

cPa DIXON, WALLER & CO., INC.

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CREEDE SCHOOL DISTRICT

CREEDE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2019

DIXON, WALLER & CO., INC.

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CREEDE SCHOOL DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2019

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CREEDE SCHOOL DISTRICT  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2019

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BOARD OF EDUCATION

|                   |                  |
|-------------------|------------------|
| Damon Gibbons     | President        |
| Kara Brittain     | Vice-President   |
| Tim Bachicha      | Secretary        |
| Kassidy Mankowski | Treasurer        |
| David Robinson    | Title IX Officer |

SCHOOL OFFICIALS

|                   |                |
|-------------------|----------------|
| Collin Vinchattle | Superintendent |
|-------------------|----------------|

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Creede School District  
Creede, Colorado 81130

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

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

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

**Auditor's Responsibility**

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

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

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

## Opinions

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

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, and pension and post employment benefits trend data on pages i through x and 44 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Creede School District's basic financial statements. The other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Trinidad, Colorado  
November 21, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Creede School District**  
**Management Discussion & Analysis**  
**For the Fiscal Year Ended June 30, 2019**

The Creede School District utilizes a financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB).

**Financial Highlights**

| <b>Fiscal Year Ended June 30, 2018</b>  | <b>Fiscal Year Ended June 30, 2019</b>  |
|---|---|
| <ul style="list-style-type: none"> <li>The District's assets totaled over \$16.9 million. Capital assets totaled \$14.3 million following adjustment for accumulated depreciation.</li> </ul>   | <ul style="list-style-type: none"> <li>The District's assets totaled over \$16.5 million. Capital assets totaled \$13.9 million following adjustment for accumulated depreciation.</li> </ul>   |
| <ul style="list-style-type: none"> <li>Long-term debt is made up of \$2.8 thousand on compensated absences; \$6.6 million on participation bonds; and \$22.6 thousand on accrued interest.</li> </ul>   | <ul style="list-style-type: none"> <li>Long-term debt is made up of \$3.3 thousand on compensated absences; \$6.3 million on participation bonds; and \$22.1 thousand on accrued interest.</li> </ul>   |
| <ul style="list-style-type: none"> <li>Local Sources of Revenue, including property taxes received, account for approximately \$1.6 million or approximately 79 percent of all general fund revenues. State Equalization Entitlement made up approximately 15 percent of general fund revenues. The remaining general fund revenues consisted of earnings on investments, transfers, and other revenues.</li> </ul>                       | <ul style="list-style-type: none"> <li>Local Sources of Revenue, including property taxes received, account for approximately \$1.7 million or approximately 60 percent of all general fund revenues. State Equalization Entitlement made up approximately 19 percent of general fund revenues. The remaining general fund revenues consisted of earnings on investments, transfers, and other revenues.</li> </ul>                       |
| <ul style="list-style-type: none"> <li>The District had \$3.27 million in expenses related to governmental activities. Total revenues were not adequate to provide for these activities. Reserve monies were required to meet expenses.</li> </ul>  | <ul style="list-style-type: none"> <li>The District had \$2.9 million in expenses related to governmental activities. Total revenues were not adequate to provide for these activities. Reserve monies were required to meet expenses.</li> </ul>   |
| <ul style="list-style-type: none"> <li>State aid totaled \$510 thousand and federal aid totaled \$55 thousand for a total of \$565 thousand.</li> </ul>   | <ul style="list-style-type: none"> <li>State aid totaled \$877 thousand and federal aid totaled \$88 thousand for a total of \$965 thousand.</li> </ul>   |
| <ul style="list-style-type: none"> <li>Food services are now accounted for as a special revenue fund. Loss realized from charges, operating grants, contributions, and transfers approximated \$73.9 thousand. Revenue in the food service fund from charges for services and operating grants and contributions was insufficient to cover expenses in the 2018 fiscal year. The District continues to subsidize this service.</li> </ul> | <ul style="list-style-type: none"> <li>Food services are now accounted for as a special revenue fund. Loss realized from charges, operating grants, contributions, and transfers approximated \$84.7 thousand. Revenue in the food service fund from charges for services and operating grants and contributions was insufficient to cover expenses in the 2019 fiscal year. The District continues to subsidize this service.</li> </ul> |

**Overview of the Financial Statements**

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-and long-term financial information about the activities the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide data that are more detailed. The statements are followed by a section of required supplementary information that further explains and supports the financial statements, and includes a comparison to the District's budget for the year.

### **District-Wide Financial Statements**

The district-wide financial statements are designed to provide a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Creede School 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 of the Creede School District is improving or deteriorating. To assess the District's overall health, one needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued salaries).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, and administration. The only services accounted for as business-type activities are the District's food services.

## **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Creede School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and fiduciary funds.

*Governmental Funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information following governmental funds statements explains the relationship (or differences) between them.

Creede School District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the (1) general fund and (2) the capital reserve fund.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

## **Notes to the Financial Statements**

The notes provide additional information meaningful to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found in Figure A of this report.

| <b>Figure A Major Features of the District-Wide and Fund Financial Statements</b> |  |   |   |   |
|---|--|---|---|---|
|   | <i>District-Wide Statements</i>  | <i>Fund Financial Statements</i>  |   |   |
|   |  | <i>Governmental Funds</i>   | <i>Proprietary Funds</i>  | <i>Fiduciary Funds</i>  |
| <i>Scope</i>  | Entire District (except fiduciary funds)   | The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance  | Activities the District operates similar to private businesses: food services   | Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies |
| <i>Required Financial Statements</i>  | <ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of revenues, expenditures, and changes in fund balances</li> </ul>   | <ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of revenues, expenses, and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul> | <ul style="list-style-type: none"> <li>• Statement of fiduciary net position</li> </ul>   |
| <i>Accounting Basis and Measurement Focus</i>                                     | Accrual accounting and economic resources focus  | Modified accrual accounting and current financial resources focus   | Accrual accounting and economic resources focus   | Accrual accounting and economic resources focus   |
| <i>Type of Asset/Liability Information</i>  | All assets and liabilities, both financial and capital, short-term and long-term                                 | Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included                     | All assets and liabilities, both financial and capital, and short-term and long-term  | All assets and liabilities, both short-term and long-term   |
| <i>Type of Inflow/Outflow Information</i>   | All revenues and expenses during year, regardless of when cash is received or paid                               | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable | All revenues and expenses during the year, regardless of when cash is received or paid  | All additions and deductions during the year, regardless of when cash is received or paid   |

## District-Wide Financial Analysis

Table 1 provides a comparison summary of the District's net position at June 30, 2019.

|                                   | SY 2018   | SY 2019   |
|-----------------------------------|-----------|-----------|
| Cash and Investments              | 2,390.0   | 2,462.3   |
| Capital Assets, Net               | 14,531.8  | 13,888.7  |
|                                   |           |           |
| <b>Assets</b>                     | 16,921.8  | 16,492.6  |
|                                   |           |           |
| Long-Term Debt Outstanding        | 6,335.4   | 6,023.4   |
| Other Liabilities                 | 6,523.9   | 4,167.6   |
|                                   |           |           |
| <b>Liabilities</b>                | 12,859.3  | 10,190.9  |
|                                   |           |           |
| <b>Net Position</b>               |           |           |
| Invested in Cap Assets, Net       | 7,745.5   | 7,553.3   |
| Emergencies                       | 49.6      | 57.0      |
| Preschool                         | 14.0      | 8.0       |
| Debt Service                      | 469.7     | 514.8     |
| Food Service                      | 4.5       | 1.4       |
| Unrestricted                      | (2,542.5) | (2,550.9) |
|                                   |           |           |
| <b>Net Position as of June 30</b> | 5,740.8   | 5,583.6   |

Table 2 provides a summary of the changes in net assets. Following Table 2 is a specific discussion related to overall revenues and expenses.

|  | <u>Governmental<br/>Activities</u> |                |
|--|------------------------------------|----------------|
|  | SY 2018                            | SY 2019        |
| Net Revenues                               |                                    |                |
| Taxes                                      |                                    |                |
| Property Taxes Levied for General Purposes | 1,489.7                            | 1,537.0        |
| Specific Ownership Taxes                   | 14.5                               | 176.8          |
| State Equalization                         | 317.7                              | 543.2          |
| Earnings on Investments                    | 17.8                               | 24.8           |
| Other Revenues                             | 92.3                               | 108.6          |
| Transfers                                  | 0                                  | 0              |
| Total General Revenues and Transfers       | <u>2,072.0</u>                     | <u>2,390.5</u> |
| Net Expenses                               |                                    |                |
| Instructional Program                      | 1,144.8                            | 1,184.0        |
| Support Services:                          |                                    |                |
| Student                                    | 148.9                              | 132.7          |
| Instructional Staff                        | 4.1                                | 14.1           |
| District Administration                    | 152.2                              | 174.4          |
| School Administration                      | 66.3                               | 207.9          |
| Business Support                           | 70.0                               | 76.8           |
| Operations and Maintenance of Plant        | 213.6                              | 203.6          |
| Student Transportation                     | 98.7                               | 119.5          |
| Central                                    | 131.4                              | 165.9          |
| Facility                                   | 10.2                               | 20.6           |
| Food Service                               | 74.0                               | 84.7           |
| Capital Outlay                             | 8.5                                | 0              |
| Interest and Fees                          | 283.1                              | 271.8          |
| Pension and OPEB Amortization              | 868.0                              | -108.4         |
| Total Governmental Activities              | <u>3,273.8</u>                     | <u>2,547.6</u> |
| Change in Net Position                     | -1,201.8                           | -157.2         |
| Net Position – Beginning                   | <u>6,942.6</u>                     | <u>5,740.8</u> |
| Net Position – Ending                      | <u>5,740.8</u>                     | <u>5,583.6</u> |

## Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$16,053.91 per funded student for fiscal year 2018-19. The funded pupil count was 93. The funded pupil count was up 12.4 from the previous year. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 5 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

|   | <b>Total Cost<br/>of Services</b> |                | <b>Net Cost<br/>of Services</b> |                |
|---|-----------------------------------|----------------|---------------------------------|----------------|
|   | SY 2018                           | SY 2019        | SY 2018                         | SY 2019        |
| Instructional Program   | 1,337.7                           | 1,594.2        | 1,144.8                         | 1,184.0        |
| Students  | 148.9                             | 132.7          | 148.9                           | 132.7          |
| Instructional Supporting Services   | 4.1                               | 14.1           | 4.1                             | 14.1           |
| General Administration  | 152.2                             | 174.4          | 152.2                           | 174.4          |
| School Administration   | 66.3                              | 207.9          | 66.3                            | 207.9          |
| Business Supporting Services  | 70.1                              | 76.8           | 70.0                            | 76.8           |
| Operations and Maintenance  | 228.0                             | 203.6          | 213.6                           | 203.6          |
| Student Transportation  | 119.8                             | 140.3          | 98.7                            | 119.5          |
| Central Support Services  | 131.4                             | 165.9          | 131.4                           | 165.9          |
| Facility  | 10.2                              | 20.6           | 10.2                            | 20.6           |
| Food Service  | 117.3                             | 128.3          | 74.0                            | 84.7           |
| Capital Outlay  | 8.5                               | 0              | 8.5                             | 0              |
| Interest and Fees   | 283.1                             | 271.8          | 283.1                           | 271.8          |
| Pension and OPEB Amortization   | 868.0                             | -108.4         | 868.0                           | -108.4         |
| <b>Total</b>  | <b>3,545.6</b>                    | <b>3,022.2</b> | <b>3,273.8</b>                  | <b>2,547.6</b> |
| <i>Note: totals may not add due to rounding and adherence to auditor's financial statements</i> |                                   |                |                                 |                |

- The net cost of all governmental activities for fiscal year 2018-19 totaled \$2,547,648
- Federal and State governments subsidized certain programs with grants and contributions amounting to \$449,044 for Year Ended June 30, 2019, compared to \$232,993 for Year Ended June 30, 2018.
- District and State taxpayers financed most of the District's costs (\$2,257,036).
- This portion of governmental activities were financed with \$1,537,009 in property taxes, \$76,826 in specific ownership taxes, \$543,201 in state aid (equalization) based on the statewide formula for per pupil funding, and \$24,844 in investment earnings and other miscellaneous revenues not pertaining specifically to a program. By comparison, for Year Ended June 30, 2018, governmental activities was financed with \$1,489,665 in

property taxes, \$154,534 in specific ownership taxes, \$317,746 in state aid and \$17,798 in investment earnings.

The District was required to implement GASB 88 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$169,364. Under GASB 88 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

### **Financial Analysis of the District's Funds**

District's funds are accounted for using the modified accrual basis of accounting. All governmental funds, for the Year Ended June 30, 2019, had total revenues and transfers of \$2,390,493. By comparison, for the Year Ended June 30, 2018, governmental funds had total revenues and transfers of \$2,072,015. The change in the District's Net Position was a decrease of \$157,155.

### **General Fund Budgetary Highlights**

The District preapproves a budget in June based on enrollment projections for the upcoming school year.

The fund balance as of June 30, 2019 was \$2,274.6 thousand, compared to \$2,333.4 thousand as of June 30, 2018.

The budgetary basis differs from Generally Accepted Accounting Principles (GAAP) in the treatment of accrued salaries, benefits, and related liabilities. According to state statutes, the accrued salaries and related benefits do not need to be "funded" and, therefore, are not subtracted from budgetary basis fund balance.

## Capital Assets

At the end of fiscal year 2019, the District had \$16,101.9 thousand in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment.

| <u>Capital Assets ( Net of Depreciation )</u> | Governmental<br><u>2018-2019</u> | Governmental<br><u>2017-2018</u> |
|---|----------------------------------|----------------------------------|
| Land & Sites                                  | 319,291                          | 319,291                          |
| Buildings & Improvements                      | 12,994,946                       | 13,465,726                       |
| Equipment & Vehicles                          | 574,434                          | 595,245                          |
| Total Capital Assets (Net)                    | <u>13,888,671</u>                | <u>14,380,262</u>                |

## Long-Term Debt

At fiscal year-end, the District had \$6,335.4 thousand in long-term debt. The previous year's long-term debt totaled \$6,634.8 thousand.

| <u>CHANGES IN LONG TERM DEBT</u>       | Balance<br><u>7/1/2018</u> | <u>Additions</u> | <u>Deletions</u> | Balance<br><u>6/30/2019</u> |
|--|----------------------------|------------------|------------------|-----------------------------|
| 2013 General Obligation Matching Bonds | 6,634,821                  | -                | 299,463          | 6,335,358                   |
| Totals                                 | <u>6,634,821</u>           | <u>-</u>         | <u>299,463</u>   | <u>6,335,358</u>            |

## Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its financial health in the future.

- The funded pupil count is trending in a positive direction for the first time in many years. The FTE pupil count for 2018-19 was 93, in 2017-18, it was 80.6 and the prior year 2016-17 it was 78.5. This is a substantial increase for a district the size of Creede.
- The District is actively engaged in pursuing grants, donations, and other fund raising activities to increase general fund revenue.
- Career and Technical Programs including: Automotive Technology, Welding, Construction Technology, Graphic Design, CAD, CADD, and others continue to be available to students. We now have a vibrant program that is engaging the students and community. This is already proving to keep our enrollment stronger in the secondary grades.

- Stability in leadership is helping the future of the district. The school board remains supportive and willing to enhance the quality of education to better attract all school-age children in the district and beyond.

### **Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent or Finance Director, Creede School District, PO Box 429, Creede, Colorado 81130.

BASIC FINANCIAL STATEMENTS

CREEDE SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
June 30, 2019

|  | Governmental<br>Activities | Total              |
|--|----------------------------|--------------------|
| <u>ASSETS</u>                                |                            |                    |
| Cash and Investments                         | 2,462,345                  | 2,462,345          |
| Accounts Receivable                          | -                          | -                  |
| Grants Receivable                            | 14,776                     | 14,776             |
| Property Taxes Receivable                    | 126,150                    | 126,150            |
| Inventories                                  | 621                        | 621                |
| Capital Assets                               | 16,101,917                 | 16,101,917         |
| Accumulated Depreciation                     | <u>(2,213,246)</u>         | <u>(2,213,246)</u> |
| <u>Total Assets</u>                          | <u>16,492,563</u>          | <u>16,492,563</u>  |
| <u>DEFERRED OUTFLOW OF RESOURCES</u>         |                            |                    |
| Pension                                      | 1,640,199                  | 1,640,199          |
| Other Post Employment Benefits               | <u>40,865</u>              | <u>40,865</u>      |
| <u>Total Deferred Outflow of Resources</u>   | <u>1,681,064</u>           | <u>1,681,064</u>   |
| <u>LIABILITIES</u>                           |                            |                    |
| Accounts Payable                             | 10,985                     | 10,985             |
| Accrued Salaries                             | 152,514                    | 152,514            |
| Accrued Interest                             | 22,110                     | 22,110             |
| Compensated Absences                         | 3,343                      | 3,343              |
| Unearned Revenues                            | 106,188                    | 106,188            |
| Net Pension Obligation                       | 3,391,085                  | 3,391,085          |
| Net Other Post Employment Benefits Liability | 169,364                    | 169,364            |
| Debt – Current                               | 312,004                    | 312,004            |
| Debt – Long Term                             | <u>6,023,354</u>           | <u>6,023,354</u>   |
| <u>Total Liabilities</u>                     | <u>10,190,947</u>          | <u>10,190,947</u>  |
| <u>DEFERRED INFLOW OF RESOURCES</u>          |                            |                    |
| Pension                                      | 2,396,745                  | 2,396,745          |
| Other Post Employment Benefits               | <u>2,288</u>               | <u>2,288</u>       |
| <u>Total Deferred Inflow of Resources</u>    | <u>2,399,033</u>           | <u>2,399,033</u>   |
| <u>NET POSITION</u>                          |                            |                    |
| Net Investment in Capital Assets             | 7,553,313                  | 7,553,313          |
| Restricted for:                              |                            |                    |
| Emergencies                                  | 57,000                     | 57,000             |
| Preschool                                    | 7,971                      | 7,971              |
| Capital Outlay                               | -                          | -                  |
| Debt Service                                 | 514,813                    | 514,813            |
| Food Service                                 | 1,446                      | 1,446              |
| Unrestricted                                 | <u>(2,550,896)</u>         | <u>(2,550,896)</u> |
| <u>TOTAL NET POSITION</u>                    | <u>5,583,647</u>           | <u>5,583,647</u>   |

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

**CREEDE SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
For The Year Ended June 30, 2019**

|   | Program Revenues        |  |  |                            | Net (Expenses) Revenue and Changes in Net Position |  |
|---|-------------------------|--|--|----------------------------|--|--|
|   | Charges for<br>Services | Operating<br>Grants &<br>Contributions | Capital Grants<br>and<br>Contributions | Primary Government         |  |  |
| <u>Expenses</u>                               |                         |  |  | Governmental<br>Activities | Total  |  |
| <b><u>FUNCTIONS/PROGRAMS</u></b>              |                         |  |  |                            |  |  |
| Instructional Services                        | 1,594,210               | 410,242                                | -                                      | (1,183,968)                | (1,183,968)  |  |
| Supporting Services:                          |                         |  |  |                            |  |  |
| Students                                      | 132,718                 | -                                      | -                                      | (132,718)                  | (132,718)  |  |
| Instructional Staff                           | 14,124                  | -                                      | -                                      | (14,124)                   | (14,124)   |  |
| District Administration                       | 174,362                 | -                                      | -                                      | (174,362)                  | (174,362)  |  |
| School Administration                         | 207,948                 | -                                      | -                                      | (207,948)                  | (207,948)  |  |
| Business                                      | 76,751                  | -                                      | -                                      | (76,751)                   | (76,751)   |  |
| Operation & Maintenance<br>of Facilities      | 203,573                 | -                                      | -                                      | (203,573)                  | (203,573)  |  |
| Transportation                                | 140,268                 | 20,755                                 | -                                      | (119,513)                  | (119,513)  |  |
| Central                                       | 165,928                 | -                                      | -                                      | (165,928)                  | (165,928)  |  |
| Facility                                      | 20,623                  | -                                      | -                                      | (20,623)                   | (20,623)   |  |
| Food Service                                  | 128,310                 | 18,047                                 | -                                      | (84,719)                   | (84,719)   |  |
| Capital Outlay                                | -                       | -                                      | -                                      | -                          | -  |  |
| Interest and Fees                             | 271,812                 | -                                      | -                                      | (271,812)                  | (271,812)  |  |
| Net Pension Costs                             | (115,700)               | -                                      | -                                      | 115,700                    | 115,700  |  |
| Net OPEB Costs                                | 7,309                   | -                                      | -                                      | (7,309)                    | (7,309)  |  |
| <b>Total Governmental Activities</b>          | <b>25,544</b>           | <b>449,044</b>                         | <b>-</b>                               | <b>(2,547,648)</b>         | <b>(2,547,648)</b>                                 |  |
| <b>General Revenues</b>                       |                         |  |  |                            |  |  |
| Property Taxes Levied for General Purposes    |                         |  |  | 1,537,009                  | 1,537,009  |  |
| Specific Ownership Taxes                      |                         |  |  | 176,826                    | 176,826  |  |
| Equalization                                  |                         |  |  | 543,201                    | 543,201  |  |
| Earnings on Investments                       |                         |  |  | 24,844                     | 24,844   |  |
| Other Revenues                                |                         |  |  | 108,613                    | 108,613  |  |
| <b>Total General Revenues &amp; Transfers</b> |                         |  |  | <b>2,390,493</b>           | <b>2,390,493</b>                                   |  |
| <b>Change in Net Position</b>                 |                         |  |  | <b>(157,155)</b>           | <b>(157,155)</b>                                   |  |
| <b>Net Position, Beginning</b>                |                         |  |  | <b>5,740,802</b>           | <b>5,740,802</b>                                   |  |
| <b>Net Position, Ending</b>                   |                         |  |  | <b>5,583,647</b>           | <b>5,583,647</b>                                   |  |

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

CREEDE SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

|  | <u>General<br/>Fund</u> | <u>Bond<br/>Fund</u> | <u>Other<br/>Governmental<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|--|-------------------------|----------------------|---|---|
| <u>ASSETS</u>  |                         |                      |   |   |
| Cash and Equivalents   | 1,971,336               | 489,563              | 1,446                                   | 2,462,345                               |
| Accounts Receivable  | -                       | -                    | -                                       | -                                       |
| Grants Receivable  | 14,776                  | -                    | -                                       | 14,776                                  |
| Due From Other Funds   | -                       | -                    | -                                       | -                                       |
| Property Taxes Receivable  | 87,200                  | 38,950               | -                                       | 126,150                                 |
| Inventories  | -                       | -                    | 621                                     | 621                                     |
| <u>Total Assets</u>  | <u>2,073,312</u>        | <u>528,513</u>       | <u>2,067</u>                            | <u>2,603,892</u>                        |
| <u>LIABILITIES</u>   |                         |                      |   |   |
| Accounts Payable   | 10,985                  | -                    | -                                       | 10,985                                  |
| Accrued Salaries   | 152,514                 | -                    | -                                       | 152,514                                 |
| Due To Other Funds   | -                       | -                    | -                                       | -                                       |
| Other Payables   | -                       | -                    | -                                       | -                                       |
| <u>Total Liabilities</u>   | <u>163,499</u>          | <u>-</u>             | <u>-</u>                                | <u>163,499</u>                          |
| <u>DEFERRED INFLOW OF<br/>RESOURCES</u>                          |                         |                      |   |   |
| Unavailable Property Tax   | 45,900                  | 13,700               | -                                       | 59,600                                  |
| Deferred Grants  | 106,188                 | -                    | -                                       | 106,188                                 |
| <u>Total Deferred Inflows</u>                                    | <u>152,088</u>          | <u>13,700</u>        | <u>-</u>                                | <u>165,788</u>                          |
| <u>FUND BALANCES</u>   |                         |                      |   |   |
| Nonspendable   |                         |                      |   |   |
| Inventories  | -                       | -                    | 621                                     | 621                                     |
| Restricted   |                         |                      |   |   |
| Emergencies  | 57,000                  | -                    | -                                       | 57,000                                  |
| Preschool  | 7,971                   | -                    | -                                       | 7,971                                   |
| Capital Outlay   | -                       | -                    | -                                       | -                                       |
| Debt Service   | -                       | 514,813              | -                                       | 514,813                                 |
| Food Service   | -                       | -                    | 1,446                                   | 1,446                                   |
| Unassigned   | 1,692,754               | -                    | -                                       | 1,692,754                               |
| <u>Total Fund Balances</u>                                       | <u>1,757,725</u>        | <u>514,813</u>       | <u>2,067</u>                            | <u>2,274,605</u>                        |
| <u>TOTAL LIABILITIES, DEFERRED<br/>INFLOWS AND FUND BALANCES</u> |                         |                      |   |   |
|  | <u>2,073,312</u>        | <u>528,513</u>       | <u>2,067</u>                            | <u>2,603,892</u>                        |

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

CREEDE SCHOOL DISTRICT  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
 TO STATEMENT OF NET POSITION  
 June 30, 2019

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Amounts reported for governmental activities in the statement of net position are different because:

|  |                    |
|--|--------------------|
| <u>Total Fund Balance – Governmental Funds</u>   | 2,274,605          |
| Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$16,101,917 and the accumulated depreciation is \$2,213,246.  | 13,888,671         |
| Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is shown as not available in the fund financial statements. | 59,600             |
| Compensated absences are not reported as a liability in the funds.   | (3,343)            |
| Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.   | (6,335,358)        |
| Accrued interest on long term debt is not reported in the funds.   | (22,110)           |
| Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:  |                    |
| Net pension liability  | (3,391,085)        |
| Net Other Post Employment Benefits Liability   | (169,364)          |
| Deferred Outflows  | 1,681,064          |
| Deferred Inflows   | <u>(2,399,033)</u> |
| <u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>  | <u>5,583,647</u>   |

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

CREEDE SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES – GOVERNMENTAL FUNDS  
For The Year Ended June 30, 2019

|  | General<br>Fund  | Bond<br>Fund   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|------------------|----------------|--------------------------------|--------------------------------|
| <u>REVENUES</u>  |                  |                |                                |                                |
| Property Taxes   | 941,965          | 609,644        | -                              | 1,551,609                      |
| Specific Ownership Taxes   | 176,826          | -              | -                              | 176,826                        |
| Earnings on Investments  | 22,976           | 5,359          | -                              | 28,335                         |
| Other Local Sources  | 103,009          | 1,868          | 25,789                         | 130,666                        |
| State Aid  | 876,282          | -              | 637                            | 876,919                        |
| Federal Aid  | 70,376           | -              | 17,410                         | 87,786                         |
| <u>Total Revenues</u>  | <u>2,191,434</u> | <u>616,871</u> | <u>43,836</u>                  | <u>2,852,141</u>               |
| <u>EXPENDITURES</u>  |                  |                |                                |                                |
| Current:   |                  |                |                                |                                |
| Instructional Services   | 1,134,165        | -              | -                              | 1,134,165                      |
| Supporting Services:   |                  |                |                                |                                |
| Students   | 130,850          | -              | -                              | 130,850                        |
| Instructional Staff  | 14,124           | -              | -                              | 14,124                         |
| District Administration  | 170,525          | -              | -                              | 170,525                        |
| School Administration  | 205,141          | -              | -                              | 205,141                        |
| Business   | 75,573           | -              | -                              | 75,573                         |
| Operation & Maintenance<br>of Facilities                                 | 215,501          | -              | -                              | 215,501                        |
| Transportation   | 106,800          | -              | -                              | 106,800                        |
| Central<br>Facilities  | 164,613          | -              | -                              | 164,613                        |
| Food Service   | -                | -              | 101,312                        | 101,312                        |
| Debt Service:  |                  |                |                                |                                |
| Principal Retirement   | -                | 299,463        | -                              | 299,463                        |
| Interest and Fiscal Charges  | -                | 272,334        | -                              | 272,334                        |
| Capital Outlay   | -                | -              | -                              | -                              |
| <u>Total Expenditures</u>  | <u>2,237,915</u> | <u>571,797</u> | <u>101,312</u>                 | <u>2,911,024</u>               |
| <u>EXCESS (DEFICIENCY) OF<br/>REVENUES OVER (UNDER)<br/>EXPENDITURES</u> |                  |                |                                |                                |
|  | (46,481)         | 45,074         | (57,476)                       | (58,883)                       |
| <u>OTHER FINANCING<br/>SOURCES (USES)</u>                                |                  |                |                                |                                |
| Transfers  | (55,000)         | -              | 55,000                         | -                              |
| <u>NET CHANGE IN FUND<br/>BALANCES</u>                                   |                  |                |                                |                                |
|  | (101,481)        | 45,074         | (2,476)                        | (58,883)                       |
| <u>FUND BALANCES – Beginning</u>   | <u>1,859,206</u> | <u>469,739</u> | <u>4,543</u>                   | <u>2,333,488</u>               |
| <u>FUND BALANCES – Ending</u>  | <u>1,757,725</u> | <u>514,813</u> | <u>2,067</u>                   | <u>2,274,605</u>               |

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

CREEDE SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For The Year Ended June 30, 2019

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Amounts reported for governmental activities in the statement of activities are different because:

Net Change in Fund Balances – Total Governmental Funds (58,883)

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

|                                   |           |           |
|-----------------------------------|-----------|-----------|
|                                   | 14,417    |           |
| Capital outlays more than \$5,000 |           |           |
| Depreciation Expense              | (506,008) | (491,591) |

Property tax revenues received prior to the year for which the are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred inflows of property tax decreased this year. (14,600)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences decreased by this amount. (457)

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

|                                     |         |         |
|-------------------------------------|---------|---------|
|                                     | 115,700 |         |
| Pension Cost                        |         |         |
| Other Post Employment Benefits Cost | (7,309) | 108,391 |

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

|                  |         |  |
|------------------|---------|--|
|                  | 522     |  |
| Interest Expense |         |  |
| Debt Payment     | 299,463 |  |

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (157,155)

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

CREEDE SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
PUPIL ACTIVITY AGENCY FUND  
June 30, 2019

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|                          | <u>Pupil Activity Fund</u> |
|--------------------------|----------------------------|
| <u>ASSETS</u>            |                            |
| Cash and Equivalents     | 32,507                     |
| Due From Other Funds     | <u>-</u>                   |
| <u>Total Assets</u>      | <u>32,507</u>              |
| <u>LIABILITIES</u>       |                            |
| Accounts Payable         | -                          |
| Deposits Held for Others | <u>32,507</u>              |
| <u>Total Liabilities</u> | <u>32,507</u>              |

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

NOTES TO BASIC FINANCIAL STATEMENTS

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Creede School District (District) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The District operates under an elected Board of Education with five members.

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

A.    Reporting Entity

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

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

D. Fund Accounting

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

- Major Governmental Funds
  1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
  2. Bond Fund – used to account for the collection of taxes and payment of bond obligations.

Additionally, the District reports the following fund type:

The Pupil Activity Agency Fund – this fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District.

E. Cash and Investments

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E.      Cash and Investments (Continued)

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

F.      Receivables

Property taxes levied in 2018 but uncollected in 2019 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2019 are recorded as deferred revenue, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.      Inventories

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

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

H.      Capital Assets

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

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

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Long Term Obligations

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

J.      Constitutional Amendment

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

On November 6, 2001 voters approved a ballot question which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 2000-01 budget year and each subsequent year from any source, notwithstanding the limitations of Article x, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2019, the District reserved \$57,000 for this purpose.

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

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2018 property tax calendar for Mineral County was as follows:

|   |                   |
|---|-------------------|
| Levy Date                                 | December 15, 2018 |
| Lien Date                                 | January 1, 2019   |
| Tax Bills Mailed                          | January 1, 2019   |
| First Installment Due                     | February 28, 2019 |
| Second Installment Due                    | June 15, 2019     |
| If Paid in Full, Due                      | April 30, 2019    |
| Tax Sale – 2017 Delinquent Property Taxes | December 1, 2018  |

L.      Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2019, the District has recorded an estimated liability of \$3,343 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

|                        | <u>Balance</u><br><u>July 1, 2018</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>June 30, 2019</u> |
|------------------------|---------------------------------------|------------------|------------------|--|
| Accumulated Sick Leave | <u>2,886</u>                          | <u>457</u>       | <u>-</u>         | <u>3,343</u>                           |

M.      Use of Estimates

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N.        GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

CREEDE SCHOOL DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N.     GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

Order of Fund Balance Spending Policy (Continued)

|                            | <u>General<br/>Fund</u> | <u>Bond<br/>Fund</u> | <u>Food<br/>Service</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------------|-------------------------|----------------------|-------------------------|---|
| Nonspendable:              |                         |                      |                         |   |
| Inventories                | -                       | -                    | 621                     | 621                                     |
| <u>Restricted:</u>         |                         |                      |                         |   |
| Emergencies                | 57,000                  | -                    | -                       | 57,000                                  |
| Preschool                  | 7,971                   | -                    | -                       | 7,971                                   |
| Debt Service               | -                       | 514,813              | -                       | 514,813                                 |
| Food Service               | -                       | -                    | 1,446                   | 1,446                                   |
| <u>Unassigned</u>          | <u>1,692,754</u>        | <u>-</u>             | <u>-</u>                | <u>1,692,754</u>                        |
| <u>Total Fund Balances</u> | <u>1,757,725</u>        | <u>514,813</u>       | <u>2,067</u>            | <u>2,274,605</u>                        |

O.     Deferred Outflows / Inflows of Resources

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

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

NOTE 2     RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS  
(Continued)

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

|              | Items Eliminated            |                               |
|--------------|-----------------------------|-------------------------------|
|              | Transfers To<br>Other Funds | Transfers From<br>Other Funds |
| General Fund | 55,000                      | -                             |
| Food Service | -                           | 55,000                        |

NOTE 3      BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Food Service Fund, Bond Fund and Building Fund.
6. Budgets for the General Fund, Food Service Fund, Bond Fund and Building Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 3      BUDGETARY INFORMATION (continued)

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

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

NOTE 4      CASH

Deposits

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

At June 30, 2019, the District's bank balance and corresponding carrying balance were as follows:

|  | <u>Carrying<br/>Balance</u> | <u>Bank<br/>Balance</u> |
|--|-----------------------------|-------------------------|
| Insured (FDIC)(SIPC)   | 250,000                     | 250,000                 |
| Uninsured, Collateralized under the<br>Public Deposit Protection Act<br>of the State of Colorado | 880,453                     | 908,873                 |
| Cash Equivalents   | 872,225                     | -                       |
| Cash with Fiscal Agent   | 403,548                     | -                       |
| Cash with County Treasurer   | <u>88,626</u>               | <u>-</u>                |
| <u>Total Cash and Deposits</u>   | <u>2,494,852</u>            | <u>1,158,873</u>        |

As presented above, deposits with a bank balance of \$908,873 and a carrying balance of \$880,453 as of June 30, 2019 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

| <u>Governmental Activities</u>                     | <u>Balance</u><br><u>July 1, 2018</u> | <u>Increases</u> | <u>Decreases</u> | <u>Adjustment</u> | <u>Balance</u><br><u>June 30, 2019</u> |
|--|---------------------------------------|------------------|------------------|-------------------|--|
| <u>Capital Assets Not Being Depreciated</u>        |                                       |                  |                  |                   |  |
| Land   | 319,291                               | -                | -                | -                 | 319,291                                |
| <u>Total Capital Assets Not Being Depreciated</u>  | <u>319,291</u>                        | <u>-</u>         | <u>-</u>         | <u>-</u>          | <u>319,291</u>                         |
| <u>Capital Assets Being Depreciated:</u>           |                                       |                  |                  |                   |  |
| Building & Site Improvements                       | 14,627,332                            | 5,108            | -                | -                 | 14,632,440                             |
| Equipment  | 681,035                               | 9,309            | -                | -                 | 690,344                                |
| Vehicles   | 308,243                               | -                | -                | -                 | 308,243                                |
| Food Service                                       | 151,599                               | -                | -                | -                 | 151,599                                |
| <u>Total Capital Assets Being Depreciated</u>      | <u>15,768,209</u>                     | <u>14,417</u>    | <u>-</u>         | <u>-</u>          | <u>15,782,626</u>                      |
| <u>Less Accumulated Depreciation for:</u>          |                                       |                  |                  |                   |  |
| Building & Site Improvements                       | 1,161,606                             | 365,229          | -                | -                 | 1,526,835                              |
| Equipment  | 263,621                               | 92,830           | -                | -                 | 356,451                                |
| Vehicles   | 184,410                               | 20,951           | -                | -                 | 205,361                                |
| Food Service                                       | 97,601                                | 26,998           | -                | -                 | 124,599                                |
| <u>Total Accumulated Depreciation</u>              | <u>1,707,238</u>                      | <u>506,008</u>   | <u>-</u>         | <u>-</u>          | <u>2,213,246</u>                       |
| <u>Total Capital Assets Being Depreciated, Net</u> | <u>14,060,971</u>                     | <u>(491,591)</u> | <u>-</u>         | <u>-</u>          | <u>13,569,380</u>                      |
| <u>Governmental Activities Capital Assets, Net</u> | <u>14,380,262</u>                     | <u>(491,591)</u> | <u>-</u>         | <u>-</u>          | <u>13,888,671</u>                      |

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

|   |                |
|---|----------------|
| <u>Governmental Activities:</u>                             |                |
| Instructional Programs                                      | 443,615        |
| Instructional Support                                       | -              |
| General Administration Support                              | 2,000          |
| Operations and Maintenance                                  | 918            |
| Student Transportation Services                             | 32,477         |
| Central Support   | -              |
| Food Service  | 26,998         |
| <u>Total Depreciation Expense – Governmental Activities</u> | <u>506,008</u> |

NOTE 6      PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Creede School District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was 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](http://www.leg.colorado.gov).

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019)
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

NOTE 6      PENSION PLAN (Continued)

**General Information about the Pension Plan**

Plan description. Eligible employees of the Creede School 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](http://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.

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

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

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

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

NOTE 6      PENSION PLAN (Continued)

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 SB18-200, 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.

*Contribution provisions as of June 30, 2019.* Eligible employees, Creede School 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.

|   | July 1, 2018<br>Through<br>December 31, 2018 | January 1, 2019<br>Through<br>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%                                      |

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

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 6      PENSION PLAN (Continued)

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 to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Creede School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Creede School District were \$222,917 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 Creede School District proportion of the net pension liability was based on Creede School District contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2019, the Creede School District reported a liability of \$3,391,085 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Creede School District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Creede School District were as follows:

|  |              |
|--|--------------|
| Creede School District proportionate share of the net pension liability  | \$ 3,391,085 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Creede School District | \$ 463,685   |
| Total  | \$ 3,854,770 |

At December 31, 2018, the Creede School District proportion was 0.019 percent, which was an increase of 0.0008 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Creede School District recognized pension income of \$115,700 and revenue of \$27,540 for support from the State as a nonemployer contributing entity. At June 30, 2019, the Creede School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 6      PENSION PLAN (Continued)

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Difference between expected and actual experience   | 115,029                              | -                                |
| Changes of assumptions or other inputs  | 632,961                              | 2,108,890                        |
| Net difference between projected and actual earnings on pension plan investments                                | 459,309                              | 274,473                          |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 317,504                              | 13,382                           |
| Contributions subsequent to the measurement date  | 115,396                              | N/A                              |
| Total   | 1,640,199                            | 2,396,745                        |

\$115,396 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 ended June 30, |           |
|---------------------|-----------|
| 2020                | (684,244) |
| 2021                | (47,236)  |
| 2022                | (275,207) |
| 2023                | 134,745   |
| 2024                | -         |
| Thereafter          | -         |

*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 |  |

CREEDE SCHOOL DISTRICT  
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NOTE 6      PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT  
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NOTE 6      PENSION PLAN (Continued)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 6      PENSION PLAN (Continued)

- 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 Creede School District 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%<br>Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1%<br>Increase<br>(8.25%) |
|--|---------------------------|-------------------------------------|---------------------------|
| Proportionate share of the net pension liability | 4,311,184                 | 3,391,085                           | 2,618,966                 |

*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](http://www.copera.org/investments/pera-financial-reports).

NOTE 6      PENSION PLAN (Continued)

**Defined Contribution Pension Plan**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2019, program members contributed \$5,463.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS

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

**Summary of Significant Accounting Policies**

*OPEB.* Creede School 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 Creede School 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](http://www.copera.org/investments/pera-financial-reports).

CREEDE SCHOOL DISTRICT  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

*PERA Benefit Structure*

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

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

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

*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 Creede School District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Creede School District were \$11,886 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 Creede School District reported a liability of \$169,364 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 Creede School District proportion of the net OPEB liability was based on Creede School District 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 Creede School District proportion was 0.012 percent, which was an increase of 0.002 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Creede School District recognized OPEB expense of \$7,309. At June 30, 2019, the Creede School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

|   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Difference between expected and actual experience   | 615                               | 258                              |
| Changes of assumptions or other inputs  | 1,188                             | -                                |
| Net difference between projected and actual earnings on OPEB plan investments                                   | 3,004                             | 2,030                            |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 29,905                            | -                                |
| Contributions subsequent to the measurement date  | 6,153                             | N/A                              |
| Total   | 40,865                            | 2,288                            |

\$6,153 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 ended June 30, |       |
|---------------------|-------|
| 2020                | 6,659 |
| 2021                | 6,659 |
| 2022                | 6,659 |
| 2023                | 7,336 |
| 2024                | 4,918 |
| Thereafter          | 193   |

*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 pension plan investment expenses, including price inflation | 7.25 percent  |
| Discount rate   | 7.25 percent  |
| Health care cost trend rates  |   |
| PERA benefit structure:   |   |
| Service-based premium subsidy   | 0.00 percent  |
| PERACare Medicare plans   | 5.00 percent  |
| Medicare Part A premiums  | 3.25 percent for 2018,<br>gradually rising to 5.00<br>percent in 2025 |
| DPS benefit structure:  |   |
| Service-based premium subsidy   | 0.00 percent  |
| PERACare Medicare plans   | N/A   |
| Medicare Part A premiums  | N/A   |

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (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:

| <b>Medicare Plan</b>                     | <b>Cost for Members<br/>Without Medicare Part A</b> | <b>Premiums for Members<br/>Without Medicare Part A</b> |
|--|---|---|
| Self-Funded Medicare Supplement Plans    | \$736   | \$367   |
| Kaiser Permanente Medicare Advantage HMO | 602   | 236   |
| Rocky Mountain Health Plans Medicare HMO | 611   | 251   |
| United Healthcare 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:

| <b>Medicare Plan</b>                     | <b>Cost for Members<br/>Without Medicare Part A</b> |
|--|---|
| Self-Funded Medicare Supplement Plans    | \$289   |
| Kaiser Permanente Medicare Advantage HMO | 300   |
| Rocky Mountain Health Plans Medicare HMO | 270   |
| United Healthcare 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.

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

| Year  | PERACare Medicare Plans | Medicare Part A Premiums |
|-------|-------------------------|--------------------------|
| 2018  | 5.00%                   | 3.25%                    |
| 2019  | 5.00%                   | 3.50%                    |
| 2020  | 5.00%                   | 3.75%                    |
| 2021  | 5.00%                   | 4.00%                    |
| 2022  | 5.00%                   | 4.25%                    |
| 2023  | 5.00%                   | 4.50%                    |
| 2024  | 5.00%                   | 4.75%                    |
| 2025+ | 5.00%                   | 5.00%                    |

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

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

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

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

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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

CREEDE SCHOOL DISTRICT  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

| Asset Class                       | Target Allocation | 30 Year Expected Geometric Real Rate of Return |
|-----------------------------------|-------------------|--|
| U.S. Equity – Large Cap           | 21.20%            | 4.30%  |
| U.S. Equity – Small Cap           | 7.42%             | 4.80%  |
| Non U.S. Equity – Developed       | 18.55%            | 5.20%  |
| Non U.S. Equity – Emerging        | 5.83%             | 5.40%  |
| Core Fixed Income                 | 19.32%            | 1.20%  |
| High Yield                        | 1.38%             | 4.30%  |
| Non U.S. Fixed Income - Developed | 1.84%             | 0.60%  |
| Emerging Market Debt              | 0.46%             | 3.90%  |
| Core Real Estate                  | 8.50%             | 4.90%  |
| Opportunity Fund                  | 6.00%             | 3.80%  |
| Private Equity                    | 8.50%             | 6.60%  |
| Cash                              | 1.00%             | 0.20%  |
| 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 Creede School District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

|                                     | 1% Decrease<br>in Trend Rates | Current Trend<br>Rates | 1% Increase in<br>Trend Rates |
|-------------------------------------|-------------------------------|------------------------|-------------------------------|
| PERACare Medicare trend rate        | 4.00%                         | 5.00%                  | 6.00%                         |
| Initial Medicare Part A trend rate  | 2.00%                         | 3.00%                  | 4.00%                         |
| Ultimate Medicare Part A trend rate | 3.25%                         | 4.25%                  | 5.25%                         |
| Net OPEB Liability                  | 164,687                       | 169,364                | 174,743                       |

*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.

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- 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 Creede School District proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

|   | 1%<br>Decrease<br>(6.25%) | Current<br>Discount Rate<br>(7.25%) | 1%<br>Increase<br>(8.25%) |
|---|---------------------------|-------------------------------------|---------------------------|
| Proportionate share of the net OPEB liability | 189,504                   | 169,364                             | 152,147                   |

*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](http://www.copera.org/investments/pera-financial-reports).

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 8      RISK MANAGEMENT

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

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

NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2019.

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information at June 30, 2018, and for the year then ended (latest information available) follows:

|                                    |                   |
|------------------------------------|-------------------|
| Total Assets                       | <u>44,237,852</u> |
| Total Liabilities                  | <u>16,614,537</u> |
| Total Equity                       | <u>27,623,315</u> |
| Revenue                            | 15,844,221        |
| Underwriting Expenses              | <u>19,487,647</u> |
| Underwriting Gain (Loss)           | (3,643,426)       |
| Net Investment Income              | 517,310           |
| Other Income                       | <u>-</u>          |
| Net Income (Loss) Before Dividend  | (3,126,116)       |
| Dividend                           | <u>-</u>          |
| Net Income                         | (3,126,116)       |
| Transfer of Capital Contributions  | -                 |
| Change in Non Admitted Assets      | <u>130,742</u>    |
| Capital Contributions from Members | <u>-</u>          |
| Unassigned Surplus                 | <u>27,623,315</u> |

NOTE 10      FOOD INVENTORIES

Food Service Fund inventories at June 30, 2019, consisted of purchased, non-food and donated commodities amounting to \$433, \$102 and \$86, respectively. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11      ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2019 are estimated to be \$152,514. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12      LITIGATION

None.

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 13    SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 14    JOINT VENTURES AND RELATED PARTIES

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2019. The joint venture summary audited financial information as of June 30, 2018 is as follows:

|                               |                     |
|-------------------------------|---------------------|
| Assets                        | 2,902,035           |
| Deferred Outflow of Resources | 5,349,100           |
| Liabilities                   | 19,531,133          |
| Deferred Inflow of Resources  | <u>1,655,496</u>    |
| Net Position                  | <u>(12,935,494)</u> |
| <br>                          |                     |
| Revenues                      | 5,006,034           |
| Expenditures                  | <u>7,799,939</u>    |
| Change In Net Position        | <u>(2,793,905)</u>  |
| Net Position, Beginning       | <u>(10,141,589)</u> |
| Net Position Ending           | <u>(12,935,494)</u> |

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a report with the Colorado State Auditor's Office.

Creede Schools Endowment Foundation

The Creede Schools Endowment Foundation was established to supplement or fund any program or educational activity of Creede School District. This is done primarily through scholarships to the students of the school. The District has two members on the Board. The Board has final authority for all budgeting and financing of the Endowment Foundation, which is a related party and not a joint venture. Complete separate financial statements may be obtained from the Foundation. As of 6-30-2019 the Foundation had cash and investment assets of \$337,713.

CREEDE SCHOOL DISTRICT  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 14    JOINT VENTURES AND RELATED PARTIES (Continued)

Whitney Newton Trust

The Whitney Newton Trust was established in 1969 to supplement or fund any program or educational activity of Creede School District. The custodian of the trust is Mineral County. As of January 1, 2019, no Mineral County Commissioners were also Creede School District Board Members. As Commissioners, they have authority over the Whitney Newton Trust Funds. Complete separate financial statements may be obtained from Mineral County. As of 6-30-2019 the Trust had cash and investment assets of \$826,554.

NOTE 15    INTERFUND BALANCES AND TRANSFERS

| <u>TRANSFERS</u>  | <u>Transfer In</u> | <u>Transfer Out</u> |
|-------------------|--------------------|---------------------|
| General Fund      | -                  | 55,000              |
| Food Service Fund | <u>55,000</u>      | <u>-</u>            |
|                   | <u>55,000</u>      | <u>55,000</u>       |

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations.

NOTE 16    LONG-TERM DEBT – GENERAL OBLIGATION BONDS

|                  | <u>Balance</u>   |                  |                    | <u>Balance</u>   | <u>Current</u> |
|------------------|------------------|------------------|--------------------|------------------|----------------|
|                  | <u>7/1/2018</u>  | <u>Additions</u> | <u>Retirements</u> | <u>6/30/2019</u> | <u>Portion</u> |
| G.O. Matching    |                  |                  |                    |                  |                |
| Money Bonds 2013 | <u>6,634,821</u> | <u>-</u>         | <u>299,463</u>     | <u>6,335,358</u> | <u>312,004</u> |

Series 2013 General Obligation Matching Money Bonds

These general obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$7,462,907 were used to match \$8,683,253 in State of Colorado – BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817%.

CREEDE SCHOOL DISTRICT  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 16    LONG-TERM DEBT – GENERAL OBLIGATION BONDS (Continued)

Below is a schedule of debt service to maturity:

|      | <u>Principal</u> | <u>Interest</u>  | <u>Total</u>     |
|------|------------------|------------------|------------------|
| 2020 | 312,004          | 258,780          | 570,784          |
| 2021 | 325,071          | 245,440          | 570,511          |
| 2022 | 338,684          | 231,542          | 570,226          |
| 2023 | 352,867          | 217,061          | 569,928          |
| 2024 | 367,645          | 201,975          | 569,620          |
| 2025 | 383,041          | 186,256          | 569,297          |
| 2026 | 399,082          | 169,879          | 568,961          |
| 2027 | 415,795          | 152,816          | 568,611          |
| 2028 | 433,208          | 135,039          | 568,247          |
| 2029 | 451,350          | 116,517          | 567,867          |
| 2030 | 470,251          | 97,220           | 567,471          |
| 2031 | 489,945          | 77,114           | 567,059          |
| 2032 | 510,463          | 56,166           | 566,629          |
| 2033 | 531,840          | 34,341           | 566,181          |
| 2034 | <u>554,112</u>   | <u>11,602</u>    | <u>565,714</u>   |
|      | <u>6,335,358</u> | <u>2,191,748</u> | <u>8,527,106</u> |

NOTE 17    COMPLIANCE WITH BUDGET LAWS

The following condition was noted and may be a violation of Colorado law:

Expenditures in the Food Service Fund exceeded budgeted amounts by \$4,853.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT TREND DATA

## MAJOR GOVERNMENTAL FUNDS

### General Fund

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

CREEDE SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Year Ended June 30, 2019

|                                 | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | Variance with<br>Final Budget-<br>Favorable<br>(Unfavorable) |
|---------------------------------|-------------------------|------------------|------------------|--|
|                                 | <u>Original</u>         | <u>Final</u>     |                  |  |
| <u>REVENUES</u>                 |                         |                  |                  |  |
| <u>Local Sources</u>            |                         |                  |                  |  |
| Property Taxes                  | 834,924                 | 834,924          | 941,965          | 107,041  |
| Specific Ownership Taxes        | 79,231                  | 130,362          | 176,826          | 46,464   |
| Earnings on Investments         | 6,000                   | 9,800            | 22,976           | 13,176   |
| Delinquent Taxes and Interest   | 2,500                   | 2,500            | 2,889            | 389  |
| Other                           | 107,678                 | 108,062          | 100,120          | (7,942)  |
| <u>State Sources</u>            |                         |                  |                  |  |
| Equalization                    | 324,030                 | 543,709          | 543,201          | (508)  |
| Transportation                  | 19,985                  | 19,985           | 20,755           | 770  |
| Vocational Education            | 100,000                 | 100,000          | 49,604           | (50,396)   |
| Special Education               | 500                     | 500              | 2,937            | 2,437  |
| Other                           | 243,477                 | 252,192          | 259,785          | 7,593  |
| <u>Federal Sources</u>          |                         |                  |                  |  |
| Other                           | 31,966                  | 42,347           | 70,376           | 28,029   |
| <u>Allocation</u>               |                         |                  |                  |  |
|                                 | -                       | -                | -                | -  |
| <u>TOTAL REVENUES</u>           | <u>1,750,291</u>        | <u>2,044,381</u> | <u>2,191,434</u> | <u>147,053</u>   |
| <u>EXPENDITURES</u>             |                         |                  |                  |  |
| <u>Instruction</u>              |                         |                  |                  |  |
| <u>Regular Programs</u>         |                         |                  |                  |  |
| Salaries                        | 677,876                 | 695,322          | 699,287          | (3,965)  |
| Employees Benefits              | 233,639                 | 239,434          | 235,867          | 3,567  |
| Purchased Services-Professional | 50,782                  | 55,782           | 55,230           | 552  |
| Purchased Services-Property     | 9,000                   | 9,000            | 7,987            | 1,013  |
| Purchased Services-Other        | 32,995                  | 33,545           | 27,728           | 5,817  |
| Supplies and Materials          | 27,150                  | 34,400           | 76,422           | (42,022)   |
| Property                        | 23,000                  | 23,000           | 27,668           | (4,668)  |
| Other Objects                   | 4,650                   | 4,650            | 3,976            | 674  |
| <u>Total Instruction</u>        | <u>1,059,092</u>        | <u>1,095,133</u> | <u>1,134,165</u> | <u>(39,032)</u>  |

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

CREEDE SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Year Ended June 30, 2019

| <u>SUPPORTING SERVICES</u>          | <u>Budgeted Amounts</u> |                | <u>Actual</u>  | Variance with<br>Final Budget-<br>Favorable<br><u>(Unfavorable)</u> |
|-------------------------------------|-------------------------|----------------|----------------|---|
|                                     | <u>Original</u>         | <u>Final</u>   |                |   |
| <u>Student Supporting Services</u>  |                         |                |                |   |
| Salaries                            | 85,099                  | 81,796         | 81,797         | (1)   |
| Employee Benefits                   | 30,754                  | 28,044         | 26,024         | 2,020   |
| Purchased Services – Professional   | -                       | -              | 8,520          | (8,520)   |
| Purchased Services – Other          | 1,000                   | 1,500          | 9,746          | (8,246)   |
| Supplies and Materials              | 1,500                   | 1,000          | 4,749          | (3,749)   |
| Property                            | -                       | -              | -              | -   |
| Other Objects                       | 100                     | 100            | 14             | 86  |
| <u>Total Student Services</u>       | <u>118,453</u>          | <u>112,440</u> | <u>130,850</u> | <u>(18,410)</u>   |
| <u>Instructional Staff</u>          |                         |                |                |   |
| Salaries                            | -                       | -              | -              | -   |
| Employee Benefits                   | -                       | -              | -              | -   |
| Purchased Services – Professional   | -                       | -              | 8,246          | (8,246)   |
| Supplies and Materials              | 4,450                   | 4,450          | 5,878          | (1,428)   |
| Property                            | -                       | -              | -              | -   |
| Other Objects                       | -                       | -              | -              | -   |
| <u>Total Instructional Staff</u>    | <u>4,450</u>            | <u>4,450</u>   | <u>14,124</u>  | <u>(9,674)</u>  |
| <u>General Administration</u>       |                         |                |                |   |
| Salaries                            | 79,789                  | 80,539         | 80,436         | 103   |
| Employee Benefits                   | 23,664                  | 23,733         | 22,873         | 860   |
| Purchased Services-Professional     | 30,000                  | 31,500         | 48,668         | (17,168)  |
| Purchased Services-Other            | 10,000                  | 10,000         | 10,387         | (387)   |
| Supplies and Materials              | 1,550                   | 1,550          | 2,130          | (580)   |
| Property                            | -                       | -              | -              | -   |
| Other Objects                       | 7,000                   | 7,000          | 6,031          | 969   |
| <u>Total General Administration</u> | <u>152,003</u>          | <u>154,322</u> | <u>170,525</u> | <u>(16,203)</u>   |
| <u>School Administration</u>        |                         |                |                |   |
| <u>Office of the Principal</u>      |                         |                |                |   |
| Salaries                            | 122,848                 | 122,848        | 122,848        | -   |
| Employee Benefits                   | 39,022                  | 39,022         | 35,857         | 3,165   |
| Purchased Services – Professional   | 100                     | 22,500         | 44,729         | (22,229)  |
| Purchased Services – Other          | 150                     | 10,150         | 366            | 9,784   |
| Supplies and Materials              | 1,500                   | 1,750          | 1,341          | 409   |
| Property                            | -                       | -              | -              | -   |
| Other Objects                       | -                       | -              | -              | -   |
| <u>Total School Administration</u>  | <u>163,620</u>          | <u>196,270</u> | <u>205,141</u> | <u>(8,871)</u>  |

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

CREEDE SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Year Ended June 30, 2019

| <u>Supporting Services (Continued)</u>  | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | Variance with<br>Final Budget-<br>Favorable |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                  | <u>(Unfavorable)</u>                        |
| <u>Business Services</u>                |                         |                  |                  |   |
| Salaries                                | 51,000                  | 51,000           | 51,592           | (592)                                       |
| Employees Benefits                      | 17,228                  | 17,228           | 16,479           | 749   |
| Purchased Services-Professional         | 3,000                   | 3,000            | 3,506            | (506)                                       |
| Purchased Services-Other                | 300                     | 300              | 128              | 172   |
| Supplies and Materials                  | 1,500                   | 1,500            | 1,460            | 40  |
| Property                                | -                       | -                | -                | -   |
| Other Objects                           | <u>2,304</u>            | <u>2,304</u>     | <u>2,408</u>     | <u>(104)</u>                                |
| <u>Total Business Services</u>          | <u>75,332</u>           | <u>75,332</u>    | <u>75,573</u>    | <u>(241)</u>                                |
| <u>Operations and Maintenance</u>       |                         |                  |                  |   |
| Salaries                                | 72,770                  | 72,770           | 68,750           | 4,020                                       |
| Employees Benefits                      | 29,647                  | 29,647           | 28,898           | 749   |
| Purchased Services-Professional         | 7,000                   | 7,000            | 12,600           | (5,600)                                     |
| Purchased Services-Property             | 9,000                   | 9,000            | 7,386            | 1,614                                       |
| Purchased Services-Other                | 4,000                   | 4,000            | 3,890            | 110   |
| Supplies and Materials                  | 60,500                  | 60,500           | 91,607           | (31,107)                                    |
| Property                                | <u>10,000</u>           | <u>10,000</u>    | <u>2,370</u>     | <u>7,630</u>                                |
| <u>Total Operations and Maintenance</u> | <u>192,917</u>          | <u>192,917</u>   | <u>215,501</u>   | <u>(22,584)</u>                             |
| <u>Student Transportation</u>           |                         |                  |                  |   |
| Salaries                                | 42,000                  | 42,000           | 43,399           | (1,399)                                     |
| Employee Benefits                       | 15,257                  | 15,257           | 15,385           | (128)                                       |
| Purchased Services-Professional         | 2,000                   | 2,000            | 1,622            | 378   |
| Purchased Services-Other                | 40,000                  | 40,000           | 33,048           | 6,952                                       |
| Supplies and Materials                  | 4,000                   | 8,000            | 10,770           | (2,770)                                     |
| Property                                | <u>12,000</u>           | <u>12,000</u>    | <u>2,576</u>     | <u>9,424</u>                                |
| <u>Total Student Transportation</u>     | <u>115,257</u>          | <u>119,257</u>   | <u>106,800</u>   | <u>12,457</u>                               |
| <u>Central Support</u>                  |                         |                  |                  |   |
| Salaries                                | 54,776                  | 57,584           | 57,584           | -   |
| Employee Benefits                       | 24,114                  | 24,729           | 22,533           | 2,196                                       |
| Purchased Services – Other              | 79,305                  | 84,527           | 78,677           | 5,850                                       |
| Supplies and Materials                  | <u>6,500</u>            | <u>6,500</u>     | <u>5,819</u>     | <u>681</u>                                  |
| <u>Total Central Support</u>            | <u>164,695</u>          | <u>173,340</u>   | <u>164,613</u>   | <u>8,727</u>                                |
| <u>Facilities</u>                       |                         |                  |                  |   |
| Property                                | <u>50,000</u>           | <u>50,000</u>    | <u>20,623</u>    | <u>29,377</u>                               |
| <u>Total Facilities</u>                 | <u>50,000</u>           | <u>50,000</u>    | <u>20,623</u>    | <u>29,377</u>                               |
| <u>TOTAL SUPPORTING SERVICES</u>        | <u>1,036,727</u>        | <u>1,078,328</u> | <u>1,103,750</u> | <u>(25,422)</u>                             |

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

CREEDE SCHOOL DISTRICT  
 GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 For the Year Ended June 30, 2019

|  | <u>Budgeted Amounts</u> |              | <u>Actual</u> | Variance with<br>Final Budget-<br>Favorable<br>(Unfavorable) |
|--|-------------------------|--------------|---------------|--|
|  | <u>Original</u>         | <u>Final</u> |               |  |
| <u>APPROPRIATED RESERVES</u>                                 | 1,778,625               | 1,995,073    | -             | 1,995,073  |
| <u>TOTAL EXPENDITURES</u>                                    | 3,874,444               | 4,168,534    | 2,237,915     | 1,930,619  |
| <u>REVENUES OVER (UNDER) EXPENDITURES</u>                    | (2,124,153)             | (2,124,153)  | (46,481)      |  |
| <u>OTHER FINANCING SOURCES (USES)</u>                        |                         |              |               |  |
| Transfers  | (59,859)                | (59,859)     | (55,000)      | 4,859  |
| <u>REVENUES OVER (UNDER) EXPENDITURES<br/>AND OTHER USES</u> | (2,184,012)             | (2,184,012)  | (101,481)     |  |
| <u>FUND BALANCE, July 1</u>                                  | 2,184,012               | 2,184,012    | 1,859,206     |  |
| <u>FUND BALANCE, June 30</u>                                 | -                       | -            | 1,757,725     |  |

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

CREEDE SCHOOL DISTRICT  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

|  | <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> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| District's proportion of the net pension liability (asset)   | 0.0191%     | 0.0183%     | 0.0169%     | 0.0176%     | 0.0201%     | 0.0222%     | -           | -           | -           | -           |
| District's proportionate share of the net pension liability (asset)  | \$3,391,085 | \$5,929,694 | \$5,044,426 | \$2,690,030 | \$2,724,169 | \$2,837,254 | -           | -           | -           | -           |
| District's covered payroll   | \$1,165,272 | \$923,810   | \$793,941   | \$749,366   | \$789,631   | \$884,326   | -           | -           | -           | -           |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 291%        | 642%        | 635%        | 359%        | 345%        | 321%        | -           | -           | -           | -           |
| Plan fiduciary net position as a percentage of the total pension liability                                 | 57.01%      | 43.96%      | 43.13%      | 59.20%      | 62.80%      | 64.06%      | -           | -           | -           | -           |

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

CREEDE SCHOOL DISTRICT  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

|   | 2019               | 2018               | 2017               | 2016               | 2015               | 2014               | 2013               | 2012 | 2011 | 2010 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------|------|------|
| Contractually required contributions                                  | \$ 222,917         | \$ 174,560         | \$ 145,980         | \$ 132,862         | \$ 133,259         | \$ 141,329         | \$ 134,478         | -    | -    | -    |
| Contributions in relation to the contractually required contributions | <u>\$(222,917)</u> | <u>\$(174,560)</u> | <u>\$(145,980)</u> | <u>\$(132,862)</u> | <u>\$(133,259)</u> | <u>\$(141,329)</u> | <u>\$(134,478)</u> | -    | -    | -    |
| Contribution deficiency (excess)                                      | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | \$ -               | -    | -    | -    |
| District's covered payroll  | \$1,165,272        | \$ 923,810         | \$ 793,941         | \$ 749,366         | \$ 789,631         | \$ 884,326         | \$ 891,141         | -    | -    | -    |
| Contributions as a percentage of covered payroll                      | 19.13%             | 18.90%             | 18.39%             | 17.73%             | 16.88%             | 15.98%             | 15.09%             | -    | -    | -    |

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

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

|   | <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> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| District's proportion of the net OPEB liability (asset)   | 0.0124%     | 0.0104%     | 0.0096%     | -           | -           | -           | -           | -           | -           | -           |
| District's proportionate share of the net OPEB liability (asset)  | \$169,364   | \$135,409   | \$124,860   | -           | -           | -           | -           | -           | -           | -           |
| District's covered payroll  | \$1,165,272 | \$923,810   | \$793,941   | -           | -           | -           | -           | -           | -           | -           |
| District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 14.53%      | 14.66%      | 15.73%      | -           | -           | -           | -           | -           | -           | -           |
| Plan fiduciary net position as a percentage of the total OPEB liability                                 | 17.03%      | 17.53%      | 16.72%      | -           | -           | -           | -           | -           | -           | -           |

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

**CREEDE SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB**  
**For The Last 10 Fiscal Years (As Available)**

|   | <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> |
|---|-------------------|------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contributions                                  | \$ 11,866         | \$ 9,423         | \$ 8,098         | -           | -           | -           | -           | -           | -           | -           |
| Contributions in relation to the contractually required contributions | <u>\$(11,866)</u> | <u>\$(9,423)</u> | <u>\$(8,098)</u> | -           | -           | -           | -           | -           | -           | -           |
| Contribution deficiency (excess)                                      | \$ -              | \$ -             | \$ -             | -           | -           | -           | -           | -           | -           | -           |
| District's covered payroll  | \$1,165,272       | \$923,810        | \$793,941        | -           | -           | -           | -           | -           | -           | -           |
| Contributions as a percentage of covered payroll                      | 1.02%             | 1.02%            | 1.02%            | -           | -           | -           | -           | -           | -           | -           |

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

OTHER SCHEDULES

Bond Redemption Fund – Used to account for the collections of taxes and payment of bonds.

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

Fiduciary Fund Types

Pupil Activity Agency Fund – This fund is used to account for the activities of student clubs and organizations held in a fiduciary capacity by the District

CREEDE SCHOOL DISTRICT  
 BOND REDEMPTION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

|   | <u>Budgeted Amounts</u> |                | <u>Actual</u>  | Variance-<br>Favorable<br>(Unfavorable) |
|---|-------------------------|----------------|----------------|---|
|   | <u>Original</u>         | <u>Budget</u>  |                |   |
| <u>REVENUES</u>                                     |                         |                |                |   |
| Property Taxes                                      | 630,000                 | 630,000        | 609,644        | (20,356)                                |
| Specific Ownership Taxes                            | -                       | -              | -              | -                                       |
| Earnings on Investments                             | -                       | -              | 5,359          | 5,359                                   |
| Other Local Sources                                 | -                       | -              | 1,868          | 1,868                                   |
| <u>Total Revenues</u>                               | <u>630,000</u>          | <u>630,000</u> | <u>616,871</u> | <u>(13,129)</u>                         |
| <u>EXPENDITURES</u>                                 |                         |                |                |   |
| Debt Service:                                       |                         |                |                |   |
| Principal Retirement                                | 299,463                 | 299,463        | 299,463        | -                                       |
| Interest and Fiscal Charges                         | 272,334                 | 272,334        | 272,334        | -                                       |
| Other   | -                       | -              | -              | -                                       |
| Contingency   | -                       | -              | -              | -                                       |
| <u>Total Expenditures</u>                           | <u>571,797</u>          | <u>571,797</u> | <u>571,797</u> | <u>-</u>                                |
| <u>REVENUES OVER (UNDER)</u><br><u>EXPENDITURES</u> | 58,203                  | 58,203         | 45,074         |   |
| <u>FUND BALANCE, July 1</u>                         | <u>-</u>                | <u>-</u>       | <u>469,739</u> |   |
| <u>FUND BALANCE, June 30</u>                        | <u>58,203</u>           | <u>58,203</u>  | <u>514,813</u> |   |

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

CREEDE SCHOOL DISTRICT  
 FOOD SERVICES – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

|  | <u>Budget</u> | <u>Actual</u>  | Variance-<br>Favorable<br>(Unfavorable) |
|--|---------------|----------------|---|
| <u>REVENUES</u>  |               |                |   |
| <u>Local Sources</u>   |               |                |   |
| Food Sales   | 14,000        | 25,544         | 11,544                                  |
| Earnings on Investments  | -             | -              | -                                       |
| Other  | -             | 245            | 245                                     |
| <u>State Sources</u>   |               |                |   |
| School Lunches   | 600           | 637            | 37                                      |
| <u>Federal Sources</u>   |               |                |   |
| School Lunches   | 22,000        | 14,971         | (7,029)                                 |
| Commodities  | -             | <u>2,439</u>   | <u>2,439</u>                            |
| <u>Total Revenues</u>  | <u>36,600</u> | <u>43,836</u>  | <u>7,236</u>                            |
| <u>EXPENDITURES</u>  |               |                |   |
| Salaries   | 51,150        | 52,190         | (1,040)                                 |
| Employee Benefits  | 22,309        | 22,969         | (660)                                   |
| Purchased Services – Professional                                  | 500           | -              | 500                                     |
| Purchased Services – Property                                      | -             | -              | -                                       |
| Purchased Services - Other   | 250           | 159            | 91                                      |
| Supplies and Materials   | 22,000        | 23,277         | (1,277)                                 |
| Capital Outlay   | -             | -              | -                                       |
| Other  | 250           | 278            | (28)                                    |
| Commodities  | -             | 2,439          | (2,439)                                 |
| Depreciation   | -             | -              | -                                       |
| <u>Total Expenditures</u>  | <u>96,459</u> | <u>101,312</u> | <u>(4,853)</u>                          |
| <u>REVENUES OVER (UNDER) EXPENDITURES</u>                          | (59,859)      | (57,476)       |   |
| <u>OTHER FINANCING SOURCES (USES)</u>                              |               |                |   |
| Transfers  | <u>59,859</u> | <u>55,000</u>  | <u>(4,859)</u>                          |
| <u>REVENUES AND SOURCES OVER (UNDER)<br/>EXPENDITURES AND USES</u> | -             | (2,476)        |   |
| <u>FUND BALANCE, Beginning</u>                                     | -             | <u>4,543</u>   |   |
| <u>FUND BALANCE, Ending</u>  | -             | <u>2,067</u>   |   |

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

CREEDE SCHOOL DISTRICT  
 PUPIL ACTIVITY AGENCY FUND  
 SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

|  | <u>Budget</u> | <u>Actual</u> | <u>Variance-<br/>Favorable<br/>(Unfavorable)</u> |
|--|---------------|---------------|--|
| <u>ADDITIONS</u>   |               |               |  |
| Local Sources  | 37,500        | 36,118        | (1,382)  |
| State Sources  | -             | -             | -  |
| Federal Sources  | -             | -             | -  |
| <u>Total Additions</u>                                     | <u>37,500</u> | <u>36,118</u> | <u>(1,382)</u>                                   |
| <u>DEDUCTIONS</u>  |               |               |  |
| Student Activities   | <u>67,300</u> | <u>45,970</u> | <u>21,330</u>                                    |
| <u>Total Deductions</u>                                    | <u>67,300</u> | <u>45,970</u> | <u>21,330</u>                                    |
| <u>Net Increase (Decrease) in Deposits Held for Others</u> | (29,800)      | (9,852)       |  |
| <u>Deposits Held for Others – Beginning of Year</u>        | <u>29,800</u> | <u>42,359</u> |  |
| <u>Deposits Held for Others – End of Year</u>              | <u>-</u>      | <u>32,507</u> |  |

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



**Colorado Department of Education  
Auditors Integrity Report**

District: 2010 - Creede School District  
Fiscal Year 2018-19

Colorado School District/BOCES

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

| Fund Type & Number                                      | Beg Fund Balance & Prior Per Adj (68801) + | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (68801) Ending Fund Balance = |
|---|--|--|---|---|
| <b>Governmental</b>                                     |  |  |   |   |
| 10 General Fund   | 1,859,206                                  | 2,163,973                                  | 2,265,466                                 | 1,757,724   |
| 18 Risk Mgmt Sub-Fund of General Fund                   | 0  | 0  | 0   | 0   |
| 19 Colorado Preschool Program Fund                      | 0  | 0  | 0   | 0   |
| <b>Sub-Total</b>  | <b>1,859,206</b>                           | <b>2,163,973</b>                           | <b>2,265,466</b>                          | <b>1,757,724</b>  |
| 11 Charter School Fund                                  | 0  | 0  | 0   | 0   |
| 20,26-29 Special Revenue Fund                           | 0  | 0  | 0   | 0   |
| 05 Supplemental Cap Const, Tech, Main, Fund             | 0  | 0  | 0   | 0   |
| 21 Food Service Spec Revenue Fund                       | 4,543                                      | 98,635                                     | 101,312                                   | 2,067   |
| 22 Govt Designated-Purpose Grants Fund                  | 0  | 0  | 0   | 0   |
| 23 Pupil Activity Special Revenue Fund                  | 0  | 0  | 0   | 0   |
| 24 Full Day Kindergarten Mill Levy Override             | 0  | 0  | 0   | 0   |
| 25 Transportation Fund                                  | 0  | 0  | 0   | 0   |
| 31 Bond Redemption Fund                                 | 469,739                                    | 616,871                                    | 571,797                                   | 514,813   |
| 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                | 0  | 0  | 0   | 0   |
| 46 Supplemental Cap Const, Tech, Main Fund              | 0  | 0  | 0   | 0   |
| <b>Totals</b>   | <b>2,333,468</b>                           | <b>2,879,681</b>                           | <b>2,938,564</b>                          | <b>2,274,605</b>  |
| <b>Proprietary</b>                                      |  |  |   |   |
| 50 Other Enterprise Funds                               | 0  | 0  | 0   | 0   |
| 64 (63) Risk-Related Activity Fund                      | 0  | 0  | 0   | 0   |
| 60,65-68 Other Internal Service Funds                   | 0  | 0  | 0   | 0   |
| <b>Totals</b>   | <b>0</b>                                   | <b>0</b>                                   | <b>0</b>                                  | <b>0</b>  |
| <b>Fiduciary</b>  |  |  |   |   |
| 70 Other Trust and Agency Funds                         | 0  | 0  | 0   | 0   |
| 72 Private Purpose Trust Fund                           | 0  | 0  | 0   | 0   |
| 73 Agency Fund  | 0  | 0  | 0   | 0   |
| 74 Pupil Activity Agency Fund                           | 42,359                                     | 36,118                                     | 45,970                                    | 32,507  |
| 79 GASB 34 Permanent Fund                               | 0  | 0  | 0   | 0   |
| 85 Foundations  | 0  | 0  | 0   | 0   |
| <b>Totals</b>   | <b>42,359</b>                              | <b>36,118</b>                              | <b>45,970</b>                             | <b>32,507</b>   |

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**

District 2010 - Creede School District

Fiscal Year 2018-19

Colorado School District/BOCES

| ASSETS                                     | Governmental              |                           |                      |                                    |                                      |  |                             |                                     |                                      |                                     | Proprietary                              |                                       |                               |                        |          |          | Fiduciary |                  |
|--|---------------------------|---------------------------|----------------------|------------------------------------|--------------------------------------|--|-----------------------------|-------------------------------------|--------------------------------------|-------------------------------------|--|---------------------------------------|-------------------------------|------------------------|----------|----------|-----------|------------------|
|  | General Funds<br>10,12-18 | Charter School<br>Fund 11 | Preschool<br>Fund 19 | Special Revenue<br>Funds 20, 22-29 | Supplemental<br>Cap Const<br>Fund 06 | Food Service<br>Special Revenue<br>Fund 21 | Debt Service<br>Funds 30-39 | Capital<br>Projects<br>40-45, 47-49 | Supplemental<br>Cap Const<br>Fund 46 | Other<br>Enterprise<br>Funds 50, 52 | Risk-Related<br>Activity Funds 63,<br>64 | Other Internal<br>Service Funds<br>60 | Trust & Agency<br>Funds 70-79 | Foundations<br>Fund 85 | Totals   |          |           |                  |
| Cash and Investments (8100-8104, 8111)     | 1,888,724                 | 0                         | 0                    | 0                                  | 0                                    | 1,445                                      | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 2,002,878        |
| Cash with Fiscal Agent (8105)              | 2,611                     | 0                         | 0                    | 0                                  | 0                                    | 0  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 492,174          |
| Taxes Receivable (8121, 8122)              | 87,200                    | 0                         | 0                    | 0                                  | 0                                    | 0  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 126,150          |
| Interfund Loans Receivable (8131, 8132)    | 0                         | 0                         | 0                    | 0                                  | 0                                    | 0  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 0                |
| Grants Accounts Receivable (8142)          | 14,776                    | 0                         | 0                    | 0                                  | 0                                    | 0  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 14,776           |
| Other Receivables (8151-8154, 8161)        | 0                         | 0                         | 0                    | 0                                  | 0                                    | 0  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 0                |
| Inventories (8171, 8172, 8173)             | 0                         | 0                         | 0                    | 0                                  | 0                                    | 621  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 621              |
| Machinery and Equipment (8241, 8242, 8251) | 0                         | 0                         | 0                    | 0                                  | 0                                    | 0  | 0                           | 0                                   | 0                                    | 0                                   | 0  | 0                                     | 0                             | 0                      | 0        | 0        | 0         | 0                |
| <b>Total Assets</b>                        | <b>2,073,311</b>          | <b>0</b>                  | <b>0</b>             | <b>0</b>                           | <b>0</b>                             | <b>2,067</b>                               | <b>528,513</b>              | <b>0</b>                            | <b>0</b>                             | <b>0</b>                            | <b>0</b>                                 | <b>0</b>                              | <b>0</b>                      | <b>0</b>               | <b>0</b> | <b>0</b> | <b>0</b>  | <b>2,635,388</b> |

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|                                      | Governmental              |                        |                      |                                |                                      |   | Proprietary                 |   |                                   |  |                                      |                                    | Fiduciary                        |                        |                |
|--------------------------------------|---------------------------|------------------------|----------------------|--------------------------------|--------------------------------------|---|-----------------------------|---|-----------------------------------|--|--------------------------------------|------------------------------------|----------------------------------|------------------------|----------------|
|                                      | General Funds<br>10,12-18 | Charter School Fund 11 | Preschool<br>Fund 19 | Revenue<br>Funds 20, 22-<br>29 | Supplemental<br>Cap Const<br>Fund 08 | Food Services<br>Special Revenue<br>Fund 21 | Debt Service<br>Funds 30-39 | Capital Projects<br>Funds 40-45,<br>47-49 | Supplemental Cap<br>Const Fund 46 | Other<br>Enterprise<br>Funds 50, 52-59 | Risk-Related Activity<br>Funds 63-64 | Other Intermal<br>Service Funds 60 | Trust &<br>Agency Funds<br>70-79 | Foundations<br>Fund 85 | Totals         |
| <b>LIABILITIES &amp; FUND EQUITY</b> |                           |                        |                      |                                |                                      |   |                             |   |                                   |  |                                      |                                    |                                  |                        |                |
| <b>LIABILITIES</b>                   |                           |                        |                      |                                |                                      |   |                             |   |                                   |  |                                      |                                    |                                  |                        |                |
| Interfund Payables (7401,7402)       | 0                         | 0                      | 0                    | 0                              | 0                                    | 0   | 0                           | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 0              |
| Other Payables (7421-7423)           | 10,985                    | 0                      | 0                    | 0                              | 0                                    | 0   | 0                           | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 10,985         |
| Accrued Expenses (7451)              | 152,514                   | 0                      | 0                    | 0                              | 0                                    | 0   | 0                           | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 152,514        |
| Unearned Revenue (7481)              | 0                         | 0                      | 0                    | 0                              | 0                                    | 0   | 0                           | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 0              |
| Grants Deferred Revenues (7482)      | 0                         | 0                      | 0                    | 0                              | 0                                    | 0   | 0                           | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 0              |
| Deferred Inflow (7800)               | 45,900                    | 0                      | 0                    | 0                              | 0                                    | 0   | 13,700                      | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 59,600         |
| Deferred Inflow Grants (7801)        | 105,188                   | 0                      | 0                    | 0                              | 0                                    | 0   | 0                           | 0   | 0                                 | 0                                      | 0                                    | 0                                  | 0                                | 0                      | 105,188        |
| <b>Total Liabilities</b>             | <b>315,587</b>            | <b>0</b>               | <b>0</b>             | <b>0</b>                       | <b>0</b>                             | <b>0</b>                                    | <b>13,700</b>               | <b>0</b>                                  | <b>0</b>                          | <b>0</b>                               | <b>0</b>                             | <b>0</b>                           | <b>0</b>                         | <b>0</b>               | <b>329,287</b> |

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Fiduciary

Proprietary

Governmental

| FUND EQUITY   | Governmental             |                           |                      |                                    |                                   |  |                             |  |                                   |                                     | Proprietary                            |                                    |                               |                        |        |  |  |  |  |  | Fiduciary |  |  |  |  |  |  |  |  |  |
|---|--------------------------|---------------------------|----------------------|------------------------------------|-----------------------------------|--|-----------------------------|--|-----------------------------------|-------------------------------------|--|------------------------------------|-------------------------------|------------------------|--------|--|--|--|--|--|-----------|--|--|--|--|--|--|--|--|--|
|   | General Fund<br>10,12-18 | Charter School<br>Fund 11 | Preschool<br>Fund 19 | Special Revenue<br>Funds 20, 22-29 | Supplemental Cap<br>Const Fund 06 | Food Service<br>Special Revenue<br>Fund 21 | Debt Service<br>Funds 30-38 | Capital Projects<br>Funds 40-45, 47-49 | Supplemental Cap<br>Const Fund 46 | Other Enterprise<br>Funds 50, 52-59 | Risk-Related/<br>Agency Funds<br>63-64 | Other Internal<br>Service Funds 60 | Trust & Agency<br>Funds 70-79 | Foundations<br>Fund 85 | Totals |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Non-Debt-Related Fund Balance 6710                            | 0                        | 0                         | 0                    | 0                                  | 0                                 | 621  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      | 621    |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Restricted Fund Balance 6720                                  | 0                        | 0                         | 0                    | 0                                  | 0                                 | 1,446                                      | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      | 1,446  |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| TABOR 3% Emergency Reserve 6721                               | 57,000                   | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      | 57,000 |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| TABOR Multi-Year 6722   | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Debt Emergency Reserve (letter of credit or real estate) 6723 | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Colorado Preceptor Program (CPP) Reserve 6724                 | 7,987                    | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 7,987                  |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Full-Day Kindergarten Reserve 6725                            | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| BEST Capital Reserve 6726                                     | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Risk-Related / Restricted Capital Reserve 6727                | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Committed Fund Balance 6750                                   | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Assigned Fund Balance 6750                                    | 1,682,753                | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 1,682,753              |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Unassigned Fund Balance 6770                                  | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Invested in Capital Assets, Net of Related Debt 6790          | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Restricted Net Assets 6791                                    | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Unrestricted Net Assets 6792                                  | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Prior Period Adjustment 6593                                  | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| <b>Total Fund Equity</b>                                      | <b>1,757,724</b>         | <b>0</b>                  | <b>0</b>             | <b>0</b>                           | <b>0</b>                          | <b>2,067</b>                               | <b>0</b>                    | <b>0</b>                               | <b>0</b>                          | <b>0</b>                            | <b>0</b>                               | <b>0</b>                           | <b>0</b>                      | <b>2,824,724</b>       |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| General Funds 10,12-18  | 1,757,724                | 0                         | 0                    | 0                                  | 0                                 | 2,067                                      | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 1,759,791              |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Charter School Fund 11  | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Preschool Fund 19   | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Special Revenue Funds 20, 22-29                               | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Supplemental Cap Const Fund 06                                | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Food Service Special Revenue Fund 21                          | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Debt Service Funds 30-38                                      | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Capital Projects Funds 40-45, 47-49                           | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Supplemental Cap Const Fund 46                                | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Other Enterprise Funds 50, 52-59                              | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Risk-Related / Agency Funds 63-64                             | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Other Internal Service Funds 60                               | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Trust & Agency Funds 70-79                                    | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Foundations Fund 85   | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| <b>Total</b>  | <b>1,757,724</b>         | <b>0</b>                  | <b>0</b>             | <b>0</b>                           | <b>0</b>                          | <b>2,067</b>                               | <b>0</b>                    | <b>0</b>                               | <b>0</b>                          | <b>0</b>                            | <b>0</b>                               | <b>0</b>                           | <b>0</b>                      | <b>2,824,724</b>       |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| General Funds 10,12-18  | 2,073,311                | 0                         | 0                    | 0                                  | 0                                 | 2,067                                      | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 2,075,378              |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Charter School Fund 11  | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Preschool Fund 19   | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Special Revenue Funds 20, 22-29                               | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Supplemental Cap Const Fund 06                                | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Food Service Special Revenue Fund 21                          | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Debt Service Funds 30-39                                      | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Capital Projects Funds 40-45, 47-49                           | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Supplemental Cap Const Fund 46                                | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Other Enterprise Funds 50, 52-59                              | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Risk-Related / Agency Funds 63-64                             | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Other Internal Service Funds 60                               | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Trust & Agency Funds 70-79                                    | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| Foundations Fund 85   | 0                        | 0                         | 0                    | 0                                  | 0                                 | 0  | 0                           | 0                                      | 0                                 | 0                                   | 0                                      | 0                                  | 0                             | 0                      |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |
| <b>Total Liabilities &amp; Fund Equity</b>                    | <b>2,073,311</b>         | <b>0</b>                  | <b>0</b>             | <b>0</b>                           | <b>0</b>                          | <b>2,067</b>                               | <b>0</b>                    | <b>0</b>                               | <b>0</b>                          | <b>0</b>                            | <b>0</b>                               | <b>0</b>                           | <b>0</b>                      | <b>2,075,378</b>       |        |  |  |  |  |  |           |  |  |  |  |  |  |  |  |  |

For Each Fund Type: Do Assets = Liabilities + Fund Equity.