

cPa DIXON, WALLER & CO., INC.

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CROWLEY COUNTY SCHOOL DISTRICT

NUMBER RE-1-J

FINANCIAL STATEMENTS

JUNE 30, 2019

DIXON, WALLER & CO., INC.

TABLE OF CONTENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
FINANCIAL STATEMENTS  
JUNE 30, 2019

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

Fund Financial Statements (Continued):	<u>Page</u>
Statement of Fiduciary Net Assets .....	9
Notes to Basic Financial Statements .....	10-41
 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Funds:	
General Fund.....	42-45
Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	46
Schedule of District Contributions - Pension.....	47
Other Post Employment Benefits (OPEB) Trend Data:	
Schedule of Proportionate Share of Net OPEB Liability.....	48
Schedule of District Contributions – OPEB.....	49
 <u>OTHER SCHEDULES:</u>	
Major Capital Reserve Capital Projects Fund – Schedule of Revenue, Expenditures and Changes in Fund Balances – Budget and Actual.....	50
Food Service – Special Revenue Fund – Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual.....	51
Pupil Activity Agency Fund – Schedule of Activities.....	52
 <u>STATE REQUIRED SCHEDULES:</u>	
Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund).....	53
Bolded Balance Sheet.....	54-56

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2019

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BOARD OF EDUCATION

Jerry Davis	President
Chris Tuma	Vice-President
Jennifer Morgan	Secretary
Leif Berg	Treasurer
Bert Buhr	Member
Carl Acord	Member
Lisa Torgler	Member

SCHOOL OFFICIALS

Scott Cuckow	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082  
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INDEPENDENT AUDITOR'S REPORT

Board of Education  
Crowley County School District Number RE-1-J  
Ordway, Colorado 81063

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crowley County School District Number RE-1-J, 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 Crowley County School District Number RE-1-J 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 comparison information and pension and post employment benefits trend data on pages i through x and 42 through 49 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 Crowley County School District Number RE-1-J'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 respects in relation to the basic financial statements as a whole.



November 25, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

Management of Crowley County School District RE 1-J offers readers the basic financial statements. This narrative is an overview and analysis of the financial activities of the District for the year ended June 30, 2019. The focus of the information is on the primary government (general) fund. Most of the expenditures and revenue for the district reside in the general fund.

The District has adopted the financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, the District is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of the government-wide information is presented.

**Financial Highlights**

- In governmental activities, The District's liabilities and flows exceeded its assets and flows at the close of the fiscal year by \$3,835,286. This is due to Governmental Accounting Standard Board (GASB) Statement No. 67 and 68 which affects the financial statements of all Colorado Public Employee Retirement Association (PERA)-affiliated employers. In these statements, PERA-affiliated employers are required to state their employee's retirement liability which was \$7,375,831 for the District as of June 30, 2019. Without the PERA liability, our assets would have exceeded its liabilities by \$5,534,785.
- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$2.7 million which was an increase of \$443,328 from the previous year.
- The long-term debt obligation of the District has decreased over the last two fiscal years. Several obligations were paid off the last lease the District added was to purchase a new bus in 2015, this will mature in 2020. A note for the matching portion of the Building Excellent Schools Today (BEST) grant will mature in 2023. The total annual principal and interest payment for both current debt obligations are approximately \$38,915.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the district's basic financial statements. Comparison to the prior year's activity is normally provided in this document. This is the thirteenth presentation of management's discussion and analysis comparison data. Crowley County School District's basic financial statements are comprised of three components: 1) district-wide financial statements; 2) fund financial statements; and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

***District-Wide Financial Statements***

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

The two District-wide statements report the District's net position and how they have changed. Net position, the difference between the district's assets and liabilities are one way to measure the district's financial health or position. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the district is improving or declining.

The District-wide statements are divided into two categories: Governmental activities and Business-type activities.

***Governmental activities:***

Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance Act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities. This information is comprised of all of the following designated purpose grant funds and capital reserve.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

***Fund Financial Statements***

The fund financial statements provide detailed information about the District's funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Crowley County School District uses fund accounting to ensure and demonstrate compliance.

All of the funds of the district can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

*Fiduciary Funds:* The District is the agent, or fiduciary, for assets that belong to others. The district is responsible for ensuring that assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operation. The District uses fiduciary funds to account for its pupil activity fund.

***Notes to the Financial Statements***

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

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

In addition to the financial statements and accompanying notes, this report also contains other supplementary information concerning the District's non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

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

The District had a net position on June 30, 2019 of (\$3,835,286). The negative net asset is again due to the new GASB 68 rules. Of the District's \$7,501,426 in assets over 58 percent (or \$4,333,215) were reflected as investments in capital assets (including land, sites, buildings, vehicles, infrastructure, and machinery/equipment).

Below, is the first table which reflects the changes in the net position for the district.

**Condensed Statement of Net Position**

	Governmental Activities 2017-2018	Governmental Activities 2018-2019
Current and Other Assets	\$ 2,704,486	\$ 3,168,211
Capital Assets	<u>4,557,101</u>	<u>4,333,215</u>
Total Assets	<u>7,261,587</u>	<u>7,501,426</u>
 Deferred Outflow of Resources	 <u>4,400,395</u>	 <u>2,746,230</u>
 Current Liabilities	 15,157,721	 7,909,807
Long-Term Liabilities	<u>128,622</u>	<u>93,239</u>
Total Liabilities	<u>15,286,343</u>	<u>8,003,046</u>
 Deferred Inflow of Resources	 <u>1,580,945</u>	 <u>6,079,896</u>
 Net Investment in Capital Assets	 4,308,280	 4,204,594
Restricted for:		
Tabor Reserve	136,000	142,000
Multi Year Obligations	109,838	92,577
Food Service	6,621	6,558
Unrestricted	<u>(9,766,045)</u>	<u>(8,281,015)</u>
Total Net Position	<u>\$ (5,205,306)</u>	<u>\$ (3,835,286)</u>

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

In November 2017, the district received a voter-approved mill levy override for 6 mills, with a sunset of ten years. This has helped with the districts costs to purchase textbooks, vehicles, technology equipment and to maintain a competitive salary structure. Even with the mill levy override, the District continues to try and manage costs in the areas of instruction for students. The District has undergone major student enrollment declines over the past budget years. The following charts illustrate the impact on revenue and expenses during the two recent fiscal years.

**Condensed Statement of Activities**

	Governmental Activities 2017-2018	Governmental Activities 2018-2019
<b>Program Revenues:</b>		
Charges for Services	\$ 40,311	\$ 23,122
Operating Grants and Contributions	824,409	920,239
Capital Grants and Contributions	-	-
Total Program Revenues	<u>864,720</u>	<u>943,361</u>
<b>General Revenues:</b>		
Taxes	1,099,869	1,054,909
State Equalization	2,970,359	3,266,053
Earnings on Investments	4,444	15,515
Insurance Proceeds	145,231	9,098
Other Revenues	19,310	7,729
Total General Revenues	<u>4,239,213</u>	<u>4,353,304</u>
<b>Total Revenues</b>	<u>5,103,933</u>	<u>5,296,665</u>
<b>Expenses:</b>		
Instructional Staff	2,708,856	2,842,741
<i>Supporting Services:</i>		
Students	202,577	206,194
Instructional Staff	74,601	59,236
District Administration	230,843	251,265
School Administration	274,865	298,842
Business	61,370	72,609
Operations & Maintenance	557,358	534,766
Transportation	188,337	196,109
Central	176,502	199,533
Food Services	244,234	303,780
Capital Outlay	278,905	7,000
Interst on Long-Term Liabilities	8,092	4,029
Pension Amortization	2,457,923	(1,053,830)
Post Employment Benefit Activity	(15,980)	4,371
<b>Total Expenses</b>	<u>7,448,483</u>	<u>3,926,645</u>
<b>Change in Net Position</b>	<u>(2,344,550)</u>	<u>1,370,020</u>
<b>Beginning Net Postion</b>	<u>(2,860,756)</u>	<u>(5,205,306)</u>
<b>Net Position - Ending</b>	<u>\$ (5,205,306)</u>	<u>\$ (3,835,286)</u>

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Governmental Activities by Major Function**

	2017-2018		2018-2019	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional Services	\$ 2,708,856	\$ (2,107,345)	\$ 2,842,741	\$ (2,227,683)
Students	\$ 202,577	\$ (202,577)	\$ 206,194	\$ (206,194)
Instructional Staff	\$ 74,601	\$ (74,601)	\$ 59,236	\$ (59,236)
District Administration	\$ 230,843	\$ (230,843)	\$ 251,265	\$ (251,265)
School Administration	\$ 274,865	\$ (274,865)	\$ 298,842	\$ (298,842)
Business	\$ 61,370	\$ (61,370)	\$ 72,609	\$ (72,609)
Operation and Maintenance of Facilitie	\$ 557,358	\$ (557,358)	\$ 534,766	\$ (534,766)
Transportation	\$ 188,337	\$ (155,156)	\$ 196,109	\$ (162,482)
Central	\$ 176,502	\$ (176,502)	\$ 199,533	\$ (199,533)
Food Service	\$ 244,234	\$ (14,206)	\$ 303,780	\$ (9,104)
Capital Outlay	\$ 278,905	\$ (278,905)	\$ 7,000	\$ (7,000)
Interest on Long Term Liabilities	\$ 8,092	\$ (8,092)	\$ 4,029	\$ (4,029)
Pension Expense	\$ 2,457,923	\$ (2,457,923)	\$ (1,053,830)	\$ 1,053,830
Post Employment Benefit Activity	\$ (15,980)	\$ 15,980	\$ 4,371	\$ (4,371)
<b>Total</b>	<b>\$ 7,446,483</b>	<b>\$ (6,583,763)</b>	<b>\$ 3,926,645</b>	<b>\$ (2,983,284)</b>

In the two tables above, some of the more significant changes are illustrated as:

- The cost of instructional and supporting services this year was \$4,965,075 which is an increase of \$245,532.
- Some of the costs of the District are financed by users of district facilities and programs and that amounted to \$23,122 which decreased over the immediate prior fiscal year.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$920,239. All of the Title programs are funded from the federal level administered by the State.
- Most of the Districts costs however, are financed by the District and State taxpayers. This portion of governmental activities was financed with \$3,266,053 in State Equalization revenue from the School Finance Act (1994). The local share of funding was \$1,054,909, with \$266,741 received from the voter-approved mill levy override of November 2017.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

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

The District's budget is prepared according to Colorado law and it's based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

- The District continues to attempt to make strides towards a balanced budget and reflecting the changing demographics of the school district. Th District has operated in trying to utilize our staff in a more efficient matter and allow for little duplication of services to our students yet providing a quality, academically enriched atmosphere for them.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2019, the districts tabor reserve were set at \$142,000 a decrease of \$6,000 from the previous year.
- Starting in the 2008-2009 school year and beyond the district has embarked on a series of positive facility upgrades and improvements. Chief among these are: 1) New windows for the high school and elementary windows that were at least twenty-five to fifty years old; 2) ongoing efforts to renovate the interior lighting for all classrooms in the district; 3) an ambitious asbestos removal project to insure that our facilities are safe for staff and students; 4) district-wide security enhancements; 5) addition of lighting and concession/restroom facilities to the Crowley County Baseball fields in cooperation with Crowley County; 6) a re-roof project over the Elementary and High School; 7) an exterior lighting upgrade around all buildings and major parking areas.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Capital Assets and Debt Administration**

The Districts investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$4,557,101

<b>Governmental Activities</b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital Assets Not Being Depreciated				
Land and Sites	\$ 222,797	\$ -	\$ -	\$ 222,797
Total Assets Not Being Depreciated	<u>222,797</u>	<u>-</u>	<u>-</u>	<u>222,797</u>
Capital Assets Being Depreciated				
Buildings and Site Improvements	9,035,434	20,543	-	9,055,977
Equipment and Vehicles	1,151,482	45,501	-	1,196,983
Food Service Equipment	87,021	30,388	-	117,409
Construction In Progress	-	-	-	-
Total Assets Being Depreciated	<u>10,273,937</u>	<u>96,432</u>	<u>-</u>	<u>10,370,369</u>
Less Accumulated Depreciation for:				
Buildings and Site Improvements	4,850,729	270,408	-	5,121,137
Equipment and Vehicles	1,001,883	46,871	-	1,048,754
Food Service Equipment	87,021	3,039	-	90,060
Total Accumulated Depreciation	<u>5,939,633</u>	<u>320,318</u>	<u>-</u>	<u>6,259,951</u>
<b>Net Capital Assets</b>	<u><b>4,557,101</b></u>	<u><b>(223,886)</b></u>	<u><b>-</b></u>	<u><b>4,333,215</b></u>

**Long-Term Debt**

At the end of the fiscal year (June 30, 2019) the District had the following schedule in long-term obligations:

	Matures	Balance June 30, 2019
Unused Sick Leave		\$ 78,475
2013 Capital Projects Note	2023	92,577
2015 Bus Lease	2020	36,044
<b>Total Long Term Debt Obligations</b>		<u><u><b>\$ 207,096</b></u></u>

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Economic Factors Bearing on the District's Future**

The factors that will affect next year's budget are the same items that have impacted Crowley County School District for the past fiscal years: special education costs, declining student enrollment, aging buildings, increased transportation costs and increased state and federal mandates.

The largest impact to the school district remains declining student enrollment. This is a problem that impacts all surrounding school districts and is not indigenous to Crowley County alone. In 1996 Crowley County School District had a fall student count of 642 students, in 2007 the fall count was 500.5 and in 2018 the fall count was 464. The years have seen a steady decline in the number of students. This can be attributed to several factors; however, chief among them would be the stagnant economy and the issue to non completers. Many of our fixed costs remain the same or escalate and with the declining student enrollment and resulting decline in state equalization dollars, it makes budgeting and allocations even more challenging.

One item that affects the district is the rising number of special education students. We have had an increase in therapeutic foster homes in the county. Many of these placements require specialized assistance from the district with no resulting funds that follow those requirements. Several of these placements need services for emotionally disturbed youth and require intense one on one service. We have been able to handle the special transportation and rearrange our busing schedules to accommodate this.

The cost of transporting our students is economically straining the district. At this time, over fifty percent of our students are eligible for transportation services. The increased costs of fuel, salaries, and equipment make this a problem for the district. The state transportation revenue has not kept pace with costs the district faces in meeting this expense.

The District has not been able to pass any bond issues to help in repairing and renovating the aging buildings. All of the major renovations have been paid by outside foundations or grants obtained by the district. The need for a debt service bond issue is severe and the board has expressed serious consideration to approach the voters to help alleviate the continued drain on program area development to finance the needed improvements to facilities. The assessed valuation of Crowley County School District could never meet the bonding capacity to construct a modernized school. The choices at this point are to continue to improve our existing facilities. If the district makes the needed payments for the energy upgrade and the existing refinanced debt that would "free" up needed revenue to help maintain and expand program development for our student body.

**Crowley County School District RE-1J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2019**

**Contacting the District's Financial Management**

This financial report was prepared by the District Superintendent and is designed to provide a general overview of the Crowley County School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Scott Cuckow  
Superintendent of Schools  
Crowley County School District RE-1J  
1001 Main Street  
Ordway, CO 81063

BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
STATEMENT OF NET POSITION  
June 30, 2019

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	3,016,509	3,016,509
Accounts Receivable	11,335	11,335
Grants Receivable	71,340	71,340
Property Taxes Receivable	62,900	62,900
Other Receivables	-	-
Inventories	6,127	6,127
Capital Assets	10,593,166	10,593,166
Accumulated Depreciation	<u>(6,259,951)</u>	<u>(6,259,951)</u>
<u>Total Assets</u>	<u>7,501,426</u>	<u>7,501,426</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	2,716,352	2,716,352
Other Post Employment Benefits	<u>29,878</u>	<u>29,878</u>
<u>Total Deferred Outflow of Resources</u>	<u>2,746,230</u>	<u>2,746,230</u>
 <u>LIABILITIES</u>		
Accounts Payable	21,795	21,795
Accrued Salaries	373,792	373,792
Accrued Interest	2,828	2,828
Unearned Revenue	21,704	21,704
Compensated Absences	78,475	78,475
Net Pension Liability	7,024,976	7,024,976
Net OPEB Liability	350,855	350,855
Debt Payable – Current	35,382	35,382
Debt Payable – Long Term	<u>93,239</u>	<u>93,239</u>
<u>Total Liabilities</u>	<u>8,003,046</u>	<u>8,003,046</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	6,063,524	6,063,524
Other Post Employment Benefits	<u>16,372</u>	<u>16,372</u>
<u>Total Deferred Inflow of Resources</u>	<u>6,079,896</u>	<u>6,079,896</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	4,204,594	4,204,594
Restricted for:		
TABOR Reserve	142,000	142,000
Multi-Year Obligations	92,577	92,577
Food Service	6,558	6,558
Capital Outlay	-	-
Unrestricted	<u>(8,281,015)</u>	<u>(8,281,015)</u>
<u>TOTAL NET POSITION</u>	<u>(3,835,286)</u>	<u>(3,835,286)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019

	Program Revenues				Net (Expenses) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Total	
<b>FUNCTIONS</b>						
Instructional Services	2,842,741	17,256	597,802	-	(2,227,683)	(2,227,683)
Supporting Services:						
Students	206,194	-	-	(206,194)	(206,194)	(206,194)
Instructional Staff	59,236	-	-	(59,236)	(59,236)	(59,236)
District Administration	251,265	-	-	(251,265)	(251,265)	(251,265)
School Administration	298,842	-	-	(298,842)	(298,842)	(298,842)
Business	72,609	-	-	(72,609)	(72,609)	(72,609)
Operation & Maintenance of Facilities	534,766	-	-	(534,766)	(534,766)	(534,766)
Transportation	196,109	33,627	-	(162,482)	(162,482)	(162,482)
Central	199,533	-	-	(199,533)	(199,533)	(199,533)
Facilities	-	-	-	-	-	-
Food Services	303,780	5,866	288,810	(9,104)	(9,104)	(9,104)
Capital Outlay	7,000	-	-	(7,000)	(7,000)	(7,000)
Interest on Long Term Liabilities	4,029	-	-	(4,029)	(4,029)	(4,029)
Net Pension Change	(1,053,830)	-	-	1,053,830	1,053,830	1,053,830
Post Employment Benefit Activity	4,371	-	-	(4,371)	(4,371)	(4,371)
Total Governmental Activities	3,926,645	23,122	920,239	(2,983,284)	(2,983,284)	(2,983,284)
Total School District	3,926,645	23,122	920,239	(2,983,284)	(2,983,284)	(2,983,284)
<b>General Revenues</b>						
Property Taxes Levied for General Purposes				952,029	952,029	952,029
Specific Ownership Taxes				102,880	102,880	102,880
Equalization				3,266,053	3,266,053	3,266,053
Earnings on Investments				15,515	15,515	15,515
Insurance Proceeds				9,098	9,098	9,098
Other Revenues				7,729	7,729	7,729
Total General Revenues				4,353,304	4,353,304	4,353,304
Change in Net Position				1,370,020	1,370,020	1,370,020
Net Position, Beginning				(5,205,306)	(5,205,306)	(5,205,306)
Net Position, Ending				(3,835,286)	(3,835,286)	(3,835,286)

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	2,571,662	427,628	17,219	3,016,509
Accounts Receivable	6,258	-	5,077	11,335
Accrued Revenue	71,340	-	-	71,340
Due From Other Funds	-	-	-	-
Property Taxes Receivable	62,900	-	-	62,900
Inventories	-	-	6,127	6,127
Deposits	-	-	-	-
<u>Total Assets</u>	<u>2,712,160</u>	<u>427,628</u>	<u>28,423</u>	<u>3,168,211</u>
<u>Liabilities</u>				
Accounts Payable	21,329	-	466	21,795
Accrued Salaries	358,520	-	15,272	373,792
Due To Other Funds	-	-	-	-
Grant Amounts Received in Advance	21,704	-	-	21,704
<u>Total Liabilities</u>	<u>401,553</u>	<u>-</u>	<u>15,738</u>	<u>417,291</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	34,900	-	-	34,900
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	6,127	6,127
Restricted for:				
Emergencies	142,000	-	-	142,000
Multi-Year Obligations	92,577	-	-	92,577
Capital Outlay	-	-	-	-
Preschool	-	-	-	-
Food Service	-	-	6,558	6,558
Committed for:				
Capital Outlay	-	427,628	-	427,628
Unassigned	2,041,130	-	-	2,041,130
<u>Total Fund Balances</u>	<u>2,275,707</u>	<u>427,628</u>	<u>12,685</u>	<u>2,716,020</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>2,712,160</u>	<u>427,628</u>	<u>28,423</u>	<u>3,168,211</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE 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>	2,716,020
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$10,593,166 and the accumulated depreciation is \$6,259,951.	4,333,215
Property tax revenue is recognized when earned (claim to resources established) rather than when “available”. All of the deferred property tax revenue is not available in the funds statements.	34,900
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(128,621)
Accrued interest payable is not reported as a liability in the funds.	(2,828)
Compensated absences are not reported as a liability in the funds.	(78,475)
The District’s portion of the net pension liability for PERA is reported on the statement of net position is not reported as a liability in the funds.	(7,024,976)
The District’s portion of the net OPEB liability is reported on the statement of net position is not reported as a liability in the funds.	(350,855)
Deferred flows for contributions made toward the net pension liability from December 31, 2018 until June 30, 2019 is not reported in the funds.	215,310
Deferred flows for contributions made toward the OPEB liability from December 31, 2018 until June 30, 2019 is not reported in the funds.	11,480
Net deferred pension flows – Plan Level	(2,436,336)
Net deferred pension flows – Employer Level	(1,126,146)
Net deferred OPEB flows – Plan Level	5,217
Net deferred OPEB flows – Employer Level	<u>(3,191)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(3,835,286)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2019

	General	Capital Reserve Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	979,529	-	-	979,529
Specific Ownership Taxes	102,880	-	-	102,880
Earnings on Investments	11,850	3,616	49	15,515
Other Local Sources	38,083	-	7,209	45,292
State Aid	3,588,981	-	1,886	3,590,867
Federal Aid	304,501	-	285,581	590,082
<u>Total Revenues</u>	<u>5,025,824</u>	<u>3,616</u>	<u>294,725</u>	<u>5,324,165</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	2,565,169	-	-	2,565,169
Supporting Services:				
Students	206,194	-	-	206,194
Instructional Staff	59,236	-	-	59,236
District Administration	251,265	-	-	251,265
School Administration	298,842	-	-	298,842
Business	72,609	-	-	72,609
Operation & Maintenance	564,164	-	-	564,164
Transportation	197,850	-	-	197,850
Central	199,533	-	-	199,533
Facilities	-	-	-	-
Food Service	-	-	331,129	331,129
Debt Service:				
Principal Retirement	120,200	-	-	120,200
Interest and Fiscal Charges	7,646	-	-	7,646
Capital Outlay	-	7,000	-	7,000
<u>Total Expenditures</u>	<u>4,542,708</u>	<u>7,000</u>	<u>331,129</u>	<u>4,880,837</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>483,116</u>	<u>(3,384)</u>	<u>(36,404)</u>	<u>443,328</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(237,000)	200,000	37,000	-
Proceeds From Insurance	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(237,000)</u>	<u>200,000</u>	<u>37,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>246,116</u>	<u>196,616</u>	<u>596</u>	<u>443,328</u>
<u>FUND BALANCES, Beginning</u>	<u>2,029,591</u>	<u>231,012</u>	<u>12,089</u>	<u>2,272,692</u>
<u>FUND BALANCES, Ending</u>	<u>2,275,707</u>	<u>427,628</u>	<u>12,685</u>	<u>2,716,020</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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 443,328

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	96,432	
Depreciation Expense	(320,318)	(223,886)

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. (27,500)

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. 4,802

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of issue cost and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. 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:

Debt Proceeds		-
Debt Payments		120,200
Accrued Interest		3,617

The statement of activities reports net pension and OPEB obligations which are not reported in the fund financial statements.

Change in Net Pension Liability		7,227,953
Change in Net OPEB Liability		(25,378)
Deferred Flows from Net Pension Liability		(6,174,123)
Deferred Flows from Net OPEB Liability		<u>21,007</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES 1,370,020

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
STATEMENT OF FIDUCIARY NET ASSETS  
PUPIL ACTIVITY FUND  
June 30, 2019

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	<u>Pupil Activity Fund</u>
<u>ASSETS</u>	
Cash and Investments	<u>124,297</u>
<u>Total Assets</u>	<u>124,297</u>
<u>LIABILITIES</u>	
Deposits Held for Others	<u>124,297</u>
<u>Total Liabilities</u>	<u>124,297</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District operates under an elected Board of Education with seven 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 Crowley County School District Number RE-1-J. 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 Statements No. 34, No. 39, and No.61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
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 and proprietary funds. Major individual governmental funds (General Fund and Capital Projects Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
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)

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 if collected 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.

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Capital Reserve-Capital Projects Fund – this fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

Additionally, the District reports the following fund type:

The Student Activity 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.

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 inflows, 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2019

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

I.    Long-Term Obligations

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J.      Constitutional Amendment (continued)

On November 7, 1995 the registered voters approved a ballot resolution authorizing Crowley County School District Number RE-1-J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent 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 \$142,000 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.

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 Crowley 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	October 25, 2018

L.      Accumulated Staff 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 \$78,475 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Accumulated Sick Leave	<u>83,277</u>	<u>-</u>	<u>4,802</u>	<u>78,475</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 balances 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 Education (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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N.    GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

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.

Fund Balance Classification by Fund:

	General Fund	Capital Projects Fund	Food Service	Total Governmental Funds
<u>Nonspendable:</u>				
Inventories	-	-	6,127	6,127
<u>Restricted:</u>				
Emergencies	142,000	-	-	142,000
Multi-Year Obligations	92,577	-	-	92,577
Capital Outlay	-	-	-	-
Food Service	-	-	6,558	6,558
<u>Committed:</u>				
Capital Outlay	-	427,628	-	427,628
<u>Unassigned</u>	<u>2,041,130</u>	<u>-</u>	<u>-</u>	<u>2,041,130</u>
<u>Total Fund Balances</u>	<u>2,275,707</u>	<u>427,628</u>	<u>12,685</u>	<u>2,716,020</u>

O.    Deferred Outflows / Inflows of Resources (Continued)

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.



CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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 AND INVESTMENTS

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 Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,826,327	2,912,103
Cash with County Treasurer	64,279	-
Cash on Hand	200	-
<u>Total Cash and Deposits</u>	<u>3,140,806</u>	<u>3,162,103</u>

As presented above, deposits with a bank balance of \$2,912,103 and a carrying balance of \$2,826,327 as of June 30, 2019 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

None

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Governmental Activities</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land & Sites	222,797	-	-	222,797
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	9,035,434	20,543	-	9,055,977
Equipment & Vehicles	1,151,482	45,501	-	1,196,983
Food Service Equipment	87,021	30,388	-	117,409
<u>Total Capital Assets Being Depreciated</u>	<u>10,273,937</u>	<u>96,432</u>	<u>-</u>	<u>10,370,369</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	4,850,729	270,408	-	5,121,137
Equipment & Vehicles	1,001,883	46,871	-	1,048,754
Food Service Equipment	87,021	3,039	-	90,060
<u>Total Accumulated Depreciation</u>	<u>5,939,633</u>	<u>320,318</u>	<u>-</u>	<u>6,259,951</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>4,557,101</u>	<u>(223,886)</u>	<u>-</u>	<u>4,333,215</u>

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

<u>Governmental Activities:</u>	
Regular Programs - Instruction	282,374
Operations and Maintenance	2,501
Transportation	32,404
Food Service	3,039
<u>Total Depreciation Expense --Governmental Activities</u>	<u>320,318</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 6      PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 6 PENSION PLAN (Continued)

**General Information about the Pension Plan**

Plan description. Eligible employees of the Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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, Crowley County School District Number RE-1-J 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 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer Contribution Rate	10.15 %	10.15 %
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208 (1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.13%

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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 Crowley County School District Number RE-1-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crowley County School District Number RE-1-J were \$428,482 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 Crowley County School District Number RE-1-J proportion of the net pension liability was based on Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J reported a liability of \$7,024,976 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 Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J were as follows:

Crowley County School District Number RE-1-J proportionate share of the net pension liability	\$ 7,024,976
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Crowley County School District Number RE-1-J	\$ 960,570
Total	\$ 7,985,546

At December 31, 2018, the Crowley County School District Number RE-1-J proportion was 0.0397 percent, which was a decrease of 0.0044 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Crowley County School District Number RE-1-J recognized pension income of \$1,053,830 and revenue of \$57,051 for support from the State as a nonemployer contributing entity. At June 30, 2019, the Crowley County School District Number RE-1-J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 6 PENSION PLAN (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	238,296	-
Changes of assumptions or other inputs	1,311,242	(4,368,779)
Net difference between projected and actual earnings on pension plan investments	951,504	(568,599)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(1,126,146)
Contributions subsequent to the measurement date	215,310	N/A
Total	2,716,352	6,063,524

\$215,310 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	(1,974,566)
2021	(825,589)
2022	(971,784)
2023	209,457
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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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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 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

**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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	8,931,055	7,024,976	5,425,454

*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).

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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NOTE 6      PENSION PLAN (Continued)

**Defined Contribution Pension Plan**

Voluntary Investment Program

*Plan Description* – Employees of the Crowley County School District Number RE-1-J 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 \$3,954.

NOTE 7      OTHER POST EMPLOYMENT BENEFITS

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

**Summary of Significant Accounting Policies**

*OPEB.* Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J 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).

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
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 Crowley County School District Number RE-1-J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Crowley County School District Number RE-1-J were \$22,846 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 Crowley County School District Number RE-1-J reported a liability of \$350,855 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 Crowley County School District Number RE-1-J proportion of the net OPEB liability was based on Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J proportion was 0.0258 percent, which was an increase of 0.0007 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the Crowley County School District Number RE-1-J recognized OPEB expense of \$4,371. At June 30, 2019, the Crowley County School District Number RE-1-J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,273	(534)
Changes of assumptions or other inputs	2,461	-
Net difference between projected and actual earnings on OPEB plan investments	6,223	(4,206)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	8,441	(11,632)
Contributions subsequent to the measurement date	11,480	N/A
Total	29,878	(16,372)

\$11,480 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	(321)
2021	(321)
2022	(321)
2023	1080
2024	1829
Thereafter	80

*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, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

**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 Without Medicare Part A</b>	<b>Premiums for Members 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 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2019

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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:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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 Crowley County School District Number RE-1-J proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	341,166	350,855	361,998

*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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	392,576	350,855	315,187

*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).

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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 Education is composed of eight persons; seven of whom are appointed by the Board of Education of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Education. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

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	-
Net Income (Loss) Before Dividend	<u>(3,126,116)</u>
Dividend	-
Net Income	<u>(3,126,116)</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>130,742</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>27,623,315</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 10    FOOD SERVICE INVENTORIES

Food Service Fund inventories at June 30, 2019, consisted of USDA, purchased, and non-food amounting to \$6,127. 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    LONG-TERM DEBT

The District had changes in its long-term obligations as follows:

	<u>Balance</u> <u>7-1-2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-2019</u>	<u>Current</u> <u>Portion</u>
Refinanced HVAC Lease	85,863	-	85,863	-	-
Note with FNB – Capital Projects	109,838	-	17,261	92,577	17,666
Bus Lease – 2015/2016	<u>53,120</u>	<u>-</u>	<u>17,076</u>	<u>36,044</u>	<u>17,716</u>
<u>Total</u>	<u>248,821</u>	<u>-</u>	<u>120,200</u>	<u>128,621</u>	<u>35,382</u>

CAPITAL LEASES

Refinanced HVAC Lease

The District entered into a lease in 2013 with the First National Bank of Ordway for an HVAC Lease in the amount of \$475,000. The lease requires (6) annual payments of \$88,954 beginning on July 30, 2013, with an interest rate of 3.6%.

Lease Purchase - Bus

During the fiscal year ended June 30, 2016 the District executed a lease purchase agreement of \$85,485 to purchase a bus. The lease purchase agreement is for a period of 5 years with interest at a rate of 3.75% per annum and yearly payments of \$19,070.

Annual debt service requirements to maturity for the lease purchase agreements are as follows:

	<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual</u> <u>Payment</u>
	2020	17,716	1,354	19,070
	2021	<u>18,328</u>	<u>742</u>	<u>19,070</u>
		36,044	2,096	38,140
Less amount representing interest				<u>(2,096)</u>
Net Present Value of Minimum Lease Payments				<u>36,044</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

NOTE 11      LONG-TERM DEBT (Continued)

NOTES PAYABLE

First National Bank Note – Capital Projects

The District entered into a loan agreement with the First National Bank of Las Animas in the amount of \$175,000. The note will be paid over a ten year period beginning August 21, 2014 at an annual interest rate of 2.35%. This note was obtained for necessary building repairs. The note is considered a multi-year obligation and accordingly the District has restricted fund balance to comply with the TABOR law requirements.

Listed below is a schedule of the debt to maturity.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	2.35%	17,666	2,176	19,842
2021	2.35%	18,077	1,765	19,842
2022	2.35%	18,506	1,336	19,842
2023	2.35%	18,941	901	19,842
2024	2.35%	<u>19,387</u>	<u>455</u>	<u>19,842</u>
Total		<u>92,577</u>	<u>6,633</u>	<u>99,210</u>

NOTE 12      LITIGATION

None.

NOTE 13      SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2019

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NOTE 14    JOINT VENTURES (Continued)

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 and Deferred Outflows	7,314,560
Liabilities and Deferred Inflows	<u>16,935,813</u>
Net Position	<u>(9,621,253)</u>
Revenues	4,368,759
Expenditures	<u>6,918,960</u>
Excess (Deficiency)	<u>(2,550,201)</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.

NOTE 15    INTERFUND BALANCES

	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	237,000	-
Capital Projects Fund	-	200,000
Food Service Fund	<u>-</u>	<u>37,000</u>
	<u>237,000</u>	<u>237,000</u>

Transfers were made in the normal course of operations to support funding needs.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB 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.

### Pension Trend Data

### Other Post Employment Benefits (OPEB) Trend Data

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
GENERAL 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 Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	1,022,109	951,673	979,529	27,856
Specific Ownership Taxes	85,506	69,246	102,880	33,634
Earnings on Investments	5,000	5,000	11,850	6,850
Delinquent Taxes & Interest	2,000	2,000	1,986	(14)
Other	36,100	238,810	36,097	(202,713)
<u>State Sources</u>				
Equalization	3,171,211	3,268,610	3,266,053	(2,557)
Transportation	35,000	35,000	33,627	(1,373)
Vocational Education	30,575	31,480	25,044	(6,436)
Grants	211,520	207,505	185,802	(21,703)
Other	-	22,625	78,455	55,830
<u>Federal Sources</u>				
Other	<u>296,106</u>	<u>301,452</u>	<u>304,501</u>	<u>3,049</u>
<b>TOTAL REVENUES</b>	<b><u>4,895,127</u></b>	<b><u>5,133,401</u></b>	<b><u>5,025,824</u></b>	<b><u>(107,577)</u></b>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,473,280	1,576,260	1,547,414	28,846
Employee Benefits	479,285	496,431	511,071	(14,640)
Purchased Services - Professional	60,245	71,780	56,182	15,598
Purchased Services – Property	400	400	-	400
Purchased Services – Other	174,900	363,260	329,894	33,366
Supplies and Materials	94,250	107,450	101,137	6,313
Property	15,500	23,500	15,882	7,618
Other Objects	<u>3,350</u>	<u>3,550</u>	<u>3,589</u>	<u>(39)</u>
<u>Total Instruction</u>	<u>2,301,210</u>	<u>2,642,631</u>	<u>2,565,169</u>	<u>77,462</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Student Supporting Services</u>	<u>Original</u>	<u>Final</u>		
Salaries	138,285	138,170	148,657	(10,487)
Employee Benefits	41,380	47,055	40,814	6,241
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	2,750	1,450	1,740	(290)
Supplies and Materials	6,775	4,950	6,020	(1,070)
Property	10,650	9,190	8,963	227
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>199,840</u>	<u>200,815</u>	<u>206,194</u>	<u>(5,379)</u>
<u>Instructional Staff</u>				
Salaries	35,685	36,380	36,188	192
Employee Benefits	13,145	14,050	9,809	4,241
Purchased Services – Professional	5,800	5,000	4,361	639
Purchased Services – Property	-	-	-	-
Purchased Services – Other	400	400	482	(82)
Supplies and Materials	8,500	8,500	8,396	104
Property	300	300	-	300
Other Objects	-	-	-	-
<u>Total Instruction Staff</u>	<u>63,830</u>	<u>64,630</u>	<u>59,236</u>	<u>5,394</u>
<u>General Administration</u>				
Salaries	126,580	127,080	126,580	500
Employee Benefits	73,315	57,425	55,623	1,802
Purchased Services – Professional	8,600	8,600	7,430	1,170
Purchased Services – Property	-	-	-	-
Purchased Services – Other	30,550	30,550	30,142	408
Supplies and Materials	9,250	10,500	12,231	(1,731)
Property	-	-	3,344	(3,344)
Other Objects	13,350	14,200	15,915	(1,715)
<u>Total General Administration</u>	<u>261,645</u>	<u>248,355</u>	<u>251,265</u>	<u>(2,910)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	197,580	199,080	199,151	(71)
Employee Benefits	95,700	97,050	94,421	2,629
Purchased Services – Professional	300	300	-	300
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,100	3,100	12	3,088
Supplies and Materials	10,000	10,000	5,098	4,902
Property	800	800	160	640
Other Objects	1,680	1,680	-	1,680
<u>Total School Administration</u>	<u>309,160</u>	<u>312,010</u>	<u>298,842</u>	<u>13,168</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Business Services</u>				
Salaries	47,000	47,800	47,300	500
Employee Benefits	15,635	16,685	15,426	1,259
Purchased Services – Professional	8,000	18,200	8,126	10,074
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	106	(106)
Supplies and Materials	1,250	1,500	1,510	(10)
Property	250	150	141	9
Other Objects	-	-	-	-
<u>Total Business Services</u>	<u>72,135</u>	<u>84,335</u>	<u>72,609</u>	<u>11,726</u>
<u>Operations and Maintenance</u>				
Salaries	173,000	177,350	169,486	7,864
Employee Benefits	45,140	47,685	47,543	142
Purchased Services – Professional	55,500	83,483	82,046	1,437
Purchased Services – Property	66,920	66,920	54,049	12,871
Purchased Services – Other	28,000	28,000	8,496	19,504
Supplies and Materials	235,000	235,000	187,759	47,241
Property	28,000	66,000	14,232	51,768
Other Objects	50,500	100,500	553	99,947
<u>Total Operations and Maintenance</u>	<u>682,060</u>	<u>804,938</u>	<u>564,164</u>	<u>240,774</u>
<u>Student Transportation</u>				
Salaries	65,675	66,000	74,709	(8,709)
Employee Benefits	19,840	17,210	22,487	(5,277)
Purchased Services – Professional	6,200	6,200	5,915	285
Purchased Services – Property	55,000	55,000	26,036	28,964
Purchased Services – Other	5,100	5,100	2,157	2,943
Supplies and Materials	34,500	34,500	32,126	2,374
Property	30,000	60,000	34,145	25,855
Other Objects	500	500	275	225
<u>Total Student Transportation</u>	<u>216,815</u>	<u>244,510</u>	<u>197,850</u>	<u>46,660</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	45,600	45,600	51,770	(6,170)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	74,035	115,920	65,280	50,640
Supplies and Materials	19,000	19,000	19,102	(102)
Property	45,000	65,000	63,381	1,619
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>183,635</u>	<u>245,520</u>	<u>199,533</u>	<u>45,987</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

SUPPORTING SERVICES (Continued)	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>TOTAL SUPPORTING SERVICES</u>	1,989,120	2,205,113	1,849,693	355,420
<u>Debt Service</u>	127,865	38,915	127,846	(88,931)
<u>Appropriated Reserves</u>	1,878,566	2,005,933	-	2,005,933
<u>TOTAL EXPENDITURES</u>	6,296,761	6,892,592	4,542,708	2,349,884
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(1,401,634)	(1,759,191)	483,116	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(211,740)	(230,000)	(237,000)	(7,000)
<u>Total Other Financing Sources (Uses)</u>	(211,740)	(230,000)	(237,000)	(7,000)
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(1,613,374)	(1,989,191)	246,116	
<u>FUND BALANCE, July 1</u>	1,613,374	1,989,191	2,029,591	
<u>FUND BALANCE, June 30</u>	-	-	2,275,707	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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)	0.0397%	0.0441%	0.0464%	0.0488%	0.0508%	0.0512%	-	-	-	-
District's proportionate share of the net pension liability (asset)	\$7,024,976	\$14,252,929	\$13,818,173	\$7,466,484	\$6,892,973	\$6,534,641	-	-	-	-
District's covered payroll	\$2,239,841	\$2,081,209	\$2,056,027	\$2,105,710	\$2,110,101	\$2,139,765	-	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	313%	685%	672%	355%	327%	305%	-	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.1%	59.2%	62.80%	64.06%	-	-	-	-

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 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	\$ 428,482	\$ 393,063	\$ 377,851	\$ 373,285	\$ 356,297	\$ 342,098	\$ 304,592	-	-	-
Contributions in relation to the contractually required contributions	\$ (428,482)	\$ (393,063)	\$ (377,851)	\$ (373,285)	\$ (356,297)	\$ (342,098)	\$ (304,592)	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-
District's covered payroll	\$2,239,841	\$2,081,209	\$2,056,027	\$2,105,710	\$2,110,101	\$2,139,765	\$2,005,921	-	-	-
Contributions as a percentage of covered payroll	19.13%	18.89%	18.38%	17.73%	16.89%	15.99%	15.18%	-	-	-

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 SCHEDULE OF PROPORTIONATE SHARE OF NET 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)	0.0258%	0.0250%	0.0263%	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$350,855	\$325,476	\$342,029	-	-	-	-	-	-	-
District's covered payroll	\$2,239,841	\$2,081,209	\$2,056,027	-	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	15.66%	15.64%	16.64%	-	-	-	-	-	-	-
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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	\$ 22,846	\$ 21,228	\$ 20,971	-	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(22,846)</u>	<u>\$(21,228)</u>	<u>\$(20,971)</u>	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	-	-	-	-	-	-	-
District's covered payroll	\$2,239,841	\$2,081,209	\$2,056,027	-	-	-	-	-	-	-
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

### Governmental Funds

Major Capital Reserve Capital Projects Fund – This fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

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

### Agency Fund

Pupil Activity – This fund is used to account for assets held by the District in a trustee capacity or as an agent for others.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
MAJOR CAPITAL RESERVE CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budget</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Earnings on Investments	500	500	3,616	3,116
Other Local Sources	-	-	-	-
State Sources	-	-	-	-
<u>Total Revenue</u>	<u>500</u>	<u>500</u>	<u>3,616</u>	<u>3,116</u>
<u>Expenditures</u>				
Land and Land Sites	-	-	-	-
Equipment	-	-	-	-
Vehicle - Other	-	-	-	-
Buildings & Improvements	431,513	431,513	7,000	424,513
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Contingency Reserves	-	-	-	-
<u>Total Expenditures</u>	<u>431,513</u>	<u>431,513</u>	<u>7,000</u>	<u>424,513</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(431,013)</u>	<u>(431,013)</u>	<u>(3,384)</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	200,000	200,000	200,000	-
Proceeds from Insurance	-	-	-	-
Legal Settlement	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	<u>(231,013)</u>	<u>(231,013)</u>	<u>196,616</u>	
<u>FUND BALANCE, July 1</u>	<u>231,013</u>	<u>231,013</u>	<u>231,012</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>427,628</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
 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>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	4,500	5,866	1,366
Earnings on Investments	25	49	24
Other	1,340	1,343	3
<u>State Sources</u>			
School Lunches	2,000	1,886	(114)
<u>Federal Sources</u>			
School Lunches	234,000	275,120	41,120
Commodities	<u>15,000</u>	<u>10,461</u>	<u>(4,539)</u>
<u>Total Revenues</u>	<u>256,865</u>	<u>294,725</u>	<u>37,860</u>
 <u>EXPENDITURES</u>			
Salaries	54,300	62,784	(8,484)
Employee Benefits	16,810	18,890	(2,080)
Purchased Services – Professional	-	-	-
Purchased Services – Property	3,640	3,639	1
Purchased Services - Other	4,500	5,038	(538)
Supplies and Materials	218,905	195,385	23,520
Capital Outlay	500	34,472	(33,972)
Other	300	460	(160)
Commodities	-	<u>10,461</u>	<u>(10,461)</u>
<u>Total Expenditures</u>	<u>298,955</u>	<u>331,129</u>	<u>(32,174)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(42,090)	(36,404)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>30,000</u>	<u>37,000</u>	<u>7,000</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>			
	(12,090)	596	
<u>FUND BALANCE, Beginning</u>	<u>12,090</u>	<u>12,089</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>12,685</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J  
PUPIL ACTIVITY AGENCY FUND  
SCHEDULE OF ACTIVITIES BUDGET AND ACTUAL  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>ADDITIONS:</u>			
Earnings on Investments	-	-	-
Other Local Sources	<u>165,000</u>	<u>167,935</u>	<u>2,935</u>
<u>Total Additions</u>	<u>165,000</u>	<u>167,935</u>	<u>2,935</u>
<u>DEDUCTIONS:</u>			
Activity Expenditures	290,904	169,541	121,363
Contingency	-	-	-
<u>Total Deductions</u>	<u>290,904</u>	<u>169,541</u>	<u>121,363</u>
Net Increase (Decrease) in Deposits Held for Others	(125,904)	(1,606)	
Deposits Held for Others – Beginning of Year	<u>125,904</u>	<u>125,903</u>	
Deposits Held for Others – End of Year	<u>-</u>	<u>124,297</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 0770 - Crowley County RE-1J  
 Fiscal Year 2018-19  
 Colorado School District/BOCES

Fund Type & Number	Revenues, Expenditures, & Fund Balance by Fund	6700-6799 & Prior Adj. (6880*)	1000-5999 Total Revenues & Other Sources	1001-9999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj. (6880*) Ending Fund Balance
<b>Governmental</b>					
10	General Fund	2,025,681	4,584,880	4,338,763	2,275,708
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	203,943	203,943	0
	<b>Sub-Total</b>	<b>2,025,681</b>	<b>4,788,823</b>	<b>4,542,706</b>	<b>2,275,708</b>
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	0	0	0	0
06	Supplemental Cap Const, Tech, Msh, Fund	0	0	0	0
21	Food Service Spec Revenue Fund	12,009	331,723	331,128	12,685
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	0	0	0	0
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	0	0	0	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	231,012	203,616	7,000	427,628
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>		<b>2,277,693</b>	<b>5,324,152</b>	<b>4,890,833</b>	<b>2,716,031</b>
<b>Proprietary</b>					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
<b>Totals</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	135,903	167,935	168,341	126,297
79	Gifts In-Permanence Fund	0	0	0	0
85	Foundations	0	0	0	0
<b>Totals</b>		<b>135,903</b>	<b>167,935</b>	<b>168,341</b>	<b>126,297</b>
		<b>135,903</b>	<b>167,935</b>	<b>168,341</b>	<b>126,297</b>

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: D770 - Crowley County RE-1-J  
 Fiscal Year 2018-19  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary				Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food/Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8108-8104,8111)	2,507,383	0	0	0	0	17,219	0	427,628	0	0	0	0	0	0	3,076,527
Cash with Fiscal Agent (8105)	64,279	0	0	0	0	0	0	0	0	0	0	0	0	0	64,279
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	62,900	0	0	0	0	0	0	0	0	0	0	0	0	0	62,900
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	71,340	0	0	0	0	0	0	0	0	0	0	0	0	0	71,340
Other Receivables (8151-8154,8161)	6,258	0	0	0	0	5,077	0	0	0	0	0	0	0	0	11,335
Inventories (8171,8172,8173)	0	0	0	0	0	6,127	0	0	0	0	0	0	0	0	6,127
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,712,160</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,423</b>	<b>0</b>	<b>427,628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,289,509</b>

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY

LIABILITIES

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Delta Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	21,329	0	0	0	0	466	0	0	0	0	0	0	0	0	21,795
Accrued Expenses (7461)	358,520	0	0	0	0	15,272	0	0	0	0	0	0	0	0	373,792
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	21,704	0	0	0	0	0	0	0	0	0	0	0	0	0	21,704
Deferred Inflow (7800)	34,900	0	0	0	0	0	0	0	0	0	0	0	0	0	34,900
Total Liabilities	436,452	0	0	0	0	15,738	0	0	0	0	0	0	0	0	452,190

**Governmental**

**Proprietary**

**Fiduciary**

**FUND EQUITY**

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	6,127	0	0	0	0	0	0	0	0	6,127
Restricted Fund Balance 6720	0	0	0	0	0	6,558	0	0	0	0	0	0	0	0	6,558
TABOR 3% Emergency Reserve 6721	142,000	0	0	0	0	0	0	0	0	0	0	0	0	0	142,000
TABOR Multi-Year 6722	92,577	0	0	0	0	0	0	0	0	0	0	0	0	0	92,577
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CIP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	427,628	0	0	0	0	0	0	427,628
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	2,041,131	0	0	0	0	0	0	0	0	0	0	0	124,297	0	2,165,428
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>2,275,708</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,685</b>	<b>0</b>	<b>427,628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>124,297</b>	<b>0</b>	<b>2,840,318</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity - 2,712,150 :</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,423</b>	<b>0</b>	<b>427,628</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>124,297</b>	<b>0</b>	<b>3,292,508</b>

For Each Fund Type  
Do Assets=Liability+Fund Equity

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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