amounted to \$3,424,812.
- The General Fund reported a fund balance of \$1,601,386 at the close of June 30, 2018, an increase of \$189,399 from prior year. The overall total of all governmental funds balance was \$2,555,758, at the fiscal year end. The District, strives to adopt a balanced budget which will both meet and exceed the needs of the students, and still build up a stable foundation for the future capital construction needs of the District.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Sangre de Cristo School District Re-22J's basic financial statements. The basic financial statements consist of three parts – management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both long-term 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 government, reporting the District's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services were financed in the short-term as well as what remains for future spending.
- Proprietary/Enterprise fund statements offer short and long term financial information about the activities that the district operates like businesses, such as food service.
- Fiduciary fund statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The Flow Chart (Figure A-1) below shows how the required parts of this annual report are arranged and how they relate to one another.

Table A-1

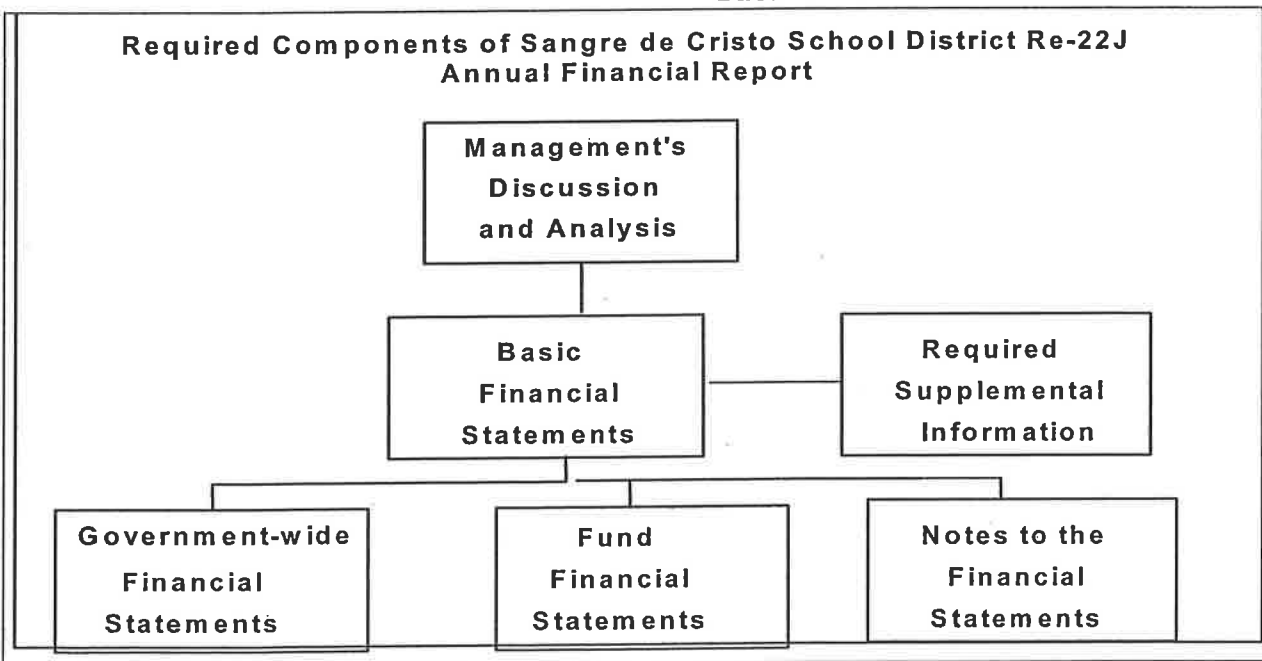


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of the overview section of the management's discussion and analysis explains the structure and contents of each of the statements.

Table A-2

Major Features of Sangre de Cristo School District Re-22J Government-wide and Fund Financial Statements				
	Government-wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District government (except fiduciary funds and the district's component units)	The activities of the District that are not proprietary or fiduciary, such as elementary and high school education programs.	Activities the District operates similar to private businesses, i.e. the food service operation.	Instances in which the District is the trustee or agent for someone else's resources.
Required Financial Statements	*Statement of Net Assets *Statement of Activities	*Balance Sheet *Statement of Revenues, Expenditures and Changes in Fund Balances	*Statement of Net Assets *Statement of Revenues, Expenses and Changes in Fund Net Assets *Statement of Cash Flows	*Statement of Fiduciary Net Assets
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the District's funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

### Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. They consist of two statements:

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

The statement of activities presents information reporting how the District's net position changed during the fiscal year 2017-2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$308,721. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased \$297,590 to \$10,388,674 from \$10,686,264 at the end of the previous fiscal year. Fiscal year 2017 financial information has not been restated because some of the comparable information is not available

The government-wide financial statements of the District are reported in two categories:

- **Governmental Activities** - This category includes the District's basic instructional services, such as elementary and high school educational programs, support services (guidance counselor, executive administration, board of education, fiscal services, etc.), debt service payments, extracurricular activities (sports, clubs, etc.) and capital equipment purchases. Property taxes, state grants, federal grants and interest earnings finance most of these activities.

### Fund Financial Statements

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

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

Sangre de Cristo School District Re-22J maintains four individual governmental funds. Information is presented separately in the governmental fund - balance sheet and in the governmental fund - statement of revenues, expenditures and changes in fund balances for the (1) General Fund (including the Preschool Fund) (2) Bond Redemption Fund and (3) Capital Projects Funds.

**Proprietary Funds** – Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both short- and long-term financial information. The Food Service Fund (one type of proprietary fund) is the only proprietary fund maintained by the District.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

### *Notes to the financial statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 11-45 of this report.

### **Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law. A budgetary comparison schedule has been provided on pages 46-57 for the General, Capital Projects, and Bond Redemption Funds to demonstrate compliance.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

This section will explain the differences between the current and prior year's assets, liabilities, and changes in net position.

Table A-3 below provides a summary of the District's net position as of June 30, 2018

Table A-3

### Sangre de Cristo School District RE-22J Condensed Statement of Net Position as of June 30 2018

	Governmental Activities		Total Primary Government	
	2016-2017	2017-2018	2016-2017	2017-2018
Current & other assets	\$2,802,140	\$3,090,308	\$2,802,140	\$3,090,308
Capital assets	\$19,246,020	\$18,699,160	\$19,246,020	\$18,699,160
Total assets	\$22,048,160	\$21,789,468	\$22,048,160	\$21,789,468
Deferred Overflows	\$4,854,158	\$4,211,025	\$4,854,158	\$4,211,025
Other liabilities	\$529,262	\$612,555	\$529,262	\$612,555
Non Current Liabilities	\$15,389,068	\$16,588,725	\$15,389,068	\$16,588,725
Total liabilities	\$15,918,330	\$17,201,280	\$15,918,330	\$17,201,280
Deferred Inflows	\$297,724	\$952,841	\$297,724	\$952,841
Net Position				
Invested in capital assets	\$16,089,584	\$15,742,284	\$16,089,584	\$15,742,284
Restricted	\$763,471	\$786,941	\$763,471	\$786,941
Unrestricted	(\$6,166,791)	(\$8,682,853)	(\$6,166,791)	(\$8,682,853)
Total net position	\$10,686,264	\$7,846,372	\$10,686,264	\$7,846,372

The statement of net position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The long-term liabilities of the district, consisting of compensated absences payable, payable and capital outlay certificates payable have been reported in this manner on the statement of net position. The difference between the district's assets and liabilities is its net position.

## Changes in Net Position

The change in revenue and expenditures for governmental activities is overall insignificant.

The District's revenues totaled \$4,210,194 (See Table A-4). Approximately 36% of the District's revenue came from property and other taxes, with 54 % coming from state funding and from other sources.

The total cost of all programs and services was \$6,752,496. The District's expenses cover a range of services, encompassing instruction, support services and food services.

### Sangre de Cristo School District Re-22J Condensed Statement of Changes in Net Position as of June 30, 2018

	Governmental Activities		Business Type Activities		Total Primary Government	
	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018
Charges for Services	\$46,894.00	\$54,075.00	\$0.00	\$0.00	\$46,984.00	\$54,075.00
Operating & Capital Grants	\$440,664.00	\$670,285.00			\$440,664.00	\$670,285.00
General Revenues						
Property Taxes	\$1,237,116.00	\$1,417,194.00			\$1,237,116.00	\$1,417,194.00
Specific Ownership Taxes	\$155,631.00	\$181,420.00			\$155,631.00	\$181,420.00
School Finance Act	\$1,935,003.00	\$1,826,198.00			\$1,935,003.00	\$1,826,198.00
Earnings on Investments	\$5,179.00	\$7,550.00			\$5,179.00	\$7,550.00
Other	\$22,411.00	\$53,472.00			\$22,411.00	\$53,472.00
Subsidy Transfer To Lunch					\$0.00	
<b>Total Revenues &amp; Transfer</b>	<b>\$3,842,898.00</b>	<b>\$4,210,194.00</b>			<b>\$3,842,898.00</b>	<b>\$4,210,194.00</b>
Change in Net Assets	(\$2,237,508.00)	(\$2,542,302.00)			(\$2,237,508.00)	(\$2,542,302.00)
Expenses						
Instruction	\$2,359,959.00	\$2,608,425.00			\$2,359,959.00	\$2,608,425.00
Student & Instructional	\$188,325.00	\$179,803.00			\$188,325.00	\$179,803.00
Administration & Business	\$524,343.00	\$467,501.00			\$524,343.00	\$467,501.00
Maintenance & Operation	\$383,326.00	\$365,169.00			\$383,326.00	\$365,169.00
Transportation	\$183,623.00	\$234,698.00			\$183,623.00	\$234,698.00
Central Services	\$108,752.00	\$134,592.00			\$108,752.00	\$134,592.00
Food Services	\$231,379.00	\$239,700.00			\$231,379.00	\$239,700.00
Interest on Debt	\$135,003.00	\$126,221.00			\$135,003.00	\$126,221.00
Capital Outlay	\$0.00	\$0.00			\$0.00	\$0.00
Pension and OPEB Expense	\$1,965,686.00	2,396,389.00			\$1,965,686	\$2,396,389.00
Business-type expenses					\$0.00	
<b>Total Governmental Activities</b>	<b>\$6,080,406.00</b>	<b>\$6,752,496.00</b>			<b>\$4,395,235.00</b>	<b>\$6,752,496.00</b>
Beginning Net Position	\$12,923,772.00	\$10,388,674.00			\$13,874,554.00	\$10,388,674.00
Prior Year Adjustment	(\$0.00)	(\$0.00)			(\$109,584.00)	(\$0.00)
<b>Total Net Position</b>	<b>\$10,686,264.00</b>	<b>\$7,846,372</b>			<b>\$10,686,264.00</b>	<b>\$7,846,372.00</b>

Governmental Activities

The primary source of operating revenue for school districts comes from the Colorado School Finance Act of 1994. Under this act, the School District received \$10,104.06 per funded student. In FY 2017 – 2018, the funded pupil count was 297.4 FTE. Funding for the Colorado School Finance Act comes from property taxes, specific ownership taxes and state equalization. The School District received approximately 66.0 percent of its funding from state equalization and 34.0 percent from local property taxes and specific ownership taxes and other.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. The following list describes the total cost of services.

	<u>2016-2017</u>	<u>2017-2018</u>
Instruction	\$2,359,959	\$2,079,275
Pupil	\$ 157,393	\$ 148,126
Instructional Staff	\$ 30,932	\$ 31,677
General Administration	\$ 252,783	\$ 211,261
School Administration	\$ 271,560	\$ 256,240
Operations and Maintenance	\$ 383,326	\$ 365,169
Student Transportation	\$ 183,633	\$ 201,793
Central Support	\$ 108,752	\$ 134,592
Food Service	\$ 231,379	\$ 77,393
Capital Outlay	\$ 0	\$ 0
Interest on Debt	\$ 135,003	\$ 126,221
Pension and OPEB Expense	\$1,965,686	\$ 2,396,389
Total Costs of Services	\$6,080,406	\$6,028,136

# FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

## Governmental Funds

The focus of the District's governmental funds report is to provide information on near term inflow; outflows and balances of spend able resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Sangre de Cristo School District, assets exceeded liabilities by **\$2,555,758** at the close of business June 30, 2018 an increase of **\$113,143**.

### General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. The Board of Education approves a budget in June based on enrollment projection for the following school year.

Actual revenues for the General Fund totaled **\$3,642,795**, which was **\$128,331** less than the final budget. The actual expenditures of **\$3,360,396** were below budget by **\$1,729,716** primarily due to less spent in **Capital Outlay purchases**. The District's General Fund's fund balance increased by **\$189,399**. The **\$1,601,386** fund balance as of June 30, 2018 includes **\$106,400** reserved for Tabor and **\$283,523** of accrued salaries and benefits.

### General Fund Budgetary Highlights

The 2017 – 2018 budget development process was impacted by the administrator. The Board adopted the first preliminary budget on June 13, 2017. Throughout the course of the school year the administration worked diligently to accurately reflect the financial status of the district. On January 09, 2018, the final budget was approved by the Board of Education.

At the close of business on June 30, 2018 actual expenditures were **\$1,729,716** less than the budgeted amount and actual revenues were less than the budgeted amount by **\$128,331**.

### Building Fund

This fund is used to account for the construction and improvement of district buildings. Bond and grant proceeds are used to finance these projects. For FY2017-2018 Revenues equaled **\$51.00** and Expenditures equaled **\$0.00** with an ending fund balance of **\$43,877.00**.

### Capital Reserve Capital Projects Fund

This fund is to be used to account for the purposes and limitations specified by Section 22-45-103(1) ©, C.R.S., including the acquisition of sites, buildings, equipment, and vehicles. Decreases to this fund for 2017-2018 are **\$78,583** due primarily to the purchase of a new bus. Revenues were **\$1,196** with an ending fund balance of **\$434,727**.

### Bond Redemption Fund

This fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses for the districts Bond that our voters passed in November 2009 to **match funds** for the BEST Grant district was awarded the amount of **\$19,732,875**. Activity in this fund for FY17-18 is **\$316,208** in revenues, and **\$316,718** in expenditures.

### Business – Type Activities N/A see auditor note

**Other Governmental Funds**

This consists of two separate funds, the Scholarship Fund and the Student Activities Fund. The Scholarship Fund is a Trust & Agency Fund with the assets held in trust. The total net assets in the Scholarship fund are \$36,268. The Student Activities Fund has an ending fund balance of \$95,583.

**Next Year's Budget**

The budget for the 2018-2019 school year will be greatly impacted by student enrollment numbers as well as legislative decision which could impact revenues. However, the administration feels confident that the budget development process and adoption of the budget will be a reflection of the district's anticipated revenues and expenditures.

**Capital Assets and Debt Administration**

The District's investments in capital assets for its governmental and business-type activities as of June 30, 2018 amount to \$18,699,160. This total cost of \$24,322,991 less accumulated depreciation of \$5,623,831. Sangre de Cristo School District assets are made up of the following:

See attached report – Capital Assets Note Disclosure

By the end of 2018 the District has invested \$24,322,991 in a broad range of capital assets, including, land, buildings, (BEST Grant – new school building); various machinery, vehicles, and equipment. This amount represents a net decrease (including additions and deductions) of \$38,938.

**Sangre de Cristo Re-22 J  
CAPITAL ASSETS**

Land	\$32,667.00
Buildings & Site Improvements +	22,173,651
Vehicles & Equipment Addition	1,743,259
Vehicles & Equipment	-
Food Service Equipment	373,414
Total Funds Capital Assets	<u>\$ 24,322,991</u>

**Capital Leases**

Capital lease obligations for the fiscal year ended June 30, 2018 are comprised of the following:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
<b><u>Governmental Funds</u></b>				
General Fund	11,436	-	9,520	1,876

Annual debt service requirements to maturity for the lease purchase agreement is as follows:

	Fiscal Year	Interest	Principal	Annual Payment
	2019	0	1,072	1,072
	2020	0	804	804
<b><u>Totals</u></b>		<u>0</u>	<u>1,876</u>	<u>1,876</u>
<b><u>Less amount representing interest</u></b>				
<b><u>Present value of future minimum lease payments</u></b>				<u>1,876</u>

**Changes in Long-Term Debt**

In November of 2008 our District's Voter's passed a bond to match funds for the BEST Grant to build a new school. The district was awarded \$19,732,875

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

	Balance 07/01/2017	Additions	Deletions	Balance 06/30/2018	Due Within One Year
General Obligations Bonds Payable:					
Series 2009 G.O. Bonds	3,145,000	-	190,000	2,955,000	195,000
Capital Leases Payable:					
Copier/Printers	11,436	-	9,560	1,876	1,072
<b><u>Total Long-Term Obligations</u></b>	<u>3,156,436</u>	<u>-</u>	<u>199,560</u>	<u>2,956,876</u>	<u>196,072</u>

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Sangre de Cristo School District Re-22J, 8751 Lane 7 N. Mosca, CO. 81146.

Respectfully,

Brady Stagner

Superintendent of Schools

**BASIC FINANCIAL STATEMENTS**

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

<u>ASSETS</u>	<u>Governmental Activities</u>	<u>Total</u>
<u>Current Assets</u>		
Cash and Investments	2,873,123	2,873,123
Property Taxes Receivable	163,772	163,772
Accounts Receivable	2,961	2,961
Grants Receivable	37,215	37,215
Inventories	13,237	13,237
<u>Total Current Assets</u>	<u>3,090,308</u>	<u>3,090,308</u>
<u>Capital Assets:</u>		
Depreciable Assets	24,290,324	24,290,324
Accumulated Depreciation	(5,623,831)	(5,623,831)
Non-Depreciable Assets	32,667	32,667
<u>Capital Assets Net of Depreciation</u>	<u>18,699,160</u>	<u>18,699,160</u>
<b>TOTAL ASSETS</b>	<b>21,789,468</b>	<b>21,789,468</b>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	4,199,070	4,199,070
Other Post Employment Benefits	11,955	11,955
<u>Total Deferred Outflow of Resources</u>	<u>4,211,025</u>	<u>4,211,025</u>
<u>LIABILITIES</u>		
<u>Current Liabilities:</u>		
Accounts Payable	8,627	8,627
Accrued Salaries Payable	315,756	315,756
Accrued Interest	10,183	10,183
Unearned Grant Payments	81,917	81,917
Capital Lease Payable – Current	1,072	1,072
General Obligation Bonds - Current	195,000	195,000
<u>Total Current Liabilities</u>	<u>612,555</u>	<u>612,555</u>
<u>Noncurrent Liabilities</u>		
General Obligation Bonds	2,760,000	2,760,000
Capital Lease Payable	804	804
Net Pension	13,519,200	13,519,200
Net Other Post Employment Benefits	308,721	308,721
<u>Total Noncurrent Liabilities</u>	<u>16,588,725</u>	<u>16,588,725</u>
<b>TOTAL LIABILITIES</b>	<b>17,201,280</b>	<b>17,201,280</b>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	947,677	947,677
Other Post Employment Benefits	5,164	5,164
<u>Total Deferred Inflow of Resources</u>	<u>952,841</u>	<u>952,841</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	15,742,284	15,742,284
Restricted for:		
Capital Outlay	43,877	43,877
BEST Grant Reserve	145,250	145,250
Preschool	15,646	15,646
TABOR (Emergencies)	106,400	106,400
Debt Service	416,192	416,192
Food Services	59,576	59,576
Unrestricted	(8,682,853)	(8,682,853)
<b>TOTAL NET POSITION</b>	<b>7,846,372</b>	<b>7,846,372</b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 2018**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Changes in Net Position</u>
			<u>Operating Grants &amp; Contributions</u>	<u>Governmental Activities</u>
			<u>Capital Grants and Contributions</u>	<u>Total</u>
<b><u>FUNCTIONS/PROGRAMS</u></b>				
<b><u>Primary Government:</u></b>				
<b><u>Governmental Activities</u></b>				
Instruction	2,608,423	-	529,148	(2,079,275)
Pupil	148,126	-	-	(148,126)
Instructional Staff	31,677	-	-	(31,677)
General Administration	211,261	-	-	(211,261)
School Administration	207,632	-	-	(207,632)
Business	48,608	-	-	(48,608)
Operation & Maintenance	365,169	-	-	(365,169)
Student Transportation	234,698	-	32,905	(201,793)
Central Support	134,592	-	-	(134,592)
Food Service	239,700	54,075	108,232	(77,393)
Capital Outlay	-	-	-	-
Interest on Debt	126,221	-	-	(126,221)
Pension Expense	2,392,049	-	-	(2,392,049)
OPEB Expense	4,340	-	-	(4,340)
<b>Total Governmental Activities</b>	<b><u>6,752,496</u></b>	<b><u>54,075</u></b>	<b><u>670,285</u></b>	<b><u>(6,028,136)</u></b>
<b>Total Primary Government</b>	<b><u>6,080,406</u></b>	<b><u>54,075</u></b>	<b><u>670,285</u></b>	<b><u>(6,028,136)</u></b>
<b><u>General Revenues</u></b>				
Local Property Taxes			1,417,194	1,417,194
Specific Ownership Taxes			181,420	181,420
School Finance Act			1,826,198	1,826,198
Earnings on Investments			7,550	7,550
Other			<u>53,472</u>	<u>53,472</u>
<b>Total General Revenues</b>			<b><u>3,485,834</u></b>	<b><u>3,485,834</u></b>
<b>Change in Net Position</b>			<b><u>(2,542,302)</u></b>	<b><u>(2,542,302)</u></b>
<b>Net Position, Beginning (as Restated)</b>			<b><u>10,388,674</u></b>	<b><u>10,388,674</u></b>
<b>Net Position, Ending</b>			<b><u>7,846,372</u></b>	<b><u>7,846,372</u></b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2018**

	<u>General</u>	<u>Bond Redemption Debt Service Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash	1,969,558	406,793	408,186	88,586	2,873,123
Accounts Receivable	487	-	-	2,474	2,961
Inventories	-	-	-	13,237	13,237
Interfund Receivables	38	-	26,541	-	26,579
Property Taxes Receivable	126,085	37,687	-	-	163,772
Grants Receivable	16,758	-	-	20,457	37,215
<b><u>Total Assets</u></b>	<b><u>2,112,926</u></b>	<b><u>444,480</u></b>	<b><u>434,727</u></b>	<b><u>124,754</u></b>	<b><u>3,116,887</u></b>
<b><u>LIABILITIES</u></b>					
Accounts Payable	8,627	-	-	-	8,627
Interfund Payable	26,541	38	-	-	26,579
Unearned Grant Payments	81,917	-	-	-	81,917
Accrued Salaries Payable	294,455	-	-	21,301	315,756
<b><u>Total Liabilities</u></b>	<b><u>411,540</u></b>	<b><u>38</u></b>	<b><u>-</u></b>	<b><u>21,301</u></b>	<b><u>432,879</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>					
Property Tax	100,000	28,250	-	-	128,250
<b><u>FUND BALANCES:</u></b>					
Nonspendable:					
Inventories	-	-	-	13,237	13,237
Restricted:					
TABOR (Emergencies)	106,400	-	-	-	106,400
Preschool	15,646	-	-	-	15,646
Debt Service	-	416,192	-	-	416,192
BEST Capital Construction					
Reserve	-	-	145,250	-	145,250
Capital Outlay	-	-	-	43,877	43,877
Food Service	-	-	-	46,339	46,339
Committed:					
Capital Outlay	-	-	289,477	-	289,477
Unassigned:	1,479,340	-	-	-	1,479,340
<b><u>Total Fund Balances</u></b>	<b><u>1,601,386</u></b>	<b><u>416,192</u></b>	<b><u>434,727</u></b>	<b><u>103,453</u></b>	<b><u>2,555,758</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED</u></b>					
<b><u>INFLOWS AND FUND BALANCES</u></b>					
	<b><u>2,112,926</u></b>	<b><u>444,480</u></b>	<b><u>434,727</u></b>	<b><u>124,754</u></b>	<b><u>3,116,887</u></b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
For the Year Ended June 30, 2018**

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<b><u>GOVERNMENTAL FUNDS TOTAL FUND BALANCE</u></b>	<b>2,555,758</b>
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$24,322,991 and the accumulated depreciation is \$5,623,831.	18,699,160
Property Tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax revenue is not available.	128,250
Accrued interest that is not due and payable on long term debt is not reported in the funds.	(10,183)
Long-term liabilities are not due and payable in the current period and, therefore, not reported in the funds.	
Capital Leases	(1,876)
General Obligation Bonds	(2,955,000)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(13,519,200)
Net Other Post Employment Benefits Liability	(308,721)
Deferred Outflows	4,211,025
Deferred Inflows	<u>(952,841)</u>
<b><u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u></b>	<b><u>7,846,372</u></b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2018**

	<u>General</u>	<u>Bond Redemption Debt Service Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES:</u></b>					
Taxes	1,199,202	311,822	-	-	1,511,024
Intergovernmental	2,346,690	-	-	108,232	2,454,922
Interest	1,870	4,386	1,196	98	7,550
Other	<u>95,033</u>	<u>-</u>	<u>-</u>	<u>54,075</u>	<u>149,108</u>
<b>Total Revenues</b>	<b><u>3,642,795</u></b>	<b><u>316,208</u></b>	<b><u>1,196</u></b>	<b><u>162,405</u></b>	<b><u>4,122,604</u></b>
<b><u>EXPENDITURES:</u></b>					
Instruction	2,036,349	-	-	-	2,036,349
Pupil	137,389	-	-	-	137,389
Instructional Staff	31,677	-	-	-	31,677
General Administration	203,744	-	-	-	203,744
School Administration	207,632	-	-	-	207,632
Business	48,608	-	-	-	48,608
Operations & Maintenance	352,311	-	5,174	-	357,485
Student Transportation	198,377	-	-	-	198,377
Central Support	134,592	-	-	-	134,592
Food Services	-	-	-	221,568	221,568
Debt Service	9,717	316,718	-	-	326,435
Capital Outlay	<u>-</u>	<u>-</u>	<u>105,605</u>	<u>-</u>	<u>105,605</u>
<b>Total Expenditures</b>	<b><u>3,360,396</u></b>	<b><u>316,718</u></b>	<b><u>110,779</u></b>	<b><u>221,568</u></b>	<b><u>4,009,461</u></b>
<b><u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>282,399</u></b>	<b><u>(510)</u></b>	<b><u>(109,583)</u></b>	<b><u>(59,163)</u></b>	<b><u>113,143</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Operating Transfers In (Out)	<u>(93,000)</u>	<u>-</u>	<u>31,000</u>	<u>62,000</u>	<u>-</u>
<b>Total Other Financing Sources (Uses)</b>	<b><u>(93,000)</u></b>	<b><u>-</u></b>	<b><u>31,000</u></b>	<b><u>62,000</u></b>	<b><u>-</u></b>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<b>189,399</b>	<b>(510)</b>	<b>(78,583)</b>	<b>2,837</b>	<b>113,143</b>
<b><u>FUND BALANCES, Beginning</u></b>	<b><u>1,411,987</u></b>	<b><u>416,702</u></b>	<b><u>513,310</u></b>	<b><u>100,616</u></b>	<b><u>2,442,615</u></b>
<b><u>FUND BALANCES, Ending</u></b>	<b><u>1,601,386</u></b>	<b><u>416,192</u></b>	<b><u>434,727</u></b>	<b><u>103,453</u></b>	<b><u>2,555,758</u></b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2018**

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**GOVERNMENTAL FUNDS CHANGES IN FUND BALANCES** **113,143**

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

Capital outlays more than \$5,000	105,605	
Depreciation expense	<u>(652,465)</u>	(546,860)

Property tax revenues received prior to the year for which they are being levied are not "available" at year end are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities. Deferred property tax revenues increased this year.

**87,590**

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Accrued Interest	654	
Capital Lease Payment	9,560	
Debt Payment	<u>190,000</u>	200,214

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

Pension Cost	(2,392,049)	
Other Post Employment Benefits Cost	<u>(4,340)</u>	<u>(2,396,389)</u>

**CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES** **(2,542,302)**

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 June 30, 2018

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	<u>Private Purpose Trust Scholarship</u>	<u>Agency Funds</u>
<b><u>ASSETS</u></b>		
Cash	<u>36,268</u>	<u>95,583</u>
<b><u>Total Assets</u></b>	<b><u>36,268</u></b>	<b><u>95,583</u></b>
<b><u>LIABILITIES</u></b>		
Accounts Payable	-	-
Due to Student Groups	-	<u>95,583</u>
<b><u>Total Liabilities</u></b>	<b><u>-</u></b>	<b><u>95,583</u></b>
<b><u>NET POSITION</u></b>		
Held in Trust for Scholarships	<u>36,268</u>	-
<b><u>Total Net Position</u></b>	<b><u>36,268</u></b>	<b><u>-</u></b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For The Year Ended June 30, 2018**

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Private Purpose Trust Scholarship

	<u>Actual</u>
<u>ADDITIONS</u>	
Local Receipts	<u>348</u>
<u>DEDUCTIONS</u>	
Disbursements	<u>2,400</u>
<u>CHANGES IN NET POSITION</u>	<u>(2,052)</u>
<u>NET POSITION, Beginning</u>	<u>38,320</u>
<u>NET POSITION, Ending</u>	<u>36,268</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

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

Sangre De Cristo School District Number RE-22J of Saguache and Alamosa Counties was reorganized by a vote of qualified electorate in 1959, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with five members and provides educational services to approximately 280 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Sangre De Cristo School District Number RE-22J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

**A.      Reporting Entity**

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

**B.      Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Bond Redemption Debt Service Fund and Capital Reserve Capital Projects Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

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

Property taxes are reported as receivables and unearned revenue when levied and as revenues when due for collection in the following year and determined to be available.

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

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

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

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

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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

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

*Fiduciary funds* are used to account for assets held by the District in a trustee or agency capacity for others that cannot be used to support the districts own programs.

**D.    Fund Accounting**

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

**Major Governmental Funds**

1. **General Fund** – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. **Capital Reserve Capital Projects Fund** – this fund accounts expenditures for construction, improvement of district buildings and other capital expenditures.
3. **Bond Redemption Debt Service Fund** – this fund accounts for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest and related costs.

**Fiduciary Funds**

1. **Trust and Agency Funds** – Trust and Agency funds are used to account for assets held in a trustee or agent capacity for others that cannot be used to support the District's own programs. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

**Student Activity Fund** – The Student Activity Fund is an agency fund and, therefore, consists only of accounts such as Cash and balancing liability accounts, such as Due to Student Groups. This fund accounts for the transaction of that entity in raising and expending money to promote the general welfare, morale, and educational experiences of the student body.

**Scholarship Fund** – The Scholarship Fund is a Private Purpose Trust Fund that is used to provide scholarship to eligible District students.

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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

**E.    Cash and Investments**

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

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

**F.    Receivables**

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

**G.    Inventories**

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

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

**H.    Capital Assets**

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

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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

**H.      Capital Assets (Continued)**

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

**I.      Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund and the Capital Reserve Capital Projects Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

**J.      Constitutional Amendment**

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

On November 5, 1996 the registered voters approved a ballot resolution authorizing Sangre De Cristo School District Number RE-22J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2018, the District reserved \$106,400 for this purpose.

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

**J.      Constitutional Amendment (continued)**

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

**K.      Property Taxes**

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

Levy Date	December 15, 2017
Lien Date	January 1, 2018
Tax Bills Mailed	January 1, 2018
First Installment Due	February 28, 2018
Second Installment Due	June 15, 2018
If Paid in Full, Due	April 30, 2018

**L.      Use of Estimates**

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

**M.      GASB Statement No. 54**

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

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

1. Nonspendable such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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

**M.**    **GASB Statement No. 54 (Continued)**

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

**Fund Balance Classification Policies and Procedures**

**Committed Fund Balance Policy:**

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

**Assigned Fund Balance Policy:**

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

**Order of Fund Balance Spending Policy**

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

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018

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

**M. GASB Statement No. 54 (Continued)**

**Fund Balance Classification by Fund:**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Special Revenue Food Services</u>	<u>Capital Projects Funds Building Fund</u>	<u>Capital Reserve</u>	<u>Total Governmental Funds</u>
<b>Nonspendable:</b>						
<b>Inventories</b>	-	-	13,237	-	-	13,237
<b>Restricted:</b>						
<b>Emergencies</b>	106,400	-	-	-	-	106,400
<b>Preschool</b>	15,646	-	-	-	-	15,646
<b>Debt Service</b>	-	416,192	-	-	-	416,192
<b>BEST Capital     Construction     Reserve</b>	-	-	-	-	145,250	145,250
<b>Capital Outlay</b>	-	-	-	43,877	-	43,877
<b>Food Services</b>	-	-	46,339	-	-	46,339
<b>Committed:</b>						
<b>Capital Outlay</b>	-	-	-	-	289,477	289,477
<b>Unassigned:</b>	<u>1,479,340</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,479,340</u>
<b><u>Total Fund Balances</u></b>	<u>1,601,386</u>	<u>416,192</u>	<u>59,576</u>	<u>43,877</u>	<u>434,727</u>	<u>2,555,758</u>

**N. Deferred Outflows / Inflows of Resources**

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

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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

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

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

Interfund Receivables / Payables	26,579
Interfund Transfers	93,000

**NOTE 3**      **BUDGETARY INFORMATION**

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Bond Redemption Fund, Capital Projects Funds and Fiduciary Funds.
6. Budgets for the General Fund, Bond Redemption Fund, Capital Projects Funds, and Fiduciary Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 3**      **BUDGETARY INFORMATION (Continued)**

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

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

**NOTE 4**      **CASH**

**Deposits**

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	509,257	509,257
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,435,120	2,485,222
Cash on Hand	3,072	-
Cash with County Treasurer	<u>57,525</u>	<u>-</u>
<b><u>Total Cash and Deposits</u></b>	<b><u>3,004,974</u></b>	<b><u>2,994,479</u></b>

Deposits with bank balances of \$2,485,222 and a carrying balance of \$2,435,120 as of June 30, 2018 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 5      CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2018</u>
<b><u>Capital Assets Not Being</u></b>				
<b><u>Depreciated:</u></b>				
Land	32,667	-	-	32,667
<b><u>Total Not Depreciated Assets</u></b>	<u>32,667</u>	<u>-</u>	<u>-</u>	<u>32,667</u>
<b><u>Depreciable Assets:</u></b>				
<b><u>Buildings &amp;</u></b>				
Site Improvements	22,173,651	-	-	22,173,651
Equipment & Vehicles	1,671,654	105,605	34,000	1,743,259
Food Services	373,414	-	-	373,414
<b><u>Total Depreciable Assets</u></b>	<u>24,218,719</u>	<u>105,605</u>	<u>34,000</u>	<u>24,290,324</u>
<b><u>Less Accumulated</u></b>				
<b><u>Depreciation for:</u></b>				
<b><u>Building &amp;</u></b>				
Site Improvements	3,460,749	550,984	-	4,011,733
Equipment & Vehicles	1,318,814	83,349	34,000	1,368,163
Food Services	225,803	18,132	-	243,935
<b><u>Total Accumulated</u></b>				
<b><u>Depreciation</u></b>	<u>5,005,366</u>	<u>652,465</u>	<u>34,000</u>	<u>5,623,831</u>
<b><u>Total Capital Assets, Net</u></b>	<u>19,246,020</u>	<u>(546,860)</u>	<u>-</u>	<u>18,699,160</u>

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

<b><u>Governmental Activities:</u></b>	
Instruction	572,074
Pupil	10,737
General Administration	7,517
Operation and Maintenance	7,684
Transportation	36,321
Food Services	18,132
<b><u>Total Depreciation Expense –Governmental Activities</u></b>	<u>652,465</u>

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 6**      **LONG-TERM DEBT**

**GENERAL OBLIGATION BONDS PAYABLE**

**Series 2009 General Obligation Bonds**

These general obligation debts were issued August 12, 2009 for the purpose of constructing district Facilities. The Series 2009 Matching Money bonds of \$4,000,000 were used to match \$19,732,875 in State of Colorado – BEST program funds as required under the State of Colorado Building Excellent Schools Today Qualified School Construction Program. The Series 2009 Matching Money bonds were issued at an interest rate 4.135204%.

Annual debt service requirements to maturity for general government taxable and tax exempt bonds are as follows:

<u>General Obligation Bonds</u>	<u>Fiscal Year</u>	<u>Interest Payable</u>	<u>Principal Payable</u>	<u>Total</u>
General Obligation Bonds, Series 2009, Interest Payable June 1 and December 1, Original Amount 4,000,000 with "B" coupons in the amount of 176,375	2019	118,158	195,000	313,158
	2020	109,888	205,000	314,888
	2021	101,308	210,000	311,308
	2022	92,417	220,000	312,417
	2023	83,114	230,000	313,114
	2024-2028	261,538	1,300,000	1,561,538
	2029-2030	24,914	595,000	619,914
	<b>Totals</b>	<b><u>791,337</u></b>	<b><u>2,955,000</u></b>	<b><u>3,746,337</u></b>

**Capital Leases**

The District has entered into a capital lease agreement to purchase a copier. The lease term is for five years with an annual interest rate of 0%, with a monthly payment of \$89.33.

Capital lease obligations for the fiscal year ended June 30, 2018 are comprised of the following:

<u>Governmental Funds</u>	<u>Bal. July 1, 2017</u>	<u>Additions</u>	<u>Retirements</u>	<u>Bal. June 30, 2018</u>
General Fund	<u>11,436</u>	<u>-</u>	<u>9,560</u>	<u>1,876</u>

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2018

**NOTE 6**      **LONG-TERM DEBT (continued)**

**GENERAL OBLIGATION BONDS PAYABLE (continued)**

Annual debt service requirements to maturity for the lease purchase agreement is as follows:

<u>Fiscal Year</u>	<u>Interest</u>	<u>Principal</u>	<u>Annual Payment</u>
2019	-	1,072	1,072
2020	-	804	804
<b>Totals</b>	<b>-</b>	<b>1,876</b>	<b>1,876</b>
<b><u>Less amount representing interest</u></b>			<b>-</b>
<b><u>Present value of future minimum lease payments</u></b>			<b><u>1,876</u></b>

**Changes in Long-Term Debt**

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

	<u>Balance</u> <u>7/1/2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2018</u>	<u>Due Within</u> <u>One Year</u>
<b>General Obligation Bonds Payable:</b>					
Series 2009 G.O. Bonds	3,145,000	-	190,000	2,955,000	195,000
<b>Capital Leases Payable:</b>					
Copier/Printers	<u>11,436</u>	<u>-</u>	<u>9,560</u>	<u>1,876</u>	<u>1,072</u>
<b><u>Total Long-Term Obligations</u></b>	<b><u>3,156,436</u></b>	<b><u>-</u></b>	<b><u>199,560</u></b>	<b><u>2,956,876</u></b>	<b><u>196,072</u></b>

**NOTE 7**      **COMPENSATED ABSENCES PAYABLE**

Vacation is accrued and paid to the superintendent upon termination or retirement. It is accrued at a rate of 9 days per year. No other employees are paid vacation or sick leave upon termination or retirement. At June 30, 2018, the District did not have a material liability for accrued vacation payable.

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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**NOTE 8**      **PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

**Pensions.** Sangre De Cristo School District Number RE-22J 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 Sangre De Cristo School District Number RE-22J are provided with pensions through the School Division Trust Fund (SCHDTF) - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report that can be obtained at [www.copera.org/investment/pera-financial-reports](http://www.copera.org/investment/pera-financial-reports).

Benefits provided as of December 31, 2017. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. 24-51-602, 604, 1713, and 1714.

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

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

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

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

As of December 31, 2017, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF.

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 8      PENSION PLAN (Continued)**

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

*Contribution provisions as of June 30, 2018.* Eligible employees and Sangre De Cristo School District Number RE-22J are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Eligible employees are required to contribute 8 percent of their PERA-includable salary. The employer contribution requirements are summarized in the table below.

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

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 Sangre De Cristo School District Number RE-22J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Sangre De Cristo School District Number RE-22J were \$371,670 for the year ended June 30, 2018.

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

At June 30, 2018, the Sangre De Cristo School District Number RE-22J reported a liability of \$13,519,200 for its proportionate share of the net pension liability. The net pension liability for the SCHDTF was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017. The Sangre De Cristo School District Number RE-22J proportion of the net pension liability was based on Sangre De Cristo School District Number RE-22J 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 Sangre De Cristo School District Number RE-22J proportion was 0.0418 percent, which was equal to its proportion measured as of December 31, 2016.

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

For the year ended June 30, 2018, the Sangre De Cristo School District Number RE-22J recognized pension expense of \$2,392,049. At June 30, 2018, the Sangre De Cristo School District Number RE-22J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	248,561	-
Changes of assumptions or other inputs	3,451,954	(21,905)
Net difference between projected and actual earnings on pension plan investments	268,011	(798,923)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	37,903	(126,849)
Contributions subsequent to the measurement date	192,641	N/A
<b>Total</b>	<b>4,199,070</b>	<b>(947,677)</b>

\$192,641 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2019	2,073,287
2020	1,172,220
2021	12,975
2022	(199,730)
2023	-
Thereafter	-

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

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

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

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

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

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018**

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

*Sensitivity of the Sangre De Cristo School District Number RE-22J proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 4.78 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.78 percent) or 1-percentage-point higher (6.78 percent) than the current rate:

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	17,077,049	13,519,200	10,619,959

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

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018**

**NOTE 8      PENSION PLAN (Continued)**

At June 30 2018, the Sangre De Cristo School District Number RE-22J reported a liability of \$13,519,200 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 Sangre De Cristo School District Number RE-22J’s proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	6,107,857

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 \$6,310,847 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Sangre De Cristo School District Number RE-22J that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA, Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2018, program members contributed \$5,023.

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS**

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

**Summary of Significant Accounting Policies**

*OPEB.* Sangre De Cristo School District Number RE-22J participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

*Plan Plan description.* Eligible employees of the Sangre De Cristo School District Number RE-22J 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.

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

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

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

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018**

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Sangre De Cristo School District Number RE-22J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Sangre De Cristo School District Number RE-22J were \$20,070 for the year ended June 30, 2018.

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

At June 30, 2018, the Sangre De Cristo School District Number RE-22J reported a liability of \$308,721 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 Sangre De Cristo School District Number RE-22J proportion of the net OPEB liability was based on Sangre De Cristo School District Number RE-22J 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 Sangre De Cristo School District Number RE-22J proportion was 0.0238 percent, which was an increase of 0.0001 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the Sangre De Cristo School District Number RE-22J recognized OPEB expense of \$4,340. At June 30, 2018, the Sangre De Cristo School District Number RE-22J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,460	-
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	5,164
Changes in proportion and differences between contributions recognized and proportionate share of contributions	223	-
Contributions subsequent to the measurement date	10,272	N/A
<b>Total</b>	<b>11,955</b>	<b>5,164</b>

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

\$10,272 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	(960)
2020	(960)
2021	(960)
2022	(960)
2023	331
Thereafter	28

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018**

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

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

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

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

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

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

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

- **The assumed rates of PERACare participation were revised to reflect more closely actual experience.**
- **Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2017 plan year.**
- **The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.**
- **The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.**
- **Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.**
- **Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.**

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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**NOTE 9**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

Sensitivity of the Sangre De Cristo School District Number RE-22J proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	300,227	308,721	318,952

*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.

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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

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

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

*Sensitivity of the Sangre De Cristo School District Number RE-22J proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	347,100	308,721	275,964

*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).

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

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**NOTE 10**    **RISK MANAGEMENT**

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

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

**NOTE 11**    **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL**

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

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

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 11    COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)**

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

Total Assets	<u>42,273,940</u>
Total Liabilities	<u>11,655,251</u>
Total Equity	<u>30,618,689</u>
Revenue	7,429,394
Underwriting Expenses	<u>4,126,717</u>
Underwriting Gain (Loss)	<u>3,302,677</u>
Net Investment Income	276,653
Other Income	-
Net Income (Loss) Before Dividend	<u>3,579,330</u>
Dividend	-
Net Income	<u>3,579,330</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>235,606</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>30,618,689</u>

**NOTE 12    LITIGATION**

None.

**NOTE 13    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. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2018, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

**NOTE 14    JOINT VENTURES**

**San Luis Valley Board of Cooperative Educational Services**

Not reflected in the accompanying financial statements is the District's participation in the San Luis Valley Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per District.

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 14**    **JOINT VENTURES (Continued)**

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2018. The joint venture summary audited financial information as of June 30, 2017 is as follows:

Assets and Deferred Outflows	9,109,380
Liabilities and Deferred Inflows	18,838,160
Net Position	<u>(9,728,780)</u>
	<u>9,109,380</u>
Revenues	4,871,297
Expenses	<u>7,183,348</u>
Changes in Net Position	<u>(2,312,051)</u>

The B.O.C.E.S. has no long term debt.

The equity interest of each member District is not known, nor is the change in such interest. The equity interest will be determined only at the disbanding of the B.O.C.E.S.

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES.

**NOTE 15**    **INTERFUND BALANCES AND TRANSFERS**

	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<b><u>Major Governmental Funds</u></b>				
General Fund	38	26,541	-	93,000
Bond Fund	-	38	-	-
Capital Reserve-Capital Projects	26,541	-	31,000	-
NonMajor Governmental Funds	-	-	<u>62,000</u>	-
	<u>26,579</u>	<u>26,579</u>	<u>93,000</u>	<u>93,000</u>

Interfund receivables and payables are expected to be repaid within the subsequent year.

Transfers were made for operational purposes.

**NOTE 16**    **RESTATEMENT OF BEGINNING NET POSITION**

The net position of the governmental activities has been restated to reflect the implementation of GASB Statement 75. That statement requires that the District report their portion of any post employment benefit (OPEB) liability, and related deferred flows. The beginning net position of \$10,686,264 has been changed by the net OPEB liability at June 30, 2017 of \$(307,726) and related deferred flows of \$10,136, resulting in a restated beginning net position of \$10,388,674.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BUDGETARY COMPARISONS**

**PENSION TREND DATA**

**OTHER POST EMPLOYMENT  
BENEFITS TREND DATA**

## MAJOR GOVERNMENTAL FUNDS

### General Fund

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Property Taxes	915,812	972,920	57,108
Specific Ownership Taxes	152,381	181,420	29,039
Delinquent Taxes/Interest on Taxes	3,500	3,637	137
Tuition	6,000	-	(6,000)
Earnings on Investments	2,015	1,870	(145)
Other Local	11,000	53,452	42,452
BOCES Reimbursed Grants	-	-	-
<b><u>Total Local Revenue</u></b>	<b><u>1,090,708</u></b>	<b><u>1,213,299</u></b>	<b><u>122,591</u></b>
<b><u>County Sources</u></b>			
Mineral Leases	75	20	(55)
<b><u>Total County Sources</u></b>	<b><u>75</u></b>	<b><u>20</u></b>	<b><u>(55)</u></b>
<b><u>State Sources</u></b>			
Equalization	2,020,747	1,826,198	(194,549)
Vocational Education	71,020	68,347	(2,673)
State ELPA	2,757	3,063	306
ELPA	3,742	4,158	416
Transportation	39,000	32,905	(6,095)
Read Act	20,000	16,280	(3,720)
Library Grant	3,500	3,500	-
Additional At Risk Funding	-	2,169	2,169
English Language Grant	155,004	132,673	(22,331)
Small and Rural School Funding	108,101	108,101	-
Other State	71,297	13,628	(57,669)
<b><u>Total State Sources</u></b>	<b><u>2,495,168</u></b>	<b><u>2,211,022</u></b>	<b><u>(284,146)</u></b>
<b><u>Federal Sources</u></b>			
Title I	106,982	106,982	-
Title II A Teacher Quality	14,073	14,073	-
Title IV Student Support	10,000	10,000	-
ELL Title III	1,245	692	(553)
REAP Grant	28,476	28,476	-
Vocational Education Carl Perkins	22,000	17,006	(4,994)
RTTT Early Childhood	199	-	(199)
Forest Reserve	2,200	41,225	39,025
<b><u>Total Federal Sources</u></b>	<b><u>185,175</u></b>	<b><u>218,454</u></b>	<b><u>33,279</u></b>
<b><u>TOTAL REVENUES</u></b>	<b><u>3,771,126</u></b>	<b><u>3,642,795</u></b>	<b><u>(128,331)</u></b>

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>EXPENDITURES</u></b>			
<b><u>Instruction</u></b>	<b><u>2,369,002</u></b>	<b><u>2,036,349</u></b>	<b><u>332,653</u></b>
<b><u>Supporting Services:</u></b>			
Pupil	205,995	137,389	68,606
Instructional Staff	45,155	31,677	13,478
General Administration	430,447	203,744	226,703
School Administration	282,080	207,632	74,448
Business	57,529	48,608	8,921
Operations and Maintenance	498,561	352,311	146,250
Student Transportation	233,607	198,377	35,230
Central Support	192,500	134,592	57,908
Other Support Services	57,000	-	57,000
Capital Outlay	106,750	-	106,750
Debt Service	-	9,717	(9,717)
<b><u>Total Supporting Services</u></b>	<b><u>2,109,624</u></b>	<b><u>1,324,047</u></b>	<b><u>785,577</u></b>
 <b><u>Appropriated Reserves</u></b>	 <b><u>611,486</u></b>	 <b><u>-</u></b>	 <b><u>611,486</u></b>
 <b><u>TOTAL EXPENDITURES</u></b>	 <b><u>5,090,112</u></b>	 <b><u>3,360,396</u></b>	 <b><u>1,729,716</u></b>
 <b><u>Revenues Over (Under) Expenditures</u></b>	 <b><u>(1,318,986)</u></b>	 <b><u>282,399</u></b>	
<b><u>Other Financing Sources (Uses)</u></b>			
Operating Transfers	(93,000)	(93,000)	-
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>(93,000)</u></b>	<b><u>(93,000)</u></b>	<b><u>-</u></b>
 <b><u>Revenues and Other Financing Sources</u></b> <b><u>(Uses) Over (Under) Expenditures</u></b>	 <b><u>(1,411,986)</u></b>	 <b><u>189,399</u></b>	
 <b><u>Fund Balance, Beginning</u></b>	 <b><u>1,411,986</u></b>	 <b><u>1,411,987</u></b>	
 <b><u>Fund Balance, Ending</u></b>	 <b><u>-</u></b>	 <b><u>1,601,386</u></b>	

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net pension liability (asset)	0.0418%	0.0418%	0.0437%	0.0426%	0.0438%	-	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$13,519,200	\$12,432,192	\$6,685,624	\$5,771,923	\$5,582,087	-	-	-	-	-
District's covered-employee payroll	\$1,967,680	\$1,894,470	\$1,894,478	\$1,866,722	\$1,716,126	-	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	687.1%	656%	353%	309%	325%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	43.96%	43.13%	59.2%	62.80%	64.06%	-	-	-	-	-

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 371,670	\$ 348,305	\$ 335,959	\$ 315,318	\$ 274,387	\$ 268,905	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(371,670)</u>	<u>\$(348,305)</u>	<u>\$(335,959)</u>	<u>\$(315,318)</u>	<u>\$(274,387)</u>	<u>\$(268,905)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered-employee payroll	\$1,967,680	\$1,894,470	\$1,894,478	\$1,866,722	\$1,716,126	\$1,781,270	-	-	-	-
Contributions as a percentage of covered-employee payroll	18.89%	18.39%	17.73%	16.89%	15.99%	15.10%	-	-	-	-

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
District's proportion of the net OPEB liability (asset)	0.0238%	0.0237%	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$308,721	\$307,726	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,967,680	\$1,894,470	-	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered-employee payroll	15.69%	16.24%	-	-	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	17.53%	16.72%	-	-	-	-	-	-	-	-

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Contractually required contributions	\$ 20,070	\$ 19,324	-	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (20,070)</u>	<u>\$ (19,324)</u>	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	-	-	-	-	-	-	-	-
District's covered-employee payroll	\$1,967,680	\$1,894,470	-	-	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	1.02%	1.02%	-	-	-	-	-	-	-	-

**COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES**

## COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Capital Projects Funds

**Capital Reserve Capital Projects Fund – This fund accounts for expenditures for construction and improvement of district buildings and other capital expenditures.**

### Bond Redemption Debt Service Fund

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

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

**Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.**

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

### Capital Projects Funds

**Building Fund – This fund accounts for the construction and improvement of district buildings. Bond and grant proceeds are used to finance these projects**

### Fiduciary Funds

#### Agency Fund

**Schedule of Changes in Assets and Liabilities.**

**Schedule of Changes in Receipts and Disbursements – Budget (GAAP Basis) and Actual.**

#### Trust Fund

**Schedule of Changes in Fiduciary Net Assets – Budget (GAAP Basis) and Actual.**

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 CAPITAL RESERVE – CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
 For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
Other Local Revenue	1,500	1,196	(304)
BEST Capital Construction Grant Revenue	-	-	-
Small Rural School Grant	-	-	-
<b><u>Total Revenues</u></b>	<b><u>1,500</u></b>	<b><u>1,196</u></b>	<b><u>(304)</u></b>
<b><u>EXPENDITURES</u></b>			
Purchased Services	180,000	4,079	175,921
Supplies	100,000	1,095	98,905
Buildings	-	-	-
Capital Outlay	<u>148,500</u>	<u>105,605</u>	<u>42,895</u>
<b><u>Total Expenditures</u></b>	<b><u>428,500</u></b>	<b><u>110,779</u></b>	<b><u>317,721</u></b>
<b><u>Revenues Over (Under) Expenditures</u></b>	<b><u>(427,000)</u></b>	<b><u>(109,583)</u></b>	
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In (Out)	<u>31,000</u>	<u>31,000</u>	-
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>31,000</u></b>	<b><u>31,000</u></b>	-
<b><u>Net Change in Fund Balances</u></b>	<b><u>(396,000)</u></b>	<b><u>(78,583)</u></b>	
<b><u>Fund Balance, Beginning</u></b>	<b><u>396,000</u></b>	<b><u>513,310</u></b>	
<b><u>Fund Balance, Ending</u></b>	<b><u>-</u></b>	<b><u>434,727</u></b>	

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**BOND REDEMPTION – DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2018**

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Revenues</u></b>			
Property Taxes	328,848	310,604	(18,244)
Delinquent Taxes	4,050	1,218	(2,832)
Interest on Property Taxes	-	-	-
Interest Earnings	400	4,386	3,986
Other Local Revenue	-	-	-
<b><u>Total Revenues</u></b>	<b><u>333,298</u></b>	<b><u>316,208</u></b>	<b><u>(17,090)</u></b>
<b><u>EXPENDITURES</u></b>			
Debt Service Principal	219,000	190,000	29,000
Debt Service Interest	170,000	126,118	43,882
Other	1,000	600	400
Contingency Reserve	<u>360,000</u>	-	<u>360,000</u>
<b><u>Total Expenditures</u></b>	<b><u>750,000</u></b>	<b><u>316,718</u></b>	<b><u>433,282</u></b>
<b><u>Revenues Over (Under) Expenditures</u></b>	<b>(416,702)</b>	<b>(510)</b>	
<b><u>FUND BALANCE, Beginning</u></b>	<b><u>416,702</u></b>	<b><u>416,702</u></b>	
<b><u>FUND BALANCE, Ending</u></b>	<b><u>-</u></b>	<b><u>416,192</u></b>	

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2018

	<u>Special Revenue Fund Food Services</u>	<u>Capital Projects Fund Building</u>	<u>Total Non-Major Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash	44,709	43,877	88,586
Inventories	13,237	-	13,237
Accounts Receivable	2,474	-	2,474
Grants Receivable	<u>20,457</u>	-	<u>20,457</u>
<b>Total Assets</b>	<b><u>80,877</u></b>	<b><u>43,877</u></b>	<b><u>124,754</u></b>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>			
<b><u>Liabilities:</u></b>			
Accounts Payable	-	-	-
Accrued Salaries Payable	21,301	-	21,301
Due to Other Funds	-	-	-
<b>Total Liabilities</b>	<b><u>21,301</u></b>	<b><u>-</u></b>	<b><u>21,301</u></b>
 <b><u>Fund Balances:</u></b>			
<b><u>Nonspendable:</u></b>			
Inventories	13,237	-	13,237
<b><u>Restricted:</u></b>			
Capital Outlay	-	43,877	43,877
Food Services	46,339	-	46,339
<b><u>Assigned:</u></b>			
Capital Outlay	-	-	-
<b><u>Unassigned</u></b>			
<b>Total Fund Balances</b>	<b><u>59,576</u></b>	<b><u>43,877</u></b>	<b><u>103,453</u></b>
 <b><u>TOTAL LIABILITIES &amp; FUND BALANCES</u></b>			
	<b><u>80,877</u></b>	<b><u>43,877</u></b>	<b><u>124,754</u></b>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2018**

	<u>Special Revenue Fund Food Services</u>	<u>Capital Projects Fund Building</u>	<u>Total Non-Major Governmental Funds</u>
<b><u>REVENUES</u></b>			
Local Sources	54,122	51	54,173
State Sources	2,419	-	2,419
Federal Sources	<u>105,813</u>	-	<u>105,813</u>
<b><u>Total Revenues</u></b>	<b><u>162,354</u></b>	<b><u>51</u></b>	<b><u>162,405</u></b>
<b><u>EXPENDITURES</u></b>			
Food Services	221,568	-	221,568
Capital Outlay	-	-	-
<b><u>Total Expenditures</u></b>	<b><u>221,568</u></b>	<b><u>-</u></b>	<b><u>221,568</u></b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b>(59,214)</b>	<b>51</b>	<b>(59,163)</b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In (Out)	<u>62,000</u>	-	<u>62,000</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<b>2,786</b>	<b>51</b>	<b>2,837</b>
<b><u>FUND BALANCES, Beginning</u></b>	<b><u>56,790</u></b>	<b><u>43,826</u></b>	<b><u>100,616</u></b>
<b><u>FUND BALANCES, Ending</u></b>	<b><u>59,576</u></b>	<b><u>43,877</u></b>	<b><u>103,453</u></b>

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 FOOD SERVICE – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For The Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Food Sales	17,000	53,046	36,046
Interest Earnings	50	47	(3)
Other Local Sources	<u>5,700</u>	<u>1,029</u>	<u>(4,671)</u>
<u>Total Local Sources</u>	<u>22,750</u>	<u>54,122</u>	<u>31,372</u>
<b><u>State Sources</u></b>			
State Match	1,800	1,149	(651)
Smart Start	600	494	(106)
PK-2 Reduced Breakfast	<u>350</u>	<u>776</u>	<u>426</u>
<u>Total State Sources</u>	<u>2,750</u>	<u>2,419</u>	<u>(331)</u>
<b><u>Federal Sources</u></b>			
School Lunches	130,500	94,144	(36,356)
Commodities	<u>25,200</u>	<u>11,669</u>	<u>(13,531)</u>
<u>Total Federal Sources</u>	<u>155,700</u>	<u>105,813</u>	<u>(49,887)</u>
<b><u>TOTAL REVENUES</u></b>	<b><u>181,200</u></b>	<b><u>162,354</u></b>	<b><u>(18,846)</u></b>
 <b><u>EXPENDITURES</u></b>			
<b><u>Food Services</u></b>			
Salaries	112,000	90,355	21,645
Employee Benefits	56,000	45,694	10,306
Purchased Services	2,700	1,809	891
Food and Milk	98,475	78,349	20,126
Supplies and Materials	7,000	5,361	1,639
Capital Outlay	<u>23,825</u>	<u>-</u>	<u>23,825</u>
<u>Total Expenditures</u>	<u>300,000</u>	<u>221,568</u>	<u>78,432</u>
 <b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	 <b><u>(118,000)</u></b>	 <b><u>(59,214)</u></b>	
 <b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers In	<u>62,000</u>	<u>62,000</u>	<u>-</u>
 <b><u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u></b>	 <b><u>(56,800)</u></b>	 <b><u>2,786</u></b>	
 <b><u>FUND BALANCE, Beginning</u></b>	 <b><u>56,800</u></b>	 <b><u>56,790</u></b>	
 <b><u>FUND BALANCE, Ending</u></b>	 <b><u>-</u></b>	 <b><u>59,576</u></b>	

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 BUILDING – CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (GAAP BASIS)  
 For The Year Ended June 30, 2018

	<u>Budgeted Amounts</u> <u>Original &amp; Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b><u>REVENUES</u></b>			
Interest Earnings	100	51	(49)
Other Local	<u>6,074</u>	<u>-</u>	<u>(6,074)</u>
<u>Total Revenues</u>	<u>6,174</u>	<u>51</u>	<u>(6,123)</u>
<b><u>EXPENDITURES</u></b>			
Equipment	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<u>Total Expenditures</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
<u>Revenues Over (Under) Expenditures</u>	(43,826)	51	
<u>Fund Balance, Beginning</u>	<u>43,826</u>	<u>43,826</u>	
<u>Fund Balance, Ending</u>	<u>-</u>	<u>43,877</u>	

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 FIDUCIARY FUND  
 SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
 For the Year Ended June 30, 2018**

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	<b>Agency Fund</b>			
	<b>Balance 7-1-2017</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 6-30-2018</b>
<b><u>ASSETS</u></b>				
Cash	<u>86,911</u>	<u>148,346</u>	<u>139,674</u>	<u>95,583</u>
<b><u>LIABILITIES</u></b>				
Deposits Held for Others	<u>86,911</u>	<u>148,346</u>	<u>139,674</u>	<u>95,583</u>

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

**SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J**  
**FIDUCIARY FUNDS**  
**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**For the Year Ended June 30, 2018**

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	<b>Agency Funds</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget – Favorable (Unfavorable)</b>
<b><u>ADDITIONS</u></b>			
Local Receipts	<u>129,477</u>	<u>148,346</u>	<u>18,869</u>
<b><u>DEDUCTIONS</u></b>			
Disbursements	<u>216,388</u>	<u>139,674</u>	<u>76,714</u>
<b><u>CHANGES IN DUE TO STUDENT GROUPS</u></b>	(86,911)	8,672	
<b><u>DUE TO STUDENT GROUPS, Beginning</u></b>	<u>86,911</u>	<u>86,911</u>	
<b><u>DUE TO STUDENT GROUPS, Ending</u></b>	<u>—</u>	<u>95,583</u>	

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

SANGRE DE CRISTO SCHOOL DISTRICT NUMBER RE-22J  
 FIDUCIARY FUNDS  
 SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION –  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Year Ended June 30, 2018

	<u>Private Purpose Trust Scholarship</u>		Variance with Final Budget- Favorable (Unfavorable)
	<u>Original and Final Budget</u>	<u>Actual</u>	
<b><u>ADDITIONS</u></b>			
Local Receipts	<u>4,680</u>	<u>348</u>	<u>(4,332)</u>
<b><u>DEDUCTIONS</u></b>			
Disbursements	<u>43,000</u>	<u>2,400</u>	<u>40,600</u>
<b><u>CHANGES IN NET POSITION</u></b>	<b>(38,320)</b>	<b>(2,052)</b>	
<b><u>NET POSITION, Beginning</u></b>	<b><u>38,320</u></b>	<b><u>38,320</u></b>	
<b><u>NET POSITION, Ending</u></b>	<b><u>—</u></b>	<b><u>36,268</u></b>	

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

**STATE REQUIRED SCHEDULES**

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

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District 0110 - SANGRE DE CRISTO RE-2J  
 Fiscal Year 2017-18  
 Colorado School District/ROCES

Revenues, Expenditures, & Fund Balance by Fund	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Fund Type &amp; Number</b>	<b>1000 - 5999 Total Revenues &amp; Other Sources</b>	<b>0001-0999 Total Expenditures &amp; Other Uses</b>	<b>6700-6799 &amp; Prior Per Adj (6880*) Ending Fund Balance</b>
<b>Governmental</b>			
10 General Fund	1,300,334	3,288,811	1,585,740
18 Risk Mgmt Sub-Fund of General Fund	0	0	0
19 Colorado Preschool Program Fund	31,654	71,584	15,646
Sub-Total	1,411,998	3,360,395	1,601,386
11 Charter School Fund	0	0	0
20,26-29 Special Revenue Fund	0	0	0
06 Supplemental Cap Const, Tech, Main Fund	0	0	0
21 Food Service Spec Revenue Fund	56,792	224,352	59,576
22 Govt Designated-Purpose Grants Fund	0	0	0
23 Pupil Activity Special Revenue Fund	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0
25 Transportation Fund	0	0	0
31 Bond Redemption Fund	416,703	316,206	416,192
39 Certificate of Participation (COP) Debt Service Fund	0	0	0
41 Building Fund	43,827	50	43,877
42 Special Building Fund	0	0	0
43 Capital Reserve Capital Projects Fund	513,310	32,196	494,727
46 Supplemental Cap Const, Tech, Main Fund	0	0	0
<b>Totals</b>	<b>2,402,408</b>	<b>4,322,597</b>	<b>2,535,598</b>
<b>Proprietary</b>			
50 Other Enterprise Funds	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0
60,65-69 Other Internal Services Funds	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>			
70 Other Trust and Agency Funds	0	0	0
72 Private Purpose Trust Fund	38,320	348	36,260
73 Agency Fund	0	0	0
74 Pupil Activity Agency Fund	86,911	148,347	95,583
79 GASB 34/Permanment Fund	0	0	0
85 Foundations	0	0	0
<b>Totals</b>	<b>125,231</b>	<b>148,695</b>	<b>131,843</b>
<b>FINAL</b>			



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District 0110 - SANGRE DE CRISTO RE-22J  
 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)	1,875,270	0	27,488	0	0	44,709	403,577	452,063	0	0	0	0	131,851	0	2,934,957
Cash with Fiscal Agent (8105)	54,309	0	0	0	0	0	3,216	0	0	0	0	0	0	0	57,525
Other Investment Accounts (8112-8115)	12,490	0	0	0	0	0	0	0	0	0	0	0	0	0	12,490
Taxes Receivable (8121,8122)	126,085	0	0	0	0	0	37,687	0	0	0	0	0	0	0	163,772
Interfund Loans Receivable (8131,8132)	948	0	0	0	0	0	0	26,541	0	0	0	0	0	0	27,489
Grants Accounts Receivable (8142)	16,758	0	0	0	0	20,457	0	0	0	0	0	0	0	0	37,215
Other Receivables (8151-8154,8161)	487	0	0	0	0	2,474	0	0	0	0	0	0	0	0	2,961
Inventories (8171,8172,8173)	0	0	0	0	0	13,237	0	0	0	0	0	0	0	0	13,237
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,086,348</b>	<b>0</b>	<b>27,488</b>	<b>0</b>	<b>0</b>	<b>80,877</b>	<b>444,480</b>	<b>478,604</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131,851</b>	<b>0</b>	<b>3,249,647</b>



Proprietary

Governmental

Fiduciary

FUND EQUITY	Governmental										Proprietary					Fiduciary																																																
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals																																																	
Non-spendable Fund Balance 6710	0	0	0	0	0	13,237	0	0	0	0	0	0	0	0	13,237																																																	
Restricted Fund Balance 6720	0	0	0	0	0	46,339	416,192	43,877	0	0	0	0	0	0	506,408																																																	
TABOR 3% Emergency Reserve 6721	106,400	0	0	0	0	0	0	0	0	0	0	0	0	0	106,400																																																	
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	15,646	0	0	0	0	0	0	0	0	0	0	0	15,646																																																	
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	145,250	0	0	0	0	0	0	145,250																																																	
Committed Fund Balance 6750	0	0	0	0	0	0	0	289,477	0	0	0	0	0	0	289,477																																																	
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																																	
Unassigned Fund Balance 6770	1,479,340	0	0	0	0	0	0	0	0	0	0	131,851	0	1,611,191																																																		
Invested in Capital Assets, Net of Related Debt 6790	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																																																		
Unrestricted Net Assets 6792	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																																																		
<b>Total Fund Equity</b>	<b>1,585,740</b>	<b>0</b>	<b>15,646</b>	<b>0</b>	<b>0</b>	<b>59,576</b>	<b>416,192</b>	<b>479,604</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>131,851</b>	<b>0</b>	<b>2,637,609</b>																																																		
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For Each Fund Type:  
Do Assets=Liability+Fund Equity