

**IGNACIO SCHOOL DISTRICT 11JT  
IGNACIO, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended  
June 30, 2019**

**IGNACIO SCHOOL DISTRICT 11JT**

**ROSTER OF OFFICIALS**

**Year Ended June 30, 2019**

**Board Of Directors**

Kelly McCaw - President

Yvonne Chapman - Vice President

Kara Pearson - Secretary

Lisa Ruybal - Treasurer

Doug Little - Director

**Administrative Staff**

Dr. Rocco Fuschetto - Superintendent

LuCinda Lounge - Finance Director

IGNACIO SCHOOL DISTRICT 11JT

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## **INTRODUCTORY SECTION**

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**Management Discussion And Analysis  
(Required Supplementary Information – Unaudited)**

**Ignacio School District 11JT  
Management Discussion and Analysis  
June 30, 2019**

This document provides an overview and analysis of the financial performance of the District for the fiscal year ending June 30, 2019.

**Financial Highlights**

The total net position of the district increased to \$4,607,581 during the fiscal year of July 1, 2018 to June 30, 2019. Total unrestricted net position is \$(24,288,684). This is due to adding the PERA net pension liability of \$27,260,490 as described in Note 9. The total salaries and benefits of our district employees increased from \$8,471,129 in 2017-2018 to \$8,537,862 in 2018-2019 on the accrual basis, an increase of less than 1%. Instructional expenditures have increased from \$5,456,691 in 2017-2018 to \$5,616,188 in 2018-2019 on the accrual basis, an increase of 2.9%. Revenues from local and intermediate sources accounted for 20.7% of total revenues. Revenues from state sources accounted for 64.2% of total revenues. Revenues from federal sources accounted for 15.1% of total revenues.

**Overview of Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Ignacio School District 11JT basic financial statements. The basic financial statements consist of these components: The Management Discussion and Analysis (this section), the audit opinion, financial statements and the footnotes. Comparisons with prior years' statements provide the district with information useful in future financial planning. The district revenues come from different allocations within the classifications Local Sources, State Sources, and Federal Sources. The total revenues are used as a basis for determining the district's budget. Within the Local Sources of revenue are property taxes, specific ownership taxes, interest on invested funds, and other sources. State Sources include state equalization payments, transportation payments, and other sources such as grants. Federal Sources include payments for Title I and special education programming.

**Government-Wide Financial Statements**

These statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net positions includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The two government-wide statements report the District's net positions and how they have changed. Net positions, the difference between the District's assets, deferred outflows, and liabilities, are one way to measure the District's financial health or position. Over time, increases or decreases in the District's net positions are an indication of whether its financial health is improving or deteriorating.

The government-wide statements are divided into two categories:

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

Business - Type activities - which is the Deferred Maintenance Fund is an enterprise fund used to account for all financial transactions related to the District's Building rental revenue and expenses.

**Fund Financial Statements**

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements. Governmental funds - most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination.

**Ignacio School District 11JT**  
**Management Discussion and Analysis**  
**June 30, 2019**

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 (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary funds - used to account for the District activities that are similar to business operations in the private sector: or where the reporting is on determining net income, financial position, changes in financial position, and a significant portion of the funding is through user charges. When the District charges customers for services it provides, these services are generally reported in proprietary funds.

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

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

Other information in addition to the basic financial statements and accompanying notes is presented in the form of certain required supplementary information regarding budgetary comparison schedule. Other statements on individual funds are presented immediately following the required supplementary information. These represent budgetary comparison schedules not required by generally accepted accounting principles, but are required by Colorado statutes.

**Government-Wide Financial Statements**

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Ignacio School District, assets exceeded liabilities by approximately \$1,828,000.

	<b>2019</b>			<b>2018</b>		
	<b>Governmental</b>	<b>Business Type</b>	<b>Total</b>	<b>Governmental</b>	<b>Business Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>		<b>Activities</b>	<b>Activities</b>	
Current Assets	12,093,507	276,480	12,369,987	10,307,412	184,639	10,492,051
Non Current Assets	53,465,755	902,852	54,368,607	54,304,727	847,171	55,151,898
Deferred Outflows of Financial Resources	8,248,680	-	8,248,680	12,625,921	-	12,625,921
<b>Total Assets</b>	<b>73,807,942</b>	<b>1,179,332</b>	<b>74,987,274</b>	<b>77,238,060</b>	<b>1,031,810</b>	<b>78,269,870</b>
Current Liabilities	1,005,061	5,611	1,010,672	3,383,018	-	3,383,018
Long-Term Liabilities	54,031,926	-	54,031,926	75,226,454	-	75,226,454
Deferred Inflows of Financial Resources	16,942,955	-	16,942,955	1,772,898	-	1,772,898
<b>Total Liabilities</b>	<b>71,979,942</b>	<b>5,611</b>	<b>71,985,553</b>	<b>80,382,370</b>	<b>-</b>	<b>80,382,370</b>
<b>Net Position</b>						
Net Investment in Capital Assets	21,019,069	902,852	21,921,921	16,727,932	847,171	17,575,103
Restricted Net Position	5,097,615	-	5,097,615	4,693,451	-	4,693,451
Unrestricted Net Position	(24,288,684)	270,869	(24,017,815)	(24,565,693)	184,639	(24,381,054)
<b>Total Net Position (Deficit)</b>	<b>\$ 1,828,000</b>	<b>\$ 1,173,721</b>	<b>3,001,721</b>	<b>\$ (3,144,310)</b>	<b>\$ 1,031,810</b>	<b>(2,112,500)</b>

**Ignacio School District 11JT**  
**Management Discussion and Analysis**  
**June 30, 2019**

**Governmental Activities**

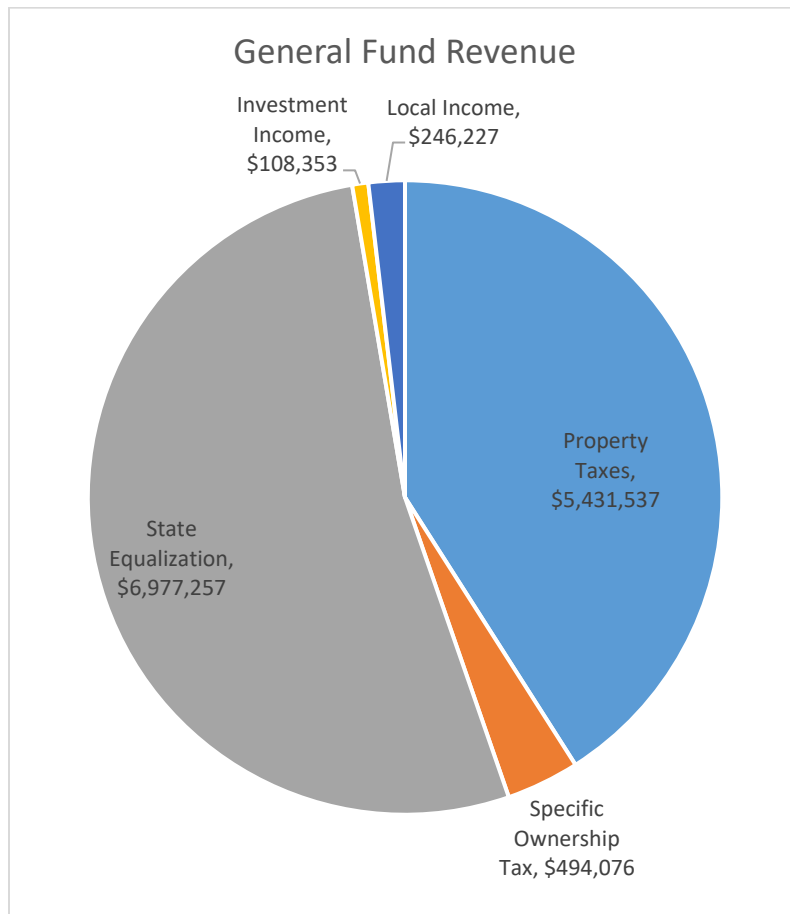
Of the District's \$73,807,942 in total assets, \$53,465,755 (72.3%) reflects investment in capital assets, (e.g. land, buildings, equipment, and transportation equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The unrestricted net position of \$24,288,684 may be used to meet the District's ongoing financial obligations. The results of this year's operations as a whole are reported in the Statement of Activities on Page 5. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

**General Revenues:**

	2019			2018		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>Program Revenues:</b>						
Charges for Services	\$ 298,366	\$ 143,305	441,671	\$ 307,128	\$ 143,590	450,718
Operating Grants	3,188,914	-	3,188,914	2,259,235	-	2,259,235
Capital Grants	-	7,000	7,000	300,039	76,912	376,951
Total Program Revenues	<u>3,487,280</u>	<u>150,305</u>	<u>3,637,585</u>	<u>2,866,402</u>	<u>220,502</u>	<u>3,086,904</u>
<b>General Revenues:</b>						
Taxes	5,925,613	-	5,925,613	5,134,292	-	5,134,292
State Equalization	6,977,257	-	6,977,257	6,514,111	-	6,514,111
Investment Income	108,353	-	108,353	161,871	-	161,871
Insurance Proceeds	6,500	-	6,500	-	-	-
Other Revenues	239,727	-	239,727	-	-	-
Transfers	(170,000)	170,000	-	150,000	(150,000)	-
Total General Revenues	<u>13,087,450</u>	<u>170,000</u>	<u>13,257,450</u>	<u>11,960,274</u>	<u>(150,000)</u>	<u>11,810,274</u>
<b>Total Revenues</b>	<u>16,574,730</u>	<u>320,305</u>	<u>16,895,035</u>	<u>14,826,676</u>	<u>70,502</u>	<u>14,897,178</u>
<b>Expenses</b>						
Instruction	5,701,775	-	5,701,775	11,004,041	-	11,004,041
Supporting Services	5,278,461	-	5,278,461	7,948,469	-	7,948,469
Interest on Long Term Debt	986,913	-	986,913	1,092,511	-	1,092,511
Deferred Maintenance Fund	-	178,394	178,394	-	105,147	105,147
<b>Total Expenses</b>	<u>11,967,149</u>	<u>178,394</u>	<u>12,145,543</u>	<u>20,045,021</u>	<u>105,147</u>	<u>20,150,168</u>
<b>Change in Net Position</b>	<u>4,607,581</u>	<u>141,911</u>	<u>4,749,492</u>	<u>(5,218,345)</u>	<u>(34,645)</u>	<u>(5,252,990)</u>
<b>Net Position - Beginning</b>	(3,144,307)	1,031,810	(2,112,497)	2,904,586	1,066,455	3,971,041
<b>Prior Period Restatement</b>	364,726	-	364,726	(830,551)	-	(830,551)
<b>Net Position Beginning (Restated)</b>	(2,779,581)	1,031,810	(1,747,771)	2,074,035	1,066,455	3,140,490
<b>Net Position - Ending</b>	<u>\$ 1,828,000</u>	<u>\$ 1,173,721</u>	<u>3,001,721</u>	<u>\$ (3,144,310)</u>	<u>\$ 1,031,810</u>	<u>(2,112,500)</u>

**Ignacio School District 11JT  
Management Discussion and Analysis  
June 30, 2019**

**General Fund Revenues by Source**



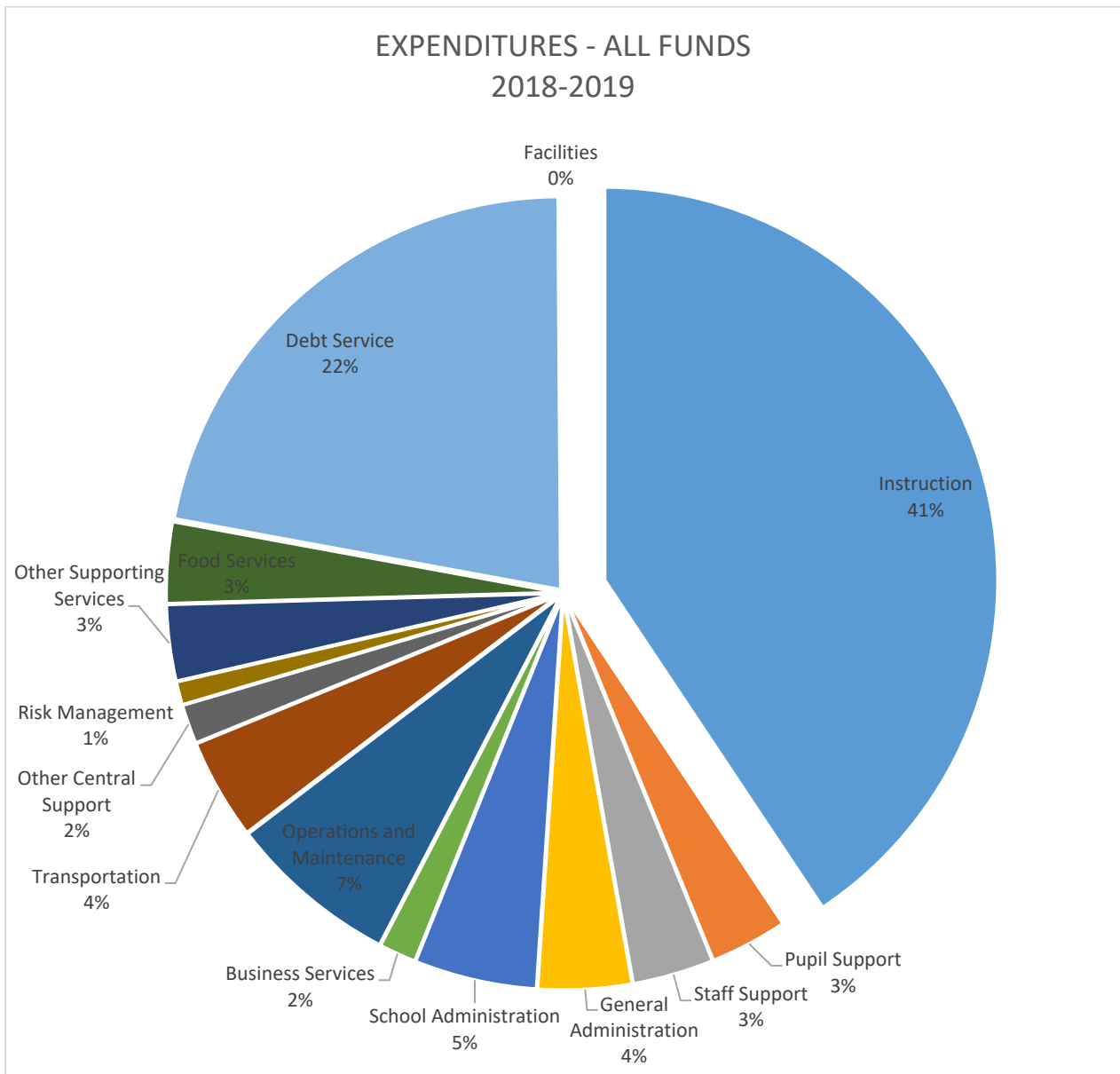
The district revenues come from different allocations within the classifications Local Sources, State Sources, and Federal Sources. The total revenues are used as a basis for determining the district's budget. Within the Local Sources of revenue are property taxes, specific ownership taxes, interest on banked funds, and other sources. State Sources include state equalization payments, transportation payments, and other sources such as grants. Federal Sources include payments for Title Grants and Impact Aid.

**Fund Level Financial Statements**

The General Fund is the main operating fund of the District. The general fund reports an ending fund balance of \$5,426,566 which is an increase of \$1,083,767 from the prior year. General Fund expenditures increased \$833,140 from the prior year to \$10,471,527. The following represents the allocation of General Fund expenditures:

**Ignacio School District 11JT  
Management Discussion and Analysis  
June 30, 2019**

**General Fund Expenditures by Function**



**Food Service Fund**

The Food Service Fund reported a decrease in expenditures of \$4,531 to \$496,943 as of June 30, 2019. Revenues decreased from \$398,937 in 2017-2018, to \$382,511 in 2018-2019. A new purchasing cooperative with Shamrock Foods should help lower food costs in school year 2019-2020 which will improve the fund balance.

**General Fund Budget**

The District made minor revisions to the original budget based on additional information that was available subsequent to the original adoption. This was primarily related to grant allocations that were not available until October 2019.

**Ignacio School District 11JT  
Management Discussion and Analysis  
June 30, 2019**

Total revenues exceeded the final budget amounts by \$1,353,606, with the differences spread among numerous categories. Expenditures came in \$3,505,252 under budgeted line item appropriations, without reserves and debt service.

**Capital Assets**

At June 30, 2019, the District had \$53,465,755 total invested in capital assets, net of accumulated depreciation. The following table summarizes the governmental activities capital asset activity:

<b><u>Governmental Activities</u></b>	<b><u>Balance 6/30/18</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance 6/30/19</u></b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 631,628	\$ 4,635	\$ -	\$ 636,263
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	55,629,237	24,700	-	55,653,937
Equipment	1,345,964	31,158	-	1,377,122
Vehicles	1,595,443	28,645	-	1,624,088
Total Capital Assets Being Depreciated	58,570,644	84,503	-	58,655,147
Total Capital Assets	59,202,272	89,138	-	59,291,410
<b>Less: Accumulated Depreciation</b>				
Buildings and Improvements	(3,049,893)	(744,585)	-	(3,794,478)
Equipment	(677,466)	(100,507)	-	(777,973)
Vehicles	(1,170,186)	(83,018)	-	(1,253,204)
Total Accumulated Depreciation	(4,897,545)	(928,110)	-	(5,825,655)
<b>Net Governmental Capital Assets</b>	<b>\$ 54,304,727</b>	<b>\$ (838,972)</b>	<b>\$ -</b>	<b>\$ 53,465,755</b>
<b><u>Business-type Activities</u></b>	<b><u>Balance 6/30/18</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance 6/30/19</u></b>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	\$ 1,762,681	\$ 92,260	\$ -	\$ 1,854,941
Equipment	36,432	-	-	36,432
Total Capital Assets	1,799,113	92,260	-	1,891,373
<b>Less: Accumulated Depreciation</b>				
Buildings and Improvements	(915,508)	(36,581)	-	(952,089)
Equipment	(36,434)	2	-	(36,432)
Total Accumulated Depreciation	(951,942)	(36,579)	-	(988,521)
<b>Net Business-type Capital Assets</b>	<b>\$ 847,171</b>	<b>\$ 55,681</b>	<b>\$ -</b>	<b>\$ 902,852</b>

**Ignacio School District 11JT  
Management Discussion and Analysis  
June 30, 2019**

**Long Term Debt**

	<b>Balance As Restated 7/1/18</b>	<b>Advances</b>	<b>Payments</b>	<b>Balance 6/30/19</b>	<b>Current Portion</b>
G.O. Bonds Payable - Series 2011	\$ 7,085,928	\$ -	\$ 384,242	\$ 6,701,686	\$ 400,067
G.O. Bonds Payable - Series 2012	14,040,000	-	1,475,000	12,565,000	1,535,000
Series 2016 Refunding	8,845,000	-	40,000	8,805,000	40,000
Series 2017 Refunding	4,400,000	-	25,000	4,375,000	25,000
2017 Leases Payable (QZAB)	100,891	-	100,891	-	-
PERA Net Pension Liability	38,754,831	-	20,222,455	18,532,376	-
Net OPEB Liability	884,996	40,583	-	925,579	-
Accrued Compensated Absences	311,008	21,866	-	332,874	-
<b>Total Long Term Obligations</b>	<b><u>\$ 74,422,654</u></b>	<b><u>\$ 62,449</u></b>	<b><u>\$ 22,247,588</u></b>	<b><u>\$ 52,237,515</u></b>	<b><u>\$ 2,000,067</u></b>

**Total Long Term Obligations \$52,237,515.**

**Economic Factors**

Ignacio School District has seen the assessed valuation of the property within the district decrease from \$314,555,120 in fiscal year 2004 to the 2019 valuation of \$262,353,725. The district's enrollment has shown a slow and steady decline from a K-12 enrollment of 941 in the 2001- 2002 school year to 778 for the 2018-2019 school year.

**Contacting the Financial Management Office of Ignacio School District 11JT**

This report is designed to provide Board members, citizens, and patrons of Ignacio School District with an overview of the district's financial condition. Questions can be taken to the district office at 455 Becker Street, Ignacio, Colorado, during working hours.

## FINANCIAL SECTION

# Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Directors  
Ignacio School District 11 JT  
Ignacio, Colorado

## INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of Ignacio School District 11 JT, (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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 of 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 auditors' 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 controls. 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.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund, and the aggregate remaining fund information of Ignacio School District 11 JT, as of June 30, 2019, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

**Other Matters**

***Emphasis of Matter***

The District has recorded a restatement of the beginning net position of the Governmental Activities, related to bond, pension and OPEB deferred outflow and inflows as further discussed in Note 12. Our opinion is not modified in relation to this matter.

***Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)***

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M7 and pension schedules on 49 - 52 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.

***Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information***

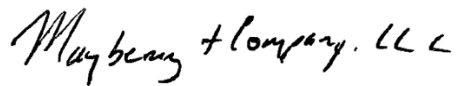
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 53 - 58 be presented to supplement the basic financial statements. Such 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. In addition, the budgetary comparison schedules on pages 59 - 73 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 83-86 are presented for state regulatory compliance and are not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated December 13, 2019 on our consideration of the Ignacio School District 11 JT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters pages 74 - 82. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Ignacio School District 11 JT's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

December 13, 2019  
Englewood, Colorado

## **Basic Financial Statements**

IGNACIO SCHOOL DISTRICT 11JT  
Statement of Net Position  
June 30, 2019

	Governmental Activities	Business-Type Activities	Totals 2019
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 11,898,193	\$ 276,480	\$ 12,174,673
Cash with Fiscal Agent	5,781	-	5,781
Taxes Receivable	86,002	-	86,002
Grants Receivable	94,550	-	94,550
Other Accounts Receivable	2,680	-	2,680
Inventory	6,301	-	6,301
<b>Total Current Assets</b>	<u>12,093,507</u>	<u>276,480</u>	<u>12,369,987</u>
<b>Noncurrent Assets</b>			
Capital Assets, not being depreciated	636,263	-	636,263
Capital Assets, being depreciated	52,829,492	902,852	53,732,344
<b>Total Noncurrent Assets</b>	<u>53,465,755</u>	<u>902,852</u>	<u>54,368,607</u>
<b>TOTAL ASSETS</b>	<u>65,559,262</u>	<u>1,179,332</u>	<u>66,738,594</u>
<b>DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>			
Net Deferred Outflows Pensions	7,961,861	-	7,961,861
Net Deferred Outflows OPEB	73,311	-	73,311
Bond Refunding	213,508	-	213,508
<b>TOTAL DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u>8,248,680</u>	<u>-</u>	<u>8,248,680</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<u>\$ 73,807,942</u>	<u>\$ 1,179,332</u>	<u>\$ 74,987,274</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 10,298	694	10,992
Accrued Interest	100,220	-	100,220
Accrued Salaries & Benefits	894,543	-	894,543
Other Current Liabilities	-	4,917	4,917
<b>Total Current Liabilities</b>	<u>1,005,061</u>	<u>5,611</u>	<u>1,010,672</u>
<b>Noncurrent Liabilities</b>			
Bonds Payable	2,000,067	-	2,000,067
Due Within One Year	2,000,067	-	2,000,067
Due In More Than One Year	52,031,859	-	52,031,859
<b>Total Noncurrent Liabilities</b>	<u>54,031,926</u>	<u>-</u>	<u>54,031,926</u>
<b>TOTAL LIABILITIES</b>	<u>55,036,987</u>	<u>5,611</u>	<u>55,042,598</u>
<b>DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>			
Deferred Revenue	4,056	-	4,056
Deferred Grant Revenue	90,070	-	90,070
Net Deferred Inflows Pensions	16,835,881	-	16,835,881
Net Deferred Inflows OPEB	12,948	-	12,948
<b>TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES</b>	<u>16,942,955</u>	<u>-</u>	<u>16,942,955</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	21,019,069	902,852	21,921,921
Restricted Net Position	5,097,615	-	5,097,615
Unrestricted Net Position	(24,288,684)	270,869	(24,017,815)
<b>TOTAL NET POSITION</b>	<u>1,828,000</u>	<u>1,173,721</u>	<u>3,001,721</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	<u>\$ 73,807,942</u>	<u>\$ 1,179,332</u>	<u>\$ 74,987,274</u>

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

IGNACIO SCHOOL DISTRICT 11JT  
Statement of Activities  
For the Year Ended June 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
Instruction	\$ 5,701,775	\$ 175,145	\$ 2,222,117	\$ -	\$ (3,304,513)	\$ -	\$ (3,304,513)
Supporting Services	5,278,461	123,221	966,797	-	(4,188,443)	-	(4,188,443)
Interest on Long Term Debt	986,913	-	-	-	(986,913)	-	(986,913)
Total Governmental Activities	11,967,149	298,366	3,188,914	-	(8,479,869)	-	(8,479,869)
<b>Business Type Activities</b>							
Deferred Maintenance Fund	178,394	143,305	-	7,000	-	(28,089)	(28,089)
<b>Total Primary Government</b>	<u>\$ 12,145,543</u>	<u>\$ 441,671</u>	<u>\$ 3,188,914</u>	<u>\$ 7,000</u>	<u>(8,479,869)</u>	<u>(28,089)</u>	<u>(8,507,958)</u>
<b>General Revenues</b>							
Property Taxes					5,431,537	-	5,431,537
Specific Ownership Taxes					494,076	-	494,076
State Equalization					6,977,257	-	6,977,257
Investment Earnings					108,353	-	108,353
Insurance Proceeds					6,500	-	6,500
Other Revenues					239,727	-	239,727
<b>Transfers</b>					(170,000)	170,000	-
<b>Total General Revenues and Transfers</b>					13,087,450	170,000	13,257,450
<b>Change in Net Position</b>					4,607,581	141,911	4,749,492
<b>Beginning Net Position</b>					(3,144,307)	1,031,810	(2,112,497)
Prior Period Restatement					364,726	-	364,726
<b>Beginning Net Position (As Restated)</b>					(2,779,581)	1,031,810	(1,747,771)
<b>Ending Net Position</b>					<u>\$ 1,828,000</u>	<u>\$ 1,173,721</u>	<u>\$ 3,001,721</u>

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

IGNACIO SCHOOL DISTRICT 11JT  
Balance Sheet  
Governmental Funds  
June 30, 2019

	General Fund	Special Revenue	Debt Service	Other Governmental Funds	Totals
		Designated Grants Fund	Bond Redemption Fund		2019
<b>ASSETS</b>					
Cash and Investments	\$ 6,292,061	\$ (34,086)	\$ 4,784,004	\$ 755,411	\$ 11,797,390
Cash with Fiscal Agent	-	-	5,781	-	5,781
Taxes Receivable	24,239	-	61,763	-	86,002
Grants Receivable	-	94,550	-	-	94,550
Other Accounts Receivable	-	-	-	2,680	2,680
Inventory	-	-	-	6,301	6,301
<b>TOTAL ASSETS</b>	<u>\$ 6,316,300</u>	<u>\$ 60,464</u>	<u>\$ 4,851,548</u>	<u>\$ 764,392</u>	<u>\$ 11,992,704</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>					
<b>Liabilities</b>					
Accounts Payable	1,155	1,580	-	-	2,735
Accrued Salaries & Benefits	824,979	32,413	-	37,152	894,543
<b>Total Liabilities</b>	<u>826,134</u>	<u>33,993</u>	<u>-</u>	<u>37,152</u>	<u>897,278</u>
<b>Deferred Inflows of Financial Resources</b>					
Deferred Revenue	-	-	30,234	4,056	34,290
Deferred Grant Revenue	63,600	26,470	-	-	90,070
<b>Total Deferred Inflows of Financial Resources</b>	<u>63,600</u>	<u>26,470</u>	<u>30,234</u>	<u>4,056</u>	<u>124,360</u>
<b>Fund Balance</b>					
Nonspendable Fund Balance	-	-	-	6,300	6,301
Restricted Fund Balance					
Restricted for Debt Service	-	-	4,821,314	-	4,821,314
Restricted for TABOR Emergencies	270,000	-	-	-	270,000
Committed Fund Balance					
Committed for Insurance Expenditures	-	-	-	486,626	350,847
Committed for Fund Purposes	-	-	-	230,258	377,234
Assigned Fund Balance					
Other Assigned Fund Balance	-	1	-	-	(11,196)
Unassigned Fund Balance	5,156,566	-	-	-	5,156,566
<b>Total Fund Balance</b>	<u>5,426,566</u>	<u>1</u>	<u>4,821,314</u>	<u>723,184</u>	<u>10,971,066</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 6,316,300</u>	<u>\$ 60,464</u>	<u>\$ 4,851,548</u>	<u>\$ 764,392</u>	<u>\$ 11,992,704</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Reconciliation of Governmental Fund Balances**  
**to Governmental Activities Net Position**  
**June 30, 2019**

Fund Balance - Governmental Funds \$ 10,971,066

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds

Capital assets, not being depreciated	\$ 636,263	
Capital assets, being depreciated	58,655,147	
Accumulated depreciation	<u>(5,825,655)</u>	53,465,755

Allocation of District's property taxes collected after year end are not available soon enough to pay for the current period's expenditures, therefore they are reported as unavailable revenue in the funds

Deferred Revenues	30,234
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Certain long-term pension and OPEB related costs and adjustments are not available to pay or are payable currently and are therefore not reported in the funds

**PERA Pension**

Net pension deferred outflows	7,961,861	
Net pension liability	(18,532,376)	
Net pension deferred inflows	<u>(16,835,881)</u>	(27,406,396)

**PERA Health Care Trust Fund (OPEB)**

Net OPEB deferred outflows	73,311	
Net OPEB liability	(925,579)	
Net OPEB deferred inflows	<u>(12,948)</u>	(865,216)

Deferred charges related to the issuance of debt that are amortized over the life of the issue, but are not reported in the funds

Bond premiums	(1,794,411)	
Bond refunding	<u>213,508</u>	(1,580,903)

Internal Service operations primarily benefit Governmental Activities

Internal Service Fund Net Position	93,240
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Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.

Bonds payable	(32,446,686)	
Accrued interest payable	(100,220)	
Accrued compensated absences	<u>(332,874)</u>	<u>(32,879,780)</u>

Total Net Position - Governmental Activities	<u>\$ 1,828,000</u>
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The accompanying footnotes are an integral part of these financial statements.

IGNACIO SCHOOL DISTRICT 11JT  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds  
For the Year Ended June 30, 2019  
(With Comparative Totals for the Year Ended June 30, 2018)

	<u>Special Revenue</u>		<u>Debt Service</u>	<u>Totals</u>	
	<u>General Fund</u>	<u>Designated Grants Fund</u>	<u>Bond Redemption Fund</u>	<u>Other Governmental Funds</u>	<u>2019</u>
<b>REVENUES</b>					
Local Sources	\$ 2,454,160	\$ -	\$ 3,864,083	\$ 261,318	\$ 6,579,561
Intermediate Sources	4,655	-	-	-	4,655
State Sources	7,622,460	100,550	-	7,752	7,730,762
Federal Sources	1,805,150	337,817	-	286,786	2,429,753
<b>TOTAL REVENUES</b>	<u>11,886,425</u>	<u>438,367</u>	<u>3,864,083</u>	<u>555,856</u>	<u>16,744,731</u>
<b>EXPENDITURES</b>					
Instruction	5,602,791	271,948	-	162,802	6,037,541
Pupil Support	446,282	28,562	-	-	474,844
Staff Support	377,116	120,467	-	-	497,583
General Administration	572,891	-	-	-	572,891
School Administration	732,465	16,171	-	-	748,636
Business Services	225,662	-	1,225	-	226,887
Operations and Maintenance	1,044,317	-	-	-	1,044,317
Transportation	618,432	-	-	-	618,432
Other Central Support	241,392	-	-	-	241,392
Risk Management	143,538	-	-	-	143,538
Other Supporting Services	466,641	-	-	-	466,641
Food Service	-	-	-	496,943	496,943
Community Support	-	1,219	-	-	1,219
Facilities	-	-	-	14,655	14,655
Debt Service	-	-	3,164,932	103,000	3,267,932
<b>TOTAL EXPENDITURES</b>	<u>10,471,527</u>	<u>438,367</u>	<u>3,166,157</u>	<u>777,400</u>	<u>14,853,451</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	1,414,898	-	697,926	(221,544)	1,891,280
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer In (Out) - net	(331,131)	-	(300,064)	561,195	(70,000)
<b>CHANGE IN FUND BALANCE</b>	1,083,767	-	397,862	339,651	1,821,280
<b>BEGINNING FUND BALANCE</b>	4,342,799	1	4,423,452	383,534	9,149,786
<b>ENDING FUND BALANCE</b>	<u>\$ 5,426,566</u>	<u>\$ 1</u>	<u>\$ 4,821,314</u>	<u>\$ 723,185</u>	<u>\$ 10,971,066</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Reconciliation of Governmental Changes in Fund Balance**  
**to Governmental Activities Change in Net Position**  
**For the Year Ended June 30, 2019**

Change in Fund Balance - Governmental Funds		\$ 1,821,280
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level		
Capitalized Asset Purchases	\$ 89,138	
Depreciation Expense	<u>(928,110)</u>	(838,972)
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Change in Deferred Revenue		9,230
Pension and OPEB expense at the fund level represents cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.		
<b>PERA Pension</b>		
Change in deferred pension outflows	(4,472,208)	
Change in net pension liability	20,222,455	
Change in deferred pension inflows	<u>(14,296,223)</u>	1,454,024
<b>PERA Health Care Trust Fund (OPEB)</b>		
Change in deferred OPEB outflows	18,926	
Change in net OPEB liability	(40,583)	
Change in deferred OPEB inflows	<u>1,858</u>	(19,799)
Internal Service operations primarily benefit Governmental Activities		
Change in net position - Internal Service Funds		(68,105)
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level		
Principal payments on bonds payable	1,924,242	
Principal payments on capital leases	100,891	
Change in accrued interest payable	6,342	
Amortization of premiums and discounts	267,549	
Deferred charge on refunding amortization	(27,235)	
Change in accrued compensated absences	<u>(21,866)</u>	<u>2,249,923</u>
Change in Net Position - Governmental Activities		<u>\$ 4,607,581</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Net Position**  
**Proprietary Funds**  
**Pupil Activity Fund**  
**June 30, 2019**  
**(With Comparative Totals for June 30, 2018)**

	<b>Business Type Activity</b>	<b>Governmental Activity</b>
	<b>Deferred Maintenance Fund</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>		
Cash and Investments	\$ 276,480	\$ 100,803
Building and Building Improvement	1,854,940	-
Machinery & Equipment	36,433	-
Accumulated Depreciation	(988,521)	-
<b>TOTAL ASSETS</b>	<u>1,179,332</u>	<u>100,803</u>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts Payable	694	7,563
Other Current Liabilities	4,917	-
<b>TOTAL LIABILITIES</b>	<u>5,611</u>	<u>7,563</u>
<b>NET POSITION</b>		
Invested in Capital Assets, net of Debt	902,852	-
Unrestricted Net Position	270,869	93,240
<b>TOTAL NET POSITION</b>	<u>1,173,721</u>	<u>93,240</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 1,179,332</u>	<u>\$ 100,803</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for the Year Ended June 30, 2018)**

	<b>Business Type Activity</b>	<b>Governmental Activities</b>
	<b>Deferred Maintenance Fund</b>	<b>Internal Service Funds</b>
<b>OPERATING REVENUES</b>		
Rent Revenue	\$ 143,305	\$ -
Employee Premiums	-	92,110
Other Local	7,000	-
<b>TOTAL OPERATING REVENUES</b>	<b>150,305</b>	<b>92,110</b>
<b>OPERATING EXPENSES</b>		
<b>Operations and Maintenance</b>		
PS - Professional	42,076	-
PS - Property	60,491	-
PS - Other	1,331	-
Supplies	37,917	-
Property	36,579	-
Total Operations and Maintenance	178,394	-
<b>Other Supporting Services</b>		
PS - Professional	-	60,214
<b>TOTAL OPERATING EXPENSES</b>	<b>178,394</b>	<b>60,214</b>
<b>CHANGE IN NET ASSETS BEFORE TRANSFERS</b>	<b>(28,089)</b>	<b>31,896</b>
Transfers	170,000	(100,000)
<b>CHANGE IN NET POSITION</b>	<b>141,911</b>	<b>(68,104)</b>
<b>BEGINNING NET POSITION</b>	<b>1,031,810</b>	<b>161,344</b>
<b>ENDING NET POSITION</b>	<b>\$ 1,173,721</b>	<b>\$ 93,240</b>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Food Service Fund**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for the Year Ended June 30, 2018)**

	<u>Business Type</u> <u>Activity</u>	<u>Governmental</u> <u>Activities</u>
	<u>Deferred</u>	<u>Internal Service</u>
	<u>Maintenance</u>	<u>Funds</u>
	<u>Fund</u>	
Cash Flows from Operating Activities:		
Cash Received from Rental Charges	\$ 150,305	\$ -
Cash Received from Insurance Premiums	-	92,110
Cash Payments for Purchased Services	(42,076)	-
Cash Payments for Supplies and Materials	(94,128)	-
Cash Payments for Claims and Fees	-	(52,651)
Net Cash Provided (Used) for Operating Activities	<u>14,101</u>	<u>39,459</u>
Cash Flows Provided (Used) by Capital Financing Activities:		
Purchases of Capital Assets	(92,260)	-
Cash Flows Provided (Used) by Noncapital Financing Activities:		
Cash Contributed from General Fund	<u>170,000</u>	<u>(100,000)</u>
Net Increase(Decrease) in Cash	91,841	(60,541)
Cash, Beginning	<u>184,639</u>	<u>161,344</u>
Cash, Ending	<u>\$ 276,480</u>	<u>\$ 100,803</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:		
Operating Income (Loss)	\$ (28,089)	\$ 31,896
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Depreciation	36,579	-
Increase (decrease) in Accrued Claims	-	7,563
Increase (Decrease) in Accounts Payable	694	-
Increase (Decrease) in Deposits Payable	<u>4,917</u>	<u>-</u>
Total Adjustments	<u>42,190</u>	<u>7,563</u>
Net Cash Provided (Used) for Operating Activities	<u>\$ 14,101</u>	<u>\$ 39,459</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<u>Totals</u>
	<u>2019</u>
<b>ASSETS</b>	
Cash and Investments	\$ <u>11,377</u>
<b>NET POSITION</b>	
Held in Trust for Scholarships	\$ <u><u>11,377</u></u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Revenues, Expenses and Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	<u>Total</u>
	<u>2019</u>
<b>ADDITIONS</b>	
Local Sources	\$       17
<b>DEDUCTIONS</b>	
Community Support	<u>500</u>
<b>CHANGE IN NET POSITION</b>	(483)
<b>BEGINNING NET POSITION</b>	<u>11,860</u>
<b>ENDING NET POSITION</b>	<u><u>\$   11,377</u></u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

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

The financial statements of The Ignacio School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

**Reporting Entity**

The District is a political subdivision of the State of Colorado duly organized and existing in accordance with the provisions of the School District Reorganization Act of 1949. The District operates under a five member publicly elected board of education. The District is the basic level of government that has financial accountability and control over all activities related to the public school education in the Town of Ignacio and the immediate surrounding area. The Board receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities.

Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Pursuant to the definition of component units in GASB Statements 14, 39, and 61, the District's Board of Education has not included any component units.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the activities of the government. 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 is offset by program revenues.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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

**Government-Wide and Fund Financial Statements** (Continued)

Direct expenses are those clearly identifiable with a specific function or segment. 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 or segment; and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

Financial statements are provided for the governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements as applicable.

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

Government-wide Financial Statements The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned; expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Entitlement revenues are recognized to the extent of related expenditures or when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts and a deferred revenue account is established when receipts exceed the related expenditures. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

All other revenue items are considered to be measurable and available only when cash is received by the government.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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

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

The District reports the following major governmental funds:

General Fund This fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Governmental Designated Purpose Grants Fund This is a special revenue fund used to account for restricted state and federal grants that are obtained primarily to provide for specific instructional programs.

Bond Redemption Fund This debt service fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on the long-term general obligation debt or long-term voter approved lease-purchase debt.

Non-Major Governmental Funds These include the Food Service Fund, Pupil Activity Fund, and the Capital Reserve Projects Fund.

Additionally, the District reports the following proprietary and fiduciary funds:

Internal Service Funds These proprietary funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the District, generally on a cost reimbursement basis. The District accounts for its self-funded dental and health insurance in an internal service fund.

Private-Purpose Trust Funds These fiduciary funds are used to account for assets held by the District in a trustee capacity. Private-purpose trust funds account for resources, including both principal and earnings, which must be expended according to the provisions of a trust agreement.

The District reports the following Business Type Activity

Deferred Maintenance Fund This proprietary/enterprise fund is used to account for all financial transactions related to the District's building rental revenue and expenses.

Amounts reported as Program revenues include:

- Charges to customers or applicants for goods, services, or privileges provided;
- Operating grants and contributions; and
- Capital grants and contributions.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes and District flow through per pupil funding.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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

**Budgets and Budgetary Accounting**

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

The District adheres to the procedures described below in establishing the budgetary data reflected in the financial statements.

- Budgets are required by state law for all funds. By May 31, the Administrators submits to the Board of Directors a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Directors.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Directors.

**Assets, Deferred Inflows, Liabilities, Deferred Outflows, and Net Position/Fund Balance**

Cash The District's cash and cash equivalents are considered to be cash-on-hand and demand deposits, which are deposited in checking accounts which are legally authorized.

Deposits All deposits are reported at their gross value.

Due From Primary Government Activities with primary government that are representative of cash held by the primary government at the end of the fiscal year are referred to as either "Due From Primary Government" or "Due to Primary Government". There were no amounts to be reported as of June 30, 2018.

Capital Assets Capital Assets, which include property, buildings, and equipment, are reported as either governmental activity capital assets if acquired through operating resources or in the blended component unit, the Foundation Fund, if funded as part of the initial facility construction. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

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

**Assets, Deferred Inflows, Liabilities, Deferred Outflows, and Net Position/Fund Balance**  
(Continued)

Capital Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

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

Property, buildings and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-40
Building Improvements	10-20
Equipment	15

Long-Term Obligations Long-term obligations in the government-wide financial statements are reported as liabilities in the applicable activity.

Vacation, Sick Leave, and Other Compensated Absences Employees are entitled to certain compensated absences based on their length of employment. Except for sick leave, compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. Compensated absences (sick leave) are reflected in the Governmental Activities. Since all employees are contracted to work a set number of days during a year, no vacation accrual accumulates.

Deferred outflows/inflows of resources In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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. The government has two items that qualify for reporting in this category, both related to outstanding pension and OPEB obligations and further described in Note 9 and 11.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The District reports deferred inflows for pension and OPEB related deferrals as further described in Note 9 and 11.

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

**Assets, Deferred Inflows, Liabilities, Deferred Outflows, and Net Position/Fund Balance**  
(Continued)

*Net Position/Fund Balance* In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Directors, are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent is expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All remaining fund balance in the General Fund is presented as unassigned.

**Net Position/Fund Balance Flow Assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019**

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

**Revenues and Expenditures**

Revenues for governmental funds are recorded when they become measurable and available. Generally, per-pupil operating revenues and fees are recognized when received. Grants from other governments are recognized to the extent of related expenditures, or when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts and a deferred revenue account is established when receipts exceed the related expenditures. Expenditures for governmental funds are generally recognized when the related liability is incurred.

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2019, the District’s cash, deposits, and investments consisted of the following:

	<u>Bank Balance</u>	<u>Carrying Value</u>
<b>Deposits</b>		
Demand Deposits - FDIC Insured	\$ 254,000	\$ 254,000
Demand Deposits - PDPA Collateralized	6,499,739	6,514,649
Cash with Fiscal Agent	-	<u>5,781</u>
<b>Total Deposits</b>	<u>\$ 6,753,739</u>	6,774,430
<b>Investments</b>		<u>5,423,181</u>
<b>Total Deposits and Investments</b>		<u>\$ 12,191,830</u>

At June 30, 2019, the District’s cash, deposits, and investments were reported in the financial statements as follows:

Governmental Activities	\$ 12,243,973
Business-Type Activities	(63,520)
Private Purpose Trust Scholarship	<u>11,377</u>
<b>Total Cash and Investments</b>	<u>\$ 12,191,830</u>

**IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**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 regulations. At June 30, 2019, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 102 percent of the uninsured deposits.

**Custodial Credit Risk**

Deposits in financial institutions, reported as cash, cash equivalents, and investments had a bank balance as summarized above at June 30, 2019, which was fully insured by depository insurance or secured with collateral held through PDPA. All investments evidenced by individual securities are registered in the name of the District.

**Investment interest rate risk**

The District has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates other than those contained in Colorado Revised Statutes. Maturities of investments held at June 30, 2019 are provided in the previous schedule and are tiered to mature at intervals within a five year maximum range.

**Investment credit risk**

The District has no investment policy that limits its investment choices other than the limitation of state law as follows:

1. Direct obligations of the US government, its agencies, and instrumentalities to which the full faith and credit of the US government is pledged, or obligations to the payment of which the full faith and credit of the State is pledged;
2. Certificates of deposit or savings accounts that are either insured or secured with acceptable collateral with in-state financial institutions, and fully insured certificates of deposit or savings accounts in out of state financial institutions;
3. With certain limitation, negotiable certificates of deposit, prime bankers acceptances, prime commercial paper, and repurchase agreements with certain limitations;

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Investment credit risk (Continued)**

4. County, municipal, or school tax supported debt obligations; bond or revenue anticipation notes; money; or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality, or school;
5. Notes or bonds secured by a mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and obligations of the National Mortgage Association; and
6. Money market funds regulated by the Securities and Exchange Commission (SEC) in which investments consist of the investments mentioned in 1, 2, 3, and 4, above.

During the year ended June 30, 2019, the BOCES invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation. As the investment is completely liquid, there is no weighted average maturity.

The District's Colotrust investments consist of the following:

Colotrust - Unrestricted	\$ 639,177
Colotrust - Restricted for Debt Service	<u>4,784,004</u>
<b>Total Investments</b>	<b><u><u>\$ 5,423,181</u></u></b>

**Concentration of investment credit risk**

The District places no limit on the amount it may invest in any one issuer. At June 30, 2019, the District had no concentration of credit risk.

The District invests excess funds under the prudent investor rule. The criteria for selection of investments and their order of priority are: 1) safety; 2) liquidity; and 3) yield.

IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019

NOTE 3: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2019 was as follows:

<u>Governmental Activities</u>	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/19</u>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 631,628	\$ 4,635	\$ -	\$ 636,263
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	55,629,237	24,700	-	55,653,937
Equipment	1,345,964	31,158	-	1,377,122
Vehicles	1,595,443	28,645	-	1,624,088
Total Capital Assets Being Depreciated	<u>58,570,644</u>	<u>84,503</u>	<u>-</u>	<u>58,655,147</u>
Total Capital Assets	<u>59,202,272</u>	<u>89,138</u>	<u>-</u>	<u>59,291,410</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and Improvements	(3,049,893)	(744,585)	-	(3,794,478)
Equipment	(677,466)	(100,507)	-	(777,973)
Vehicles	(1,170,186)	(83,018)	-	(1,253,204)
Total Accumulated Depreciation	<u>(4,897,545)</u>	<u>(928,110)</u>	<u>-</u>	<u>(5,825,655)</u>
<b>Net Governmental Capital Assets</b>	<u>\$ 54,304,727</u>	<u>\$ (838,972)</u>	<u>\$ -</u>	<u>\$ 53,465,755</u>
<u>Business-type Activities</u>	<u>Balance 6/30/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/19</u>
<b>Capital Assets Being Depreciated</b>				
Buildings and Improvements	\$ 1,762,681	\$ 92,260	\$ -	\$ 1,854,941
Equipment	36,432	-	-	36,432
Total Capital Assets	<u>1,799,113</u>	<u>92,260</u>	<u>-</u>	<u>1,891,373</u>
<b>Less: Accumulated Depreciation</b>				
Buildings and Improvements	(915,508)	(36,581)	-	(952,089)
Equipment	(36,434)	2	-	(36,432)
Total Accumulated Depreciation	<u>(951,942)</u>	<u>(36,579)</u>	<u>-</u>	<u>(988,521)</u>
<b>Net Business-type Capital Assets</b>	<u>\$ 847,171</u>	<u>\$ 55,681</u>	<u>\$ -</u>	<u>\$ 902,852</u>

Depreciation expense for Governmental Activities was charged to functions of the primary government as follows:

Instruction	\$ 483,763
Supporting Services	<u>444,347</u>
	<u>\$ 928,110</u>

**IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 4: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2019, are \$894,543. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General Fund.

**NOTE 5: LONG-TERM DEBT**

Long-term debt activity for the year ended June 30, 2019 was as follows:

	Balance As Restated 7/1/18	Advances	Payments	Balance 6/30/19	Current Portion	Interest Expense
G.O. Bonds Payable - Series 2011	\$ 7,085,928	\$ -	\$ 384,242	\$ 6,701,686	\$ 400,067	\$ 582,349
G.O. Bonds Payable - Series 2012	14,040,000	-	1,475,000	12,565,000	1,535,000	448,384
Series 2016 Refunding	8,845,000	-	40,000	8,805,000	40,000	321,502
Series 2017 Refunding	4,400,000	-	25,000	4,375,000	25,000	181,859
2017 Leases Payable (QZAB)	100,891	-	100,891	-	-	-
PERA Net Pension Liability	38,754,831	-	20,222,455	18,532,376	-	-
Net OPEB Liability	884,996	40,583	-	925,579	-	-
Accrued Compensated Absences	311,008	21,866	-	332,874	-	-
<b>Total Long Term Obligations</b>	<b><u>\$ 74,422,654</u></b>	<b><u>\$ 62,449</u></b>	<b><u>\$ 22,247,588</u></b>	<b><u>\$ 52,237,515</u></b>	<b><u>\$ 2,000,067</u></b>	<b><u>\$ 1,534,094</u></b>
Bond premiums shown below				(1,794,411)		
<b>Total Noncurrent Liabilities per Financial Statements</b>				<b><u>\$ 50,443,104</u></b>		

	Balance 7/1/18	Additions	Amort.	Balance 6/30/19
<b>Deferred Outflows:</b>				
Deferred Charge on Refunding	\$ 956,513	\$ (715,770)	\$ 27,235	\$ 213,508
<b>Long Term Liabilities:</b>				
Bond Premiums	2,061,960	-	267,549	1,794,411
<b>Net Debt Related Long Term Items</b>	<b><u>\$ 3,018,473</u></b>	<b><u>\$ (715,770)</u></b>	<b><u>\$ 294,784</u></b>	<b><u>\$ 2,007,919</u></b>

**Reconciliation of Accrual Interest Expense**

Interest Paid	\$ 1,534,094
Less Premium Amortization	(267,549)
Plus Amortization of Charge	27,235
<b>Accrual Interest Expense</b>	<b><u>\$ 1,293,780</u></b>

***General Obligation Bonds***

**Series 2011G Matching Money Bonds**

On December 8, 2011, the District issued general obligation bonds series 2011G in the amount of \$9,099,431 with an interest rate of 4.12% to be paid in full on December 1, 2031. The bonds were issued for the District's match for the Building Excellent Schools Today Act (BEST) grant for the construction and renovation of the elementary school.

**IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019**

**NOTE 5: LONG-TERM DEBT (Continued)**

Series 2012 Bonds

On February 15, 2012, the District issued general obligation bonds series 2012 in the amount of \$34,900,000 with an average interest rate of 4.13% to be paid in full on December 1, 2031. The bonds were issued for the purpose of financing the construction of a new middle school building and the renovation of the existing middle and high school buildings.

Series 2016 Bonds

On October 27, 2016, the District issued general obligation refunding bonds series 2016 in the amount of \$8,865,000 with an interest rate between 2.00% and 4.00%, to be paid in full on December 1, 2031. The bonds were issued for the purpose of advance refunding a portion of the District’s general obligation bonds, series 2012. The bonds are subject to redemption prior to maturity at the option of the District beginning December 1, 2027.

Series 2017 Bonds

On June 22, 2017, the District issued general obligation refunding bonds series 2017 in the amount of \$4,425,000 with an interest rate between 2.00% and 5.00%. The bonds were issued for the purpose of advance refunding a portion of the District’s general obligation bonds, series 2012. The bonds are not subject to redemption prior to maturity at the option of the District.

All bonds noted above are general obligations of the District and shall be payable from the general and ad valorem taxes required to be levied, without limitation as to rate, and in amounts sufficient to pay the principal and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose.

The annual debt service for the general obligation bonds are as follows:

<u>Fiscal Year</u>	<u>Payments</u>
2020	\$ 3,439,678
2021	3,431,226
2022	3,415,345
2023	3,395,184
2024	3,374,412
2025 - 2029	16,249,777
2030 - 2034	<u>9,635,444</u>
Total Future Payments	42,941,066
Less: Interest Portion	<u>(10,494,380)</u>
Present Value of Future Payments	<u><b>\$ 32,446,686</b></u>

Advance Refunding

Certain outstanding general obligation bonds of the District have been defeased by placing the proceeds of refunding bonds into an irrevocable escrow account held and managed by bank trustees and invested in U.S. Treasury obligations, the principal and interest on which would provide amounts sufficient to pay the principal and interest on the defeased bonds in accordance with the schedule of remaining payments due. Accordingly, the escrow account and the defeased bonds are not included in the District’s financial statements. At December 31, 2018, \$13,180,000 of bonds outstanding is considered defeased.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 5: LONG-TERM DEBT (Continued)**

***Capital Lease Agreements***

The District obtained an annually renewable equipment lease-purchase agreement, dated August 15, 2016, for \$303,918 for three 72 passenger propane buses. The equipment is included in the capital assets at a cost of \$303,918, with accumulated depreciation of \$113,970. The agreement will be repaid from the Capital Reserve Capital Projects Fund in annual payments of principal and interest at 2.09%. During fiscal year June 30, 2019, the District made the last payment of \$103,000, including interest of \$2,109.

**NOTE 6: DEFICIT NET POSITION**

The Health Reimbursement Fund has a deficit net position of \$10,038 as of June 30, 2019.

The Governmental Activities has an unrestricted net position deficit of \$24,288,684 primarily due to the PERA net pension liability of \$18,532,376, further described in Note 9 and the HTCF OPEB net liability of \$925,579, as further described in Note 11, and the related deferrals. As the District has no control over pension benefits or contribution rates, we expect this deficit net position to continue going forward.

**NOTE 7: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND LEGAL COMPLIANCE**

**Claims and Judgments**

The District participates in state 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 is required to reimburse the grantor government. As of June 30, 2019, significant amounts of grant expenditures have not been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019**

**NOTE 7: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES AND LEGAL COMPLIANCE (Continued)**

**Tabor Amendment**

In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations.

The District is subject to the Tabor Amendment. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and assessed valuation. Revenue received in excess of the limitations may be required to be refunded, unless authorized through ballot measure to retain the revenue. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2019, the District's reserve of \$270,000 was recorded as a restricted fund balance in the General Fund.

**NOTE 8: RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; and injuries to employees. The District participates in the Colorado School District Self-Insurance pool for general liability and property insurance coverage. The District carries commercial insurance for workers' compensation coverage. There have been no significant reductions in insurance coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the current year or the three prior years.

**Self Insurance Funds**

Dental Insurance

District employees and their dependents participate in the District's dental self-insurance plan. The District contributes up to \$60 per month per employee to the Plan. Claims were paid by a Third Party Administrator (TPA) acting on behalf of the District. The administrative contract between the District and the TPA is renewable annually, and administrative fees are included in the contractual provisions. Maximum annual benefits are \$1,000 per year per covered individual (\$500 for first year employees).

Health Reimbursement Arrangement Plan

Effective January 1, 2014, District employees participate in the District's health reimbursement arrangement plan (HRA). The District contributes the full amount of the accounts to the Plan. Claims were paid by a Third-Party Administrator (TPA) acting on behalf of the District. The administrative contract between the District and the TPA is renewable annually, and administrative fees are included in the contractual provisions. Maximum annual benefits are \$1,000 per year per participant enrolled in single coverage and \$2,000 per year per participant enrolled in family coverage.

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 8: RISK MANAGEMENT (continued)**

The costs associated with the self-insurance plans are reported as interfund transactions to the extent of amounts actuarially determined. Accordingly, they are treated as operating revenues of the Internal Service Funds and operating expenditures of the other funds. The liabilities reported in the funds at June 30, 2018, are based on the requirements of Governmental Accounting Standards Board No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. These liabilities include an amount for claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in liability amounts in fiscal year 2018 were as follows:

	<u>Dental Plan</u>	<u>HRA Plan</u>	<u>Total</u>
Claims Liability at June 30, 2018	\$ -	\$ -	\$ -
Current year claims and changes in estimates	42,869	17,344	60,213
Claims paid	<u>39,115</u>	<u>13,535</u>	<u>52,650</u>
Balance at June 30, 2019	<u>\$ 3,754</u>	<u>\$ 3,809</u>	<u>\$ 7,563</u>

**NOTE 9: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

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

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

**General Information about the Pension Plan**

- 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.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
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NOTE 9: **DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

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

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the 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 SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

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

IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

**General Information about the Pension Plan** (Continued)

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.13%</b>	<b>19.13%</b>

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,100,697 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District proportion of the net pension liability was based on the District's 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.

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

At June 30, 2019, the District reported a liability of \$18,532,376 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	(18,532,376)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(2,229,229)
Total	\$	(20,761,605)

At December 31, 2018, the District proportion was 0.08165 percent, which was a decrease of 0.01097 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension income of \$393,288 primarily related to assumption and State Contribution adjustments and revenue of \$150,505 for support from the State of Colorado as a non-employer contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 669,675	\$ -
Changes of assumptions or other inputs	\$ 3,901,575	\$ (11,525,144)
Net difference between projected and actual earnings on pension plan	\$ 2,550,304	\$ (1,717,676)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 398,760	\$ (3,593,061)
Contributions subsequent to the measurement date	\$ 587,453	\$ -
Total	\$ 8,107,767	\$ (16,835,881)

**IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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

\$587,453 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:	Fiscal Year Totals
2020	\$ (1,479,346)
2021	(4,967,994)
2022	(3,420,789)
2023	552,562
Total	\$ (9,315,567)

*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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.90-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	4.78%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	2% compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

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:

**IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

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.

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

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

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

*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.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

**IGNACIO SCHOOL DISTRICT 11JT  
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**NOTE 9: DEFINED BENEFIT PENSION PLAN** (Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (23,560,746)	\$ (18,532,376)	\$ (14,312,726)

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

**NOTE 10: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

**Plan Description**

Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. 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. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2019 program members contributed \$79,365.

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

**Summary of Significant Accounting Policies**

*OPEB.* The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”).

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Health Care Trust Fund

**Summary of Significant Accounting Policies**

The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

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

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

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

**IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**General Information about the OPEB Plan (Continued)**

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$58,689 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$925,579 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District’s proportion was 0.06803 percent, which was a decrease of 0.00006 from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized OPEB expense of \$75,824. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 3,273	\$ (1,409)
Net difference between projected and actual earnings on pension plan investments	\$ 16,416	\$ (10,808)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 15,806	\$ (731)
Contributions subsequent to the measurement date	\$ 31,323	\$ -
<b>Total</b>	<b>\$ 73,311</b>	<b>\$ (12,948)</b>

**IGNACIO SCHOOL DISTRICT 11JT  
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**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

\$31,323 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:	Fiscal Year Totals
2020	\$ 6,030
2021	6,030
2022	6,030
2023	9,632
2024	1,283
2025	35
Total	\$ 29,040

*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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates (PERA benefit structure):	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.00%
Medicare Part A premiums	3.25 % for 2018, gradually rising to 5.00% in 2025

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

The actuarial assumptions used in the December 31, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

**IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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.

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.

**IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019**

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

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.

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.

IGNACIO SCHOOL DISTRICT 11JT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2019

**NOTE 11:      OTHER POST-EMPLOYMENT BENEFITS (Continued)**

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

- **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:

IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019

**NOTE 11: OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Discount Rate	1% Increase
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Proportionate share of the net OPEB asset (liability)	\$ (900,020)	\$ (925,579)	\$ (954,976)

*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.

IGNACIO SCHOOL DISTRICT 11JT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2019

NOTE 11: **OTHER POST-EMPLOYMENT BENEFITS** (Continued)

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

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

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

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (1,035,642)	\$ (925,579)	\$ (831,485)

*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).

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2019**

**NOTE 12: PRIOR PERIOD RESTATEMENTS**

The District has recalculated and decreased the net deferred charge on refunding and deferred bond premiums related to the 2016 and 2017 Bond Refunding in the amount of \$(327,246). The District has also reduced the PERA pension and OPEB deferred outflows and inflows in the amount of \$(37,480). These restatements resulted in a net increase in beginning net position in the Governmental activities of \$364,764. A summary of the restatements is as follows:

Beginning Net Position (Deficit)	\$ (3,144,310)
Restatements:	
Pension and OPEB Deferrals	37,480
Bond Deferrals	<u>327,246</u>
Beginning Net Position (Deficit) as Restated	<u><u>\$ (2,779,584)</u></u>

**NOTE 13: BUDGET COMPLIANCE**

The District failed to adopt a budget appropriation for its Pupil Activity Fund which may be a violation of Colorado statutes.

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**Required Supplementary Information  
(Pension and OPEB Schedules Unaudited)**

IGNACIO SCHOOL DISTRICT 11JT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)

PERA Pension Plan

Last 10 Fiscal Years<sup>(1)</sup>

<u>Fiscal Year Ended</u>	District's	District's	Non-employer contributing entity's total	Total	District's	District's	Plan fiduciary
	proportion of the net pension asset (liability)	proportionate share of the net pension asset (liability)	proportionate share of the net Pension asset (liability)	proportionate share associated with District		covered payroll	proportionate share of the net pension asset (liability)
June 30, 2014	0.012415%	\$ (15,835,714)	\$ -	\$ (15,835,714)	\$ 5,215,679	303.62%	64.07%
June 30, 2015	0.120639%	\$ (16,350,680)	\$ -	\$ (16,350,680)	\$ 5,274,723	309.98%	62.84%
June 30, 2016	0.118835%	\$ (18,174,923)	\$ -	\$ (18,174,923)	\$ 5,278,021	344.35%	59.16%
June 30, 2017	0.116610%	\$ (34,719,235)	\$ -	\$ (34,719,235)	\$ 5,466,056	635.18%	43.13%
June 30, 2018	0.119849%	\$ (38,754,831)	\$ -	\$ (38,754,831)	\$ 5,785,362	669.88%	43.96%
June 30, 2019	0.104661%	\$ (18,532,376)	\$ (2,229,229)	\$ (20,761,605)	\$ 5,753,774	322.09%	57.01%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS**

**PERA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year Ended</b>	<b>Contractually required contributions</b>	<b>Actual contributions</b>	<b>Contribution deficiency (excess)</b>	<b>District's covered payroll</b>	<b>Contributions as a percentage of covered payroll</b>
June 30, 2014	\$ 809,995	\$ (809,995)	\$ -	\$ 5,215,679	15.53%
June 30, 2015	866,637	(866,637)	-	5,274,723	16.43%
June 30, 2016	914,681	(914,681)	-	5,278,021	17.33%
June 30, 2017	990,996	(990,996)	-	5,466,056	18.13%
June 30, 2018	1,077,813	(1,077,813)	-	5,785,362	18.63%
June 30, 2019	1,100,697	(1,100,697)	-	5,753,774	19.13%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET OPEB ASSET (LIABILITY)  
PERA Health Care Trust Fund  
Last 10 Fiscal Years<sup>(1)</sup>

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
June 30, 2017	0.066282%	\$ (859,373)	\$ 5,466,056	16.42%	16.70%
June 30, 2018	0.068098%	(884,996)	5,785,362	16.01%	17.53%
June 30, 2019	0.068030%	(925,579)	5,753,774	16.09%	17.03%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS  
PERA Health Care Trust Fund  
Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 54,959	\$ (54,959)	\$ -	\$ 5,388,130	1.02%
June 30, 2018	58,190	(58,190)	-	5,704,919	1.02%
June 30, 2019	58,688	(58,688)	-	5,753,774	1.02%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

<sup>(1)</sup> - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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**Required Supplementary Information**

IGNACIO SCHOOL DISTRICT 11JT  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2019

	2019			
	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
<b>Local Sources</b>				
Property Taxes	\$ 1,456,368	\$ 1,456,368	\$ 1,923,076	\$ 466,708
Specific Ownership Taxes	138,203	138,203	213,139	74,936
Delinquent Taxes	1,500	1,500	1,545	45
Tuition From Individuals	-	-	1,800	1,800
Tuition Other Districts/BOCES	2,000	2,000	1,190	(810)
Investment Earnings	1,515	1,515	32,123	30,608
Rent Revenue	42,000	42,000	8,242	(33,758)
Donations	500	500	1,000	500
Overhead Cost Revenue	-	-	9,645	9,645
Insurance Proceeds	-	-	6,500	6,500
Other Local	80,000	80,000	239,729	159,729
Total Local Sources	<u>1,751,646</u>	<u>1,751,646</u>	<u>2,454,160</u>	<u>702,514</u>
<b>Intermediate Sources</b>				
Other Intermediate Source Revenue	30,000	30,000	4,655	(25,345)
<b>State Sources</b>				
State Share (Equalization)	7,041,000	7,041,000	6,977,257	(63,743)
State Transportation	105,000	105,000	111,297	6,297
State Grants from CDE				
Small Rural Schools Additional Funding	305,173	305,173	305,173	-
Additional At-Risk Funding	-	-	7,346	7,346
AP Exam	-	-	1,116	1,116
State Grants from Other Agencies				
State Vocational Education	70,000	70,000	51,766	(18,234)
Other Agency State Grants	-	-	168,505	168,505
State Grants Provided through BOCES	30,000	30,000	-	(30,000)
Total State Sources	<u>7,551,173</u>	<u>7,551,173</u>	<u>7,622,460</u>	<u>71,287</u>
<b>Federal Sources</b>				
Direct Federal Revenue				
Impact Aid	1,200,000	1,200,000	1,805,150	605,150
<b>TOTAL REVENUES</b>	<u>10,532,819</u>	<u>10,532,819</u>	<u>11,886,425</u>	<u>1,353,606</u>

(Continued)

See the accompanying Independent Auditors' Report

IGNACIO SCHOOL DISTRICT 11JT  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 General Fund  
 For the Year Ended June 30, 2019

	2019			Variance with Final Budget
	Original Budget	Final Budget	Actual	
(Continued)				
<b>EXPENDITURES</b>				
<b>Instruction</b>				
Salaries	3,417,208	3,393,508	3,237,706	155,802
Benefits	1,779,669	1,793,287	1,513,052	280,235
PS - Professional	178,600	168,750	158,342	10,408
PS - Property	10,850	9,850	4,736	5,114
PS - Other	276,300	301,450	276,289	25,161
Supplies	139,250	136,950	97,931	39,019
Property	77,000	75,000	312,763	(237,763)
Other Expenses	5,000	2,000	1,972	28
Total Instruction	<u>5,883,877</u>	<u>5,880,795</u>	<u>5,602,791</u>	<u>278,004</u>
<b>Supporting Services</b>				
<b>Pupil Support</b>				
Salaries	313,691	315,691	293,408	22,283
Benefits	145,998	145,998	147,579	(1,581)
PS - Professional	2,200	15,200	728	14,472
PS - Other	3,600	3,100	2,666	434
Supplies	1,200	2,656	1,900	756
Total Pupil Support	<u>466,689</u>	<u>482,645</u>	<u>446,281</u>	<u>36,364</u>
<b>Staff Support</b>				
Salaries	209,580	210,430	213,849	(3,419)
Benefits	94,668	94,850	91,418	3,432
PS - Professional	20,879	20,879	15,686	5,193
PS - Property	50,600	50,600	43,230	7,370
PS - Other	4,700	4,400	2,403	1,997
Supplies	11,250	11,250	10,529	721
Total Staff Support	<u>391,677</u>	<u>392,409</u>	<u>377,115</u>	<u>15,294</u>
<b>General Administration</b>				
Salaries	228,243	228,243	230,852	(2,609)
Benefits	79,962	79,962	89,342	(9,380)
PS - Professional	59,500	55,000	41,547	13,453
PS - Other	27,500	31,500	182,523	(151,023)
Supplies	6,500	6,500	5,469	1,031
Other Expenses	16,100	16,100	23,158	(7,058)
Total General Administration	<u>417,805</u>	<u>417,305</u>	<u>572,891</u>	<u>(155,586)</u>
<b>School Administration</b>				
Salaries	493,497	492,497	499,512	(7,015)
Benefits	199,135	199,135	174,048	25,087
PS - Professional	28,500	39,000	26,380	12,620
PS - Other	30,310	29,310	26,275	3,035
Supplies	4,000	5,700	4,851	849
Other Expenses	500	1,400	1,400	-
Total School Administration	<u>755,942</u>	<u>767,042</u>	<u>732,466</u>	<u>34,576</u>

(Continued)  
 See the accompanying Independent Auditors' Report

IGNACIO SCHOOL DISTRICT 11JT  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
General Fund  
For the Year Ended June 30, 2019

	2019			Variance with Final Budget
	Original Budget	Final Budget	Actual	
(Continued)				
<b>EXPENDITURES (Continued)</b>				
<b>Supporting Services (Continued)</b>				
<b>Business Services</b>				
Salaries	134,252	134,252	135,094	(842)
Benefits	58,728	58,728	48,875	9,853
PS - Professional	20,000	20,000	21,057	(1,057)
PS - Other	5,800	5,800	5,680	120
Supplies	3,000	3,000	5,203	(2,203)
Other Expenses	5,500	5,500	9,753	(4,253)
Total Business Services	<u>227,280</u>	<u>227,280</u>	<u>225,662</u>	<u>1,618</u>
<b>Operations and Maintenance</b>				
Salaries	312,870	299,870	298,998	872
Benefits	154,294	150,794	153,330	(2,536)
PS - Professional	100,000	100,000	53,552	46,448
PS - Property	180,750	183,750	176,787	6,963
PS - Other	1,300	1,300	1,046	254
Supplies	404,500	372,500	342,605	29,895
Property	-	-	18,000	(18,000)
Total Operations and Maintenance	<u>1,153,714</u>	<u>1,108,214</u>	<u>1,044,318</u>	<u>63,896</u>
<b>Transportation</b>				
Salaries	345,260	341,260	338,120	3,140
Benefits	157,828	116,507	126,242	(9,735)
PS - Professional	7,000	7,000	6,433	567
PS - Property	17,800	31,000	26,094	4,906
PS - Other	26,250	26,250	21,229	5,021
Supplies	98,500	97,500	100,315	(2,815)
Total Transportation	<u>652,638</u>	<u>619,517</u>	<u>618,433</u>	<u>1,084</u>
<b>Other Central Support</b>				
Salaries	171,440	171,440	171,193	247
Benefits	76,466	76,466	69,699	6,767
PS - Other	500	500	500	-
Total Other Central Support	<u>248,406</u>	<u>248,406</u>	<u>241,392</u>	<u>7,014</u>
<b>Risk Management</b>				
PS - Other	<u>188,641</u>	<u>183,000</u>	<u>143,538</u>	<u>39,462</u>
<b>Other Supporting Services</b>				
PS - Other	253,750	253,750	466,363	(212,613)
Supplies	1,600	1,600	277	1,323
Total Other Supporting Services	<u>255,350</u>	<u>255,350</u>	<u>466,640</u>	<u>(211,290)</u>
<b>Contingency</b>	<u>3,330,000</u>	<u>3,394,816</u>	<u>-</u>	<u>3,394,816</u>
<b>TOTAL EXPENDITURES</b>	<u>13,972,019</u>	<u>13,976,779</u>	<u>10,471,527</u>	<u>3,505,252</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(3,439,200)	(3,443,960)	1,414,898	4,858,858
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	(159,000)	(159,000)	(331,131)	(172,131)
<b>CHANGE IN FUND BALANCE</b>	(3,598,200)	(3,602,960)	1,083,767	4,686,727
<b>BEGINNING FUND BALANCE</b>	3,598,200	3,602,960	4,342,799	739,839
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,426,566</u>	<u>\$ 5,426,566</u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Designated Grants Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>State Sources</b>			
State Grants from CDE			
State ELPA: Professional Development and Student Support	\$ 16,940	\$ 17,351	\$ 411
State ELPA	12,486	18,066	5,580
READ Act	41,740	39,845	(1,895)
State Grants to Libraries	3,500	3,500	-
Other CDE State Grants	10,000	9,656	(344)
State Grants Provided through BOCES	<u>12,055</u>	<u>12,132</u>	<u>77</u>
Total State Sources	<u>96,721</u>	<u>100,550</u>	<u>3,829</u>
<b>Federal Sources</b>			
Federal Grants from CDE			
NCLB Title I, Part A - Improving Basic Programs Opreated by Schools	213,899	223,608	9,709
NCLB Title III, Part A - English Language Acquisition	-	427	427
NCLB Title II, Part A - Teacher & Principal Training	24,463	24,821	358
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	10,263	7,798	(2,465)
Direct Federal Revenue			
Title VII - Indian Education	63,922	63,922	-
Federal Provided through BOCES	<u>-</u>	<u>17,241</u>	<u>17,241</u>
Total Federal Sources	<u>312,547</u>	<u>337,817</u>	<u>25,270</u>
<b>TOTAL REVENUES</b>	<u>409,268</u>	<u>438,367</u>	<u>29,099</u>

(Continued)

See the accompanying Independent Auditors' Report

IGNACIO SCHOOL DISTRICT 11JT  
 Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 Designated Grants Fund  
 For the Year Ended June 30, 2019

	2019		
	Final Budget	Actual	Variance with Final Budget
(Continued)			
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Salaries	141,775	146,560	(4,785)
Benefits	50,340	56,000	(5,660)
PS - Professional	42,086	28,502	13,584
PS - Other	4,589	3,512	1,077
Supplies	25,648	20,133	5,515
Property	-	17,242	(17,242)
Total Instruction	<u>264,438</u>	<u>271,949</u>	<u>(7,511)</u>
<b>Supporting Services</b>			
<b>Pupil Support</b>			
Salaries	18,225	19,206	(981)
Benefits	8,986	9,356	(370)
<b>Staff Support</b>			
Salaries	58,040	52,903	5,137
Benefits	17,122	19,258	(2,136)
PS - Professional	35,080	34,064	1,016
PS - Other	6,418	1,779	4,639
Supplies	16,458	12,462	3,996
Total Staff Support	<u>133,118</u>	<u>120,466</u>	<u>12,652</u>
<b>School Administration</b>			
Other Expenses	<u>13,073</u>	<u>16,171</u>	<u>(3,098)</u>
<b>Community Support</b>			
Supplies	<u>2,000</u>	<u>1,219</u>	<u>781</u>
<b>TOTAL EXPENDITURES</b>	<u>439,840</u>	<u>438,367</u>	<u>1,473</u>
<b>CHANGE IN FUND BALANCE</b>	(30,572)	-	30,572
<b>BEGINNING FUND BALANCE</b>	<u>30,572</u>	<u>1</u>	<u>(30,571)</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Property Taxes	\$ 2,782,513	\$ 3,504,279	\$ 721,766
Specific Ownership Taxes	330,000	280,937	(49,063)
Delinquent Taxes	2,000	2,637	637
Other Taxes	191,000	-	(191,000)
Investment Earnings	25,000	76,230	51,230
<b>TOTAL REVENUES</b>	<u>3,330,513</u>	<u>3,864,083</u>	<u>533,570</u>
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Business Services</b>			
PS - Professional	22,000	1,225	20,775
<b>Debt Service</b>			
Principal	5,070,367	1,924,242	3,146,125
Interest	2,300,000	1,240,690	1,059,310
Total Debt Service	7,370,367	3,164,932	4,205,435
<b>TOTAL EXPENDITURES</b>	<u>7,392,367</u>	<u>3,166,157</u>	<u>4,226,210</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(4,061,854)</u>	<u>697,926</u>	<u>4,759,780</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	(300,000)	(300,064)	(64)
<b>CHANGE IN FUND BALANCE</b>	<u>(4,361,854)</u>	<u>397,862</u>	<u>4,759,716</u>
<b>BEGINNING FUND BALANCE</b>	<u>4,361,854</u>	<u>4,423,452</u>	<u>61,598</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 4,821,314</u>	<u>\$ 4,821,314</u>

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2019

	Special Revenue		Capital Projects	Totals
	Food Service Fund	Pupil Activity Fund	Capital Reserve Fund	2019
<b>ASSETS</b>				
Cash and Investments	\$ 70,481	\$ 198,304	\$ 486,626	\$ 755,411
Other Accounts Receivable	2,680	-	-	2,680
Inventory	6,301	-	-	6,301
<b>TOTAL ASSETS</b>	<u>\$ 79,462</u>	<u>\$ 198,304</u>	<u>\$ 486,626</u>	<u>\$ 764,392</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accrued Salaries & Benefits	\$ 37,152	\$ -	\$ -	\$ 37,152
Deferred Revenues	4,056	-	-	4,056
<b>Total Liabilities</b>	<u>41,208</u>	<u>-</u>	<u>-</u>	<u>41,208</u>
<b>Fund Balance</b>				
Nonspendable Fund Balance	6,300	-	-	6,300
Committed Fund Balance				
Capital Projects	-	-	486,626	486,626
Pupil Activity	-	198,304	-	198,304
Food Service	31,954	-	-	31,954
<b>Total Fund Balance</b>	<u>38,254</u>	<u>198,304</u>	<u>486,626</u>	<u>723,184</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 79,462</u>	<u>\$ 198,304</u>	<u>\$ 486,626</u>	<u>\$ 764,392</u>

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2019

	Special Revenue		Capital Projects	Totals
	Food Service Fund	Pupil Activity Fund	Capital Reserve Fund	2019
<b>REVENUES</b>				
Local Sources	\$ 87,973	\$ 173,345	\$ -	\$ 261,318
State Sources	7,752	-	-	7,752
Federal Sources	286,786	-	-	286,786
<b>TOTAL REVENUES</b>	<u>382,511</u>	<u>173,345</u>	<u>-</u>	<u>555,856</u>
<b>EXPENDITURES</b>				
Instruction	-	162,802	-	162,802
Food Service	496,943	-	-	496,943
Facilities	-	-	14,655	14,655
Debt Service	-	-	103,000	103,000
<b>TOTAL EXPENDITURES</b>	<u>496,943</u>	<u>162,802</u>	<u>117,655</u>	<u>777,400</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(114,432)	10,543	(117,655)	(221,544)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In (Out) - net	120,000	-	441,195	561,195
<b>CHANGE IN FUND BALANCE</b>	5,568	10,543	323,540	339,651
<b>BEGINNING FUND BALANCE</b>	32,687	187,761	163,086	383,534
<b>ENDING FUND BALANCE</b>	<u>\$ 38,255</u>	<u>\$ 198,304</u>	<u>\$ 486,626</u>	<u>\$ 723,185</u>

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Food Service Fund  
For the Year Ended June 30, 2019

	<b>2019</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Food Service Revenue	\$ 102,425	\$ 87,973	\$ (14,452)
<b>State Sources</b>			
State Matching Child Nutrition	3,600	3,595	(5)
Start Smart Nutrition	1,650	1,545	(105)
School Lunch Protection Program: Free and Reduced for Pre-K th 2	<u>2,600</u>	<u>2,612</u>	<u>12</u>
Total State Sources	<u>7,850</u>	<u>7,752</u>	<u>(98)</u>
<b>Federal Sources</b>			
Federal Grants from CDE			
School Breakfast Program	67,000	71,865	4,865
National School Lunch Program	205,000	195,155	(9,845)
Federal Grants from Other State Agencies			
National School Lunch Program - Commodities	<u>22,000</u>	<u>19,767</u>	<u>(2,233)</u>
Total Federal Sources	<u>294,000</u>	<u>286,787</u>	<u>(7,213)</u>
<b>TOTAL REVENUES</b>	<u>404,275</u>	<u>382,512</u>	<u>(21,763)</u>
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Food Service</b>			
Salaries	172,972	169,140	3,832
Benefits	129,266	82,617	46,649
PS - Professional	2,500	3,631	(1,131)
PS - Property	6,311	4,130	2,181
PS - Other	1,150	1,242	(92)
Supplies	16,343	14,454	1,889
Food	206,458	201,963	4,495
Commodities	<u>24,500</u>	<u>19,767</u>	<u>4,733</u>
<b>TOTAL EXPENDITURES</b>	<u>559,500</u>	<u>496,944</u>	<u>62,556</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(155,225)	(114,432)	40,793
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	<u>100,000</u>	<u>120,000</u>	<u>20,000</u>
<b>CHANGE IN FUND BALANCE</b>	(55,225)	5,568	60,793
<b>BEGINNING FUND BALANCE</b>	<u>55,225</u>	<u>32,687</u>	<u>(22,538)</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 38,255</u>	<u>\$ 38,255</u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Pupil Activity Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		<b>Variance with Final Budget</b>
	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>			
<b>Local Sources</b>			
Pupil Activity Revenues	\$ -	\$ 173,345	\$ 173,345
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Other Expenses	-	162,802	(162,802)
<b>CHANGE IN FUND BALANCE</b>	-	10,543	10,543
<b>BEGINNING FUND BALANCE</b>	-	187,761	187,761
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 198,304</u>	<u>\$ 198,304</u>

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
Capital Reserve Fund  
For the Year Ended June 30, 2019

	2019		
	Final Budget	Actual	Variance with Final Budget
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Property	\$ 100,000	\$ -	\$ 100,000
<b>Supporting Services</b>			
<b>Transportation</b>			
Other Expenses	4,281	-	4,281
<b>Facilities/Capital Outlay</b>			
PS - Professional	5,000	6,359	(1,359)
PS - Property	20,000	8,296	11,704
Equipment	12,000	-	12,000
Total Facilities/Capital Outlay	37,000	14,655	22,345
<b>Debt Service</b>			
Principal	105,000	100,891	4,109
Interest	-	2,109	(2,109)
Total Debt Service	105,000	103,000	2,000
<b>Contingency</b>	358,000	-	358,000
<b>TOTAL EXPENDITURES</b>	604,281	117,655	486,626
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(604,281)	(117,655)	486,626
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	289,000	441,195	152,195
<b>CHANGE IN FUND BALANCE</b>	(315,281)	323,540	638,821
<b>BEGINNING FUND BALANCE</b>	315,281	163,086	(152,195)
<b>ENDING FUND BALANCE</b>	\$ -	\$ 486,626	\$ 486,626

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
Schedule of Revenues, Expenses and Changes in Net Position  
Budget and Actual  
Deferred Maintenance Fund  
For the Year Ended June 30, 2019

	2019		
	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
<b>Local Sources</b>			
Rent Revenue	\$ 141,000	\$ 143,305	\$ 2,305
Other Local	-	7,000	7,000
<b>TOTAL REVENUES</b>	<u>141,000</u>	<u>150,305</u>	<u>9,305</u>
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Operations and Maintenance</b>			
PS - Professional	195,000	42,076	152,924
PS - Property	308,000	60,491	247,509
PS - Other	3,500	1,331	2,169
Supplies	98,000	37,917	60,083
Depreciation	772,955	36,579	736,376
<b>TOTAL EXPENDITURES</b>	<u>1,377,455</u>	<u>178,394</u>	<u>1,199,061</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<u>(1,236,455)</u>	<u>(28,089)</u>	<u>1,208,366</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	170,000	170,000	-
<b>CHANGE IN FUND BALANCE</b>	<u>(1,066,455)</u>	<u>141,911</u>	<u>1,208,366</u>
<b>BEGINNING FUND BALANCE</b>	<u>1,066,455</u>	<u>1,031,810</u>	<u>(34,645)</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 1,173,721</u>	<u>\$ 1,173,721</u>

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
 Balance Sheet  
 Internal Service Funds  
 June 30, 2019

	Internal Service Fund		Totals
	Health		
	Reimbursement Fund	Dental Insurance Fund	2019
<b>ASSETS</b>			
Cash and Investments	\$ (6,229)	\$ 107,032	\$ 100,803
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
Accounts Payable	\$ 3,809	\$ 3,754	\$ 7,563
<b>Fund Balance</b>			
Unrestricted Net Position	(10,038)	103,278	93,240
<b>TOTAL LIABILITIES, DEFERRED INLFOWS AND FUND BALANCE</b>	<u>\$ (6,229)</u>	<u>\$ 107,032</u>	<u>\$ 100,803</u>

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
 Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
 Internal Service Funds  
 For the Year Ended June 30, 2019

	Internal Service Funds		
	Health		2019
	Reimbursement Fund	Dental Insurance Fund	
<b>OPERATING REVENUES</b>			
Employee Premiums	\$ -	\$ 92,110	\$ 92,110
<b>OPERATING EXPENSES</b>			
PS - Professional	17,344	42,870	60,214
<b>CHANGE IN NET ASSETS BEFORE TRANSFERS</b>	(17,344)	49,240	31,896
Transfers	-	(100,000)	(100,000)
<b>CHANGE IN NET ASSETS</b>	(17,344)	(50,760)	(68,104)
<b>BEGINNING NET POSITION</b>	7,306	154,038	161,344
<b>ENDING NET POSITION</b>	<u>\$ (10,038)</u>	<u>\$ 103,278</u>	<u>\$ 93,240</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**  
**(With Comparative Totals for the Year Ended June 30, 2018)**

	<b>Health</b>	<b>Dental Insurance</b>	<b>2019</b>
	<b>Reimbursement</b>	<b>Fund</b>	
	<b>Fund</b>	<b>Fund</b>	
Cash Flows from Operating Activities:			
Cash Received from Insurance Premiums	\$ -	\$ 92,110	\$ 92,110
Cash Payments for Claims and Fees	(13,535)	(39,116)	(52,651)
Net Cash Provided (Used) for Operating Activities	(13,535)	52,994	39,459
Cash Flows Provided (Used) by Noncapital Financing Activities:			
Cash Contributed from General Fund	-	(100,000)	(100,000)
Net Increase(Decrease) in Cash	(13,535)	(47,006)	(60,541)
Cash, Beginning	7,306	154,038	161,344
Cash, Ending	\$ (6,229)	\$ 107,032	\$ 100,803
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) for Operating Activities:			
Operating Income (Loss)	\$ (17,344)	\$ 49,240	\$ 31,896
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Changes in Assets and Liabilities Related to Operations:			
Increase (decrease) in Accrued Claims	3,809	3,754	7,563
Net Cash Provided (Used) for Operating Activities	<u>\$ (13,535)</u>	<u>\$ 52,994</u>	<u>\$ 39,459</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Budget and Actual**  
**Health Reimbursement Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		
	<b>Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
			<b>Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Insurance Proceeds	\$ 20,000	\$ -	\$ (20,000)
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Other Supporting Services</b>			
PS - Professional	24,826	17,344	7,482
<b>CHANGE IN FUND BALANCE</b>	(4,826)	(17,344)	(12,518)
<b>BEGINNING FUND BALANCE</b>	4,826	7,306	2,480
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ (10,038)</u>	<u>\$ (10,038)</u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Budget and Actual**  
**Dental Insurance Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Employee Premiums	\$ 91,000	\$ 92,110	\$ 1,110
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Other Supporting Services</b>			
PS - Professional	206,844	42,870	163,974
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(115,844)	49,240	165,084
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	(100,000)	(100,000)	-
<b>CHANGE IN FUND BALANCE</b>	(215,844)	(50,760)	165,084
<b>BEGINNING FUND BALANCE</b>	215,844	154,038	(61,806)
<b>ENDING FUND BALANCE</b>	\$ -	\$ 103,278	\$ 103,278

See accompanying Independent Auditors' Report.

IGNACIO SCHOOL DISTRICT 11JT  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2019

	<u>Internal Service Fund</u>		<u>Totals</u>
	<u>Floyd Scholarship Fund</u>	<u>Candelaria/Floyd Scholarship Fund</u>	<u>2019</u>
<b>ASSETS</b>			
Cash and Investments	\$ 5,816	\$ 5,561	\$ 11,377
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>			
<b>Fund Balance</b>			
Held in Trust for Scholarships	<u>\$ 5,816</u>	<u>\$ 5,561</u>	<u>\$ 11,377</u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**Combining Schedule of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2019**

	<u>Internal Service Funds</u>		
	<u>Floyd Scholarship Fund</u>	<u>Candelaria/Floyd Scholarhip Fund</u>	<u>2019</u>
<b>ADDITIONS</b>			
Investment Earnings	\$ 15	\$ 2	\$ 17
<b>DEDUCTIONS</b>			
Other Expenses	<u>500</u>	<u>-</u>	<u>500</u>
<b>CHANGE IN NET POSITION</b>	<u>(485)</u>	<u>2</u>	<u>(483)</u>
<b>BEGINNING NET POSITION</b>	<u>6,301</u>	<u>5,559</u>	<u>11,860</u>
<b>ENDING NET POSITION</b>	<u>\$ 5,816</u>	<u>\$ 5,561</u>	<u>\$ 11,377</u>

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

**IGNACIO SCHOOL DISTRICT 11JT**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Floyd Scholarship Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>ADDITIONS</b>			
Local Sources	\$ 12	\$ 15	\$ 3
<b>DEDUCTIONS</b>			
Community Support	<u>6,537</u>	<u>500</u>	<u>6,037</u>
<b>CHANGE IN NET POSITION</b>	<u>(6,525)</u>	<u>(485)</u>	<u>6,040</u>
<b>BEGINNING NET POSITION</b>	<u>6,525</u>	<u>6,301</u>	<u>(224)</u>
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ 5,816</u>	<u>\$ 5,816</u>

See accompanying Independent Auditors' Report.

**IGNACIO SCHOOL DISTRICT 11JT**  
**Schedule of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Fiduciary Funds**  
**Floyd Scholarship Fund**  
**For the Year Ended June 30, 2019**

	<b>2019</b>		
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>ADDITIONS</b>			
Local Sources	\$ 1	\$ 2	\$ 1
<b>DEDUCTIONS</b>			
Community Support	5,808	-	5,808
<b>CHANGE IN NET POSITION</b>	(5,807)	2	5,809
<b>BEGINNING NET POSITION</b>	5,807	5,559	(248)
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ 5,561</u>	<u>\$ 5,561</u>

See accompanying Independent Auditors' Report.

**SINGLE AUDIT SELECTION**

# Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Education  
Ignacio School District 11 JT  
Ignacio, Colorado

## Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance *Government Auditing Standards*

### Independent Auditors' Report

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Ignacio School District 11 JT (the District) as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 13, 2019.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mayberry + Company, LLC*

Englewood, CO  
December 13, 2019

# Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants  
Governmental Audit Quality Center  
and Private Company Practice Section

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Board of Education  
Ignacio School District 11 JT (El Paso County)  
Colorado Springs, Colorado

## **Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

### **Independent Auditors' Report**

#### **Report on Compliance for Each Major Federal Program**

We have audited the Ignacio School District 11 JT (District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's, Colorado's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the District's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

#### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's' internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

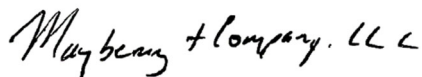
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Ignacio School District 11 JT, 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. We issued our report thereon dated December 13, 2019 which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Englewood, Colorado  
December 13, 2019

Ignacio Schhol District 11 JT  
Schedule of Expenditures of Federal Awards By Grant  
For the Year Ended June 30, 2019

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<b>Child Nutrition Cluster-Cluster</b>			
United States Department of Agriculture School Breakfast Program	10.553	Colo Dept of Education,4553	\$ 71,865
National School Lunch Program			
National School Lunch Program	10.555	Colo Dept of Education,4555	195,155
National School Lunch Program	10.555	Colo Dept of Human Services	19,767
Total National School Lunch Program			214,922
<b>Total Child Nutrition Cluster-Cluster</b>			<b>286,787</b>
<b>Other Programs</b>			
Department of Education			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	84.010	Colo Dept of Education,4010	143,608
Title I Grants to Local Educational Agencies	84.010	Colo Dept of Education,5010	80,000
Total Title I Grants to Local Educational Agencies			223,608
Impact Aid	84.041		1,805,150
Indian Education Grants to Local Educational Agencies	84.060		63,922
English Language Acquisition State Grants	84.365	Colo Dept of Education,7365	427
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colo Dept of Education,4367	24,821
Student Support and Academic Enrichment Program	84.424	Colo Dept of Education,4424	7,798
<b>Total Other Programs</b>			<b>2,125,726</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,412,513</b>

The accompanying notes are an integral part of this schedule

**IGNACIO SCHOOL DISTRICT 11JT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2019**

**NOTE 1: BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards, (the "Schedule"), includes the federal award activity of the Ignacio School District 11 JT, (the "District") under the programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Food Service inventory consisted of purchased and donated commodities. 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 3: 10% DE MINIMIS COST RATE**

The District did not utilize the 10% de minimis cost rate allowed under the Uniform Guidance.

**NOTE 4: SUBRECIPIENTS**

There were no subrecipients that received funding from the District for the fiscal year.

**IGNACIO SCHOOL DISTRICT 11JT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2019**

**Summary of Auditors' Results**

*Financial Statements*

Type of auditors' report issued: unmodified

Internal control over financial reporting:

- Material weakness identified? \_\_\_\_\_ yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   x   no

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes   x   no

*Federal Awards*

Internal control over major programs:

- Material weakness identified? \_\_\_\_\_ yes   x   no
- Significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes   x   no

Type of auditors' report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

\_\_\_\_\_ yes   x   no

Identification of major programs:

84.041            Impact Aid

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee?

\_\_\_\_\_ yes   x   no

**IGNACIO SCHOOL DISTRICT 11JT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

**YEAR ENDED JUNE 30, 2019**

**II - Findings relating to the financial statement audit as required to be reported in accordance with generally accepted government auditing standards**

**A. Material Weaknesses in Internal Control**

The audit of the financial statements of the Ignacio School District 11 JT, as of and for the year ended June 30, 2019, did not disclose any material weaknesses or significant deficiencies in internal controls.

**B. Compliance Findings**

The audit of the financial statements of the Ignacio School District 11 JT, as of and for the year ended June 30, 2019, did not disclose any instances of noncompliance with requirements with certain provisions of laws, regulations, and grants that were material to those financial statements.

**III - Findings and Questioned Costs for Federal Awards**

**A. Material Weaknesses in Internal Control**

The audit of the financial statements of the Ignacio School District 11 JT, as of and for the year ended June 30, 2019, did not disclose any material weaknesses or significant deficiencies in internal controls over federal grant management.

**B. Compliance Findings**

The audit of the financial statements of the Ignacio School District 11 JT, as of and for the year ended June 30, 2019, did not disclose any instances of noncompliance with requirements with certain provisions of laws, regulations, and grants that were material to those financial statements.

**C. Questioned Costs**

None noted.

**IGNACIO SCHOOL DISTRICT 11JT**  
**SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2019**

**Finding 2018-001: Internal Control Over Financing Reporting**

*Type of finding: Internal Control (material weakness)*

*Condition:* The District does not have a complete system of internal control to prevent and detect financial misstatements to ensure that finance activities are being completed properly, timely, and with appropriate segregation of duties to verify the financial information is accurate, complete, and free of material misstatements.

*Cause:* Turnover in the finance department, lack of training on accounting software, and opening of new bank accounts created reconciliation difficulties.

*Criteria:* A system of internal control includes the design, documentation, and monitoring of control activities over the application of accounting principles, compliance with statutory provisions, antifraud programs, non-routine transactions, financial statements preparation, and safeguarding of assets.

*Effect:* As a result of this condition the following areas were affected:

1. Bank account reconciliations included unreconciled differences which affected General Fund, Governmental Designated Purpose Grants Fund, Food Service Fund, Capital Reserve Capital Projects Fund, Deferred Maintenance Fund, Internal Service Funds and Agency Funds cash, accounts payable, expenditures, revenue, and transfers, dating back to December 2017.
2. Audit adjustments were proposed to properly state the District financial statements as of June 30, 2018, in accordance with generally accepted accounting principles.

*Recommendation:* The District should strengthen its internal controls with adopted policies and procedures to address timely reconciliations that investigate and correct discrepancies and reconciliation of year-end balance sheet accounts to record necessary adjustments when performing financial close and reporting. Reconciliations should be signed and dated by employees preparing them and separate reviewer to ensure accuracy and timeliness.

*Management's Response:* The Finance department employees will complete the reconciliations within the following month of the statement date. The reconciliations will be signed and dated by the employee. Then another member of the finance team will verify the information and the accuracy of the reports. That employee will also sign and date the reconciliation reports.

*Status of Finding:* The District converted accounting software for the 2019 fiscal year. The bank reconciliation process and controls worked as expected as of June 30, 2019 with the bank reconciliation being reviewed and balancing to the general ledger at that point. The bank reconciliation, however, was out of balance once system accruals were posted through the cash account. This appears to be more of a software issue that the District is addressing rather than an internal control finding.

## STATE COMPLIANCE



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1540 - Ignacio 11 JT  
 Fiscal Year 2018-19  
 Colorado School District/BOCES

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

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>							
10 General Fund	4,342,799		11,555,293		10,471,526		5,426,566
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		0		0		0
<b>Sub- Total</b>	<b>4,342,799</b>		<b>11,555,293</b>		<b>10,471,526</b>		<b>5,426,566</b>
11 Charter School Fund	0		0		0		0
20,26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	32,687		502,512		496,944		38,255
22 Govt Designated-Purpose Grants Fund	1		438,367		438,367		1
23 Pupil Activity Special Revenue Fund	187,761		173,345		162,802		198,304
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	4,423,452		3,564,019		3,166,157		4,821,314
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	163,086		441,195		117,656		486,626
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
<b>Totals</b>	<b>9,149,787</b>		<b>16,674,730</b>		<b>14,853,451</b>		<b>10,971,065</b>
<b>Proprietary</b>							
50 Other Enterprise Funds	1,031,810		320,305		178,394		1,173,721
64 (63) Risk-Related Activity Fund	161,344		-100,000		-31,897		93,241
60,65-69 Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>1,193,154</b>		<b>220,305</b>		<b>146,497</b>		<b>1,266,962</b>
<b>Fiduciary</b>							
70 Other Trust and Agency Funds	11,861		16		500		11,377
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>11,861</b>		<b>16</b>		<b>500</b>		<b>11,377</b>

FINAL



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

District: 1540 - Ignacio 11 JT

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 (8100-8104,8111)	6,292,032	0	0	164,218	0	70,481	0	486,626	0	276,480	100,803	0	11,377	0	7,402,016
Cash with Fiscal Agent (8105)	0	0	0	0	0	0	5,781	0	0	0	0	0	0	0	5,781
Other Investment Accounts (8112-8115)	29	0	0	0	0	0	4,784,004	0	0	0	0	0	0	0	4,784,033
Taxes Receivable (8121,8122)	24,239	0	0	0	0	0	61,763	0	0	0	0	0	0	0	86,001
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	0	0	94,550	0	0	0	0	0	0	0	0	0	0	94,550
Other Receivables (8151-8154,8161)	0	0	0	0	0	2,680	0	0	0	0	0	0	0	0	2,680
Inventories (8171,8172,8173)	0	0	0	0	0	6,301	0	0	0	0	0	0	0	0	6,301
Site Improvements (8221)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accumulated Depreciation on Site Improvements (8222)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings (8231-8234)	0	0	0	0	0	0	0	0	902,852	0	0	0	0	0	902,852
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>6,316,300</b>	<b>0</b>	<b>0</b>	<b>258,768</b>	<b>0</b>	<b>79,462</b>	<b>4,851,548</b>	<b>486,626</b>	<b>1,179,332</b>	<b>100,803</b>	<b>0</b>	<b>11,377</b>	<b>0</b>	<b>13,284,215</b>	

See accompanying Independent Auditors' Report.

**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
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	1,155	0	0	1,580	0	0	0	0	0	694	7,562	0	0	0	10,992
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	824,979	0	0	32,413	0	37,151	0	0	0	0	0	0	0	0	894,543
Unearned Revenue (7481)	0	0	0	0	0	4,056	0	0	0	0	0	0	0	0	4,056
Grants Deferred Revenue (7482)	0	0	0	26,470	0	0	0	0	0	0	0	0	0	0	26,470
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	4,917	0	0	0	0	4,917
Deferred Inflow (7800)	0	0	0	0	0	0	30,234	0	0	0	0	0	0	0	30,234
Deferred Inflow Grants (7801)	63,600	0	0	0	0	0	0	0	0	0	0	0	0	0	63,600
<b>Total Liabilities</b>	<b>889,734</b>	<b>0</b>	<b>0</b>	<b>60,464</b>	<b>0</b>	<b>41,207</b>	<b>30,234</b>	<b>0</b>	<b>0</b>	<b>5,611</b>	<b>7,562</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,034,811</b>

See accompanying Independent Auditors' Report.

**Governmental**

**Proprietary**

**Fiduciary**

<b>FUND EQUITY</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
Non-spendable Fund Balance 6710	0	0	0	0	0	6,301	0	0	0	0	0	0	0	0	6,301
Restricted Fund Balance 6720	0	0	0	0	0	0	4,821,314	0	0	0	0	0	0	0	4,821,314
TABOR 3% Emergency Reserve 6721	270,000	0	0	0	0	0	0	0	0	0	0	0	0	0	270,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	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	198,304	0	31,955	0	486,626	0	0	0	0	0	0	716,884
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	5,156,566	0	0	1	0	0	0	0	0	0	0	0	11,377	0	5,167,943
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	902,853	0	0	0	0	0	902,853
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	270,868	93,241	0	0	0	0	364,109
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>5,426,566</b>	<b>0</b>	<b>0</b>	<b>198,305</b>	<b>0</b>	<b>38,255</b>	<b>4,821,314</b>	<b>486,626</b>	<b>0</b>	<b>1,173,721</b>	<b>93,241</b>	<b>0</b>	<b>11,377</b>	<b>0</b>	<b>12,249,404</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</b>	6,316,300	0	0	258,768	0	79,462	4,851,548	486,626	0	1,179,332	100,803	0	11,377	0	13,284,215
	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	
<b>Do Assets=Liability+Fund Equity</b>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes