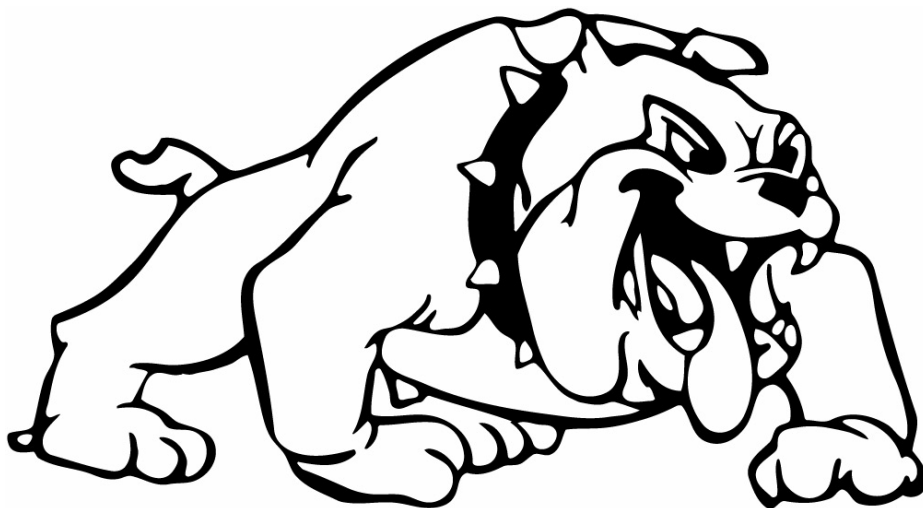


CALHAN SCHOOL DISTRICT RJ-1
Calhan, Colorado

Financial Statements

For the Year Ended June 30, 2019



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 Calhan, Colorado
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 Calhan, Colorado
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Calhan School District RJ-1, as of and for the year ended June 30, 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 Calhan School District RJ-1, 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-f and 28-32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. For the management discussion and analysis we have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

November 25, 2019

CALHAN SCHOOL DISTRICT RJ-1

Management's Discussion and Analysis

Year Ending June 30, 2019

As management of Calhan School District RJ-1 we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2019. We encourage readers to consider the information presented here in conjunction with the information furnished in our financial statements.

Financial Highlights

- The net position of the District decreased by \$656,605 to negative \$3,470,525.
- The District's governmental funds reported unassigned fund balances of \$1,038,414 in the General Fund, a committed fund balance for capital projects in the Capital Reserve Fund of \$2,332.
- The general fund showed a decrease of \$390,967, the capital reserve fund decreased of \$83,234, the food service fund decreased of \$3,775, and the student activity fund decreased of \$3,274.

Overview of the Financial Statements

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

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

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

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

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

Government-Wide Financial Statements

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

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

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2019
(continued)

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

The government-wide statements are divided into two categories:

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

Fund Financial Statements

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In case of Calhan School District, liabilities exceed assets by approximately \$3,470,525 at the close of the most recent fiscal year.

The District's net position is negative \$3,470,525, with \$7,592,597 invested in capital assets (land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The amount invested in capital assets is not available for future spending. Currently the District has no debt for capital assets.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2019
(continued)

The following table will show a comparison of governmental type activities between the fiscal years of 2019 and 2018.

Net Position - Fiscal Year Ended June 30, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>6/30/19</u>	<u>6/30/18</u>
Current and other assets	1,626,827	1,881,852
Capital assets	<u>7,592,597</u>	<u>7,568,662</u>
Total Assets	9,219,424	9,450,514
Deferred Outflows	2,461,378	4,824,719
Current Liabilities	378,794	210,327
Net Health Care Trust Fund Liability	398,441	381,834
Net Pension Liability	<u>7,977,765</u>	<u>16,720,871</u>
Total Liabilities	8,754,999	17,313,032
Unearned Revenue	60,729	2,970
Deferred Inflows	6,335,599	1,086,361
Net Position		
Invested in capital assets	7,592,597	7,568,662
Restricted to TABOR	136,955	136,296
Unrestricted	<u>(11,200,077)</u>	<u>(11,832,088)</u>
Total Net Position	<u>(3,470,525)</u>	<u>(4,127,130)</u>

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2019
(continued)

The net position of the District increased by \$656,605. Most of the governmental activities were financed by taxpayers through state equalization payments and local property taxes.

Change in Net Position
Fiscal Year Ended June 30, 2019 and 2018

	<u>Governmental Activities</u>	
	<u>6/30/19</u>	<u>6/30/18</u>
REVENUES		
Program Revenues		
Charges for service	71,080	106,517
State grants	814,918	647,276
Federal grants	101,623	102,102
General Revenues		
Property taxes	1,079,213	1,062,040
Specific ownership	139,327	122,235
State equalization	2,950,068	2,670,358
Interest	21,452	14,635
Other	<u>22,241</u>	<u>41,683</u>
Total Revenue	5,199,920	4,766,846
EXPENSES		
Instruction	2,556,404	4,347,587
Pupil Services	98,403	241,062
Instructional Services	239,540	309,302
General Administration	129,257	277,494
School Administration	187,147	437,262
Accounting	161,467	263,278
Operations & Maintenance	574,119	544,577
Pupil Transportation	328,115	650,534
District Wide Costs	56,515	58,103
Student Activities	47,671	39,917
Food Services	<u>164,676</u>	<u>283,546</u>
Total Expenses	<u>4,543,315</u>	<u>7,452,661</u>
Increase (Decrease) in Net Position	<u>656,605</u>	<u>(2,685,815)</u>

CALHAN SCHOOL DISTRICT RJ-1
 Management's Discussion and Analysis
 Year Ending June 30, 2019
 (continued)

Financial Analysis of the District's Funds

At June 30, 2019, the District governmental funds reported a combined fund balance of \$1,187,306, which is a decrease of \$481,250.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the unassigned fund balance is \$1,038,414. As a measure of liquidity, it may be useful to compare both the unassigned fund balance to total fund expenditures. Unassigned fund balance represents 21% of total general fund expenditures.

The committed fund balance in the Capital Projects Fund is \$2,332. The Food Service Fund and the Student Activity Special Revenue Funds have assigned balances of \$940 and \$973, respectively. Food Service has nonspendable fund balance of \$7,691 for its inventory.

Capital Assets and Debt Administration

As of June 30, 2019, the District had \$7,592,597 invested in capital assets (net of accumulated depreciation). This was an increase of \$23,935 in net capital assets, net of depreciation expense.

	<u>06/30/19</u>	<u>06/30/18</u>
Sites	92,868	92,868
Site Improvement	455,567	455,567
Buildings	9,277,609	9,277,609
Transportation	1,081,361	967,534
Equipment	<u>717,392</u>	<u>611,764</u>
Total	11,624,797	11,405,342
Accumulated Depreciation	<u>(4,032,200)</u>	<u>(3,836,680)</u>
Net Capital Assets	<u><u>7,592,597</u></u>	<u><u>7,568,662</u></u>

The major fixed assets purchases in the current year was an LED sign (not yet complete) for \$18,179, two storage containers for \$9,760, overhead doors for \$12,982, new computers and security cameras for \$105,818, a welder and plasma cutter for \$11,591, an oven for \$6,406, and one van and 4 buses for a total of \$154,402.

Long Term Debt

The District debt consists of the net pension liability of \$7,977,765 and the net health care trust fund liability of \$398,441.

CALHAN SCHOOL DISTRICT RJ-1
Management's Discussion and Analysis
Year Ending June 30, 2019
(continued)

Major Fund Budgetary Highlights

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

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

Economic Factors and Next Year's Budgets and Rates

The District continues to experience growth in proportion to the eastward movement of population from Colorado Springs. A demographic study was completed ahead of schedule in 2018 that indicated enrollment increases to roughly double the current enrollment in 10 years. While the attempt to increase facilities through bond funding was unsuccessful in November 2019, the issue will be revisited and proposed again in 2020. Due to the anticipated growth in enrollment, an increase in the size of the faculty is also a reasonable prediction, particularly in our elementary school. Additionally, the District will continue to make every effort to increase the availability of Career and Technical Education programs. While a percentage of those costs can be recouped through various grants, increased programming cost can be anticipated.

Additional Financial Information

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

BASIC FINANCIAL STATEMENTS

CALHAN SCHOOL DISTRICT RJ-1
Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	1,126,683
Certificates of deposit	353,655
Accounts/Grants receivable	72,622
Inventory	7,691
Accrued property taxes receivable	66,176
Capital assets, net of accumulated depreciation	<u>7,592,597</u>
Total Assets	9,219,424
DEFERRED OUTFLOWS	2,461,378
LIABILITIES	
Current Liabilities	
Accounts payable/Payroll deductions	190,622
Accrued salaries payable	<u>188,172</u>
Total Current Liabilities	378,794
Noncurrent Liabilities	
Net Health Care Trust Fund Liability	398,441
Net Pension Liability	<u>7,977,765</u>
Total Noncurrent Liabilities	8,376,206
Total Liabilities	8,754,999
UNEARNED REVENUE	60,729
DEFERRED INFLOWS	6,335,599
NET POSITION	
Invested in capital assets	7,592,597
Restricted for TABOR	136,955
Unrestricted	<u>(11,200,077)</u>
Total Net Position	<u><u>(3,470,525)</u></u>

CALHAN SCHOOL DISTRICT RJ-1
Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues		
<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	
Governmental Activities				
Instructional	2,556,404	11,635	540,511	6,406
Support Services				
Pupil services	98,403			
Instructional services	239,540			
General administration	129,257			
School administration	187,147			
Accounting	161,467			
Operations & maintenance	574,119			143,539
Pupil transportation	328,115		76,394	
District wide costs	56,515			
Student Activities	47,671	20,397		
Food Services	<u>164,676</u>	<u>39,048</u>	<u>149,691</u>	<u>0</u>
Total Governmental Activities	4,543,315	71,080	766,596	149,945

General revenues:

Taxes

Property taxes, levied for general purposes

Specific ownership taxes

State Equalization

Miscellaneous

Gain (Loss) on assets

Investment earnings

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and
Changes in Net Position

Governmental
Activities

(1,997,852)

(98,403)

(239,540)

(129,257)

(187,147)

(161,467)

(430,580)

(251,721)

(56,515)

(27,274)

24,063

(3,555,694)

1,079,213

139,327

2,950,068

34,337

(12,096)

21,452

4,212,299

656,605

(4,127,130)

(3,470,525)

CALHAN SCHOOL DISTRICT RJ-1
Balance Sheet
Governmental Funds
June 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	1,053,284	64,914	8,485	1,126,683
Certificates of deposit	353,655	0	0	353,655
Accounts/Grants receivable	72,622	0	0	72,622
Inventory	0	0	7,691	7,691
Accrued property taxes receivable	<u>66,176</u>	<u>0</u>	<u>0</u>	<u>66,176</u>
Total Assets	<u>1,545,738</u>	<u>64,914</u>	<u>16,176</u>	<u>1,626,827</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	146,428	6,490	0	152,918
Payroll Deductions	37,704	0	0	37,704
Accrued salaries payable	<u>186,237</u>	<u>0</u>	<u>1,934</u>	<u>188,172</u>
Total Liabilities	370,369	6,490	1,934	378,794
Unearned Revenue	0	56,091	4,637	60,729
Fund Balances				
Restricted for TABOR	136,955	0	0	136,955
Committed for capital projects	0	2,332	0	2,332
Nonspendable	0	0	7,691	7,691
Assigned	0	0	1,913	1,913
Unassigned	<u>1,038,414</u>	<u>0</u>	<u>0</u>	<u>1,038,414</u>
Total Fund Balances	<u>1,175,368</u>	<u>2,332</u>	<u>9,604</u>	<u>1,187,305</u>
Total Liabilities and Fund Balances	<u>1,545,738</u>	<u>64,914</u>	<u>16,176</u>	<u>1,626,827</u>

CALHAN SCHOOL DISTRICT RJ-1
 Balance Sheet
 Governmental Funds
 June 30, 2019

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

Total Governmental Fund Balances	1,187,305
<p>Amounts reported for governmental activities in the statement of net position are different because of the following:</p>	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,592,597
Deferred outflows of resources are not financial resources and thus are not reported as assets in governmental funds	2,461,378
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(8,376,206)
Deferred inflows of resources are not financial resources and thus are not reported as assets in governmental funds	<u>(6,335,599)</u>
Net Position of Governmental Activities	<u>(3,470,525)</u>

CALHAN SCHOOL DISTRICT RJ-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	<u>General</u>	<u>Capital Projects</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Local Sources				
Property Taxes	1,079,213	0	0	1,079,213
Specific Ownership Taxes	139,327	0	0	139,327
Interest	19,616	1,737	0	21,353
Other	63,950	3,500	0	67,450
Charges for Service	0	0	59,544	59,544
Intergovernmental				
State Sources				
Equalization	2,950,068	0	0	2,950,068
Transportation	76,394	0	0	76,394
Other	406,711	158,540	4,896	570,146
Federal Sources	<u>101,623</u>	<u>0</u>	<u>144,795</u>	<u>246,418</u>
Total Revenues	4,836,901	163,776	209,235	5,209,912
EXPENDITURES				
Current				
Instruction	3,005,749	0	0	3,005,749
Supporting Services				
Pupils	140,290	0	42,372	182,662
Instructional staff services	274,654	0	0	274,654
General administration	174,743	0	0	174,743
School administration	269,252	0	0	269,252
Accounting	200,497	0	0	200,497
Operations & maintenance	406,827	0	0	406,827
Pupil transportation	377,304	0	0	377,304
District wide costs	56,515	0	0	56,515
Capital Projects	0	50,000	0	50,000
Food Service	0	0	192,746	192,746
Capital Outlay	<u>147,535</u>	<u>347,011</u>	<u>5,666</u>	<u>500,212</u>
Total Expenditures	<u>5,053,367</u>	<u>397,011</u>	<u>240,784</u>	<u>5,691,162</u>

CALHAN SCHOOL DISTRICT RJ-1
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019
(continued)

	<u>General</u>	<u>Capital Reserve</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
Revenues over (under) Expenditures	(216,467)	(233,234)	(31,549)	(481,250)
Other Financing Uses				
Operating Transfers In (Out)	<u>(174,500)</u>	<u>150,000</u>	<u>24,500</u>	<u>0</u>
Revenues over (under) Expenditures & Other Financing Uses	(390,967)	(83,234)	(7,049)	(481,250)
Fund Balance - Beginning	<u>1,566,336</u>	<u>85,566</u>	<u>16,653</u>	<u>1,668,556</u>
Fund Balance - Ending	<u>1,175,368</u>	<u>2,332</u>	<u>9,604</u>	<u>1,187,306</u>

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

Net change in fund balances - total governmental funds (481,250)

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.

Capital outlays	319,139	
Depreciation expense	<u>(279,608)</u>	39,531

Some income(expenses) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as income(expenditures) in governmental funds.

Pension income		1,112,791
Noncash revenue from state for PERA		5,604
Other post-employment benefit expenses		(4,475)

Gain (loss) on disposal of assets is not recognized in governmental funds, but the sale of the assets is recorded as income.

Cash received on sale of asset	(3,500)	
Recognized gain (loss)	<u>(12,096)</u>	<u>(15,596)</u>

Change in net position of government activities		<u>656,605</u>
---	--	----------------

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

CALHAN SCHOOL DISTRICT RJ-1
Student Activity Agency Fund
Statement of Fiduciary Net Position
June 30, 2019

	Student Activity Fund
ASSETS	
Cash in bank	89,482
LIABILITIES	
Held in trust for activities	<u>89,482</u>
NET POSITION	<u>0</u>

Notes to the Financial Statements

CALHAN SCHOOL DISTRICT RJ-1
Calhan, 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 District is a political subdivision of the State of Colorado which is governed by an elected board of 5 members. A summary of the Calhan School District RJ-1's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

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

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

B. Basis of Presentation

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

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

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

The District reports the following major governmental funds:

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

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

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

CALHAN SCHOOL DISTRICT RJ-1
Calhan, Colorado
Notes to Financial Statements
June 30, 2019
(continued)

C. Measurement Focus and Basis of Accounting

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

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

D. Budgets and Budgetary Accounting

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

Budget Calendar -

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

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

E. Encumbrances

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

CALHAN SCHOOL DISTRICT RJ-1
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 Notes to Financial Statements
 June 30, 2019
 (continued)

F. Assets, Liabilities and Fund Balances/Net Position

1. Deposits

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

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

2. Receivables and Payables

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

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

3. Inventories

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

A physical inventory was taken as of June 30, 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. Capital Assets

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

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

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

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

The District does not have any infrastructure assets.

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 Notes to Financial Statements
 June 30, 2019
 (continued)

5. Compensated Absences

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

6. Long-term Obligations

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

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

7. Estimates

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

8. Fund Balances and Net Position

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

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

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

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

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

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

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

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

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

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 (continued)

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

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

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

At June 30, 2019 the amounts restricted was \$136,955 for the TABOR Reserve. Within the governmental fund financial statements, amounts committed included \$2,332 in the capital projects, the amount nonspendable for food service is \$7,691; the amount assigned for food service is \$940; and the amount assigned for student activities is \$973.

(2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

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

- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.
- C. Expenditures in the Student Activities Special Revenue Fund of \$47,671 exceeds the budgeted amount of \$43,100. Expenditures in the Capital Projects Fund of \$397,011 exceeds the budgeted amount of \$356,066. This may be a violation of state budget laws.

(3) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

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

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

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

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

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(continued)

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

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured	\$500,000	\$500,000
Deposits uncollateralized in Institution pools	<u>1,232,533</u>	<u>1,069,820</u>
Total Deposits	\$1,732,533	1,569,820
Shown as Certificates of Deposits		(353,655)
Cash in Fiduciary Fund		<u>(89,482)</u>
Cash		1,126,683

As presented above for the District, deposits with a bank balance of \$1,232,533 and a carrying balance of \$1,069,820 as of June 30, 2019, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

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

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

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities				
Sites	92,868	0	0	92,868
Site Improvements	455,567			455,567
Buildings	9,277,609			9,277,609
Equipment	611,763	164,737	59,109	717,391
Transportation	<u>967,534</u>	<u>154,402</u>	<u>40,575</u>	<u>1,081,361</u>
Total	11,405,342	319,139	99,684	11,624,797
Less Accumulated Depreciation				
Site	0	0	0	0
Site Improvements	253,625	15,062		268,687
Buildings	2,270,856	205,367		2,476,223
Equipment	488,590	24,135	43,513	469,212
Transportation	<u>823,609</u>	<u>35,044</u>	<u>40,575</u>	<u>818,078</u>
Total	<u>3,836,680</u>	<u>279,608</u>	<u>84,088</u>	<u>4,032,200</u>
Governmental Activities				
Capital Assets, Net	<u>7,568,662</u>	<u>39,531</u>	<u>15,596</u>	<u>7,592,597</u>

Depreciation expense for the governmental activities was allocated \$35,044 to Transportation, \$243,092 to Instruction, and \$1,472 to Food Service.

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Notes to the Financial Statements
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(continued)

D. Changes in Noncurrent Liabilities

Noncurrent liability activity for the year ended June 30, 2019, was as follows:

<u>Issue</u>	<u>Balance</u> <u>July 1, 2018</u>	<u>Addition</u>	<u>Deletion</u>	<u>Balance</u> <u>June 30, 2019</u>
Net Health Care Trust Fund Liability	381,835	43,211	26,605	398,441
Net Pension Liability	<u>16,720,871</u>	<u>41,554</u>	<u>8,784,660</u>	<u>7,977,765</u>
Total	<u>17,102,706</u>	<u>84,765</u>	<u>8,811,265</u>	<u>8,376,206</u>

(4) OTHER INFORMATION

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

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

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. The General Fund transferred \$500 to the Food Services Fund, \$150,000 to Capital Projects Fund, and \$24,000 to Student Activity Special Revenue Fund for operating purposes.
- D. Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

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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 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 non-employer 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.

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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%

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(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 non-employer 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 \$487,383 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 non-employer contributing entity.

At June 30, 2019, the District reported a liability of \$7,977,765 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer 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 non-employer 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	\$7,977,765
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District.	\$959,632
Total	\$8,937,397

At December 31, 2018, the District's proportion was 0.0450541632 percent, which was a decrease of 0.0066548924 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension income of \$1,112,791 and revenue of \$5,604 for support from the State as a non-employer 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	270,615	-0-
Changes of assumptions or other inputs	1,489,085	4,961,312
Net difference between projected and actual earnings on pension plan investments	434,838	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	1,364,666
Contributions subsequent to the measurement date	247,131	N/A
Total	2,441,669	6,325,978

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(continued)

There was \$247,131 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 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	(595,265)
2021	(494,249)
2022	(275,152)
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

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.

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- **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.

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%.

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- 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.
- 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	10,142,363	7,977,765	6,161,302

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.

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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.

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.

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PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

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 \$25,987 for the year ended June 30, 2019.

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 \$398,441 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 0.0292854554 percent, which was a decrease of 0.0000954066 percent from its proportion measured as of December 31, 2017.

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For the year ended June 30, 2019, the District recognized OPEB expense of \$4,475. 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	1,446	607
Changes of assumptions or other inputs	2,795	-0-
Net difference between projected and actual earnings on OPEB plan investments	2,291	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	9,015
Contributions subsequent to the measurement date	13,177	N/A
Total	19,709	9,621

There was \$13,177 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 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	(2,156)
2021	(2,156)
2022	(2,156)
2023	(2,156)
2024	(383)
Thereafter	(8)

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
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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 (continued)

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.

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.

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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.

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.

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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%.

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	387,438	398,441	411,096

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.

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 Notes to the Financial Statements
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 (continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- 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	445,821	398,441	357,936

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.

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

At June 30, 2018, total assets were \$13,918,470, deferred outflows was \$15,064,407, total liabilities were \$38,943,855, deferred inflows was \$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, 80906.



REQUIRED SUPPLEMENTARY INFORMATION

CALHAN SCHOOL DISTRICT RJ-1
 Budgetary Comparison Schedule
 Major Governmental Funds
 For the Year Ended June 30, 2019

	<u>General Fund</u>			Variance With
	<u>Budgeted Amounts</u>		Final Budget	Positive
REVENUES	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>
Local Sources	1,314,455	1,314,455	1,302,106	(12,349)
State Sources	3,387,904	3,387,904	3,433,172	45,268
Federal Sources	<u>137,368</u>	<u>137,368</u>	<u>101,623</u>	<u>(35,745)</u>
Total Revenues	4,839,727	4,839,727	4,836,901	(2,826)
EXPENDITURES				
Current				
Instruction	2,745,505	2,745,505	3,005,749	(260,244)
Supporting Services				
Pupils	140,587	140,587	140,290	297
Instructional Staff - Library	321,624	321,624	274,654	46,970
General Administration	172,820	172,820	174,743	(1,923)
School Administration	254,897	254,897	269,252	(14,355)
Business Services	187,554	187,554	200,497	(12,943)
Operations & Maintenance	395,479	395,479	406,827	(11,348)
Pupil Transportation	382,324	382,324	377,304	5,020
District Wide Costs	57,631	57,631	56,515	1,116
Appropriated reserves	292,566	337,528	0	337,528
Capital Outlay	<u>170,700</u>	<u>170,700</u>	<u>147,535</u>	<u>23,165</u>
Total Expenditures	<u>5,121,687</u>	<u>5,166,649</u>	<u>5,053,367</u>	<u>113,282</u>
Excess of revenues over (under) expenditures				
(under) Expenditures	(281,960)	(326,922)	(216,467)	110,455
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(190,000)</u>	<u>(190,000)</u>	<u>(174,500)</u>	<u>15,500</u>
Excess of Revenues and Other Sources over				
(under) Expenditures and Other Uses	(471,960)	(516,922)	(390,967)	125,955
Fund Balance - Beginning	<u>471,960</u>	<u>516,922</u>	<u>1,566,336</u>	<u>1,049,414</u>
Fund Balance - Ending	<u>0</u>	<u>0</u>	<u>1,175,368</u>	<u>1,175,368</u>

CALHAN SCHOOL DISTRICT RJ-1
 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	0.045054%	0.051709%	0.053280%	0.055899%	0.568124%	0.056798%
Proportionate share of the collective net pension liability	7,977,765	16,720,871	15,863,550	8,549,392	7,699,984	7,054,581
Covered payroll	2,476,870	2,385,275	2,391,307	2,439,092	2,380,029	2,289,705
Proportionate share of the net pension liability as a percentage of its covered payroll	322.09%	701.00%	663.38%	350.52%	323.52%	308.10%
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.

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

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Statutorily required contributions	487,383	458,894	433,073	429,212	414,071	368,042	349,377	357,225	330,161	325,403
Contributions in relation to the statutorily required contribution	<u>487,383</u>	<u>458,894</u>	<u>433,073</u>	<u>429,212</u>	<u>414,071</u>	<u>368,042</u>	<u>349,377</u>	<u>357,225</u>	<u>330,161</u>	<u>325,403</u>
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	2,547,743	2,430,429	2,356,279	2,420,811	2,452,885	2,302,870	2,317,762	2,519,606	2,487,116	2,630,332
Contributions as a percentage of covered payroll	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%	15.07%	14.18%	13.27%	12.37%

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

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion (percentage) of the collective net pension liability	0.0292854554%	0.0293808620%	0.0302850537%
Proportionate share of the collective net pension liability	398,441	381,834	392,656
Covered payroll	2,476,870	2,385,275	2,391,307
Proportionate share of the net pension liability as a percentage of its covered payroll	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of total pension 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 years will be displayed as they become available

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

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contributions	25,987	24,790	24,034
Contributions in relation to the statutorily required contribution	<u>25,987</u>	<u>24,790</u>	<u>24,034</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	2,547,743	2,430,429	2,356,279
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

CALHAN SCHOOL DISTRICT RJ-1
Combining Balance Sheet
NonMajor Governmental Funds
June 30, 2019

ASSETS	<u>Food Service</u>	<u>Student Activity</u>	<u>Total</u>
Cash & cash equivalents	7,512	973	8,485
Inventory	<u>7,691</u>	<u>0</u>	<u>7,691</u>
Total Assets	<u>15,203</u>	<u>973</u>	<u>16,176</u>
LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accrued salaries & benefits	1,934	0	1,934
Unearned revenue	4,637	0	4,637
FUND BALANCE			
Nonspendable	7,691	0	7,691
Assigned	<u>940</u>	<u>973</u>	<u>1,913</u>
Total Fund Balance	<u>8,631</u>	<u>973</u>	<u>9,604</u>
Total Liabilities and Fund Balance	<u>15,203</u>	<u>973</u>	<u>16,176</u>

CALHAN SCHOOL DISTRICT RJ-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
NonMajor Governmental Funds
June 30, 2019

REVENUES	Food <u>Service</u>	Student <u>Activity</u>	<u>Total</u>
Local	39,146	20,397	59,544
State	4,896	0	4,896
Federal	<u>144,795</u>	<u>0</u>	<u>144,795</u>
Total Revenues	188,837	20,397	209,235
EXPENDITURES			
Salaries & Benefits	96,312	0	96,312
Purchased Services	4,311	15,620	19,931
Supplies	91,873	8,389	100,262
Dues & Fees	250	10,984	11,234
Other	0	7,379	7,379
Capital Outlay	<u>367</u>	<u>5,299</u>	<u>5,666</u>
Total Expenditures	<u>193,112</u>	<u>47,671</u>	<u>240,784</u>
Revenues over (under) Expenditures	(4,275)	(27,274)	(31,549)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In (Out)	<u>500</u>	<u>24,000</u>	<u>24,500</u>
Excess of Revenues and Other Sources over (under) Expenditures	(3,775)	(3,274)	(7,049)
Fund Balance - Beginning	<u>12,406</u>	<u>4,247</u>	<u>16,653</u>
Fund Balance - Ending	<u>8,631</u>	<u>973</u>	<u>9,604</u>

INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

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

CALHAN SCHOOL DISTRICT RJ-1
General Fund
Comparative Balance Sheet

ASSETS	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
Cash			
In Bank	1,042,463	1,271,204	(228,741)
With County Treasurer	10,822	0	10,822
Certificates of Deposit	<u>353,655</u>	<u>349,057</u>	<u>4,598</u>
Total Cash	1,406,940	1,620,261	(213,321)
Accounts/Grants Receivable	72,622	109,840	(37,218)
Accrued Property Tax Receivable	<u>66,176</u>	<u>43,022</u>	<u>23,154</u>
Total Assets	<u>1,545,738</u>	<u>1,773,123</u>	<u>(227,385)</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts Payable	146,428	0	146,428
Accrued Salaries and Benefits Payable	186,237	170,827	15,411
Payroll Deductions	<u>37,704</u>	<u>35,962</u>	<u>1,742</u>
Total Liabilities	370,369	206,788	163,581
Fund Balance			
Restricted for TABOR Reserve	136,955	136,296	659
Unassigned	<u>1,038,414</u>	<u>1,430,039</u>	<u>(391,626)</u>
Total Fund Balance	<u>1,175,368</u>	<u>1,566,335</u>	<u>(390,967)</u>
Total Liabilities and Fund Balance	<u>1,545,738</u>	<u>1,773,123</u>	<u>(227,385)</u>

CALHAN SCHOOL DISTRICT RJ-1
 General Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

REVENUES	Amended		Variance	Actual
	<u>Budget</u>	<u>Actual</u>	Favorable	Prior
			(Unfavorable)	Year
From Local Sources				
Current Property Taxes	1,096,917	1,076,764	(20,153)	1,060,057
Specific Ownership Taxes	94,963	139,327	44,364	122,235
Delinquent Taxes & Interest	2,250	2,449	199	1,983
Investment Interest	8,800	19,616	10,816	13,818
Other	<u>111,525</u>	<u>63,950</u>	<u>(47,575)</u>	<u>158,725</u>
Total Local Sources	1,314,455	1,302,106	(12,349)	1,356,817
From State Sources				
Equalization	2,961,672	2,950,068	(11,604)	2,670,358
Vocational Education	23,531	18,721	(4,810)	10,519
Transportation	80,241	76,394	(3,847)	80,430
Pension Special Funding	0	63,041	63,041	0
Other Grants	<u>322,460</u>	<u>324,949</u>	<u>2,489</u>	<u>300,553</u>
Total State Sources	3,387,904	3,433,172	45,268	3,061,860
From Federal Sources				
Grants	<u>137,368</u>	<u>101,623</u>	<u>(35,745)</u>	<u>102,102</u>
Total Revenues	4,839,727	4,836,901	(2,826)	4,520,779
EXPENDITURES	<u>5,166,649</u>	<u>5,053,367</u>	<u>113,282</u>	<u>4,182,275</u>
Excess of Revenues over (under) Expenditures	(326,922)	(216,467)	110,455	338,504
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(190,000)</u>	<u>(174,500)</u>	<u>15,500</u>	<u>(100,000)</u>
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(516,922)	(390,967)	125,955	238,504
Fund Balance - Beginning	<u>516,922</u>	<u>1,566,336</u>	<u>1,049,414</u>	<u>1,327,832</u>
Fund Balance - Ending	<u>0</u>	<u>1,175,368</u>	<u>1,175,368</u>	<u>1,566,336</u>

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

CALHAN SCHOOL DISTRICT RJ-1

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

	Amended		Variance	Actual
	Budget	Actual	Favorable	Prior
			(Unfavorable)	Year
INSTRUCTION				
Current				
Salaries	1,669,896	1,673,934	(4,038)	1,543,610
Employee Benefits	567,185	582,741	(15,556)	479,462
Purchased Services	283,498	493,739	(210,241)	141,291
Supplies and Materials	223,226	251,899	(28,673)	204,871
Other	1,700	3,436	(1,736)	3,794
Capital Outlay	<u>28,700</u>	<u>7,568</u>	<u>21,132</u>	<u>15,762</u>
Total Instruction	2,774,205	3,013,317	(239,112)	2,388,790
SUPPORTING SERVICES				
Pupils				
Current				
Salaries	101,453	100,875	578	96,464
Employee Benefits	36,314	38,361	(2,047)	34,745
Purchased Services	700	0	700	0
Supplies and Materials	1,200	993	207	1,157
Other	<u>920</u>	<u>60</u>	<u>860</u>	<u>90</u>
Total Pupils	140,587	140,290	297	132,457
Instructional Staff Services				
Current				
Salaries	91,666	84,655	7,011	73,775
Employee Benefits	52,567	30,788	21,779	22,680
Purchased Services	164,391	145,129	19,262	116,290
Supplies and Materials	12,500	13,833	(1,333)	13,108
Other	<u>500</u>	<u>249</u>	<u>251</u>	<u>389</u>
Total Instructional Staff	321,624	274,654	46,970	226,242
General Administration				
Current				
Salaries	109,545	109,545	0	100,170
Employee Benefits	28,462	30,837	(2,375)	27,025
Purchased Services	25,700	25,503	197	23,540
Supplies and Materials	1,000	1,416	(416)	899
Other	<u>8,113</u>	<u>7,442</u>	<u>671</u>	<u>13,083</u>
Total General Administration	172,820	174,743	(1,923)	164,718

CALHAN SCHOOL DISTRICT RJ-1

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)

	Amended		Variance	Actual
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>	<u>Prior</u> <u>Year</u>
School Administration				
Current				
Salaries	208,443	197,732	10,711	179,004
Employee Benefits	38,704	61,003	(22,299)	51,027
Purchased Services	2,900	5,672	(2,772)	3,258
Supplies and Materials	2,900	3,550	(650)	1,878
Other	<u>1,950</u>	<u>1,296</u>	<u>654</u>	<u>563</u>
Total School Administration	254,897	269,252	(14,355)	235,730
Accounting				
Current				
Salaries	93,996	93,996	0	90,183
Employee Benefits	30,338	32,124	(1,786)	28,393
Purchased Services	62,420	72,400	(9,980)	41,182
Supplies and Materials	<u>800</u>	<u>1,977</u>	<u>(1,177)</u>	<u>1,986</u>
Total Other Business Services	187,554	200,497	(12,943)	161,744
Operations and Maintenance				
Current				
Salaries	144,769	131,060	13,709	138,260
Employee Benefits	54,366	44,045	10,321	47,489
Purchased Services	80,844	100,250	(19,406)	70,404
Supplies and Materials	115,500	131,472	(15,972)	127,254
Capital Outlay	<u>142,000</u>	<u>138,946</u>	<u>3,054</u>	<u>39,686</u>
Total Operations & Maintenance	537,479	545,773	(8,294)	423,094
Pupil Transportation				
Current				
Salaries	209,245	205,316	3,929	216,103
Employee Benefits	69,708	72,425	(2,717)	68,749
Purchased Services	32,871	32,507	364	32,683
Supplies and Materials	70,500	67,055	3,445	62,863
Capital Outlay	<u>0</u>	<u>1,022</u>	<u>(1,022)</u>	<u>11,000</u>
Total Pupil Transportation	<u>382,324</u>	<u>378,325</u>	<u>3,999</u>	<u>391,398</u>
TOTAL SUPPORTING SERVICES	1,997,285	1,983,535	13,750	1,735,382

CALHAN SCHOOL DISTRICT RJ-1
 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>Amended</u> <u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
District Wide Costs				
Current				
Supplies and Materials	<u>57,631</u>	<u>56,515</u>	<u>1,116</u>	<u>58,103</u>
Total District Wide Costs	57,631	56,515	1,116	58,103
Appropriated Reserves	<u>337,528</u>	<u>0</u>	<u>337,528</u>	<u>0</u>
TOTAL EXPENDITURES	<u><u>5,166,649</u></u>	<u><u>5,053,367</u></u>	<u><u>113,282</u></u>	<u><u>4,182,275</u></u>

SPECIAL REVENUES FUNDS

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

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

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

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash in Bank	7,512	9,140	(1,629)
Inventory	<u>7,691</u>	<u>9,774</u>	<u>(2,083)</u>
Total Current Assets	<u>15,203</u>	<u>18,915</u>	<u>(3,712)</u>
 LIABILITY AND FUND BALANCE			
Current Liabilities			
Accrued Salaries & Benefits	1,934	3,539	(1,604)
Unearned Revenue	4,637	2,970	1,668
Fund Balance			
Nonspendable	7,691	9,774	(2,083)
Assigned	<u>940</u>	<u>2,631</u>	<u>(1,692)</u>
Total Fund Balance	<u>8,631</u>	<u>12,406</u>	<u>(3,775)</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>15,203</u>	 <u>18,915</u>	 <u>(3,712)</u>

CALHAN SCHOOL DISTRICT RJ-1
 Food Services Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

REVENUES	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Prior Year
Charges for Service				
Meals	43,700	39,048	(4,652)	52,658
Interest Income	70	99	29	186
State Grants	3,350	4,896	1,546	2,934
Federal Aid	105,000	134,027	29,027	119,626
Commodities Donated	<u>11,885</u>	<u>10,768</u>	<u>(1,117)</u>	<u>11,752</u>
Total Revenue	164,005	188,837	24,832	187,155
EXPENDITURES				
Current				
Salaries	72,699	72,028	671	76,203
Benefits	23,359	24,284	(925)	27,513
Food & Milk	65,755	78,912	(13,157)	77,583
Commodities	10,000	10,601	(601)	10,969
Purchased Services	2,500	4,311	(1,811)	2,144
Supplies	1,300	2,360	(1,060)	2,865
Dues & fees	300	250	50	437
Capital Outlay	500	367	133	5,501
Appropriated Reserve	<u>78,319</u>	<u>0</u>	<u>78,319</u>	<u>0</u>
Total Expenditures	<u>254,732</u>	<u>193,112</u>	<u>61,620</u>	<u>203,214</u>
Excess of Revenues over (under) Expenditures	(90,727)	(4,275)	86,452	(16,059)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>20,000</u>	<u>500</u>	<u>(19,500)</u>	<u>20,000</u>
Excess of Revenues and Other Sources over (under) Expenditures	(70,727)	(3,775)	66,952	3,941
Fund Balance - Beginning	<u>70,727</u>	<u>12,406</u>	<u>(58,321)</u>	<u>8,465</u>
Fund Balance - Ending	<u>0</u>	<u>8,631</u>	<u>8,631</u>	<u>12,406</u>

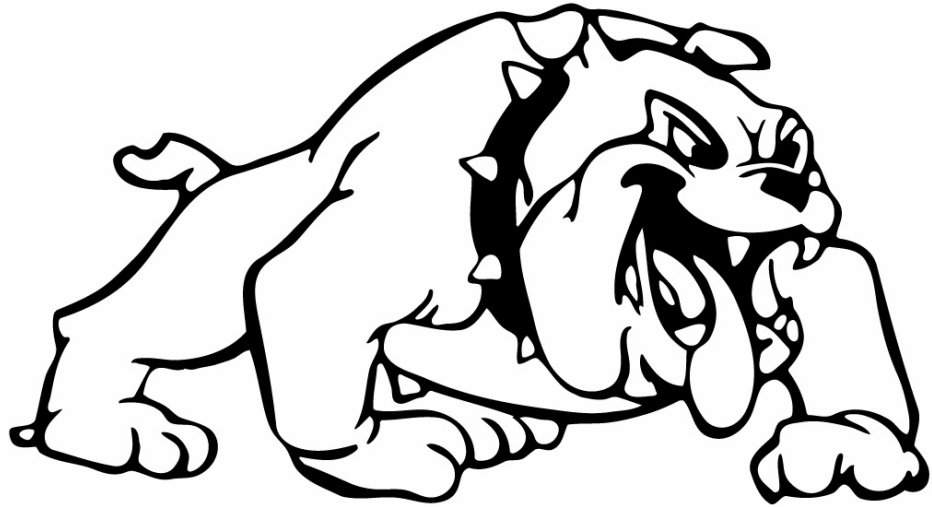
See auditor's letter and notes to the financial statements.

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

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
ASSETS			
Current Assets			
Cash in Bank	<u>973</u>	<u>4,247</u>	<u>(3,274)</u>
FUND BALANCE			
Assigned	<u>973</u>	<u>4,247</u>	<u>(3,274)</u>

CALHAN SCHOOL DISTRICT RJ-1
 Student Activity Special Revenue Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019

REVENUES	Budget (Non-GAAP)	Actual	Variance Favorable (Unfavorable)	Prior Year
Local Sources				
Gates Fees	17,900	16,652	(1,248)	18,078
Other	<u>200</u>	<u>3,745</u>	<u>3,545</u>	<u>1,264</u>
Total Revenues	18,100	20,397	2,297	19,342
EXPENDITURES				
Current				
Officials	12,000	15,620	(3,620)	12,518
Supplies	9,000	8,389	611	8,765
Dues & Fees	7,850	10,984	(3,134)	8,838
Other	5,500	7,379	(1,879)	2,707
Equipment	8,750	5,299	3,451	7,089
Contingency Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>43,100</u>	<u>47,671</u>	<u>(4,571)</u>	39,917
Revenues over (under) Expenditures	(25,000)	(27,274)	(2,274)	(20,575)
OTHER FINANCING SOURCES				
Operating Transfers In	<u>25,000</u>	<u>24,000</u>	<u>(1,000)</u>	<u>20,000</u>
Revenues and Other Sources over (under) Expenditures	0	(3,274)	(3,274)	(575)
Fund Balance - Beginning	<u>0</u>	<u>4,247</u>	<u>4,247</u>	<u>4,822</u>
Fund Balance - Ending	<u>0</u>	<u>973</u>	<u>973</u>	<u>4,247</u>



CAPITAL PROJECTS FUND

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

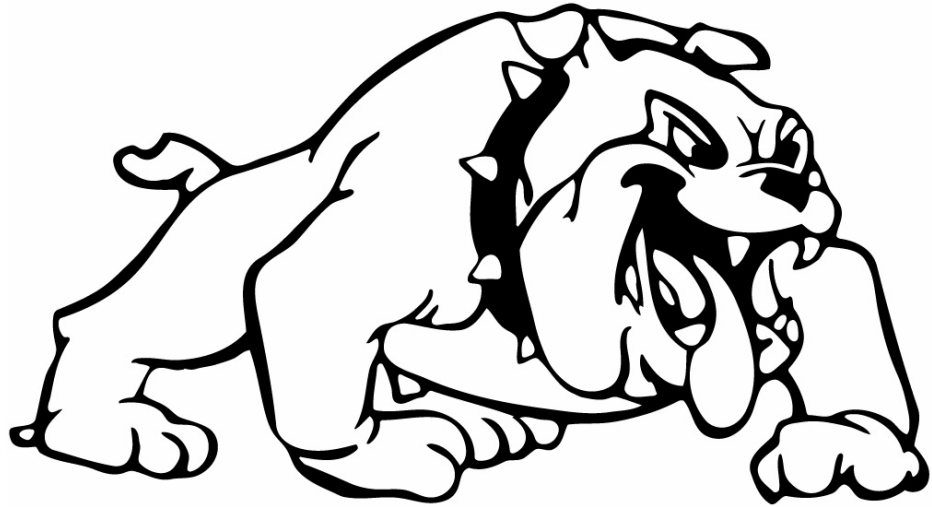
CALHAN SCHOOL DISTRICT RJ-1
 Capital Reserve Capital Projects Fund
 Comparative Balance Sheet

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
ASSETS			
Cash in Bank	<u>64,914</u>	<u>85,566</u>	<u>(20,653)</u>
LIABILITIES			
Accounts Payable	6,490	0	6,490
Unearned Revenue	56,091	0	56,091
COMMITTED FUND BALANCE	<u>2,332</u>	<u>85,566</u>	<u>(83,234)</u>
Total Liabilities and Fund Balance	<u>64,914</u>	<u>85,566</u>	<u>(20,653)</u>

CALHAN SCHOOL DISTRICT RJ-1
 Capital Reserve Capital Projects Fund
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual
 For the Year Ended June 30, 2019
 With Comparative Actual Amounts for the Year Ended June 30, 2018

REVENUES	Amended		Variance	Actual
	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable)	Prior Year
Local Sources				
Investment Earnings	500	1,737	1,237	632
Sale of Assets	0	3,500	3,500	2,100
Donations	<u>0</u>	<u>158,540</u>	<u>158,540</u>	<u>41,127</u>
Total Revenues	500	163,776	163,276	43,859
EXPENDITURES				
Current				
Purchased Services	50,000	50,000	0	0
Repairs	<u>105,000</u>	<u>0</u>	<u>105,000</u>	<u>0</u>
Total Current Expenditures	155,000	50,000	105,000	0
Capital Outlay				
Equipment	26,000	192,609	(166,609)	0
Transportation Equipment	115,000	154,402	(39,402)	0
Buildings	<u>0</u>	<u>0</u>	<u>0</u>	<u>92,777</u>
Total Capital Outlay	141,000	347,011	(206,011)	92,777
Appropriated Reserve	<u>60,066</u>	<u>0</u>	<u>60,066</u>	<u>0</u>
Total Expenditures	<u>356,066</u>	<u>397,011</u>	<u>(40,945)</u>	<u>92,777</u>
Excess of Revenues over (under) Expenditures	(355,566)	(233,234)	122,332	(48,918)
Other Financing Sources (Uses)				
Operating Transfers Out	<u>0</u>	<u>150,000</u>	<u>150,000</u>	<u>60,000</u>
Excess of Revenues over (under) Expenditures and Transfers Out	(355,566)	(83,234)	272,332	11,082
Fund Balance - Beginning	<u>355,566</u>	<u>85,566</u>	<u>(270,000)</u>	<u>74,484</u>
Fund Balance - Ending	<u>0</u>	<u>2,332</u>	<u>2,332</u>	<u>85,566</u>

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



AGENCY FUND

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

CALHAN SCHOOL DISTRICT RJ-1
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities- Budget and Actual
 For the Year Ended June 30, 2019

	Balance			Balance
	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
BB Girls Summer Camp	(648)	6,148	6,855	(1,355)
BB Summer Camp	3,103	11,090	10,468	3,725
FB Summer Camp	(930)	9,419	6,770	1,719
Wrestling Summer Camp	5,000	0	5,000	0
Summer VB Camp	3,289	5,769	6,740	2,319
Baseball Club	879	530	2,242	(833)
H S Cheerleaders	777	7,002	7,099	680
MS Cheerleaders	236	4,667	4,903	0
Track Club	136	2,406	2,427	115
Booster Club Student Aid	414	0	0	414
MS Basketball	413	2,973	2,251	1,135
Weight Room	280	100	367	13
Class of 2015	1	0	1	0
Class of 2018	40	0	40	0
Class of 2019	196	0	124	72
Class of 2020	0	9,368	5,518	3,850
Class of 2021	0	0	93	(93)
Copier	3	0	3	0
Leo Club	1,086	6,550	6,727	909
Stuco	2,367	247	374	2,240
FFA	9,605	25,177	9,839	24,944
Band	2,770	2,491	2,153	3,108
Drama	4,657	5,278	4,348	5,587
Computer Tech	349	0	0	349
Media	3,638	2,490	2,213	3,915
Music	0	1,209	998	211
AP Biology	120	0	0	120

CALHAN SCHOOL DISTRICT RJ-1
 Student Activity Agency Fund
 Statement of Changes in Assets and Liabilities- Budget and Actual
 For the Year Ended June 30, 2019
 (continued)

	Balance			Balance
	<u>June 30</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Yearbook	(1,388)	1,528	1,675	(1,535)
HS Art	914	0	0	914
K-5 Principal	35	557	508	84
Title I	68	0	0	68
Destination Imagination	478	0	117	361
Elementary PE	55	445	323	177
Clearing K-12	146	3,250	3,393	3
Eldon Glaser Scholarship	4,675	0	500	4,175
General Activity Fund	16,393	50	4,843	11,600
Checking Interest	829	221	52	998
CD 11819	398	0	0	398
Drivers Education	6,607	0	0	6,607
H S Principal	207	1,961	(1,192)	3,360
M S Stuco	187	676	303	560
Tutor	0	713	713	0
Back Pack Program	235	0	0	235
Volunteers	837	0	43	794
Playground account	3,367	0	179	3,188
Elementary SPED	659	1,211	1,002	868
Crew	381	53	697	(263)
Field Trips/Transportation	1,926	5,297	5,339	1,884
Band/Music California Trip	1,805	0	0	1,805
I Pad Clearing	2,754	15,924	18,678	0
Rock Band	<u>58</u>	<u>0</u>	<u>0</u>	<u>58</u>
Total	79,408	134,800	124,726	89,482
 Budget	 <u>50,000</u>	 <u>100,000</u>	 <u>150,000</u>	 <u>0</u>
Variance - Favorable (Unfavorable)	<u>29,408</u>	<u>34,800</u>	<u>25,274</u>	<u>89,482</u>

AUDITOR'S INTEGRITY REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 0970 - Callahan RJ-1
 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	1,566,335		4,662,401		5,053,367		1,175,368	
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0	
19 Colorado Preschool Program Fund	0		0		0		0	
Sub-Total	1,566,335		4,662,401		5,053,367		1,175,368	
11 Charter School Fund	0		0		0		0	
20.26-29 Special Revenue Fund	0		0		0		0	
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0	
21 Food Service Spec Revenue Fund	12,406		189,337		193,112		8,631	
22 Govt Designated-Purpose Grants Fund	0		0		0		0	
23 Pupil Activity Special Revenue Fund	4,247		44,397		47,671		973	
24 Full Day Kindergarten Mill Levy Override	0		0		0		0	
25 Transportation Fund	0		0		0		0	
31 Bond Redemption Fund	0		0		0		0	
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0	
41 Building Fund	0		0		0		0	
42 Special Building Fund	0		0		0		0	
43 Capital Reserve Capital Projects Fund	85,566		313,776		397,010		2,332	
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0	
Totals	1,668,555		5,209,912		5,691,162		1,187,305	
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	79,408		134,800		124,726		89,482	
79 GASB 34/Permanent Fund	0		0		0		0	
85 Foundations	0		0		0		0	
Totals	79,408		134,800		124,726		89,482	
FINAL								