

BIG SANDY SCHOOL DISTRICT
NUMBER 100J
Simla, Colorado

Financial Statements

For the Year Ended June 30, 2019

BIG SANDY SCHOOL DISTRICT NUMBER 100J

Simla, Colorado
Table of Contents
June 30, 2019

| | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report | |
| Management Discussion and Analysis ----- | a-k |
| <u>Basic Financial Statements</u> | |
| Government-wide Financial Statements | |
| Statement of Net Position ----- | 1 |
| Statement of Activities ----- | 2 |
| Fund Financial Statements | |
| Governmental Funds | |
| Balance Sheet ----- | 3 |
| Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position ----- | 4 |
| Statement Revenues, Expenditures and Changes in Fund Balances ----- | 5-6 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds to the Statement of Activities --- | 6 |
| Fiduciary Fund | |
| Statement of Net Position ----- | 7 |
| Notes to the Financial Statements ----- | 8-29 |
| <u>Required Supplementary Information</u> | |
| Budgetary Comparison Schedule - Major Funds ----- | 30 |
| Schedule of District's Proportionate Share of Net Pension Liability | |
| PERA School Division Trust Fund ----- | 31 |
| Schedule of Contributions and Related Ratios | |
| PERA School Division Trust Fund - Last 10 Years ----- | 32 |
| Schedule of District's Proportionate Share of the Net Other Post-Employment Benefit Liability – Health Care Trust Fund ----- | 33 |
| Schedule of Contributions and Related Ratios | |
| Health Care Trust Fund ----- | 34 |
| <u>Other Information</u> | |
| Combining and Individual Fund Financial Statements | |
| Combining Balance Sheet - Nonmajor Governmental Funds ----- | 35 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds ----- | 36 |

BIG SANDY SCHOOL DISTRICT NUMBER 100J

Simla, Colorado
 Table of Contents
 June 30, 2019
 (continued)

| | <u>Page</u> |
|---|-------------|
| General Fund | |
| Comparative Balance Sheet ----- | 37 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance - | |
| - Budget and Actual ----- | 38 |
| Statement of Expenditures - Budget and Actual ----- | 39-41 |
| Special Revenue Funds | |
| Food Services Fund | |
| Comparative Balance Sheet ----- | 42 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance | |
| - Budget and Actual ----- | 43 |
| Scholarship Fund | |
| Comparative Balance Sheet ----- | 44 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | |
| - Budget and Actual ----- | 45 |
| Student Activity Fund | |
| Comparative Balance Sheet ----- | 46 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | |
| - Budget and Actual ----- | 47 |
| Debt Service Fund | |
| Bond Redemption Fund | |
| Comparative Balance Sheet ----- | 48 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | |
| - Budget and Actual ----- | 48 |
| Capital Projects Fund | |
| Capital Reserve Fund | |
| Comparative Balance Sheet ----- | 49 |
| Statement of Revenues, Expenditures and Changes in Fund Balance | |
| - Budget and Actual ----- | 50 |
| Student Activity Agency Fund | |
| Statement of Changes in Assets and Liabilities – Budget and Actual--- | 51-52 |
| Auditor's Integrity Report | |

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Big Sandy School District Number 100J
Simla, Colorado 80835

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Sandy School District Number 100J, as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Sandy School District Number 100J, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other post-employment benefit information on pages a-k and 30-34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. For the management discussion and analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Big Sandy School District Number 100J's basic financial statements. The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Winfrey, County & Hays, PC

WINFREY, COUNTY & HAYS, PC

November 21, 2019

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Management's Discussion and Analysis
Year Ended June 30, 2019

Management of the District offers readers of the basic financial statements this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2019.

Financial Highlights

At June 30, 2019, the District's net position was \$12,766,152, an increase of \$499,262.

At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,021,001, an increase \$457 from the prior year.

General Fund revenues exceeded expenditures by \$408,866, after transfers, for the 2018/2019 school year. The Capital Projects Fund decreased \$271,749. The Kimble Scholarship Fund decreased \$30. The Student Activity Fund increased by \$11,297. The Bond Redemption Fund increased by \$9,553. The Food Service Fund decreased \$5,278 this year.

The District has had adequate resources available for all appropriations.

The general fund local revenue decreased by \$153,347. State revenue increased by \$185,853. Federal revenue increased by \$14,980.

Expenditures in the General Fund increased by \$25,596.

Overview of the Financial Statements

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indication of whether its financial health is improving or deteriorating.

The government-wide statements show all the government activities.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Management's Discussion and Analysis - Continued
Year Ended June 30, 2019
(continued)

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

Fund Financial Statements

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

Governmental funds—Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

Government-wide Financial Analysis

Net position may serve over time as a useful indicator of a government's financial position. The District's total net position was \$12,766,152 on June 30, 2019.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

Table 1 - Net Position

| | Government Activities | |
|--------------------------------|-----------------------|--------------------|
| ASSETS | <u>6/30/2019</u> | <u>6/30/2018</u> |
| Current and other assets | 2,381,546 | 2,348,120 |
| Capital assets | <u>22,540,154</u> | <u>22,955,112</u> |
| Total Assets | 24,921,700 | 25,303,232 |
| | | |
| DEFERRED OUTFLOWS | 2,006,850 | 3,915,308 |
| | | |
| LIABILITIES | | |
| Current liabilities | 488,075 | 450,063 |
| Noncurrent liabilities | <u>8,683,939</u> | <u>15,834,801</u> |
| Total Liabilities | 9,172,015 | 16,284,864 |
| | | |
| DEFERRED INFLOWS | 4,990,383 | 666,786 |
| | | |
| NET POSITION | | |
| Invested in capital asset | 20,403,830 | 20,696,301 |
| Restricted for TABOR | 119,339 | 117,682 |
| Restricted for Preschool | 6,144 | 11,388 |
| Restricted for Scholarship | 48,071 | 48,102 |
| Restricted for Bond Redemption | 220,691 | 211,138 |
| Unrestricted | <u>(8,031,923)</u> | <u>(8,817,721)</u> |
| Total Net Position | <u>12,766,152</u> | <u>12,266,890</u> |

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the State Equalization provided by the State of Colorado, and the local taxes assessed to community taxpayers.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

Table 2 shows the District's largest functions – revenues, instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation and other expenses.

Table 2 - Change in Net Position

| | Government Activities | |
|-------------------------------------|-----------------------|--------------------|
| REVENUES | <u>6/30/2019</u> | <u>6/30/2018</u> |
| Program Revenues | | |
| Charges for service | 79,229 | 79,147 |
| Operating grants | 427,772 | 360,113 |
| General Revenues | | |
| Property taxes | 683,318 | 671,217 |
| Specific ownership taxes | 118,504 | 118,445 |
| State equalization | 2,834,203 | 2,694,996 |
| Other | 348,372 | 507,917 |
| Loss on assets | <u>0</u> | <u>28,281</u> |
| Total Revenues | 4,491,399 | 4,460,118 |
| | | |
| EXPENSES | | |
| Instruction | 2,470,601 | 4,303,472 |
| Pupil services | 69,335 | 132,838 |
| Instructional services | 48,848 | 86,342 |
| Superintendent | 147,239 | 312,547 |
| Principals | 139,605 | 304,693 |
| Accounting | 62,515 | 100,736 |
| Operations & maintenance | 342,984 | 565,418 |
| Pupil transportation | 248,839 | 450,325 |
| Central services | 113,776 | 79,022 |
| Facilities acquisition | 81,559 | 4,415 |
| Student activity | 44,409 | 51,172 |
| Debt services | 91,257 | 96,201 |
| Food services | <u>131,170</u> | <u>201,653</u> |
| Total Expenses | <u>3,992,137</u> | <u>6,688,835</u> |
| | | |
| Increase (decrease) in net position | <u>499,263</u> | <u>(2,228,717)</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

Financial Analysis of the District Funds

On June 30, 2019, the District governmental funds reported a combined fund balance \$2,021,001, which is an increase of \$457. Approximately 69% of the total fund balance constitutes unassigned fund balance, which is available for spending at the District's discretion.

Fund balances, an indicator of financial well-being, is currently 54% of 2018/2019 budgeted revenue of the General Fund.

General Fund - the chief operating fund of the District. On June 30, 2019, unassigned fund balance was \$1,398,652.

| State Equalization Revenues | | Increase or (Decrease) |
|-----------------------------|-------------|------------------------|
| June 2015 | \$2,417,813 | 3.64% |
| June 2016 | \$2,457,184 | 1.63% |
| June 2017 | \$2,485,001 | 1.13% |
| June 2018 | \$2,694,996 | 8.45% |
| June 2019 | \$2,834,203 | 5.17% |

The state equalization accounts for 69% of the districts operating revenue.

| Local Revenues (GF) | | Increase or (Decrease) |
|---------------------|-------------|------------------------|
| June 2015 | \$499,979 | 15.87% |
| June 2016 | \$590,803 | (12.47%) |
| June 2017 | \$591,389 | 18.17% |
| June 2018 | \$1,071,994 | 81.27% |
| June 2019 | \$918,647 | (14.30%) |

Local revenues account for about 22% of the districts operating revenue. In 2017-18 we had a bubble in local revenue with the sale of our old school property and the donation for safety items which included 4 new buses, a skid steer and a snow plow. In 2018-19 we had a generous donation from the Sherman Foundation, and with interest rates and assessed property valuation increasing a little, we had a higher than normal amount in local revenue. To help increase revenue, the district has sought many different types of grants such as CDE, BEST, Preschool, GOCO, DOLA, technology, safety, and E-Rate to help cover cost.

| Total Revenues (GF) | | Increase or (Decrease) |
|---------------------|-------------|------------------------|
| June 2015 | \$3,349,931 | 6.56% |
| June 2016 | \$3,349,457 | (0.01%) |
| June 2017 | \$3,294,611 | (1.64%) |
| June 2018 | \$4,071,611 | 23.58% |
| June 2019 | \$4,119,096 | 1.17% |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

This year our revenue increased. Although the state's economy is doing very well, TABOR and other state constitutional restraints restrains the new revenue from flowing to public schools. Our enrollment will increase next year and with the state funding all-day kindergarten, we will receive some additional revenue. With the dynamics with our current legislators and with the economy's growth starting to slow somewhat, we are uncertain about the state budget toward education the following year.

District Enrollment

| School Year | Student P-12 Count |
|-------------|--------------------|
| 2014/2015 | 297 |
| 2015/2016 | 301 |
| 2016/2017 | 306 |
| 2017/2018 | 323 |
| 2018/2019 | 321 |
| 2019/2020 | 335 |

The above count is our Total Student Count. With enrollment going up and down, and with the uncertainty of the economic climate, we must continue to monitor our expenses and revenue, including state revenue, closely.

| Expenditures (GF) | | Increase or (Decrease) |
|-------------------|-------------|------------------------|
| June 2015 | \$3,145,192 | (3.90%) |
| June 2016 | \$3,147,794 | 0.08% |
| June 2017 | \$3,223,416 | 2.40% |
| June 2018 | \$3,684,633 | 14.31% |
| June 2019 | \$3,710,229 | 0.69% |

Our expenditures for the year increased slightly.

Over the years, instruction accounts for approximately 68% of the operating expenditures of the district. Over the years, salaries and benefits account for approximately 81% of expenditures. Through the retirement of individuals at the top end of the salary schedule and their replacement with individuals on the lower end of the salary schedule, this helps offset increases in total salary expenditures. We have members on the payroll that will be looking at retirement in the next couple of years.

The table below shows an increase in the General Fund Account Balance this year Competitive salaries, special education, technology upgrades, allocating funds for expenditures for future capital needs, and fuel costs continue to be emphasized when monitoring our budget. We received a BEST (Building Excellent Schools Today) grant in July 2011. We passed a \$2.9 million bond issue that same year. We completed the new P-12 school building using some Fund Balance to pay for some items that BEST would not cover. It is a good rule of thumb to keep at least three months of operating expenses in reserve; this amount equals around \$930,000. Our school board has set a goal of keeping \$1,300,000 in reserve. On June 30, 2019, the General Fund ending balance was \$1,254,136.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

General Fund Account Balance

| | |
|-----------|-------------|
| June 2015 | \$1,002,373 |
| June 2016 | \$1,085,078 |
| June 2017 | \$1,016,401 |
| June 2018 | \$1,267,473 |
| June 2019 | \$1,524,136 |

Capital Reserve/Capital Projects

We sold the old school property a year ago and had a bubble in revenue, then we built a new storage building and put LED lighting into our school which brought the fund balance down this year. After acquiring four new buses and finishing construction projects, we still plan to purchase a big bus and build reserves for future needs.

Capital Reserve/Capital Projects Account Balance

| | |
|-----------|-----------|
| June 2015 | \$133,787 |
| June 2016 | \$165,532 |
| June 2017 | \$252,739 |
| June 2018 | \$472,048 |
| June 2019 | \$200,299 |

Food Services

The Hot Lunch program has a goal of being self-sufficient, which is a hard task to even consider. It is funded through lunch sales, free and reduced government assistance, and government commodities. The district contributes to the program with a budget item in the General Fund. We also contribute to this program by purchasing capital equipment, depreciation and paying a portion of bookkeeping out of the General Fund. We received a kitchen equipment grant several years ago which paid for approximately \$27,000 in new equipment. Our new kitchen along with several new pieces of equipment were provided through the BEST grant.

We need to continue working at providing a quality product so as to increase the numbers of lunches being served in order to reach our goal of breaking even from a financial standpoint. We cut part of our staff going into the 13/14 school year due to declining lunch participation; however, because the new staff achieved high standards, our lunch participation increased significantly. During the 13/14 school year and again for this next year, we are keeping 3 full-time cooks, but have given the food service program the leeway to bring in another part-time substitute cook as needed.

Total Assets Food Service

| | |
|-----------|----------|
| June 2015 | \$26,851 |
| June 2016 | \$27,072 |
| June 2017 | \$21,409 |
| June 2018 | \$21,512 |
| June 2019 | \$16,996 |

Management's Discussion and Analysis - Continued
Year Ended June 30, 2019
(continued)

Fund Balance

| | |
|-----------|----------|
| June 2015 | \$23,036 |
| June 2016 | \$23,081 |
| June 2017 | \$17,133 |
| June 2018 | \$15,053 |
| June 2019 | \$9,775 |

Operating Expense

| | |
|-----------|-----------|
| June 2015 | \$120,499 |
| June 2016 | \$116,854 |
| June 2017 | \$128,276 |
| June 2018 | \$134,512 |
| June 2019 | \$153,091 |

The District will continue to support the food service program with a General Fund subsidy. We will raise lunch prices during the 2019/2020 school year because of state/federal mandate.

Student Activities Fund 23

The Student Activities Account does receive some support with funds appropriated from the General Fund. With officials' fees continuing to rise, participants qualifying for state competition, and increasing equipment purchases for student safety, we increased the amount of the General Fund subsidy to \$30,000 last year and will budget \$30,000 for next school year (partly to decrease extra-curricular fund raising efforts).

Revenue for student activities is derived from gate at events, student purchases or fees and money-making projects. We plan on being conscientious with our expenditures. By going to 1A CHSAA classification, we saw a drop in gate revenue. Being in 2A now, our gate revenue has risen and expenses at state competition may decrease. We will be in 1A again in two years.

Student Activity Special Revenue Fund 23 Account Balance as of June 30

| | |
|------|----------|
| 2015 | \$920 |
| 2016 | \$8,076 |
| 2017 | \$4,754 |
| 2018 | \$6,731 |
| 2019 | \$18,029 |

In 2010 the Activity Fund was split into 2 Funds as per our Auditor's request. Fund 23 is subsidized by the district and Fund 74 only has non-subsidized accounts showing the accounting of accounts having money come in and out throughout the year.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

Student Activity Agency Fund 74 Account Balance as of June 30

| | |
|------|----------|
| 2015 | \$65,913 |
| 2016 | \$61,106 |
| 2017 | \$60,334 |
| 2018 | \$57,890 |
| 2019 | \$71,904 |

Yearbook and Industrial Arts are two accounts that have carried negative balances in the past. After negotiating better prices with our yearbook publisher, we finally broke even several years ago. Industrial Arts has carried forward a negative balance some years; we balanced this fund out to a zero balance by a payment from the General Fund a few years ago and look to finish each year with a zero or positive balance.

Kimble Scholarship

The Kimble Scholarship was established in May 2002. The scholarship was funded from proceeds from the Kimble estate.

On May 17, 2002, the district received \$47,400.00 from the estate. On March 27, 2003 we received an additional \$506.30 with the closure of the estate.

The first scholarship was awarded in May of 2002 for \$600.00. This amount was taken from the principal.

Scholarship guidelines were established through input from community members, staff, accountability committee and administration. The scholarship was to be a perpetual scholarship with proceeds from investments funding the yearly awards. With the state of the economy at this time, the interest rate revenue is producing minimal amounts of scholarships; however, the Fund remains strong.

On June 30, 2019, this fund balance is \$48,071.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Management's Discussion and Analysis - Continued
 Year Ended June 30, 2019
 (continued)

Capital Assets

The District's capital assets for its governmental as of June 30, 2019 amount to \$22,540,154 (net of accumulated depreciation). This investment in capital assets follows:

| | Government Activities | |
|---------------------------|-----------------------|--------------------|
| | <u>6/30/2019</u> | <u>6/30/2018</u> |
| Assets Under Construction | 0 | 62,310 |
| Sites | 74,277 | 74,277 |
| Site Improvements | 1,353,701 | 1,353,701 |
| Buildings | 23,570,881 | 23,227,423 |
| Transportation | 982,739 | 982,739 |
| Equipment | <u>1,714,509</u> | <u>1,612,816</u> |
| Total | 27,696,107 | 27,313,265 |
| | | |
| Accumulated Depreciation | <u>(5,155,953)</u> | <u>(4,358,153)</u> |
| | | |
| Net capital assets | <u>22,540,154</u> | <u>22,955,112</u> |

Fixed asset purchases included an additional \$275,510 to complete the storage shed started in the prior year, \$5,638 for a preschool storage building, \$47,000 for security cameras, \$17,948 for wireless access points, \$9,668 for a phone system upgrade, \$19,155 for industrial arts equipment, and \$7,922 for overhead doors.

Long Term Debt

The District has a bond issue outstanding of \$2,136,324 which is the balance of a \$2,900,663 issue of 2011 to build and furnish a new school building. Payments are scheduled through 2031 at approximately \$213,000 per year. Payments will be made through a tax levy assessed in the Bond Redemption Fund.

| | Balance <u>7/1/2018</u> | Issued | Paid | Balance <u>6/30/2019</u> |
|---------------|----------------------------|--------|---------|-----------------------------|
| Bonds Payable | 2,258,811 | 0 | 122,487 | 2,136,324 |

Economic Factors and Next Year's Budget

The state and national economies have been strong but are showing signs of being less strong the revenue from state equalization is constrained by the State Constitution; our state constitution is in conflict with itself. The amount of money from the federal government continues to decline. We will be paying attention to the new state and federal regulations. Our school revenue will benefit from increased enrollment and funding for all-day kindergarten. With a second year governor and shifting within the state legislature, we will be paying close attention to school funding.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Management's Discussion and Analysis - Continued
Year Ended June 30, 2019
(continued)

We need to continue monitoring our enrollment numbers; enrollment up, and we will have an increase in state revenue for next year's budget. With enrollment going up and down in the past, the actions implemented, reduction in staff through retirements, decreasing other expenditures and with increased revenues in kindergarten, vocational, transportation, donations, and grants have allowed the district General Fund balance to stay healthy; with state revenues increasing the last couple of years, we were able to increase the teacher supply budgets, raise the salary schedules and bring back our music program.

We will have an increase in enrollment count next year. Most of the rural Colorado school districts have been having declining enrollment for several years. An increase in state revenues is nice, but we must continue to closely monitor and adjust our budget. With the state and federal budgets in question, if we have to decrease our budget, the district will need to look at the expense of its existing staff and may need to look at a possible decrease in staff through retirements to maintain a healthy financial condition, this will produce an overall reduction in instructional salaries. However, with preschool revenue added several years ago, with the vocational programs and revenue expanding, having trimmed the budget a head of falling revenue during the economic downturn, we are financially in good shape at present.

The district retired all of the outstanding bonds resulting in being debt free as of December, 2006. With the passage of a \$2.9 million bond election in November of 2011 for the matching \$23.7 million BEST Grant, we currently have 12.5 years of payments remaining on this bond.

Our General Fund balance is greater than the goal of \$1,300,000. It has over four months in operating reserves within its Fund Balance.

We continue to look at keeping our streamlined budget and at the same time add to our revenue while maximizing student learning in the process.

Contacting the District Financial Management

Our financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of School at Big Sandy School District 100J, P O Box 68, Simla, CO 80835.



BASIC FINANCIAL STATEMENTS

BIG SANDY SCHOOL DISTRICT NUMBER 100J

Simla, Colorado

Statement of Net Position

June 30, 2019

| | Governmental <u>Activities</u> |
|---|-----------------------------------|
| ASSETS | |
| Current Assets | |
| Cash and cash equivalents | 2,243,062 |
| Certificates of deposit | 48,000 |
| Accounts and grants receivable | 699 |
| Inventory | 3,023 |
| Accrued property taxes receivable | <u>86,760</u> |
| Total Current Assets | 2,381,546 |
| Capital assets, net of accumulated depreciation | <u>22,540,154</u> |
| Total Assets | 24,921,700 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| | 2,006,850 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts payable | 4,598 |
| Accrued salaries payable | 354,228 |
| Unearned revenue | 1,718 |
| Bonds payable, due within one year | <u>127,531</u> |
| Total Current Liabilities | 488,075 |
| Noncurrent Liabilities | |
| Bonds payable, due beyond one year | 2,008,793 |
| Net health care trust fund liability | 317,525 |
| Net pension liability | <u>6,357,622</u> |
| Total Noncurrent Liabilities | <u>8,683,939</u> |
| Total Liabilities | 9,172,015 |
| DEFERRED INFLOWS OF RESOURCES | |
| | 4,990,383 |
| NET POSITION | |
| Invested in capital assets | 20,403,830 |
| Restricted for TABOR reserve | 119,339 |
| Restricted for preschool | 6,144 |
| Restricted for scholarships | 48,071 |
| Restricted for bond redemption | 220,691 |
| Unrestricted | <u>(8,031,923)</u> |
| Total Net Position | <u>12,766,152</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Statement of Activities
 For the Year Ended June 30, 2019

| | <u>Expenses</u> | <u>Program Revenues</u> | | |
|-------------------------------|------------------|----------------------------|---|---|
| | | <u>Charges for Service</u> | <u>Operating Grants & Contributions</u> | <u>Capital Grants & Contributions</u> |
| Governmental Activities | | | | |
| Instructional | 2,470,601 | | 310,290 | |
| Support Services | | | | |
| Pupil services | 69,335 | | | |
| Instructional services | 48,848 | | | |
| Superintendent | 147,239 | | | |
| Principals | 139,605 | | | |
| Accounting | 62,515 | | | |
| Operations & maintenance | 342,984 | | | |
| Pupil transportation | 248,839 | | 60,421 | |
| Central services | 113,776 | | | |
| Facilities acquisition | 81,559 | | | |
| Student activity | 44,409 | 25,707 | | |
| Debt Services | 91,257 | | | |
| Food Services | <u>131,170</u> | <u>53,523</u> | <u>57,061</u> | <u>0</u> |
| Total Governmental Activities | <u>3,992,137</u> | <u>79,229</u> | <u>427,772</u> | <u>0</u> |

General revenues:

Taxes

Property taxes, levied for general purposes
 Property taxes, levied for bond redemption
 Specific ownership taxes

State Equalization

Miscellaneous

Investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue
and Changes in Net Position

Governmental
Activities

(2,160,310)

(69,335)

(48,848)

(147,239)

(139,605)

(62,515)

(342,984)

(188,419)

(113,776)

(81,559)

(18,703)

(91,257)

(20,586)

(3,485,135)

460,431

222,887

118,504

2,834,203

307,810

40,562

3,984,398

499,263

12,266,890

12,766,152

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Balance Sheet
 Governmental Funds
 At June 30, 2019

| | <u>Major Funds</u> | | Total |
|---|----------------------|--------------------|----------------------|
| | <u>General</u> | Nonmajor | Governmental |
| | | <u>Funds</u> | <u>Funds</u> |
| ASSETS | | | |
| Cash and cash equivalents | 1,818,921 | 424,142 | 2,243,062 |
| Certificates of deposit | 0 | 48,000 | 48,000 |
| Accounts and grants receivable | 0 | 699 | 699 |
| Accrued property taxes receivable | 58,539 | 28,221 | 86,760 |
| Inventory | <u>0</u> | <u>3,023</u> | <u>3,023</u> |
| Total Assets | <u>1,877,460</u> | <u>504,085</u> | <u>2,381,546</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities | | | |
| Accounts payable | 4,598 | 0 | 4,598 |
| Accrued salaries payable | 348,726 | 5,502 | 354,228 |
| Unearned revenue | <u>0</u> | <u>1,718</u> | <u>1,718</u> |
| Total Liabilities | 353,324 | 7,221 | 360,544 |
| Fund Balances | | | |
| Restricted for TABOR reserve | 119,339 | 0 | 119,339 |
| Restricted for preschool | 6,144 | 0 | 6,144 |
| Restricted for bond redemption | 0 | 220,691 | 220,691 |
| Restricted for scholarships | 0 | 48,071 | 48,071 |
| Nonspendable | 0 | 3,023 | 3,023 |
| Committed | 0 | 200,299 | 200,299 |
| Assigned | 0 | 24,780 | 24,780 |
| Unassigned | <u>1,398,652</u> | <u>0</u> | <u>1,398,652</u> |
| Total Fund Balances | <u>1,524,136</u> | <u>496,865</u> | <u>2,021,001</u> |
| Total Liabilities and Fund Balances | <u>1,877,460</u> | <u>504,085</u> | <u>2,381,546</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Balance Sheet
 Governmental Funds
 At June 30, 2019

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

| | |
|---|--------------------|
| Total Governmental Fund Balances | 2,021,001 |
| Amounts reported for governmental activities in the statement of net position are different because of the following: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | 22,540,154 |
| Deferred outflows of resources are not financial resources and thus are not reported as assets in governmental funds | 2,006,850 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | (8,811,470) |
| Deferred inflows of resources are not financial resources and thus are not reported as assets in governmental funds | <u>(4,990,383)</u> |
| Net Position of Governmental Activities | <u>12,766,152</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2019

| | <u>Major Funds</u> | | Total |
|---|--------------------|-------------------|-----------------------|
| | <u>General</u> | Nonmajor Funds | Governmental Funds |
| REVENUES | | | |
| Local Sources | | | |
| Property taxes | 460,431 | 222,887 | 683,318 |
| Specific ownership taxes | 118,504 | 0 | 118,504 |
| Investment interest | 31,902 | 8,660 | 40,562 |
| Other | 307,810 | 79,229 | 387,039 |
| State Sources | | | |
| Equalization | 2,834,203 | 0 | 2,834,203 |
| Transportation | 60,421 | 0 | 60,421 |
| Special funding for PERA | 50,044 | 0 | 50,044 |
| BOCES flowthrough | 4,037 | 0 | 4,037 |
| Other | 177,870 | 3,144 | 181,014 |
| Federal Sources | <u>73,873</u> | <u>53,917</u> | <u>127,790</u> |
| Total Revenues | 4,119,096 | 367,838 | 4,486,933 |
| EXPENDITURES | | | |
| Current | | | |
| Instruction | 2,216,082 | 0 | 2,216,082 |
| Supporting Services | | | |
| Pupil guidance | 85,131 | 0 | 85,131 |
| Instructional staff services | 58,900 | 0 | 58,900 |
| Superintendent | 195,519 | 0 | 195,519 |
| Principals | 183,187 | 0 | 183,187 |
| Accounting | 58,973 | 0 | 58,973 |
| Operations and maintenance | 390,681 | 0 | 390,681 |
| Pupil transportation | 246,732 | 0 | 246,732 |
| Central support | 117,467 | 0 | 117,467 |
| Other | 279 | 279,820 | 280,099 |
| Debt Service | 0 | 212,994 | 212,994 |
| Capital Outlay | <u>157,277</u> | <u>283,434</u> | <u>440,711</u> |
| Total Expenditures | <u>3,710,229</u> | <u>776,247</u> | <u>4,486,476</u> |
| Revenues over (under) | | | |
| Expenditures | 408,866 | (408,409) | 457 |
| Other Financing Sources (Uses) | | | |
| Operating Transfers In (Out) | <u>(152,203)</u> | <u>152,203</u> | <u>0</u> |
| Excess of Revenues and Other Sources over | | | |
| (under) Expenditures and Other Uses | 256,664 | (256,206) | 457 |

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 For the Year Ended June 30, 2019
 (continued)

| | <u>Major Funds</u> | | <u>Total</u> |
|--|--------------------|--------------------------|-------------------------------|
| | <u>General</u> | Nonmajor <u>Funds</u> | <u>Governmental Funds</u> |
| Fund Balance - Beginning | <u>1,267,473</u> | <u>753,071</u> | <u>2,020,544</u> |
| Fund Balance - Ending | <u>1,524,136</u> | <u>496,865</u> | <u>2,021,001</u> |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities | | | |
| Net change in fund balances - total governmental funds | | | 457 |
| Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the period. | | | |
| Capital outlays | | 382,842 | |
| Depreciation expense | | <u>(797,800)</u> | (414,958) |
| The issuance of long-term debt (e.g. bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. | | | |
| Principal on bonds | | | 122,487 |
| Some revenue (expenses) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as revenues (expenditures) in governmental funds. | | | |
| Pension income | | 802,058 | |
| Noncash revenue from the State for PERA | | 4,466 | |
| Other post-employment benefit expenses | | <u>(15,247)</u> | 791,277 |
| Change in net position of government activities | | | <u>499,263</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Statement of Fiduciary Net Position
Student Activity Agency Fund
June 30, 2019

| | Student Activity <u>Fund</u> |
|---------------------------|------------------------------------|
| ASSETS | |
| Cash in bank | 71,904 |
| | |
| LIABILITIES | |
| Due to student activities | <u>71,904</u> |
| | |
| NET POSITION | <u>0</u> |

Notes to the Financial Statements

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Notes to the Financial Statements
June 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Big Sandy School District Number 100J (the "District") is a political subdivision of the State of Colorado which is governed by an elected board of five members. A summary of the District's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. It has no component units. Neither is it a component unit of any other entity.

This report includes all funds of Big Sandy School District Number 100J.

B. Basis of Presentation

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements.

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

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

The District reports the following major governmental funds:

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

The District reports the following nonmajor governmental funds:

- The Food Service Fund accounts for revenues and expenditures to provide hot meals to students, teachers, and visitors.
- The Scholarship Fund accounts for donations to fund student scholarships.
- The Student Activity Special Revenue Fund accounts for revenue and expenditures for student activities, both athletic and non-athletic.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

- The Bond Redemption Fund is used to account for collection of taxes and payment of bonds.
- The Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital assets and other expenditures.

District reports also reports the following fund types:

- The Student Activity Agency Fund accounts for cash held by the District for related organizations. This fund is custodial in nature and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) is used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

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

D. Budgets and Budgetary Accounting

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

Budget Calendar -

Submission of a proposed budget to the Board of Education is due by May 31. On June 10, or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection. The last date for final adoption of the budget and appropriation resolution is June 30. January 31 is last date to change adopted budget. By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Notes to Financial Statements
June 30, 2019
(continued)

E. Encumbrances

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

F. Assets, Liabilities and Fund Balances/Net Position

1. Deposits

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

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

2. Receivables and Payables

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

Accounts receivable and property taxes receivable are shown at gross. Uncollectible accounts have not been material.

3. Inventories

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

A physical inventory was taken as of June 30, 2019 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Compensated Absences

Teachers are allowed 12 days per year plus two days may be used for personal time off. Other full-time employees are allowed nine days per year plus two days may be used for personal time off. Four days will be granted for a death in the immediate family.

Upon retirement under PERA and final termination of employment, the District will buy back at a rate of one-half the current substitute rate any unused sick days, up to a total of 72, if the employee has ten years employment in the District. The amount is determined to not be material.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

5. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|-------------------|--------------|
| Site improvements | 10-20 |
| Buildings | 15-50 |
| Equipment | 3-30 |
| Vehicles | 7-10 |

The District does not have any infrastructure assets.

6. Long-term Obligations

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

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

7. Estimates

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

8. Fund Balances and Net Position

In the government-wide financial statements, net position is classified in the following categories:

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

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

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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

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

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

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

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

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

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

At June 30, 2019, the amounts restricted were \$119,339 for TABOR, \$6,144 for preschool, \$48,071 for scholarships, and \$220,691 for bond retirement. Within the governmental fund financial statements, amounts committed include \$200,299 for capital projects; the amount nonspendable for food service is \$3,023; the amount assigned for food service is \$6,752; and the amount assigned for student activities is \$18,029.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

In November of 1997, the voters of the District approved a ballot issue which allows the District to receive and spend all revenues received. Based upon this approval, the District considers the revenue and spending limits imposed by the Amendment to no longer apply to the District.

- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments - displayed on the balance sheets as "Cash and Cash Equivalents."

The Colorado Public Deposit Protection Act (PDPA) requires that all political subdivisions of the State deposit cash in eligible public depositories. Eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is specified under the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool for all the uninsured public deposits as a group is to be maintained by another institution or held in trust. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

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

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

At June 30, 2019, the District's cash deposits had a bank balance and carrying balance as follows:

| | Bank Balance | Carrying Balance |
|---|------------------|---------------------|
| Insured (FDIC) | 692,131 | 692,130 |
| Cash with County Treasurer | 1,036 | 1,036 |
| Deposits collateralized in one institutional pool | <u>1,675,004</u> | <u>1,669,700</u> |
| Total cash | 2,368,172 | 2,362,867 |
| Less: Amounts of certificates of deposit | | (48,000) |
| Less: Amount in agency fund | | (71,904) |
| Plus: Cash on hand | | <u>100</u> |
| Net cash | | 2,243,062 |

As presented above, deposits with a bank balance of \$1,675,004 and a carrying balance of \$1,669,700 as of June 30, 2019, are uninsured, exposed to custodial credit risk, and collateralized with securities held by the pledging financial institution.

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Notes to the Financial Statements
June 30, 2019
(continued)

C. Changes in General Fixed Assets

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--------------------------------------|------------------------------|------------------|------------------|---------------------------|
| Governmental Activities | | | | |
| Assets Under Construction | 62,310 | - | 62,310 | 0 |
| Land | 74,277 | - | - | 74,277 |
| Site Improvements | 1,353,701 | - | - | 1,353,701 |
| Buildings | 23,227,423 | 343,458 | - | 23,570,881 |
| Equipment | 1,612,815 | 101,693 | - | 1,714,508 |
| Transportation | 982,739 | - | - | 982,739 |
| Total | <u>27,313,265</u> | <u>445,151</u> | <u>62,310</u> | <u>27,696,106</u> |
| Less Accumulated Depreciation | | | | |
| Assets Under Construction | - | - | - | - |
| Land | - | - | - | - |
| Site Improvements | 477,003 | 99,557 | - | 576,560 |
| Buildings | 2,681,550 | 541,847 | - | 3,223,397 |
| Equipment | 618,614 | 108,612 | - | 727,226 |
| Transportation | 580,985 | 47,784 | - | 628,769 |
| Total | <u>4,358,152</u> | <u>797,800</u> | <u>-</u> | <u>5,155,952</u> |
| Net Capital Assets | <u>22,955,113</u> | <u>(352,649)</u> | <u>62,310</u> | <u>22,540,154</u> |

Depreciation expense for the governmental activities was allocated \$747,742 to instruction, \$47,784 to transportation, and \$2,274 to food service.

D. Changes in Noncurrent Liabilities

| | <u>Balance July 1, 2018</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance June 30, 2019</u> |
|-----------------------|---------------------------------|------------------|-------------------|----------------------------------|
| Bonds Payable | 2,258,811 | - | 122,487 | 2,136,324 |
| Net Pension Liability | 13,392,646 | 33,116 | 7,068,140 | 6,357,622 |
| Net Health Care | | | | |
| Trust Fund Liability | <u>305,831</u> | <u>34,455</u> | <u>22,761</u> | <u>317,525</u> |
| Total | <u>15,957,288</u> | <u>67,571</u> | <u>7,213,388</u> | <u>8,811,471</u> |

In November of 2011 the voters of the District approved a bond issue in the amount of \$2,900,663 to supplement BEST awarded by the State of Colorado to build a new school building on purchased land. Principal payments are due each December 1, and interest payments are due on June 1 and December 1.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Notes to the Financial Statements
June 30, 2019
(continued)

Debt Service requirements to maturity:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|------------------|-----------------|----------------|
| 6/30/2020 | 127,531 | 85,358 | 212,889 |
| 6/30/2021 | 132,784 | 79,998 | 212,782 |
| 6/30/2022 | 138,252 | 74,416 | 212,668 |
| 6/30/2023 | 143,946 | 68,605 | 212,551 |
| 6/30/2024 | 149,874 | 62,555 | 212,429 |
| 2024-2029 | 847,204 | 212,926 | 1,060,130 |
| 2029-2032 | <u>596,733</u> | <u>37,526</u> | <u>634,259</u> |
| Total | 2,136,324 | 621,384 | 2,757,708 |

(4) OTHER INFORMATION

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

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

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve-month period from September 1 to August 31 but are earned over a school year of approximately a nine-month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. Operating Transfers In (Out) - The General Fund transferred \$37,203 to the Food Services Fund, \$30,000 to the Student Activity Fund, and \$85,000 to the Capital Projects Fund.
- D. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

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.* The bill was

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases 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.

General Information about the Pension Plan

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

Benefits provided as of December 31, 2018. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 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 will receive the lesser of an annual increase of 1.5 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. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2019: Eligible employees, of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

| | January 1, 2018 Through December 31, 2018 | January 1, 2019 Through June 30, 2019 |
|--|---|---|
| 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 | 5.50% | 5.50% |
| Total employer contribution rate to the SCHDTF | 19.13% | 19.13% |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$392,194 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on June 30, 2019 contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the District reported a liability of \$6,357,622 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|---|-------------|
| District's proportionate share of the net pension liability | \$6,357,622 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District. | \$764,748 |
| Total | \$7,122,370 |

At December 31, 2018, the District's proportion was 0.0359044573 percent, which was a decrease of 0.0055121104 percent from its proportion measured as of December 31, 2017.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

For the year ended June 30, 2019, the District recognized pension income of \$802,058 and revenue of \$4,466 for support from the State as a nonemployer contributing entity. At June 30, 2019, the District 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 | 215,658 | 0 |
| Changes of assumptions or other inputs | 1,186,678 | 3,953,755 |
| Net difference between projected and actual earnings on pension plan investments | 346,530 | 0 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 0 | 1,034,009 |
| Contributions subsequent to the measurement date | 198,864 | N/A |
| Total | 1,947,730 | 4,987,764 |

There was \$198,864 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. 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 ending June 30: | |
|----------------------|-----------|
| 2020 | (415,755) |
| 2021 | (390,349) |
| 2022 | (227,903) |
| 2023 | 0 |
| 2024 | 0 |
| Thereafter | 0 |

Actuarial assumptions. The total pension liability in the December 31, 2017 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 | 4.78 percent |
| Post-retirement benefit increases: | |
| PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) | 2.00 percent compounded annually |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) | Financed by the Annual Increase Reserve |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

| | |
|---|---|
| Discount rate | 7.25 percent |
| Post-retirement benefit increases: | |
| PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) | 0% through 2019 and 1.5% compounded annually, thereafter |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) | Financed by the Annual Increase Reserve |

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

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

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

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

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

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 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:

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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 for each year, including the scheduled increase in SB 18-200. Employer contributions also include the 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.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

- 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. 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 middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25 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 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 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 (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 pension liability | 8,082,628 | 6,357,622 | 4,910,050 |

Pension plan fiduciary net position. Detailed information about the SCHDTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

E. Other Post-Employment Benefits

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Notes to Financial Statements
June 30, 2019
(continued)

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount. For benefit recipients who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, C.R.S. § 24-51-1206(4) provides an additional subsidy. According to the statute, PERA cannot charge premiums to benefit recipients without Medicare Part A that are greater than premiums charged to benefit recipients with Part A for the same plan option, coverage level, and service credit. Currently, for each individual PERACare enrollee, the total premium for Medicare coverage is determined assuming plan participants have both Medicare Part A and Part B and the difference in premium cost is paid by the HCTF or the DPS HCTF on behalf of benefit recipients not covered by Medicare Part A.

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$20,912 for the year ended June 30, 2019.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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

At June 30, 2019, the District reported a liability of \$317,525 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.0233380925 percent, which was a decrease of 0.0001946281 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$15,247. At June 30, 2019, the District 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 | 1,152 | 483 |
| Changes of assumptions or other inputs | 2,227 | 0 |
| Net difference between projected and actual earnings on OPEB plan investments | 1,826 | 0 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 43,312 | 2,136 |
| Contributions subsequent to the measurement date | 10,603 | N/A |
| Total | 59,120 | 2,619 |

There was \$10,603 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. 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 ending June 30: | |
|----------------------|--------|
| 2020 | 10,166 |
| 2021 | 10,166 |
| 2022 | 10,166 |
| 2023 | 10,166 |
| 2024 | 529 |
| Thereafter | (17) |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

| | |
|---|--|
| Actuarial cost method | Entry age |
| Price inflation | 2.40 percent |
| Real wage growth | 1.10 percent |
| Wage inflation | 3.50 percent |
| Salary increases, including wage inflation | 3.50 percent in aggregate |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Health care cost trend rates | |
| PERA benefit structure: | |
| Service-based premium subsidy | 0.00 percent |
| PERACare Medicare plans | 5.00 percent |
| Medicare Part A premiums | 3.25 percent for 2018, gradually rising to 5.00 percent in 2025 |

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. The actuarial assumptions used in the December 31, 2017, 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 discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

| Medicare Plan | Cost for Members Without Medicare Part A | Premiums for Members Without Medicare Part A |
|--|--|--|
| Self-Funded Medicare Supplement Plans | \$736 | \$367 |
| Kaiser Permanente Medicare Advantage HMO | 602 | 236 |
| Rocky Mountain Health Plans Medicare HMO | 611 | 251 |
| UnitedHealthcare Medicare HMO | 686 | 213 |

The 2018 Medicare Part A premium is \$422 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

| Medicare Plan | Cost for Members Without Medicare Part A |
|--|--|
| Self-Funded Medicare Supplement Plans | \$289 |
| Kaiser Permanente Medicare Advantage HMO | 300 |
| Rocky Mountain Health Plans Medicare HMO | 270 |
| UnitedHealthcare Medicare HMO | 400 |

All costs are subject to the health care cost trend rates, as discussed below.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, 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 |
|-------|-------------------------|--------------------------|
| 2018 | 5.00% | 3.25% |
| 2019 | 5.00% | 3.50% |
| 2020 | 5.00% | 3.75% |
| 2021 | 5.00% | 4.00% |
| 2022 | 5.00% | 4.25% |
| 2023 | 5.00% | 4.50% |
| 2024 | 5.00% | 4.75% |
| 2025+ | 5.00% | 5.00% |

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 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.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- 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 2018 plan year.
- 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 long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Notes to Financial Statements
 June 30, 2019
 (continued)

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

| | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|-------------------------------------|----------------------------|---------------------|----------------------------|
| PERACare Medicare trend rate | 4.00% | 5.00% | 6.00% |
| Initial Medicare Part A trend rate | 2.25% | 3.25% | 4.25% |
| Ultimate Medicare Part A trend rate | 4.00% | 5.00% | 6.00% |
| Net OPEB Liability | 308,756 | 317,525 | 327,609 |

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, 2018, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process 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 middle of the year.

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

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

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|---|---------------------|-------------------------------|---------------------|
| Proportionate share of the net OPEB liability | 355,282 | 317,525 | 285,245 |

OPEB plan fiduciary net position. Detailed information about the HCTF's fiduciary net position is available in PERA's CAFR which can be obtained at www.copera.org/investments/pera-financial-reports.

BIG SANDY SCHOOL DISTRICT NUMBER 100J

Simla, Colorado

Notes to Financial Statements

June 30, 2019

(continued)

- F. Joint Venture - The District participates in the Pikes Peak Board of Cooperative Educational Services (BOCES) which is not reflected in these financial statements. One member of BOCES is from the District. The Board of BOCES has final authority for all budgeting and financing of the joint venture.

Each member pays a membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members.

At June 30, 2018, total assets were \$13,918,470, deferred outflows were \$15,064,407, total liabilities were \$38,943,855, deferred inflows were \$2,928,306 total net position was (\$12,908,267), revenues were \$11,285,021, and expenses were \$12,315,508.

Complete financial statements can be obtained from their office at 2883 S Circle Drive, Colorado Springs, CO, 80915.



REQUIRED SUPPLEMENTARY INFORMATION

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Budgetary Comparison Schedule - Major Funds
For the Year Ended June 30, 2019

General Fund

| | <u>Budgeted Amounts</u> | | | Variance With |
|---|-------------------------|------------------|------------------|--|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | Final Budget Positive (Negative) |
| REVENUES | | | | |
| Local sources | 561,689 | 561,689 | 918,647 | 356,958 |
| State sources | 3,078,787 | 3,078,787 | 3,126,576 | 47,789 |
| Federal sources | <u>73,502</u> | <u>73,502</u> | <u>73,873</u> | <u>371</u> |
| Total Revenues | 3,713,978 | 3,713,978 | 4,119,096 | 405,118 |
| EXPENDITURES | | | | |
| Current | | | | |
| Instruction | 2,339,056 | 2,339,056 | 2,216,082 | 122,974 |
| Supporting Services | | | | |
| Pupils | 92,242 | 92,242 | 85,131 | 7,111 |
| Instructional staff - library | 59,758 | 59,758 | 58,900 | 858 |
| General administration | 207,428 | 207,428 | 195,519 | 11,909 |
| School administration | 193,502 | 193,502 | 183,187 | 10,315 |
| Business services | 66,175 | 66,175 | 58,973 | 7,202 |
| Operations and maintenance | 439,991 | 439,991 | 390,681 | 49,310 |
| Pupil transportation | 270,514 | 270,514 | 246,732 | 23,782 |
| Central services | 145,928 | 145,928 | 117,467 | 28,461 |
| Community services | 2,500 | 2,500 | 279 | 2,221 |
| Appropriated reserves | 870,545 | 870,545 | 0 | 870,545 |
| Capital outlay | <u>130,200</u> | <u>130,200</u> | <u>157,277</u> | <u>(27,077)</u> |
| Total Expenditures | <u>4,817,839</u> | <u>4,817,839</u> | <u>3,710,229</u> | <u>1,107,610</u> |
| Excess of revenues over (under) | | | | |
| Expenditures | (1,103,861) | (1,103,861) | 408,866 | 1,512,727 |
| Other Sources (Uses) | | | | |
| Operating Transfers In (Out) | <u>(175,000)</u> | <u>(175,000)</u> | <u>(152,203)</u> | <u>22,797</u> |
| Excess of revenues and other sources over | | | | |
| (under) expenditures and other uses | (1,278,861) | (1,278,861) | 256,664 | 1,535,525 |
| Fund Balance - Beginning | <u>1,278,861</u> | <u>1,278,861</u> | <u>1,267,473</u> | <u>(11,388)</u> |
| Fund Balance - Ending | <u>0</u> | <u>0</u> | <u>1,524,136</u> | <u>1,524,136</u> |

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado

Schedule of District's Proportionate Share of the Net Pension Liability-PERA School Division Trust Fund

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Proportion (percentage) of the collective net pension liability | 0.035904% | 0.041417% | 0.041880% | 0.043284% | 0.043284% | 0.045355% |
| Proportionate share of the collective net pension liability | 6,357,622 | 13,392,646 | 12,469,185 | 6,488,056 | 5,866,462 | 5,638,547 |
| Covered payroll | 1,973,844 | 1,910,496 | 1,879,631 | 1,828,770 | 1,778,937 | 1,787,198 |
| Proportionate share of the net pension liability as a percentage of its covered payroll | 322.09% | 701.00% | 663.38% | 354.78% | 329.77% | 315.50% |
| Plan fiduciary net position as a percentage of total pension liability | 57.01% | 43.96% | 43.10% | 59.20% | 62.80% | 64.06% |

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J

Simla, Colorado

Schedule of Contributions and Related Ratios-PERA School Division Trust Fund

Last 10 Fiscal Years

| As of June 30, | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Statutorily required contributions | 392,194 | 361,642 | 348,644 | 324,081 | 301,977 | 288,234 | 269,025 | 258,911 | 239,565 | 224,642 |
| Contributions in relation to the statutorily required contribution | <u>392,194</u> | <u>361,642</u> | <u>348,644</u> | <u>324,081</u> | <u>301,977</u> | <u>288,234</u> | <u>269,025</u> | <u>258,911</u> | <u>239,565</u> | <u>224,642</u> |
| Contribution deficiency (excess) | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Covered payroll | 2,050,178 | 1,915,333 | 1,896,590 | 1,826,464 | 1,788,276 | 1,804,308 | 1,785,062 | 1,824,958 | 1,803,182 | 1,814,832 |
| Contributions as a percentage of covered payroll | 19.13% | 18.88% | 18.38% | 17.74% | 16.89% | 15.97% | 15.07% | 14.19% | 13.29% | 12.38% |

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Schedule of District's Proportionate Share of the Net Other Post-Employment Benefit
 Liability-Health Care Trust Fund

| | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|-------------|-------------|-------------|
| Proportion (percentage) of the collective net OPEB liability | 0.023338% | 0.023533% | 0.018618% |
| Proportionate share of the collective net OPEB liability | 317,525 | 305,831 | 241,387 |
| Covered payroll | 1,973,844 | 1,910,496 | 1,879,631 |
| Proportionate share of the net OPEB liability as a percentage of its covered payroll | 16.09% | 16.01% | 12.84% |
| Plan fiduciary net position as a percentage of total OPEB liability | 17.03% | 17.53% | N/A |

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

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Schedule of Contributions and Related Ratios-Health Care Trust Fund

| As of June 30, | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|---------------|---------------|---------------|
| Statutorily required contributions | 20,912 | 19,536 | 19,345 |
| Contributions in relation to the statutorily required contribution | <u>20,912</u> | <u>19,536</u> | <u>19,345</u> |
| Contribution deficiency (excess) | <u>0</u> | <u>0</u> | <u>0</u> |
| Covered payroll | 2,050,178 | 1,915,333 | 1,896,590 |
| Contributions as a percentage of covered payroll | 1.02% | 1.02% | 1.02% |

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

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



OTHER INFORMATION

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Combining Balance Sheet
 Nonmajor Governmental Funds
 At June 30, 2019

| | <u>Special Revenue Funds</u> | | | | | <u>Total</u> |
|---|------------------------------|--------------------|-----------------------------|-----------------------------|----------------------------|--------------------|
| | <u>Food Service</u> | <u>Scholarship</u> | <u>Student Activity</u> | <u>Capital Projects</u> | <u>Bond Redemption</u> | |
| ASSETS | | | | | | |
| Cash and cash equivalents | 13,273 | 71 | 18,029 | 200,299 | 192,470 | 424,142 |
| Certificates of deposit | 0 | 48,000 | 0 | 0 | 0 | 48,000 |
| Accounts and grants receivable | 699 | 0 | 0 | 0 | 0 | 699 |
| Accrued property taxes receivable | 0 | 0 | 0 | 0 | 28,221 | 28,221 |
| Inventory | <u>3,023</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>3,023</u> |
| Total Assets | <u>16,996</u> | <u>48,071</u> | <u>18,029</u> | <u>200,299</u> | <u>220,691</u> | <u>504,085</u> |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Current Liabilities | | | | | | |
| Accrued salaries and benefits | 5,502 | 0 | 0 | 0 | 0 | 5,502 |
| Unearned revenue | <u>1,718</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,718</u> |
| Total Liabilities | 7,221 | 0 | 0 | 0 | 0 | 7,221 |
| FUND BALANCE | | | | | | |
| Restricted | 0 | 48,071 | 0 | 0 | 220,691 | 268,762 |
| Committed | 0 | 0 | 0 | 200,299 | 0 | 200,299 |
| Nonspendable | 3,023 | 0 | 0 | 0 | 0 | 3,023 |
| Assigned | <u>6,752</u> | <u>0</u> | <u>18,029</u> | <u>0</u> | <u>0</u> | <u>24,780</u> |
| Total Fund Balances | <u>9,775</u> | <u>48,071</u> | <u>18,029</u> | <u>200,299</u> | <u>220,691</u> | <u>496,865</u> |
| Total Liabilities and Fund Balance | <u>16,996</u> | <u>48,071</u> | <u>18,029</u> | <u>200,299</u> | <u>220,691</u> | <u>504,085</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2019

| | <u>Special Revenue Funds</u> | | | | | <u>Total</u> |
|---|------------------------------|--------------------|-------------------------|-------------------------|------------------------|----------------|
| | <u>Food Service</u> | <u>Scholarship</u> | <u>Student Activity</u> | <u>Capital Projects</u> | <u>Bond Redemption</u> | |
| REVENUES | | | | | | |
| Local Sources | | | | | | |
| Investment interest | 27 | 970 | 0 | 7,254 | 409 | 8,660 |
| Property taxes | 0 | 0 | 0 | 0 | 222,887 | 222,887 |
| Other | 53,523 | 0 | 25,707 | 0 | 0 | 79,229 |
| State Sources | 3,144 | 0 | 0 | 0 | 0 | 3,144 |
| Federal Sources | <u>53,917</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>53,917</u> |
| Total Revenues | 110,611 | 970 | 25,707 | 7,254 | 223,297 | 367,838 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| Other | 153,091 | 1,000 | 44,409 | 80,569 | 750 | 279,820 |
| Capital Outlay | 0 | 0 | 0 | 283,434 | 0 | 283,434 |
| Debt Service | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>212,994</u> | <u>212,994</u> |
| Total Expenditures | <u>153,091</u> | <u>1,000</u> | <u>44,409</u> | <u>364,003</u> | <u>213,744</u> | <u>776,247</u> |
| Revenues over (under) | | | | | | |
| Expenditures | (42,480) | (30) | (18,703) | (356,749) | 9,553 | (408,409) |
| Other Financing Sources (Uses) | | | | | | |
| Operating Transfers In (Out) | <u>37,203</u> | <u>0</u> | <u>30,000</u> | <u>85,000</u> | <u>0</u> | <u>152,203</u> |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | (5,278) | (30) | 11,297 | (271,749) | 9,553 | (256,206) |
| Fund Balance - Beginning | <u>15,053</u> | <u>48,102</u> | <u>6,731</u> | <u>472,048</u> | <u>211,138</u> | <u>753,071</u> |
| Fund Balance - Ending | <u>9,775</u> | <u>48,071</u> | <u>18,029</u> | <u>200,299</u> | <u>220,691</u> | <u>496,865</u> |

GENERAL FUND

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 General Fund
 Comparative Balance Sheet

| ASSETS | <u>6/30/19</u> | <u>6/30/18</u> | <u>Change</u> |
|---------------------------------------|------------------|------------------|----------------|
| Cash | | | |
| On hand | 100 | 100 | 0 |
| In bank | 1,818,123 | 1,544,663 | 273,460 |
| With county treasurer | <u>698</u> | <u>0</u> | <u>698</u> |
| Total Cash | 1,818,921 | 1,544,763 | 274,158 |
| Accounts and grants receivable | 0 | 12,343 | (12,343) |
| Accrued property taxes receivable | <u>58,539</u> | <u>31,483</u> | <u>27,057</u> |
| Total Assets | <u>1,877,460</u> | <u>1,588,589</u> | <u>288,871</u> |
| | | | |
| LIABILITIES AND FUND BALANCE | | | |
| Liabilities | | | |
| Accounts payable | 4,598 | 39 | 4,559 |
| Accrued salaries and benefits payable | <u>348,726</u> | <u>321,078</u> | <u>27,648</u> |
| Total Liabilities | 353,324 | 321,117 | 32,207 |
| Fund Balance | | | |
| Restricted for TABOR reserve | 119,339 | 117,682 | 1,658 |
| Restricted preschool | 6,144 | 11,388 | (5,244) |
| Unassigned | <u>1,398,652</u> | <u>1,138,402</u> | <u>260,250</u> |
| Total Fund Balance | <u>1,524,136</u> | <u>1,267,473</u> | <u>256,664</u> |
| Total Liabilities and Fund Balance | <u>1,877,460</u> | <u>1,588,589</u> | <u>288,871</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 General Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|--|------------------|------------------|--|--------------------------------|
| LOCAL SOURCES | | | | |
| Property taxes | 458,489 | 459,224 | 735 | 447,117 |
| Specific ownership taxes | 79,200 | 118,504 | 39,304 | 118,445 |
| Delinquent taxes and interest | 0 | 1,207 | 1,207 | 1,693 |
| Interest on investments | 14,000 | 31,902 | 17,902 | 17,546 |
| Indirect costs | 0 | 5,067 | 5,067 | 5,314 |
| Other | <u>10,000</u> | <u>302,742</u> | <u>292,742</u> | <u>481,880</u> |
| Total Local Sources | 561,689 | 918,647 | 356,958 | 1,071,994 |
| STATE SOURCES | | | | |
| State equalization | 2,836,098 | 2,834,203 | (1,895) | 2,694,996 |
| Vocational education | 64,721 | 51,489 | (13,232) | 60,397 |
| Transportation | 59,338 | 60,421 | 1,083 | 65,083 |
| Special funding for PERA | 0 | 50,044 | 50,044 | 0 |
| BOCES flowthrough | 0 | 4,037 | 4,037 | 0 |
| Other | <u>118,630</u> | <u>126,381</u> | <u>7,751</u> | <u>120,247</u> |
| Total State Sources | 3,078,787 | 3,126,576 | 47,789 | 2,940,723 |
| FEDERAL SOURCES | | | | |
| Total Revenues | <u>73,502</u> | <u>73,873</u> | <u>371</u> | <u>58,893</u> |
| Expenditures | 3,713,978 | 4,119,096 | 405,118 | 4,071,611 |
| Excess of Revenues over (under) Expenditures | <u>4,817,839</u> | <u>3,710,229</u> | <u>1,107,610</u> | <u>3,684,633</u> |
| Other Financing Sources (Uses) Operating Transfers In (Out) | (1,103,861) | 408,866 | 1,512,727 | 386,977 |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | <u>(175,000)</u> | <u>(152,203)</u> | <u>22,797</u> | <u>(135,906)</u> |
| Fund Balance - Beginning | (1,278,861) | 256,664 | 1,535,525 | 251,071 |
| Fund Balance - Ending | <u>1,278,861</u> | <u>1,267,473</u> | <u>(11,388)</u> | <u>1,016,401</u> |
| Fund Balance - Ending | <u>0</u> | <u>1,524,136</u> | <u>1,524,136</u> | <u>1,267,473</u> |

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> | Prior Year <u>Actual</u> |
|---------------------------------|---------------|---------------|---|--------------------------------|
| INSTRUCTION | | | | |
| Current | | | | |
| Salaries | 1,497,481 | 1,471,055 | 26,426 | 1,353,496 |
| Employee benefits | 511,060 | 502,176 | 8,884 | 429,240 |
| Purchased services | 149,700 | 135,940 | 13,760 | 95,148 |
| Supplies and expenses | 178,465 | 104,843 | 73,622 | 114,393 |
| Other | 2,350 | 2,068 | 282 | 1,323 |
| Capital outlay | <u>80,700</u> | <u>50,160</u> | <u>30,540</u> | <u>13,935</u> |
| Total Instruction | 2,419,756 | 2,266,243 | 153,513 | 2,007,535 |
| SUPPORTING SERVICES | | | | |
| Pupil Guidance | | | | |
| Current | | | | |
| Salaries | 48,875 | 51,319 | (2,444) | 48,835 |
| Employee benefits | 16,317 | 16,177 | 140 | 14,613 |
| Purchased services | 23,000 | 16,940 | 6,060 | 16,507 |
| Supplies and expenses | 4,050 | 695 | 3,355 | 608 |
| Capital outlay | <u>400</u> | <u>0</u> | <u>400</u> | <u>0</u> |
| Total Pupil Guidance | 92,642 | 85,131 | 7,511 | 80,562 |
| Instructional Staff-Library | | | | |
| Current | | | | |
| Salaries | 31,044 | 31,739 | (695) | 30,813 |
| Employee benefits | 10,564 | 10,519 | 45 | 9,586 |
| Purchased services | 8,400 | 6,191 | 2,209 | 6,165 |
| Supplies and expenses | 9,750 | 10,451 | (701) | 8,355 |
| Capital outlay | <u>500</u> | <u>0</u> | <u>500</u> | <u>0</u> |
| Total Instructional Staff | 60,258 | 58,900 | 1,358 | 54,919 |
| Superintendent | | | | |
| Current | | | | |
| Salaries | 144,809 | 136,809 | 8,000 | 121,824 |
| Employee benefits | 40,919 | 41,322 | (403) | 34,322 |
| Purchased services | 10,000 | 4,787 | 5,213 | 3,813 |
| Supplies and expenses | 3,500 | 1,460 | 2,040 | 2,341 |
| Other expenses | 8,200 | 11,141 | (2,941) | 10,603 |
| Capital outlay | <u>100</u> | <u>0</u> | <u>100</u> | <u>0</u> |
| Total Superintendent | 207,528 | 195,519 | 12,009 | 172,903 |

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018
 (continued)

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|-----------------------------------|---------------|---------------|--|--------------------------------|
| Principals | | | | |
| Current | | | | |
| Salaries | 135,463 | 131,228 | 4,235 | 122,367 |
| Employee benefits | 44,639 | 42,751 | 1,888 | 38,293 |
| Purchased services | 3,300 | 261 | 3,039 | 1,167 |
| Supplies and expenses | 8,000 | 7,402 | 598 | 9,454 |
| Other expenses | 2,100 | 1,545 | 555 | 1,575 |
| Capital outlay | <u>1,000</u> | <u>0</u> | <u>1,000</u> | <u>680</u> |
| Total Principals | 194,502 | 183,187 | 11,315 | 173,536 |
| Accounting | | | | |
| Current | | | | |
| Salaries | 30,400 | 30,400 | 0 | 28,050 |
| Employee benefits | 11,175 | 11,352 | (177) | 9,769 |
| Purchased services | 22,800 | 16,350 | 6,450 | 16,598 |
| Supplies and expenses | 1,800 | 871 | 929 | 3,293 |
| Capital outlay | <u>25,500</u> | <u>14,270</u> | <u>11,230</u> | <u>10,872</u> |
| Total Accounting | 91,675 | 73,243 | 18,432 | 68,583 |
| Operations and Maintenance | | | | |
| Current | | | | |
| Salaries | 161,769 | 154,213 | 7,556 | 150,256 |
| Employee benefits | 52,222 | 48,745 | 3,477 | 44,044 |
| Purchased services | 88,000 | 61,696 | 26,304 | 57,849 |
| Supplies and expenses | 138,000 | 126,027 | 11,973 | 120,187 |
| Capital outlay | <u>5,000</u> | <u>6,725</u> | <u>(1,725)</u> | <u>75,197</u> |
| Total Operations and Maintenance | 444,991 | 397,405 | 47,586 | 447,533 |
| Pupil Transportation | | | | |
| Current | | | | |
| Salaries | 140,009 | 140,987 | (978) | 139,805 |
| Employee benefits | 44,505 | 41,910 | 2,595 | 39,268 |
| Purchased services | 17,000 | 6,604 | 10,396 | 12,660 |
| Supplies and expenses | 69,000 | 57,232 | 11,768 | 59,533 |
| Capital outlay | <u>5,000</u> | <u>4,077</u> | <u>923</u> | <u>345,755</u> |
| Total Pupil Transportation | 275,514 | 250,809 | 24,705 | 597,021 |

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 General Fund
 Statement of Expenditures - Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018
 (continued)

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|---------------------------|------------------|------------------|--|--------------------------------|
| Central Services | | | | |
| Current | | | | |
| Salaries | 37,500 | 29,500 | 8,000 | 0 |
| Benefits | 428 | 10,142 | (9,714) | 0 |
| Purchased services | 108,000 | 77,825 | 30,175 | 78,943 |
| Capital outlay | <u>0</u> | <u>6,440</u> | <u>(6,440)</u> | <u>0</u> |
| Total Central Services | 145,928 | 123,907 | 22,021 | 78,943 |
| Community Services | | | | |
| Purchased services | <u>2,500</u> | <u>279</u> | <u>2,221</u> | <u>79</u> |
| Total Supporting Services | 1,515,538 | 1,368,381 | 147,157 | 1,674,078 |
| Facilities Acquisition | | | | |
| Capital outlay | 12,000 | 75,605 | (63,605) | 3,020 |
| Appropriated Reserves | <u>870,545</u> | <u>0</u> | <u>870,545</u> | <u>0</u> |
| Total Expenditures | <u>4,817,839</u> | <u>3,710,229</u> | <u>1,107,610</u> | <u>3,684,633</u> |



SPECIAL REVENUE FUNDS

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

Scholarship Fund - to account for donations to fund student scholarships and the expenditures for those scholarships.

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

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Food Services Special Revenue Fund
 Comparative Balance Sheet

| | <u>6/30/19</u> | <u>6/30/18</u> | <u>Change</u> |
|---|----------------|----------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash in bank | 13,273 | 18,820 | (5,547) |
| Accounts receivable | 699 | 163 | 537 |
| Inventory | <u>3,023</u> | <u>2,529</u> | <u>494</u> |
| Total Assets | <u>16,996</u> | <u>21,512</u> | <u>(4,516)</u> |
| LIABILITIES AND FUND BALANCE | | | |
| Current Liabilities | | | |
| Accrued salaries and benefits | 5,502 | 4,840 | 662 |
| Unearned revenue | <u>1,718</u> | <u>1,619</u> | <u>100</u> |
| Total Liabilities | 7,221 | 6,459 | 762 |
| Fund Balance | | | |
| Nonspendable | 3,023 | 2,529 | 494 |
| Assigned | <u>6,752</u> | <u>12,523</u> | <u>(5,772)</u> |
| Total Fund Balance | <u>9,775</u> | <u>15,053</u> | <u>(5,278)</u> |
| Total Liabilities and Fund Balance | <u>16,996</u> | <u>21,512</u> | <u>(4,515)</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Food Services Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

| REVENUES | <u>Budget</u> | <u>Actual</u> | Variance- Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|--|----------------|----------------|---|--------------------------------|
| Local Sources | | | | |
| Charges for Service | | | | |
| Food sales | 48,000 | 52,294 | 4,294 | 49,506 |
| Other local | 0 | 1,229 | 1,229 | 1,535 |
| Interest income | 100 | 27 | (73) | 35 |
| State grants | 0 | 3,144 | 3,144 | 924 |
| Federal aid | 46,000 | 47,720 | 1,720 | 45,870 |
| Commodities donated | <u>8,000</u> | <u>6,197</u> | <u>(1,803)</u> | <u>8,699</u> |
| Total Revenues | 102,100 | 110,611 | 8,511 | 106,569 |
| | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| Salaries | 90,000 | 68,562 | 21,438 | 56,589 |
| Benefits | 0 | 28,456 | (28,456) | 20,945 |
| Food and milk | 53,000 | 44,820 | 8,180 | 51,151 |
| Purchased services | 7,000 | 8,660 | (1,660) | 2,890 |
| Supplies | 27,153 | 2,595 | 24,558 | 2,937 |
| Appropriated reserve | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Expenses | <u>177,153</u> | <u>153,091</u> | <u>24,062</u> | <u>134,512</u> |
| | | | | |
| Excess of Revenues over (under) Expenditures | (75,053) | (42,480) | 32,573 | (27,943) |
| | | | | |
| OTHER SOURCES (USES) | | | | |
| Operating Transfer In | <u>60,000</u> | <u>37,203</u> | <u>(22,797)</u> | <u>25,862</u> |
| | | | | |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | (15,053) | (5,278) | 9,775 | (2,081) |
| | | | | |
| Fund Balance - Beginning | <u>15,053</u> | <u>15,053</u> | <u>0</u> | <u>17,133</u> |
| | | | | |
| Fund Balance - Ending | <u>0</u> | <u>9,775</u> | <u>9,775</u> | <u>15,053</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Scholarship Special Revenue Fund
Comparative Balance Sheet

| | <u>6/30/19</u> | <u>6/30/18</u> | <u>Change</u> |
|-------------------------|----------------|----------------|---------------|
| ASSETS | | | |
| Cash | 71 | 102 | (30) |
| Certificates of deposit | <u>48,000</u> | <u>48,000</u> | <u>0</u> |
| Total Assets | <u>48,071</u> | <u>48,102</u> | <u>(30)</u> |
| FUND BALANCE | | | |
| Restricted | <u>48,071</u> | <u>48,102</u> | <u>(30)</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Scholarship Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

| REVENUES | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | <u>Prior Year Actual</u> |
|------------------------------------|---------------|---------------|--|----------------------------------|
| Local Sources | | | | |
| Interest | <u>960</u> | <u>970</u> | <u>10</u> | <u>866</u> |
| Total Revenues | <u>960</u> | <u>970</u> | <u>10</u> | <u>866</u> |
| EXPENDITURES | | | | |
| Scholarships paid | <u>49,062</u> | <u>1,000</u> | <u>48,062</u> | <u>800</u> |
| Revenues over (under) Expenditures | (48,102) | (30) | 48,071 | 66 |
| Fund Balance - Beginning | <u>48,102</u> | <u>48,102</u> | <u>0</u> | <u>48,036</u> |
| Fund Balance - Ending | <u>0</u> | <u>48,071</u> | <u>48,071</u> | <u>48,102</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Student Activity Special Revenue Fund
Comparative Balance Sheet

| | <u>6/30/19</u> | <u>6/30/18</u> | <u>Change</u> |
|--------------|----------------|----------------|---------------|
| ASSETS | | | |
| Cash in bank | <u>18,029</u> | <u>6,731</u> | <u>11,297</u> |
| | | | |
| FUND BALANCE | | | |
| Assigned | <u>18,029</u> | <u>6,731</u> | <u>11,297</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Student Activity Special Revenue Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

| REVENUES | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|---|---------------|---------------|--|--------------------------------|
| Local Sources | | | | |
| Gate revenue | 55,000 | 21,240 | (33,760) | 25,269 |
| Season passes | 2,000 | 2,673 | 673 | 660 |
| Event fees | 1,000 | 1,454 | 454 | 2,177 |
| Donations | <u>0</u> | <u>340</u> | <u>340</u> | <u>0</u> |
| Total Revenue | 58,000 | 25,707 | (32,293) | 28,106 |
| EXPENDITURES | | | | |
| Current | | | | |
| Athletics | | | | |
| Purchased services | 20,000 | 16,369 | 3,631 | 16,431 |
| Travel, registration and entry fees | 20,000 | 9,585 | 10,415 | 18,884 |
| Supplies | 20,000 | 14,175 | 5,825 | 13,950 |
| Non capital equipment | <u>28,731</u> | <u>0</u> | <u>28,731</u> | <u>0</u> |
| Total Athletics | 88,731 | 40,129 | 48,603 | 49,264 |
| Non Athletic | | | | |
| Other | <u>6,000</u> | <u>4,281</u> | <u>1,719</u> | <u>1,908</u> |
| Total Expenditures | <u>94,731</u> | <u>44,409</u> | <u>50,322</u> | <u>51,172</u> |
| Revenue over (under) Expenditures | (36,731) | (18,703) | 18,029 | (23,067) |
| Other Financing Sources | | | | |
| Operating Transfers In | <u>30,000</u> | <u>30,000</u> | <u>0</u> | <u>25,044</u> |
| Revenues and Other Financing Sources over (under) Expenditures | (6,731) | 11,297 | 18,029 | 1,977 |
| Fund Balance - Beginning | <u>6,731</u> | <u>6,731</u> | <u>0</u> | <u>4,754</u> |
| Fund Balance - Ending | <u>0</u> | <u>18,029</u> | <u>18,029</u> | <u>6,731</u> |

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

DEBT SERVICE FUND

Bond Redemption Fund – to account for payment of principle and interest on bonds. Financing is provided by a specific annual property tax levy.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Bond Redemption Debt Service Fund
Comparative Balance Sheet

| | <u>6/30/19</u> | <u>6/30/18</u> | <u>Change</u> |
|-----------------------------------|----------------|----------------|---------------|
| ASSETS | | | |
| Cash in bank | 192,131 | 195,733 | (3,601) |
| Cash with county treasurer | 338 | 0 | 338 |
| Accrued property taxes receivable | <u>28,221</u> | <u>15,405</u> | <u>12,816</u> |
| Total Assets | <u>220,691</u> | <u>211,138</u> | <u>9,553</u> |
| FUND BALANCE | | | |
| Restricted for bond redemption | <u>220,691</u> | <u>211,138</u> | <u>9,553</u> |

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

| | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|--|----------------|----------------|--|--------------------------------|
| REVENUES | | | | |
| Property taxes | 221,985 | 222,887 | 902 | 222,407 |
| Specific ownership taxes | 1,000 | 0 | (1,000) | 0 |
| Interest | <u>100</u> | <u>409</u> | <u>309</u> | <u>416</u> |
| Total Revenues | 223,085 | 223,297 | 211 | 222,824 |
| EXPENDITURES | | | | |
| Bond interest | 91,000 | 90,507 | 493 | 95,451 |
| Bond principal | 125,000 | 122,487 | 2,513 | 117,641 |
| Other | 1,500 | 750 | 750 | 750 |
| Contingency reserve | <u>216,723</u> | <u>0</u> | <u>216,723</u> | <u>0</u> |
| Total Expenditures | <u>434,223</u> | <u>213,744</u> | <u>220,479</u> | <u>213,842</u> |
| Revenues over (under) Expenditures and Other Uses | (211,138) | 9,553 | 220,691 | 8,981 |
| Fund Balance - Beginning | <u>211,138</u> | <u>211,138</u> | 0 | <u>202,156</u> |
| Fund Balance - Ending | <u>0</u> | <u>220,691</u> | <u>220,691</u> | <u>211,138</u> |

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



CAPITAL PROJECTS FUND

Capital Reserve Capital Projects Fund - to account for acquisition of land or improvements and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishing therein; construction of additions to existing structures; procurement of equipment for new buildings and additions to existing buildings and installation thereof; alterations and improvements to existing structures, installment purchase agreements or lease agreements with an option to purchase for a period not to exceed twenty years under which a school district becomes entitled to the use of real property and related equipment for a school site, building, or structure. Also allowed are lease agreements with option to purchase for a period of one year or less, including lease agreements consisting of a series of one-year terms renewable at the option of the district. Financing is provided by a transfer from the General Fund.

BIG SANDY SCHOOL DISTRICT NUMBER 100J
Simla, Colorado
Capital Reserve Capital Projects Fund
Comparative Balance Sheet

| | <u>6/30/19</u> | <u>6/30/18</u> | <u>Change</u> |
|--------------|----------------|----------------|------------------|
| ASSETS | | | |
| Cash in bank | <u>200,299</u> | <u>472,048</u> | <u>(271,749)</u> |
| | | | |
| FUND BALANCE | | | |
| Committed | <u>200,299</u> | <u>472,048</u> | <u>(271,749)</u> |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Capital Reserve Capital Projects Fund
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

| REVENUES | <u>Budget</u> | <u>Actual</u> | Variance Favorable (Unfavorable) | Prior Year <u>Actual</u> |
|---|----------------|----------------|--|--------------------------------|
| Local Sources | | | | |
| Interest on investments | 5,000 | 7,254 | 2,254 | 6,021 |
| Sale of fixed assets | <u>0</u> | <u>0</u> | <u>0</u> | <u>193,598</u> |
| Total Revenues | 5,000 | 7,254 | 2,254 | 199,619 |
| | | | | |
| EXPENDITURES | | | | |
| Current | | | | |
| Repairs | 0 | 80,569 | (80,569) | 3,000 |
| Capital Outlay | | | | |
| New construction | 345,000 | 283,434 | 61,566 | 8,480 |
| Building | 0 | 0 | 0 | 53,829 |
| Equipment | 92,048 | 0 | 92,048 | 0 |
| Non capital outlay | <u>125,000</u> | <u>0</u> | <u>125,000</u> | <u>0</u> |
| Total Expenditures | <u>562,048</u> | <u>364,003</u> | <u>198,045</u> | <u>65,310</u> |
| | | | | |
| Excess of Revenues over (under) Expenditures | (557,048) | (356,749) | 200,299 | 134,309 |
| | | | | |
| Other Financing Sources | | | | |
| Operating Transfers In | <u>85,000</u> | <u>85,000</u> | <u>0</u> | <u>85,000</u> |
| | | | | |
| Excess of Revenues and Other Sources over (under) Expenditures | (472,048) | (271,749) | 200,299 | 219,309 |
| | | | | |
| Fund Balance - Beginning | <u>472,048</u> | <u>472,048</u> | <u>0</u> | <u>252,739</u> |
| | | | | |
| Fund Balance - Ending | <u>0</u> | <u>200,299</u> | <u>200,299</u> | <u>472,048</u> |



AGENCY FUND

Student Activity Fund – to act as custodian for the classes and activities of the District

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities - Budget and Actual
 For the Year Ended June 30, 2019

| | <u>Balance</u> <u>7/1/2018</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Balance</u> <u>6/30/2019</u> |
|--------------------------|-----------------------------------|-----------------|---------------------|------------------------------------|
| Student Activity | 2,896 | 15,400 | 14,026 | 4,270 |
| Library Activity | 477 | 3,801 | 3,828 | 450 |
| Have a Heart Scholarship | 0 | 500 | 500 | 0 |
| Scholarship - Anonymous | 0 | 7,500 | 7,500 | 0 |
| SADD | 167 | 0 | 24 | 143 |
| Flower Fund | 296 | 106 | 218 | 183 |
| Colorado On Line Tuition | 1,045 | 2,888 | 1,618 | 2,315 |
| College Tuition | 1,672 | 6,341 | 113 | 7,900 |
| Health Insurance | 2,327 | 820 | 1,453 | 1,694 |
| JH Boys Basketball | 190 | 0 | 100 | 90 |
| Jr High Girls Basketball | 403 | 1,642 | 1,841 | 204 |
| Medical 18-19 | 3,897 | 19,790 | 20,000 | 3,686 |
| Secondary Admin Gift | 411 | 433 | 500 | 344 |
| T R Hamacher Scholarship | 1,000 | 4,000 | 5,000 | 0 |
| Day Care 2018-19 | 0 | 450 | 450 | 0 |
| Athletics | 304 | 2,351 | 2,601 | 54 |
| Fun Run | 713 | 5,470 | 5,740 | 443 |
| Cheerleading | 149 | 772 | 616 | 304 |
| Girls Summer Basketball | (87) | 751 | 234 | 430 |
| Elementary Football | 524 | 0 | 150 | 374 |
| Football | 373 | 1,314 | 1,686 | 1 |
| Huddle, Site Licensing | 5,300 | 0 | 1,999 | 3,301 |
| Elementary Volleyball | 186 | 0 | 0 | 186 |
| Summer Volleyball | 272 | 2,312 | 1,378 | 1,206 |
| Jr High Volleyball | 165 | 603 | 603 | 165 |
| Wrestling | 567 | 100 | 0 | 667 |
| Boys Summer BB | 361 | 755 | 1,083 | 34 |
| Baseball | 1,151 | 14 | 50 | 1,115 |

BIG SANDY SCHOOL DISTRICT NUMBER 100J
 Simla, Colorado
 Student Activity Special Revenue Fund
 Statement of Changes in Assets and Liabilities - Budget and Actual
 For the Year Ended June 30, 2019
 (continued)

| | <u>Balance</u> <u>7/1/2018</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Balance</u> <u>6/30/2019</u> |
|--------------------------------------|-----------------------------------|---------------------|---------------------|------------------------------------|
| True Sport | 316 | 0 | 30 | 286 |
| Track | 335 | 6,170 | 6,151 | 354 |
| Cubs Crew | 0 | 1,144 | 814 | 330 |
| Jr High Track | 79 | 0 | 0 | 79 |
| Jr High Football | 0 | 993 | 993 | 0 |
| Class of 2018 | 1,073 | 0 | 1,073 | 0 |
| 6th Grade Class | 0 | 547 | 404 | 143 |
| Class of 2019 | 7,683 | 17,246 | 23,930 | 999 |
| Class of 2020 | 4,696 | 16,708 | 10,904 | 10,500 |
| Class of 2021 | 1,084 | 5,792 | 1,072 | 5,804 |
| Class of 2022 | 0 | 5,480 | 2,407 | 3,072 |
| Class of 2023 | 35 | 50 | 32 | 53 |
| Current Yearbooks | 5,307 | 8,931 | 7,445 | 6,793 |
| 2nd Grade Account | 0 | 10 | 0 | 10 |
| FBLA Garden Club | 209 | (209) | 0 | 0 |
| FBLA Fund raiser | 20 | (20) | 0 | 0 |
| VICA | 289 | 1,945 | 2,163 | 71 |
| Industrial Arts | 2,036 | 14,764 | 13,095 | 3,705 |
| Art Fee | 347 | 0 | 347 | 0 |
| Elementary Matchwits | 0 | 213 | 213 | 0 |
| Student Miscellaneous | 175 | 162 | 311 | 27 |
| Elementary Stuco | 183 | 0 | 0 | 183 |
| Interest - checking | 3,977 | 145 | 0 | 4,121 |
| Interest - savings | <u>5,286</u> | <u>529</u> | <u>0</u> | <u>5,815</u> |
| Total | 57,890 | 158,709 | 144,695 | 71,904 |
| Budget | <u>57,890</u> | <u>240,000</u> | <u>297,890</u> | <u>0</u> |
| Variance Favorable (Unfavorable) | <u>0</u> | <u>(81,291)</u> | <u>153,195</u> | <u>71,904</u> |

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 0940 - Big Sandy 100J
 Fiscal Year 2018-19
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

| Fund Type & Number | Beg Fund Balance & Prior Per Adj (6880*) | + | 1000 - 5999 Total Revenues & Other Sources | - | 0001-0999 Total Expenditures & Other Uses | = | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|---|--|---|---|---|---|
| Governmental | | | | | | | |
| 10 General Fund | 1,256,084 | | 3,865,543 | | 3,603,635 | | 1,517,992 |
| 18 Risk Mgmt Sub-Fund of General Fund | 0 | | 0 | | 0 | | 0 |
| 19 Colorado Preschool Program Fund | 11,388 | | 101,350 | | 106,594 | | 6,144 |
| Sub-Total | 1,267,473 | | 3,966,893 | | 3,710,229 | | 1,524,136 |
| 11 Charter School Fund | 0 | | 0 | | 0 | | 0 |
| 20,26-29 Special Revenue Fund | 48,102 | | 970 | | 1,000 | | 48,071 |
| 06 Supplemental Cap Const, Tech, Main, Fund | 0 | | 0 | | 0 | | 0 |
| 21 Food Service Spec Revenue Fund | 15,053 | | 147,814 | | 153,091 | | 9,775 |
| 22 Govt Designated-Purpose Grants Fund | 0 | | 0 | | 0 | | 0 |
| 23 Pupil Activity Special Revenue Fund | 6,731 | | 55,707 | | 44,409 | | 18,029 |
| 24 Full Day Kindergarten Mill Levy Override | 0 | | 0 | | 0 | | 0 |
| 25 Transportation Fund | 0 | | 0 | | 0 | | 0 |
| 31 Bond Redemption Fund | 211,138 | | 223,297 | | 213,744 | | 220,691 |
| 39 Certificate of Participation (COP) Debt Service Fund | 0 | | 0 | | 0 | | 0 |
| 41 Building Fund | 0 | | 0 | | 0 | | 0 |
| 42 Special Building Fund | 0 | | 0 | | 0 | | 0 |
| 43 Capital Reserve Capital Projects Fund | 472,048 | | 92,254 | | 364,003 | | 200,299 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | | 0 | | 0 | | 0 |
| Totals | 2,020,544 | | 4,486,533 | | 4,486,476 | | 2,021,001 |
| Proprietary | | | | | | | |
| 50 Other Enterprise Funds | 0 | | 0 | | 0 | | 0 |
| 64 (63) Risk-Related Activity Fund | 0 | | 0 | | 0 | | 0 |
| 60,65-69 Other Internal Service Funds | 0 | | 0 | | 0 | | 0 |
| Totals | 0 | | 0 | | 0 | | 0 |
| Fiduciary | | | | | | | |
| 70 Other Trust and Agency Funds | 0 | | 0 | | 0 | | 0 |
| 72 Private Purpose Trust Fund | 0 | | 0 | | 0 | | 0 |
| 73 Agency Fund | 0 | | 0 | | 0 | | 0 |
| 74 Pupil Activity Agency Fund | 57,890 | | 158,709 | | 144,695 | | 71,905 |
| 79 GASB 34/Permanent Fund | 0 | | 0 | | 0 | | 0 |
| 85 Foundations | 0 | | 0 | | 0 | | 0 |
| Totals | 57,890 | | 158,709 | | 144,695 | | 71,905 |
| | | | FINAL | | | | |