

Colorado Springs School District 11

Comprehensive Annual Financial Report



ADMINISTRATION BLDG.

Fiscal Year End

June 30, 2018

Colorado Springs, CO

Colorado Springs School District 11 ("D11") seeks to comply with applicable laws prohibiting discrimination in relation to disability, race, creed, color, sex, sexual orientation (as defined by state law), national origin, religion, ancestry, age, and protected activity in its programs and activities. D11 also provides equal access to the Boy Scouts and other designated youth groups.

Any harassment/ discrimination of students and/or staff, based on the aforementioned protected areas, is prohibited and must be brought to the immediate attention of the school principal, the D11 administrator/supervisor, or the D11 nondiscrimination compliance/grievance coordinator. The following person has been designated to handle inquiries regarding D11's non-discrimination policies: The District 11 NONDISCRIMINATION COMPLIANCE COORDINATOR, Alvin N. Brown, Jr., JD, designated to coordinate compliance with: 1) Equal Pay Act of 1963, 2) Civil Rights Act of 1964, as Amended, 3) Age Discrimination in Employment Act of 1967, 4) Title IX – Education Amendments Act of 1972, 5) Section 504 of Rehabilitation Act of 1973, 6) Pregnancy Discrimination Act of 1978, 7) Americans with Disabilities Act of 1990, and 8) Colorado Anti-Discrimination Act. 9) School District 11 Board of Education Policy AC. Nondiscrimination/Equal Opportunity, 711 East San Rafael Street, Colorado Springs, CO 80903, e-mail: alvin.brown2@d11.org, Phone: (719) 520-2271, Fax: (719) 520-2442. Se habla Español.

Colorado Springs School District 11

Colorado Springs, CO

Comprehensive Annual Financial Report

For the Fiscal Year End
June 30, 2018

BOARD OF EDUCATION

Jim Mason

President

Shawn Gullixon

Vice President

Theresa Null

Secretary

Julie Ott

Treasurer

Nora Brown

Director

Mary Coleman

Director

Elaine Naleski

Director

SUPERINTENDENT

Dr. Nicholas Gledich

DEPUTY SUPERINTENDENT/CHIEF

FINANCIAL OFFICER

Glenn E. Gustafson, CPA

Prepared By:

DEPARTMENT OF FINANCIAL SERVICES

Laura Hronik, MBA

Executive Director

JerrieAnn LaLond

Accounting/Payroll Manager

Desiree Smith, MSA

Senior Accountant

Al Johnson, MBA

Senior Accountant

Mark Capps, MBA

Accounts Payable Coordinator/Senior

Charter School Accountant

Artwork: Andrea Burrows

BOARD OF EDUCATION
Colorado Springs School District 11



JIM MASON, President
Term: 2017-2021



SHAWN GULLIXSON, Vice-President
Term: 2017-2021



THERESA NULL, Secretary
Term: 2015-2019



JULIE OTT, Treasurer
Term: 2017-2021



NORA BROWN, Director
Term: 2015-2019



MARY COLEMAN, Director
Term: 2017-2019



ELAINE NALESKI, Director
Term: 2015-2019

Colorado Springs School District 11

COMPREHENSIVE ANNUAL FINANCIAL REPORT For the Fiscal Year Ended June 30, 2018

Contents

INTRODUCTORY SECTION

Letter of Transmittal	3
Certificate of Excellence in Financial Reporting (ASBO).....	7
District Plan	8
Division Organizational Chart	10
Superintendent's Cabinet	11

FINANCIAL SECTION

Independent Auditors' Report	14
Management's Discussion and Analysis	17

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:

Statement of Net Position	29
Statement of Activities	30

Governmental Funds Financial Statements:

Balance Sheet	32
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	33
Statement of Revenues, Expenditures and Changes in Fund Balance	34
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	35

Proprietary Funds Financial Statements:

Statement of Net Position	36
Statement of Revenues, Expenses and Changes in Fund Net Position	37
Statement of Cash Flows	38

Fiduciary Funds Financial Statements:

Statement of Fiduciary Net Position	39
Statement of Changes in Fiduciary Net Position	39

Notes to the Basic Financial Statements:

Note 1: Summary of Accounting Policies	40
Note 2: Deposits and Investments	46
Note 3: Taxes	47
Note 4: Inter-fund Receivables, Payables, and Transfers	47
Note 5: Capital Assets	48
Note 6: Accrued Compensation/Compensated Absences	49
Note 7: Leases	50
Note 8: Long Term Debt	51
Note 9: Contingencies and Commitments	54
Note 10: Benefit Plans	54
Note 11: Post-Employment Health Care Benefits	60
Note 12: Risk Related Activities	66
Note 13: Tax, Spending, and Debt Limitations	68
Note 14: Restatement of Net Position	68

Colorado Springs School District 11

REQUIRED SUPPLEMENTARY INFORMATION

General Fund:

Budgetary Comparison Schedule	72
Reconciliation of the Budgetary Basis of Accounting to GAAP Basis of Accounting	73

Mill Levy Override Special Revenue Fund:

Budgetary Comparison Schedule	74
Reconciliation of the Budgetary Basis of Accounting to GAAP Basis of Accounting	75

Pension Related Schedules:

Schedule of the District's Contributions-PERA SCHDTF Last Ten Fiscal Years.....	76
Schedule of the District's Contributions-PERA HCTF Last Ten Fiscal Years.....	78
Schedule of District's Proportionate Share of Net Pension Liabilities Last Five Calendar Years.....	80
Schedule of District's Proportionate Share of Net OPEB Liability Last Two Calendar Years	81

Notes to the Required Supplementary Information:

Note 1: Budgets.....	82
Note 2: Budgetary Basis of Accounting for the Year Ended June 30, 2018	82
Note 3: Pension Plan Contributions	83
Note 4: Pension Plan Provisions	84

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

Major Governmental Funds

General Fund

Comparative Balance Sheets	90
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual with Comparative Actual Totals for 2017	91

Capital Reserve Capital Projects Fund

Comparative Balance Sheets	92
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual with Comparative Actual Totals for 2017	93

Mill Levy Override Special Revenue Fund

Comparative Balance Sheets	94
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual with Comparative Actual Totals for 2017	95

Bond Redemption Debt Service Fund

Comparative Balance Sheets	96
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual with Comparative Actual Totals for 2017	97

Non-Major Governmental Funds

Combining Balance Sheet with Comparative Totals for 2017	100
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance with Comparative Totals for 2017	101

Food Services Fund

Comparative Balance Sheets	102
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual with Comparative Actual Totals for 2017	103

Designated Purpose Grants Special Revenue Fund

Comparative Balance Sheets	104
----------------------------------	-----

Colorado Springs School District 11

Schedule of Revenues, Expenditures and Changes in Fund Balance	
Budget and Actual with Comparative Actual Totals for 2017	105

Proprietary Funds

Internal Service Funds

Combining Schedule of Net Position with Comparative Totals for 2017	108
Combining Schedule of Revenues, Expenses and Changes in	
Fund Net Position with Comparative Totals for 2017	109
Combining Schedule of Cash Flows with Comparative Totals for 2017	110

Production Printing Fund

Comparative Schedules of Net Position	111
Schedule of Revenues, Expenses and Changes in Net Position	
Budget and Actual with Comparative Actual Totals for 2017	112
Comparative Schedules of Cash Flows	113

Risk Related Activities Fund

Comparative Schedules of Net Position	114
Schedule of Revenues, Expenses and Changes in Net Position	
Budget and Actual with Comparative Actual Totals for 2017	115
Comparative Schedules of Cash Flows	116

Fiduciary Funds

Private Purpose Trust Funds

Comparative Schedules of Fiduciary Net Position	118
Schedule of Changes in Fiduciary Net Position	
Budget and Actual with Comparative Actual Totals for 2017	118

Agency Funds

Combining Statement of Assets and Liabilities with Comparative Totals for 2017	119
Combining Statement of Changes in Assets and Liabilities	119
Pupil Activity Agency Fund - Statement of Changes in Assets and Liabilities	120
Other Agency Fund - Statement of Changes in Assets and Liabilities	120

STATISTICAL SECTION

Net Position by Component (Unaudited)	122
Changes in Net Position (Unaudited)	124
Fund Balances, Governmental Funds Last Ten Fiscal Years (Unaudited)	126
Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (Unaudited)	128
Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (Unaudited)	130
Direct and Overlapping Property Tax Rates Last Ten Fiscal Years (Unaudited)	131
Principal Property Taxpayers Current Year and Nine Years Ago (Unaudited)	132
Property Tax Levies and Collections Last Ten Calendar Years (Unaudited)	133
Legal Debt Margin Information Last Ten Fiscal Years (Unaudited)	134
Ratio of General Bonded Debt to Estimated Actual Taxable Value and Bonded Debt Per Capita	
Last Ten Calendar Years (Unaudited)	136
Ratio of Annual Debt Service Expenditures for General Bonded Debt to	
General Fund Expenditures Last Ten Fiscal Years (Unaudited)	137
Ratios of Outstanding Debt by Type Last Ten Fiscal Years (Unaudited)	138
Computation of Direct and Overlapping Debt (Unaudited)	139
Demographic and Economic Statistics Last Ten Fiscal Years (Unaudited)	140
Principal Employers for the Pikes Peak Region Current Year and Nine Years Ago (Unaudited)	141
Employees by Program and Function Last Ten Fiscal Years (Unaudited)	142
School Building Capacity and Population Last Ten Fiscal Years (Unaudited)	144
Capital Assets by Function Last Ten Years (Unaudited)	150
Miscellaneous Statistical Data for School Years Ending in May (Unaudited)	152

Colorado Springs School District 11

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards	154
Notes to the Schedule of Expenditures of Federal Awards	156
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	157
Report on Compliance for Each Major Federal Program and Report on the Internal Control over Compliance Required by the Uniform Guidance.....	159
Schedule of Findings and Questioned Costs.....	161

CDE AND TABOR COMPLIANCE SECTION

Calculation of Spending Pursuant to Article X, Section 20 of the Colorado Constitution (Tabor Compliance)	165
Colorado Department of Education Auditors' Integrity Figures (CDE Compliance)	166

Introductory Section





THE WORLD IS CHANGING.
MEET THE FUTURE.



The world is changing.
Meet the future.

Laura Hronik, MBA
Executive Director, Financial Services
1115 N. El Paso Street
Colorado Springs, CO 80903
Phone: (719) 520-2050 FAX: (719) 520-2346
E-mail: laura.hronik@d11.org

Dr. Michael J. Thomas, Superintendent of Schools
Glenn E. Gustafson, Deputy Superintendent, CFO

October 19, 2018

To the Citizens and Members of the Board of Education of Colorado Springs School District 11:

It is our pleasure to submit to you the Colorado Springs School District 11 (the District) Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. State law requires that school districts publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

Colorado Springs School District 11's financial statements have been audited by *CliftonLarsonAllen LLP*, a firm of licensed certified public accountants. The independent audit firm concluded that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for fiscal year 2018 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the District's financial statements also includes the federally mandated "Single Audit," designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis involving the administration of federal awards. The results of the District's single audit for the period ending June 30, 2018 provided no instances of material weaknesses in internal controls over compliance or material violations of applicable laws, regulations, contracts and grants.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

Colorado Springs School District 11 was established in 1872. The District's boundaries have changed numerous times since its formation. Today, the District is the largest and oldest school district in the Pikes Peak Region and the tenth largest in the State. The District encompasses approximately 70.5 square miles and includes a substantial portion of the City of Colorado Springs and portions of unincorporated El Paso County. According to the 2010 census (latest information available), the District's population was 227,196.

The District provides a full range of school programs and services authorized by Colorado state statute. This includes pre-kindergarten through twelfth grade education in elementary, middle and senior high schools, special education for disabled students, gifted and talented programs, vocational and adult education, alternative education and other educational programs. The District provides services for over 26,000 students and employs just over 3,600 teachers, education support professionals and administrators.

The District is governed by a seven-member Board of Education (the Board) whose members are elected by the registered electors of the District for staggered four-year terms of office. Biennial school district elections are held in November of odd-numbered years. The Board is a policy-making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and oversee the property, facilities and financial affairs of the District. Members of the Board serve without compensation. The Board holds regular meetings generally scheduled for the second and fourth Wednesday of each month, with special meetings held as needed. The Board elects its officers following each biennial election.

The District includes as discretely presented component units six (6) charter schools; GLOBE, Roosevelt Charter Academy, Community Preparation School, CIVA, Eastlake High School and Academy for Advanced and Creative Learning. Charter schools are public schools approved by the Board and authorized by the State of Colorado to provide alternatives for parents, pupils and teachers. These schools have separate governing boards and are funded by the State of Colorado and local property tax funds, with revenues passing through the District. Though fiscally independent, the District provides many supports and services for these charter schools.

The annual budget serves as the foundation for the District's financial planning and control. A proposed budget is developed based on budget requests of the individual departments of the District. The Administration presents the proposed budget to the Board of Education for review. Public hearings are held on the proposed budget, and a final budget is adopted no later than June 30, the close of the District's fiscal year. The appropriated budget is prepared by fund, function and department. Department heads may make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the special approval of the District's Board of Education, in accordance with Board Policy.

ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

The City of Colorado Springs is a Home Rule Municipality; it is the county seat and most populous city in El Paso County. With a population of 416,427 as of the 2010 Census, and closing in on 500,000 in 2018, it is the second most populous city in the state, behind Denver. The city covers 194.7 square miles making it Colorado's largest city by area. The economy is driven primarily by the military, the high-tech industry and tourism.

Major industries located within the City's boundaries or in close proximity include aerospace, defense, homeland security, cybersecurity, life sciences, sports and related organizations. The City and County also have a significant military presence with Peterson Air Force Base, the Air Force Academy, Fort Carson and Schriever Air Force Base. The local economy shows continued sign of improvement: the local unemployment rate declined, and there was growth in the number of home sales, consumer confidence, and hotel occupancy.

At the state level, economic indicators are robust but confusing. State revenues included an increase in general School Finance Act revenues for the 2016/2017 and 2017/2018 school years but the "negative factor" continues to withhold approximately \$800 per pupil from the Constitutional Amendment 23 prescribed levels. In addition, pressures on the state budget continue; Health care, transportation and other state agency requirements will continue to outpace state resource availability in its constitutionally constrained budget and TABOR refunds

loom ahead for the State budget. The state does not have a proven or consistent on-going revenue source to fund the increase in K-12 funding or to even significantly decrease the negative factor. K-12 represents approximately 45 percent of the state's budget and the state is still working through sizeable budget challenges.

The District continues to decline in enrollment at a pace of 1% to 1.5% per year. The District has commissioned a new demographic study to identify future trends and challenges.

The district is particularly proud of its efforts in re-purposing schools. At this point in time, all closed school facilities have either been sold or re-purposed into viable uses. The school optimization appears to be working as the district enrollment as a percentage of capacity is very close to the target of 85%. The age of some of our schools is of some concern, however, the district continues to work aggressively on maintaining these facilities and addressing structural concerns. The district's recently passed \$42 million Mill Levy Override by the voters in November of 2017 gives us tremendous hope in terms of rebuilding and renewing the district's capital infrastructure and improving our ability to compete with neighboring school districts.

Long-term Financial Planning

Looking to the future, the State's K-12 funding remains uncertain. Without voter approval of new school finance funds, long-term estimates of state funding of K-12 education will be predicated on a renewal of economic growth within the state that is sufficient to cover inflation and student growth, while at the same time being able to meet other resource demands such as Medicaid, social programs, prisons, roads and higher education. Ultimately, the State will be hard pressed to provide its existing service requirements within its constrained resources.

Financial Policies

Detailed descriptions of the District's accounting policies are contained in the Notes to the Financial Statements on pages 40 to 62 of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for investments, capital assets and other significant accounting information.

The District maintains a number of budgetary controls. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board. Activities of all funds are included in the annual appropriated budget. Budgetary control is established at the fund level. The District maintains an encumbrance accounting system as one method of accomplishing budgetary control. Unencumbered budgets lapse at the end of the fiscal year, with the exception of school budgets where unencumbered budget allocations are available for use in future years, and are reported as assignments of fund balance in the current year.

Major Initiatives

Looking forward to 2017, the District adopted a budget that almost entirely was weighted towards compensation increases to all employee groups. The increase averaged out to almost 5% with 1% of the increase for employees being a one-time increase.

AWARDS AND ACKNOWLEDGEMENTS

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Colorado Springs School District 11 for its comprehensive annual financial report for the year ended June 30, 2017. To receive this honor, a governmental unit must publish an easily readable and efficiently organized CAFR, with content conforming to program standards. Such reports must satisfy generally accepted accounting principles and applicable legal requirements. A certificate of achievement is valid for one year. The District's June 30, 2018 CAFR will also be submitted to ASBO for review.

We express our gratitude to those who assisted in the preparation of this report, which would not have been possible without the dedicated service of District staff. We commend former Superintendent Dr. Nicholas Gledich and the Board of Education for their interest and support in planning and conducting the financial operations of the District in a responsible and progressive manner.

We thank our independent auditors from the certified public accounting firm of *CliftonLarsonAllen LLP*, for their professional approach in the performance of the audit and their careful review of this document. Their assistance was invaluable in finalizing the report.

Finally, we would like to offer special thanks to the accounting and payroll staff, as well as the business managers and administrative assistants, who play a key role in the financial reporting of the District year round.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read 'G. Gustafson', with a stylized flourish at the end.

Glenn E Gustafson, CPA
Deputy Superintendent/Chief Financial Officer

A handwritten signature in blue ink, appearing to read 'L. Hronik', with a stylized flourish at the end.

Laura Hronik, MBA
Executive Director of Financial Services



**ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**

**The Certificate of Excellence in Financial Reporting
is presented to**

Colorado Springs School District 11

**for its Comprehensive Annual Financial Report (CAFR)
for the Fiscal Year Ended June 30, 2017.**

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards.



Charles E. Peterson, Jr., SFO, RSBA, MBA
President

John D. Musso, CAE
Executive Director



COLORADO SPRINGS SCHOOL DISTRICT 11

2017-2018 SUPERINTENDENT'S DISTRICT PLAN

DISTRICT COMMITMENT: The staff and school community is committed to the graduate—one who is:

Academically prepared
Culturally competent
Highly skilled team member
Innovative thinker and problem solver
Effective, efficient user of information technology
Vital participant in civic responsibility
Effective communicator

DISTRICT VISION: Every student prepared for a world yet to be imagined.

DISTRICT MISSION: Provide excellent, distinctive educational experiences that equip students for success today and in the future

DISTRICT GOALS: Colorado Springs School District 11 will:

1. Demonstrate improvement of student achievement
2. Demonstrate a high-performing team
3. Embrace a culture of constant innovation
4. Communicate and engage frequently with our customers
5. Provide a safe learning and working environment
6. Demonstrate operational efficiencies
7. Demonstrate fiscal prudence and financial responsibility

VALUES: The District and Board of Education value:

- Respect
- Learning Transparency
- Safety
- Collaboration
- Effectiveness
- Efficiency

BOARD OF EDUCATION'S PURPOSE: A unified team of elected leaders providing effective governance

ESSENTIAL BOARD OF EDUCATION GOALS:

- Guide the District through the Superintendent
- Engage students, families, staff and community
- Ensure alignment of policy, resources and structure
- Measure and celebrate achievement
- Model excellence

Board of Education Focus Areas:

- Increase student achievement
- Ensure financial integrity, with transparency
- Enhance effective leadership
- Build strong communities



COLORADO SPRINGS SCHOOL DISTRICT 11

2017-2018 SUPERINTENDENT'S DISTRICT PLAN

SUPERINTENDENT'S PRIORITIES

- ✚ Culture of Performance-- a positive learning environment that engages
- ✚ Academic Systems-- rigorous, aligned and engaging academic program with a specific focus on data-driven instruction.
- ✚ Talent-- systems and strategies to recruit, develop, evaluate and retain excellent teachers and support staff

PRINCIPLES: FOR RELATIONSHIPS THAT LEAD TO SUCCESS

We value and use these principles for accomplishing the *Mission* and our working relationships. We value and use these principles for accomplishing the *District Mission*.

THINK WIN/WIN -- CREATE THE CONDITION FOR UNDERSTANDING MUTUAL GOALS

- ✚ Work together to understand each other's needs, and offer solutions that help each other do a better job.

LISTEN FIRST, TALK SECOND, MANAGE BY FACTS -- CREATE THE CONDITION FOR MAKING GOOD DECISIONS

- ✚ Admit to the brutal facts, and work toward success.
- ✚ Build trust with the truth, and work together through the good times and the challenges.

TRUST BUT VERIFY -- CREATE THE CONDITION FOR VALUING AND ADDRESSING SUCCESS CRITERIA

- ✚ Expect success. Expect high quality deliverables. Demonstrate high standards for performance. Know the result.
- ✚ Celebrate success. Appreciate the conclusion of each event.

REMEMBER: "A DOLLAR IS A DOLLAR" -- CREATE THE CONDITION FOR SOUND FISCAL MANAGEMENT

- ✚ Work to set realistic expectations for costs and what exactly demonstrates business value.
- ✚ Demonstrate fiscal prudence and financial responsibility with each other's money.

FIRST DO NO DAMAGE -- CREATE THE CONDITION TO BALANCE INNOVATION WITH MINDING THE STORE

- ✚ Don't turn the business process upside down without a very good reason – but don't leave it broken if it's clearly yours to fix.

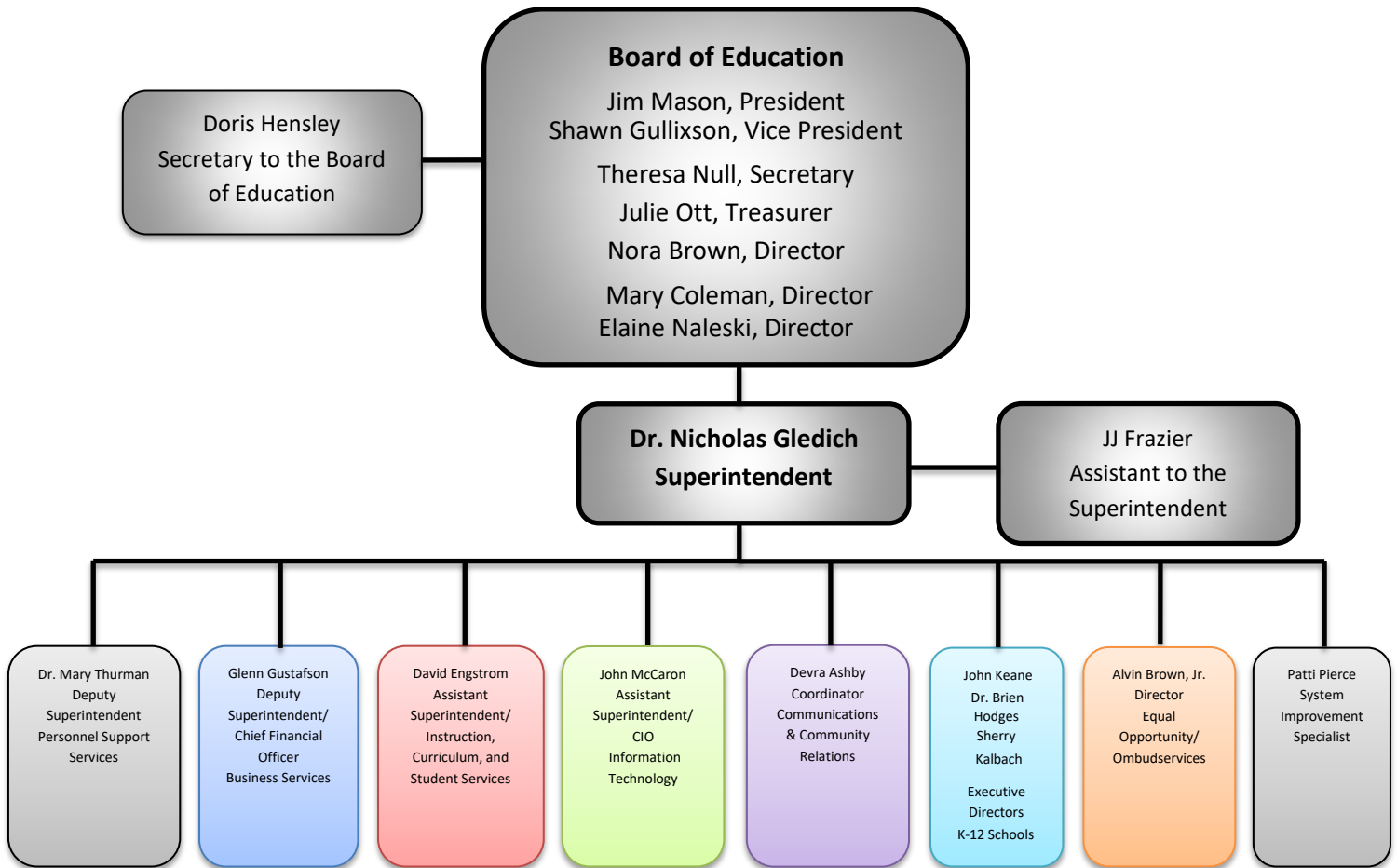
WHATEVER IT TAKES -- CREATE THE CONDITION WHERE WE EACH BELIEVE NOTHING IS IMPOSSIBLE

- ✚ Never say never. Avoid "can't." Look for ways to say "yes" instead of "no."
- ✚ Work with a sense of urgency to ensure we meet our needs.

Colorado Springs School District 11

Division Organizational Chart

2017-2018



Colorado Springs School District 11

Superintendent's Cabinet

2017-2018

Dr. Nicholas M. Gledich
Superintendent of Schools

Dr. Mary Thurman
*Deputy Superintendent
Personnel Support Services*

David Ensstrom
*Assistant Superintendent
Instruction, Curriculum & Student Services*

Glenn E. Gustafson, CPA
*Deputy Superintendent, Chief Financial Officer
Business Services*

Danniella Ewen
Executive Director, Human Resources

John McCarron
*Assistant Superintendent/CIO
Information Technology*

Dr. Gerry Olvey
Executive Director, Student Support Services

Dr. Janeen Demi-Smith
Executive Director, AERO

Kris Odom
Executive Director, Procurement and Contracting

Devra Ashby
Public Information Officer

Alvin N. Brown, Jr.
*Director, Equal Opportunity Programs
Ombudservices*

Scott Lewis
*Executive Director, Facilities, Operations,
Transportation Center (FOTC)*

Executive Directors for K-12 Schools

Dr. Brien Hodges
Sherry Kalbach
John Keane

Executive Director, Non-traditional and Alternative Education
Dan Hoff

Employee Group Leadership

Marilyn Eggleston
Educational Support Professionals (ESP)

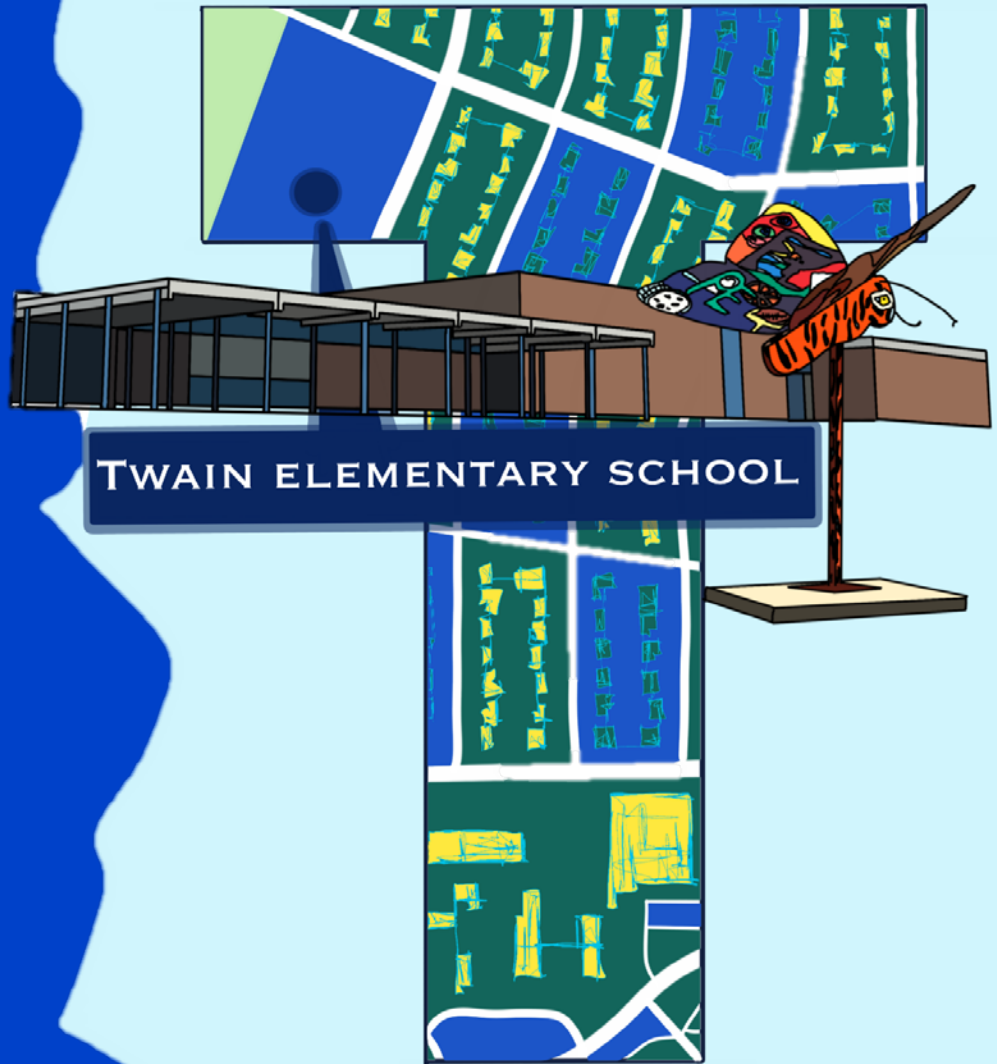
Kevin Vick
Colorado Springs Education Association (CSEA)

Cynthia Matinez
*Colorado Springs Association of
School Executives (CSASE)*



THE WORLD IS CHANGING.
MEET THE FUTURE.

Financial Section



INDEPENDENT AUDITORS' REPORT

Board of Education
Colorado Springs School District 11
Colorado Springs, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Colorado Springs School District 11, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the District's Charter Schools, discretely presented component units of the District, which represent all of the assets and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the District's Charter Schools, is based solely on the report of the other auditors. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the District's Charter Schools, aggregate discretely presented component units, were not audited in accordance with *Government Auditing Standards*.

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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Colorado Springs School District 11 as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

During the fiscal year ended June 30, 2018, Colorado Springs School District 11 adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result of the implementation of GASB Statement No. 75, Colorado Springs School District 11 reported a restatement for the change in accounting principle. See Note 14 of the notes to the financial statements for further information. Our opinions were not modified with respect to the restatement.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Colorado Springs School District 11's basic financial statements. The combining and individual nonmajor fund financial statements and other schedules and Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other schedules, Auditor's Integrity Report and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records

used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other auditors previously audited, in accordance with auditing standards generally accepted in the United States of America, Colorado Springs School District 11's basic financial statements for the year ended June 30, 2017. Other auditors expressed unmodified opinion on the respective financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information in their report dated October 24, 2017. The combining and individual nonmajor fund financial statements and other schedules for the year ended June 30, 2017, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2017 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statement 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 the opinion of the other auditors, the 2017 combining and individual nonmajor fund financial statements and other schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2018, on our consideration of Colorado Springs School District 11'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. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Colorado Springs School District 11's 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 Colorado Springs School District 11's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 18, 2018

Colorado Springs School District 11

Management's Discussion and Analysis

As of and for the fiscal year ended June 30, 2018

As management of Colorado Springs School District 11, we offer readers of the District's comprehensive annual financial report (CAFR) this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- During fiscal year 2018, the District implemented GASB 75, (regarding PERA health care liabilities), which resulted in a restatement of the prior year net position from (\$460,440,209) to (\$484,291,047). This was a reduction in net position of \$23,850,838.
- The District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of fiscal year 2018 by \$634,227,596. The change in net position was (\$149,936,549), which increased the negative balance from \$484,291,047 at the beginning of the year.
- At the close of the current fiscal year, the District's *governmental funds* reported combined ending fund balances of \$85,827,986 compared to \$63,908,171 at the close of the prior fiscal year.
- Total ending fund balances, for the *governmental funds* at June 30, 2018 included \$34,323,926 for the General Fund; \$13,628,435 for the Capital Reserve Capital Projects Fund; \$23,073,193 for the Mill Levy Override Fund; \$11,682,193 for the Bond Redemption Fund and \$3,120,239 for non-major governmental funds.
- At June 30, 2018, the *governmental funds* reported total unassigned fund balance of \$20,077,327 in the General Fund.
- At June 30, 2018, the *governmental funds* assigned fund balance was \$21,719,086, including \$2,618,118 for Risk Management; \$443,734 for Preschool; \$1,000,000 for Emergency contingency; \$11,518,396 for Capital projects; \$2,695,612 for Food Services funds; \$2,311,240 for instructional supply carry over; and \$1,131,986 for non-instructional supply carryover.
- At June 30, 2018, the *governmental funds* restricted fund balance was \$43,097,380 including: \$250,000 for multi-year obligations; \$5,181,340 for the emergency contingency required by Article X, Section 20 of the Colorado state constitution; \$14,592,847 for debt service; and \$23,073,193 for the Mill Levy Override.
- At June 30, 2018, the *governmental fund* nonspendable fund balance was \$934,193; \$12,500 for Risk Management Prepaids and \$921,693 for Inventories.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to Colorado Springs School District 11's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. They consist of two statements:

The *statement of net position* presents information on all of the District's assets, liabilities and deferred inflows/outflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District. Current and previous year information is presented for comparison.

The *statement of activities* presents information reporting how the District's net position changed during fiscal year 2018. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, and transportation. Production Printing and Risk Related activities, reported in the Internal Service Funds, are also considered governmental activities in the government-wide financial statements.

The government-wide financial statements for fiscal year 2018 include not only the District itself (known as the *primary government*), but also six charter schools for which the district is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained six individual governmental funds for fiscal year 2018. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for the General Fund, the Capital Reserve Capital Projects Fund, the Mill Levy Override Fund and the Bond Redemption Debt Service Fund, all of which are considered *major funds*. Combined information is presented for the Food Services Fund and the Designated Purpose Grants Fund, which are considered *non-major funds*.

Proprietary funds. The District maintains two proprietary funds both of which are *Internal Service funds*. Internal service funds are accounting devices used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its Production Printing and Risk Related activities. Because both of these services predominately benefit governmental functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The two Internal Service funds are combined into a single, aggregated presentation. Individual fund data for the Internal Service funds are provided in the form of *combining and individual statements* as other supplementary information in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the District's own programs.

Notes to the Basic Financial Statements

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

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* (RSI) concerning the District. The District adopts an annual appropriated budget for all funds, except Agency funds. A budgetary comparison schedule has been provided for the General Fund and the Mill Levy Override Special Revenue Fund to demonstrate compliance with this budget.

Other Supplementary Information

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. This section also includes budgetary comparison schedules for the funds not included in the RSI.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

During fiscal years 2015 and 2018, the District implemented Governmental Accounting Standards Board (GASB) Statements 68 and 75 respectively, which requires the inclusion of unfunded pension and other postemployment benefit liabilities and other related items. Because of this, the net position was significantly reduced and may not serve as a useful or practical indicator of the District's financial position. For the District's primary government, excluding its component units (charter schools), liabilities and deferred inflows exceeded assets and deferred outflows by \$634,227,596 at June 30, 2018. \$840,462,931 of this relates to GASB Statements 68 and 75. Without these liabilities, the District's assets would exceed its liabilities by \$206,235,335.

By far the largest liability on the government-wide statements is the net pension liability of \$1,068,366,318. Other pension related amounts include deferred outflows of resources of \$310,151,975 and deferred inflows of resources of \$58,205,478. In addition to pensions, the District reports liabilities for other postemployment benefits of \$24,389,607 with related deferred outflows of \$996,660 and deferred inflows of \$650,163. More information on the benefit plans and the pension related items can be found in notes 10 and 11 of this report.

A portion of the District's net position reflects its \$116,540,240 investment in capital assets net of accumulated depreciation and related debt. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position represents resources that are subject to external restriction on how they may be used. At June 30, 2018 net position totaling \$50,279,357 was restricted, with \$14,592,847 restricted for debt service; \$23,073,193 for mill levy override; \$7,181,977 for claims; \$5,181,340 for the TABOR emergency contingency and \$250,000 for multiple year obligations.

For fiscal year 2018, the District's negative net position was increased by \$149,936,549 resulting from expenses exceeding revenues.

Colorado Springs School District 11
Condensed Statement of Net Position
For June 30, 2018 and 2017

	Governmental Activities	
	2018	2017*
Current & other assets	\$ 139,413,726	\$ 114,389,494
Capital assets	250,007,898	255,677,856
Total assets	389,421,624	370,067,350
Deferred outflows of resources	316,240,601	393,999,997
Total assets & deferred outflows of resources	705,662,225	764,067,347
Long-term liabilities outstanding	1,235,767,547	1,155,600,982
Other liabilities	42,211,683	40,334,982
Total liabilities	1,277,979,230	1,195,935,964
Deferred inflows of resources	61,910,591	28,571,592
Total liabilities & deferred inflows of resources	1,339,889,821	1,224,507,556
Net position:		
Net investment in capital assets	116,540,240	105,995,551
Restricted	50,279,357	35,476,769
Unrestricted	(801,047,193)	(601,912,529)
Total net position	\$ (634,227,596)	\$ (460,440,209)

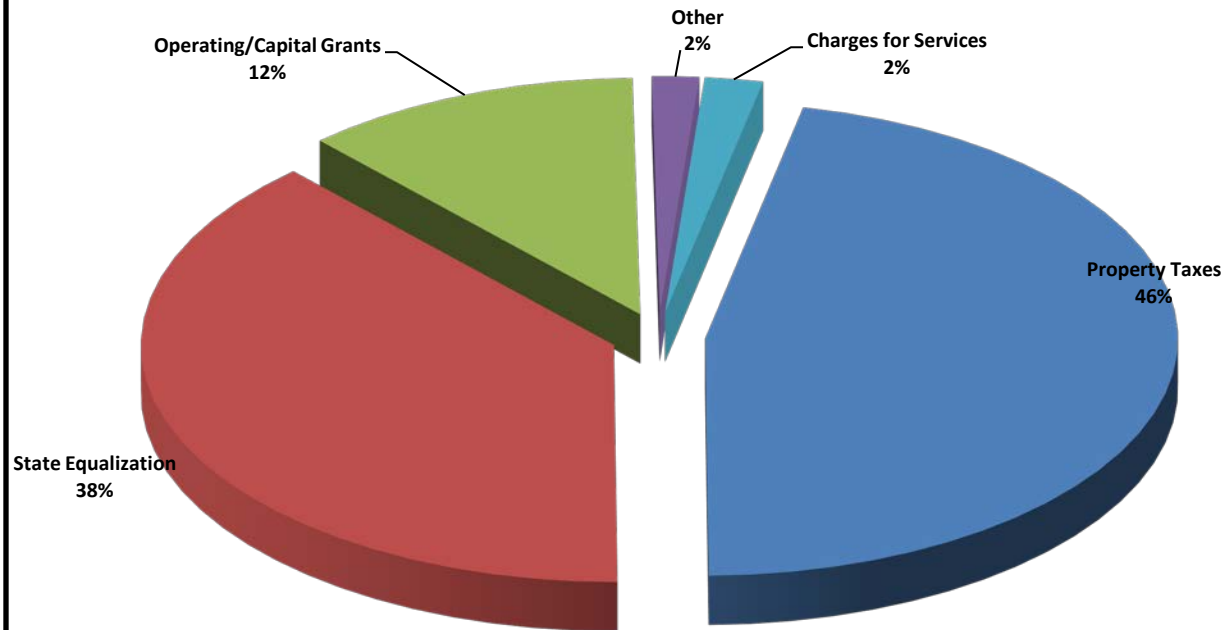
*2017 balances are shown as originally presented and have not been restated for accounting changes.

Colorado Springs School District 11
Condensed Statement of Activities
For June 30, 2018 and 2017

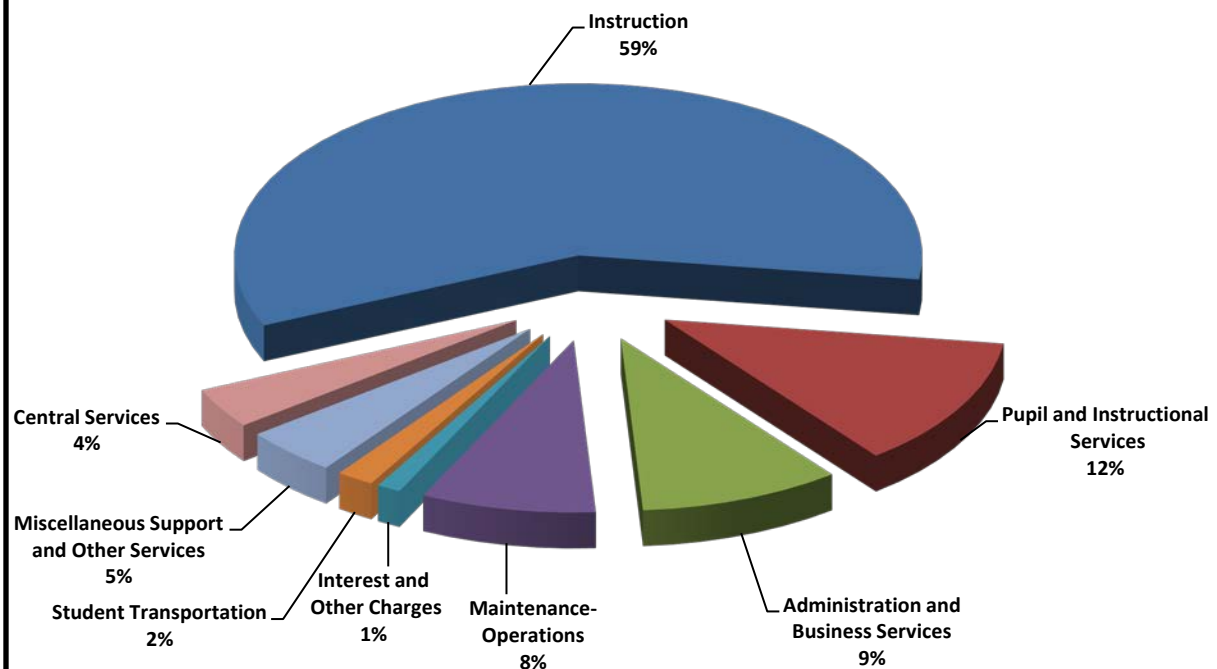
	Governmental Activities	
	2018	2017*
Revenues:		
Program revenues:		
Charges for services	\$ 6,336,348	\$ 6,957,390
Operating/capital grants	36,965,459	36,649,052
General revenues:		
Property taxes	148,353,521	112,342,808
State equalization	121,913,547	121,332,708
Other	5,138,749	3,194,151
Total revenues	318,707,624	280,476,109
Expenses:		
Instruction	275,985,827	247,608,725
Pupil & instructional services	57,485,206	51,246,966
Administration and business	44,436,792	39,793,058
Maintenance and operations	38,538,157	35,327,552
Transportation	8,275,922	7,617,612
Central services	17,743,988	16,650,969
Miscellaneous support and other services	20,906,203	18,742,280
Interest and other charges	5,272,078	7,604,570
Total expenses	468,644,173	424,591,732
Increase (decrease) in net position	(149,936,549)	(144,115,623)
Net position - July 1	(484,291,047)	(316,324,586)
Net position - June 30	\$ (634,227,596)	\$ (460,440,209)

*2017 balances are shown as originally presented and have not been restated for accounting changes.

COLORADO SPRINGS SCHOOL DISTRICT 11 **Government-wide Revenues** **Fiscal Year 2018**



COLORADO SPRINGS SCHOOL DISTRICT 11 **Government-wide Expenses** **Fiscal Year 2018**



Governmental Activities. For fiscal year 2018, governmental activities increased the District's negative net position by \$149,936,549 from \$484,291,047 to \$634,227,596.

- The cost of all governmental activities for the current fiscal year was \$468,644,173.
- Users of some of the District's governmental programs paid \$6,336,348 for services.
- The federal and state governments subsidized certain programs with operating grants and contributions totaling \$36,965,459.
- Most District governmental activities were funded by district and state taxpayers.
- For fiscal year 2018 this portion of governmental activities was funded with \$148,353,521 in property and specific ownership taxes, \$121,913,547 of unrestricted state equalization based on the statewide education aid formula, investment earnings of \$1,630,107, school land fees of \$227,144, and miscellaneous revenues of \$3,281,498.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unrestricted fund balance* may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and support programs. Revenues for the General Fund totaled \$207,857,091 in fiscal year 2018 compared to \$205,663,919 in fiscal year 2017, an increase of 1.07%. The following table reflects the amount of revenue from various sources.

	Fiscal Year 2018	Fiscal Year 2017	Amount of Change	Percentage of Change
<u>Revenues</u>				
Property taxes	\$ 55,690,805	\$ 56,997,946	\$ (1,307,141)	(2.29) %
Specific ownership taxes	14,700,897	11,708,972	2,991,925	25.55
State of Colorado				
Equalization	121,913,547	121,332,708	580,839	0.48
State Grants	8,838,825	8,209,276	629,549	7.67
Federal	1,721,096	2,174,854	(453,758)	(20.86)
Other sources				
Investment income	521,841	211,142	310,699	147.15
Tuition	269,242	319,683	(50,441)	(15.78)
Services provided to charter schools	883,957	907,249	(23,292)	(2.57)
Miscellaneous	3,316,881	3,802,089	(485,208)	(12.76)
Totals	\$ <u>207,857,091</u>	\$ <u>205,663,919</u>	\$ <u>2,193,172</u>	<u>1.07</u> %

Revenues

Property Taxes. General Fund property tax revenues were based on a levy of 22.560 mills applied against an assessed valuation of \$2,643,782,060. The 2017 General Fund mill levy was 23.472 mills applied against an assessed valuation of \$2,521,748,540. Property taxes accounted for 46% of the Government wide revenue for the current fiscal year.

Specific Ownership Taxes. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. Specific ownership tax increased by 25.55% in fiscal year 2018. This increase is partially due to the increase in overall mills levied by the District after the passage of the 2017 mill levy override; this is the sixth year in a row the specific ownership tax has increased.

State Equalization. State equalization revenue increased by 0.48% in fiscal year 2018 and accounted for 38% of the District wide revenue.

Other Sources. Other sources of revenue consist of state grants, federal grants, investment income, tuition, charter school buyback revenues, and a variety of miscellaneous revenue sources.

Expenditures

Overall expenditures for the General Fund increased 7.58% from the previous year. Significant measures in expenditures is a direct result of recently voter-approved Mill Levy Override resources.

<u>Expenditures</u>	Fiscal Year 2018	Fiscal Year 2017	Amount of Change	Percentage of Change	
Instruction	\$ 142,240,062	\$ 131,925,522	\$ 10,314,540	7.82	%
Supporting services					
Pupil activities	13,044,858	12,008,377	1,036,481	8.63	
Instructional support	15,471,431	14,222,441	1,248,990	8.78	
General administration	1,505,858	1,486,448	19,410	1.31	
School administration	20,072,612	18,433,451	1,639,161	8.89	
Business services	2,409,369	2,298,638	110,731	4.82	
Maintenance and operations	24,756,111	23,714,201	1,041,910	4.39	
Transportation services	5,020,170	4,652,290	367,880	7.91	
Central services	11,724,069	10,941,094	782,975	7.16	
Miscellaneous support services	2,313,565	2,065,601	247,964	12.00	
Totals	<u>\$ 238,558,105</u>	<u>\$ 221,748,063</u>	<u>\$ 16,810,042</u>	<u>7.58</u>	<u>%</u>

Other Major Funds

The Capital Reserve Capital Projects Fund is considered a major fund for the current fiscal year. Total revenues for the Capital Reserve Capital Projects Fund were \$2,972,124, while expenditures totaled \$9,990,739. Other financing sources included transfers of \$7,463,311 from the General Fund and \$4,030,422 from the Mill Levy Override Fund. Additionally the fund reported proceeds from the sale of capital assets of \$183,272. Primary funding for the Capital Reserve Capital Projects Fund comes from revenues under the Colorado School Finance Act and the District's new 2017 Mill Levy Override (MLO). These funds are used to acquire land and improvements, new facilities, additions, repairs and renovations to existing facilities, equipment and safety upgrades. As part of the District's ongoing capital planning process, the District updated and published its five-year Capital Needs and Funding Plan in May 2016. This plan addresses the District's capital needs through 2021 with requirements exceeding \$400 million. Rising construction costs and aging infrastructure continue to escalate the District's unfunded capital needs. The District is in the process of converting to a more realistic biennial Capital Plan that fits within available funding.

The Bond Redemption Debt Service Fund is used to account for the requirements of the series 2006B, 2010, 2012 and 2013 general obligation bonds. The primary revenue source for the Bond Redemption Debt Service Fund is a voter approved floating mill levy of 3.51 mills which generated \$9,433,915 (\$200,664 of which is interest income) in revenue. The Bond Redemption Debt Service Fund expenditures primarily reflect principal and interest costs on the District's general obligation debt.

The Mill Levy Override Special Revenue Fund is a special revenue fund used to account for funds from the November 2000 and 2017 voter-approved mill levy overrides. This fiscal year total revenues were \$67,722,572 while expenditures totaled \$169,895.

The District's bonded debt limit is set by Colorado statute at 20% of assessed property valuation, or \$539,170,358. The District's total bonded debt at June 30, 2018 is \$114,613,111 compared to \$126,313,111 at June 30, 2017, which represents 4.25% of assessed property valuation.

Proprietary Funds

The Risk Related Activities Fund provided revenue totaling \$27,289,597 to support expenditures for health, vision, dental, life, employee assistance program and long term disability. Other financing sources included investment income of \$765,551 earned on reserves. Net position at June 30, 2018 was \$8,110,745 compared to \$8,626,346 the previous year reflecting a decrease in net position of \$515,601.

The Production Printing Fund operating revenues equaled \$1,704,004. Other financing sources included investment income of \$1,448 and a transfer from the Mill Levy Override Fund of \$47,646. Total expenses were \$1,564,922, which includes a loss on sale of capital assets of \$2,834. Additionally there was a transfer to the general fund of \$80,000. Net position at June 30, 2018 was \$857,416 compared to \$749,240 the previous year reflecting an increase in net position of \$108,176.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total budgeted appropriations adopted by the Board of Education for fiscal year 2018 were \$402 million which included General Fund appropriations of \$267.3 million. The adopted budget was modified during the year to reflect changes in funding for a final General Fund budget of \$280.9 million.

The final budget reflected an increase in budgeted expenditures of \$13.6 million from the original adopted budget. This increase in expenditures was the result of the mill levy override election that took place in November of 2017; spending was budgeted in accordance with the implementation plan as approved by voters and a citizen oversight committee.

In fiscal year 2018 final budgeted instruction expenditures for the General Fund totaled \$150.3 million while actual expenditures totaled \$142.3 million (\$131.9 million in 2017). Overall General Fund budgeted expenditures totaled \$281.0 million but came in under budget by \$42.4 million.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for the primary government as of June 30, 2018 totaled \$250,007,898 (net of accumulated depreciation of \$188,855,651). This investment in capital assets includes land, buildings, improvements, and equipment. *(For more detail, see Note 5.)*

Capital Assets				Percentage
Governmental Activities:	2018	2017	of Change	
Land & improvements	\$ 21,685,367	\$ 21,885,367	0.91	%
Construction in progress	7,395,223	3,887,390	90.24	
Buildings and improvements	377,129,760	376,549,767	0.15	
Equipment	32,653,199	32,721,591	(0.21)	
Less accumulated depreciation	(188,855,651)	(179,366,259)	5.29	
Total Governmental Activities	\$ 250,007,898	255,677,856	(2.22)	%

Long-term Debt. At the end of the current fiscal year, the District had total long-term debt outstanding of \$1,235,767,547. Accrued interest payable at June 30, 2018 totaled \$1,252,291, including \$1,215,516 due on the general obligation bonds, \$35,722 due on the 2009 and 2016 certificates of participation and \$1,053 due on the capital lease. *(For more detail on capital leases see Note 7. More detail on long-term debt can be found in Note 8. More information on pension and other postemployment liabilities can be found in Notes 10 and 11 respectively.)*

Outstanding Long-Term Debt

			Percentage
Governmental Activities:	2018	2017	of Change
Accrued interest payable	\$ 1,252,291	\$ 2,016,110	(37.89) %
Net pension liabilities	1,068,366,318	994,729,027	7.40
Other postemployment benefit liabilities	24,389,607	-	N/A
Certificates of participation payable	13,476,747	16,777,297	(19.67)
General obligation bonds payable	120,609,406	133,516,828	(9.67)
Qualified Zone Academy Bonds	4,023,111	4,023,111	-
Compensated absences payable	3,199,707	3,474,250	(7.90)
Capital leases payable	450,360	1,064,359	(57.69)
Total	\$ 1,235,767,547	\$ 1,155,600,982	6.94 %

On September 14, 2006 the District advance refunded and legally defeased \$33,400,000 of its Series 1996 GO Bonds with the issuance of \$38,320,000 General Obligation Refunding Bonds (Series 2006-B), due in varying installments through December 2021, with an average coupon rate of 5.18%. The defeased bonds were deposited with a trustee and invested in U.S. Treasury securities for the purpose of paying the principal and interest of the deposited bonds callable on December 1, 2007. The District advance refunded the portion of the Series 1996 GO Bonds in order to reduce its total debt service over the next 15 years by \$1,324,713 and to obtain an economic gain of \$1,264,357.

On May 3, 2012, the District advance refunded and legally defeased \$8,400,000 of its Series 2006-A General Obligation Bonds by the issuance of \$8,400,000 of General Obligation Refunding Bonds (Series 2012), due in varying installments through December 2022, with an average coupon rate of 2.71%. The economic gain on the transaction was approximately \$800,000.

On January 30, 2013, the District advance refunded and legally defeased \$84,085,000 of its Series 2006-A General Obligation Bonds by the issuance of \$84,085,000 of General Obligation Refunding Bonds (Series 2013), due in varying installments through December 2030, with an average coupon rate of 3.935%. The economic gain on the transaction was approximately \$9.7 million.

As of June 30, 2018, in addition to the general obligation bonds, the District has \$13,270,000 of outstanding certificates of participation and a capital lease for the Energy Performance Contract totaling \$450,360. Additional information on the District's long-term debt is included in the notes to the financial statements.

COMPONENT UNITS

Only summary information regarding component units appears in the District's financial statements. The District has six component units, all of which are charter schools. Their financial statement information is presented in a separate column in the Government-wide Statement of Net position and in the Statement of Activities.

REQUESTS FOR INFORMATION

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

Executive Director of Financial Services
1115 N. El Paso Street
Colorado Springs, CO 80903



THE WORLD IS CHANGING.
MEET THE FUTURE.

Basic Financial Statements

The following basic financial statements, along with the notes to the basic financial statements, present an overview of the District's financial position at June 30, 2018, and the results of operations for the Governmental, Proprietary, and Fiduciary Funds for the year ended.





THE WORLD IS CHANGING.
MEET THE FUTURE.

Colorado Springs School District 11

Statement of Net Position

June 30, 2018

	Primary Government		
	Governmental	Component	Reporting Entity
	Activities	Units	Total
ASSETS			
Cash and cash equivalents	\$ 17,123,692	\$ 9,837,642	\$ 26,961,334
Accounts receivable	3,796,148	94,474	3,890,622
Investments	84,926,395	-	84,926,395
Property taxes receivable	6,104,197	-	6,104,197
Due from other governments	3,257,632	-	3,257,632
Deposit with insurance pool	8,497,234	-	8,497,234
Inventories and prepaid expenses	1,359,290	27,083	1,386,373
Restricted investments	14,349,138	-	14,349,138
Non-depreciable capital assets:			
Land	21,685,367	-	21,685,367
Construction in progress	7,395,223	-	7,395,223
Depreciable capital assets:			
Buildings and improvements	377,129,760	2,486,386	379,616,146
Equipment	32,653,199	1,575,951	34,229,150
Less: accumulated depreciation	(188,855,651)	(1,738,595)	(190,594,246)
Total assets	389,421,624	12,282,941	401,704,565
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	310,151,975	15,972,499	326,124,474
Other postemployment benefit related amounts	996,660	67,278	1,063,938
Deferred charge on refunding	5,091,966	-	5,091,966
Total deferred outflows of resources	316,240,601	16,039,777	332,280,378
LIABILITIES			
Accounts payable and other current liabilities	4,456,346	939,470	5,395,816
Accrued compensation payable	32,098,979	273,144	32,372,123
Insurance liabilities	4,705,606	-	4,705,606
Unearned revenues	950,752	-	950,752
Long-term liabilities:			
Portion due or payable within one year:			
Accrued interest	429,670	-	429,670
Compensated absences	1,583,634	-	1,583,634
Capital lease payable	450,360	-	450,360
COP's payable	3,315,000	-	3,315,000
GO bonds payable	12,215,000	-	12,215,000
Portion due or payable after one year:			
Net pension liabilities	1,068,366,318	50,826,813	1,119,193,131
Other postemployment benefit liabilities	24,389,607	1,160,504	25,550,111
Accreted interest	822,621	-	822,621
Compensated absences	1,616,073	-	1,616,073
COP's payable	10,161,747	-	10,161,747
GO bonds payable	108,394,406	-	108,394,406
Other bonds payable	4,023,111	-	4,023,111
Total liabilities	1,277,979,230	53,199,931	1,331,179,161
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	58,205,478	2,494,168	60,699,646
Other postemployment benefit related amounts	650,163	26,906	677,069
Property taxes levied for subsequent years	3,054,950	-	3,054,950
Total deferred inflows of resources	61,910,591	2,521,074	64,431,665
NET POSITION			
Net investment in capital assets	116,540,240	2,323,742	118,863,982
Restricted for:			
Constitutional amendment	250,000	-	250,000
3% statutory reserve - TABOR	5,181,340	499,800	5,681,140
Debt service	14,592,847	-	14,592,847
Mill levy override	23,073,193	-	23,073,193
Contingencies	-	139,030	139,030
Claims	7,181,977	-	7,181,977
Unrestricted (deficit)	(801,047,193)	(30,360,859)	(831,408,052)
Total net position (deficit)	\$ (634,227,596)	\$ (27,398,287)	\$ (661,625,883)

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11

Statement of Activities

For the Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
Instruction	\$ 275,985,827	\$ 1,153,399	\$ 21,164,453	\$ -
Pupil activities	24,113,592	-	-	-
Instructional support	33,371,614	82,023	5,159,691	-
General administration	5,332,927	-	-	-
School administration	34,842,413	258,044	-	-
Business services	4,261,452	-	-	-
Maintenance and operations	38,538,157	266,764	-	-
Transportation	8,275,922	111,643	1,115,207	-
Central services	17,743,988	628,700	-	-
Miscellaneous support services	17,668,757	908,325	-	-
Community and other services	3,237,446	2,927,450	9,526,108	-
Interest on long term debt	5,272,078	-	-	-
Total primary government	<u>468,644,173</u>	<u>6,336,348</u>	<u>36,965,459</u>	<u></u>
Component Unit Activities:				
Charter Schools	\$ <u>26,793,486</u>	\$ <u>176,587</u>	\$ <u>1,831,256</u>	\$ <u>324,699</u>

General revenues:

Property taxes
State equalization (unrestricted)
Investment earnings
School land fees
Miscellaneous revenues
Total general revenues

Change in net position

GASB 75 restatement adjustment

Net position (deficit)—beginning

Net position (deficit)—ending

The accompanying notes are an integral part of the basic financial statements.

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Component Units	Reporting Entity Total
\$ (253,667,975)	\$ -	\$ (253,667,975)
(24,113,592)	-	(24,113,592)
(28,129,900)	-	(28,129,900)
(5,332,927)	-	(5,332,927)
(34,584,369)	-	(34,584,369)
(4,261,452)	-	(4,261,452)
(38,271,393)	-	(38,271,393)
(7,049,072)	-	(7,049,072)
(17,115,288)	-	(17,115,288)
(16,760,432)	-	(16,760,432)
9,216,112	-	9,216,112
(5,272,078)	-	(5,272,078)
<u>(425,342,366)</u>		<u>(425,342,366)</u>
	<u>(24,460,944)</u>	<u>(24,460,944)</u>
148,353,521	4,310,390	152,663,911
121,913,547	13,872,708	135,786,255
1,630,107	-	1,630,107
227,144	-	227,144
3,281,498	77,084	3,358,582
<u>275,405,817</u>	<u>18,260,182</u>	<u>293,665,999</u>
(149,936,549)	(6,200,762)	(156,137,311)
<u>(23,850,838)</u>	<u>(1,100,713)</u>	<u>(24,951,551)</u>
<u>(460,440,209)</u>	<u>(20,096,812)</u>	<u>(480,537,021)</u>
\$ <u>(634,227,596)</u>	\$ <u>(27,398,287)</u>	\$ <u>(661,625,883)</u>

Colorado Springs School District 11
Governmental Funds
Balance Sheet
June 30, 2018

	2018					
	General Fund	Capital Reserve Fund	Mill Levy Override Fund	Bond Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 17,118,470	\$ -	\$ -	\$ -	\$ 5,222	\$ 17,123,692
Investments - unrestricted	81,088,439	3,837,956	-	-	-	84,926,395
Investments - restricted	-	2,910,654	-	11,438,484	-	14,349,138
Receivables						
Accounts receivable	234,865	10,833	-	-	41,366	287,064
Property taxes current	2,662,777	-	3,031,330	410,090	-	6,104,197
Taxes with county treasurer	1,588,343	83,833	281,847	38,043	-	1,992,066
Due from other governments	-	-	-	-	3,257,632	3,257,632
Inventories and other assets	509,566	-	-	-	424,627	934,193
Due from other funds	-	7,772,646	21,278,675	-	3,268,140	32,319,461
Total assets	<u>103,202,460</u>	<u>14,615,922</u>	<u>24,591,852</u>	<u>11,886,617</u>	<u>6,996,987</u>	<u>161,293,838</u>
LIABILITIES						
Accounts payable	2,994,124	915,565	-	-	398,691	4,308,380
Accrued compensation	29,783,527	71,922	-	-	2,140,030	31,995,479
Due to other funds	33,176,352	-	-	-	405,312	33,581,664
Unearned revenue	18,037	-	-	-	932,715	950,752
Compensated absences	1,574,627	-	-	-	-	1,574,627
Total liabilities	<u>67,546,667</u>	<u>987,487</u>	<u>-</u>	<u>-</u>	<u>3,876,748</u>	<u>72,410,902</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	1,331,867	-	1,518,659	204,424	-	3,054,950
Total deferred inflows of resources	<u>1,331,867</u>	<u>-</u>	<u>1,518,659</u>	<u>204,424</u>	<u>-</u>	<u>3,054,950</u>
FUND BALANCES						
Nonspendable						
Inventories	497,066	-	-	-	424,627	921,693
Prepays - risk management	12,500	-	-	-	-	12,500
Restricted						
Constitutional amendment	250,000	-	-	-	-	250,000
3% statutory reserve - TABOR	5,181,340	-	-	-	-	5,181,340
Debt service	-	2,910,654	-	11,682,193	-	14,592,847
Mill levy override	-	-	23,073,193	-	-	23,073,193
Assigned						
Risk management	2,618,118	-	-	-	-	2,618,118
Preschool	443,734	-	-	-	-	443,734
Emergency contingency	-	1,000,000	-	-	-	1,000,000
Capital projects	1,800,615	9,717,781	-	-	-	11,518,396
Food Services	-	-	-	-	2,695,612	2,695,612
Instructional supply carryover	2,311,240	-	-	-	-	2,311,240
Non-instructional supply carryover	1,131,986	-	-	-	-	1,131,986
Unassigned	20,077,327	-	-	-	-	20,077,327
Total fund balances	<u>34,323,926</u>	<u>13,628,435</u>	<u>23,073,193</u>	<u>11,682,193</u>	<u>3,120,239</u>	<u>85,827,986</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,202,460</u>	<u>\$ 14,615,922</u>	<u>\$ 24,591,852</u>	<u>\$ 11,886,617</u>	<u>\$ 6,996,987</u>	<u>\$ 161,293,838</u>

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11

Reconciliation of the Governmental Funds

Balance Sheet to the Statement of Net Position

June 30, 2018

Total fund balances - governmental funds \$ 85,827,986

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

Prepaid items, operating leases, used in governmental activities may be expensed in the period paid and, therefore, are not reported as assets in governmental funds. 300,001

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is \$437,643,847 and the accumulated depreciation is \$188,372,865. 249,270,985

Internal service funds are used by the District's management to charge the costs of production printing and the costs of health insurance to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities. 8,968,161

Bond Premiums, discounts and deferred loss on refundings are recognized as other financing sources/uses when issued and are deferred and amortized in the statement of activities. The net unamortized portion of these long-term debt related items is included in the governmental activities statement of net position. (5,134,187)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:

GO bonds payable	\$ (110,590,000)	
Accrued interest on bonds	(1,215,516)	
COP's payable	(13,270,000)	
Accrued interest on COP's	(35,722)	
Qualified Zone Academy Bonds payable	(4,023,111)	
Capital leases payable	(450,360)	
Accrued interest on capital leases	(1,053)	
Compensated absences	(1,603,243)	
Net pension liabilities	(1,068,366,318)	
Deferred inflows of resources, pension related amounts	(58,205,478)	
Deferred outflows of resources, pension related amounts	310,151,975	
Other postemployment benefit liabilities	(24,389,607)	
Deferred inflows of resources, other postemployment benefit related amounts	(650,163)	
Deferred outflows of resources, other postemployment benefit related amounts	996,660	
Claim liabilities	(1,808,606)	
		<u>(973,460,542)</u>

Total net position (deficit) - governmental activities \$ (634,227,596)

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2018

2018						
	General Fund	Capital Reserve Fund	Mill Levy Override Fund	Bond Redemption Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 70,391,702	\$ 1,005,996	\$ 67,722,572	\$ 9,233,251	\$ -	\$ 148,353,521
Intergovernmental	132,473,468	1,215,108	-	-	26,405,538	160,094,114
Interest on investments	521,841	117,800	-	200,664	22,803	863,108
Tuition	269,242	-	-	-	-	269,242
Services provided to charter schools	883,957	202,554	-	-	-	1,086,511
Charges for services	-	-	-	-	2,173,743	2,173,743
Miscellaneous	3,316,881	430,666	-	-	59,867	3,807,414
Total revenues	207,857,091	2,972,124	67,722,572	9,433,915	28,661,951	316,647,653
EXPENDITURES						
Current						
Instruction	142,240,062	65,021	-	-	11,719,739	154,024,822
Pupil activities	13,044,858	-	-	-	-	13,044,858
Instructional support	15,471,431	-	-	-	5,159,691	20,631,122
General administration	1,505,858	-	-	-	-	1,505,858
School administration	20,072,612	-	-	-	-	20,072,612
Business services	2,409,369	-	-	-	-	2,409,369
Maintenance and operations	24,756,111	531,081	-	-	-	25,287,192
Transportation	5,020,170	600,000	-	-	-	5,620,170
Central services	11,724,069	540,265	-	-	-	12,264,334
Food service operations	-	-	-	-	12,118,133	12,118,133
Community and other services	2,313,565	-	169,895	-	611,032	3,094,492
Capital outlay projects	-	3,906,179	-	-	-	3,906,179
Debt service						
Principal retirement	-	3,828,999	-	11,700,000	-	15,528,999
Interest and fiscal charges	-	519,194	-	4,909,544	-	5,428,738
Total expenditures	238,558,105	9,990,739	169,895	16,609,544	29,608,595	294,936,878
Excess (deficiency) of revenues over expenditures	(30,701,014)	(7,018,615)	67,552,677	(7,175,629)	(946,644)	21,710,775
OTHER FINANCING SOURCES (USES)						
Transfers in	40,582,342	11,493,733	-	-	983,128	53,059,203
Transfers out	(7,912,093)	-	(45,121,342)	-	-	(53,033,435)
Proceeds from sale of capital assets	-	183,272	-	-	-	183,272
Total other financing sources (uses)	32,670,249	11,677,005	(45,121,342)	-	983,128	209,040
Net change in fund balances	1,969,235	4,658,390	22,431,335	(7,175,629)	36,484	21,919,815
Fund balance, beginning of year	32,354,691	8,970,045	641,858	18,857,822	3,083,755	63,908,171
Fund balance, end of year	\$ 34,323,926	\$ 13,628,435	\$ 23,073,193	\$ 11,682,193	\$ 3,120,239	\$ 85,827,986

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11

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

For the Year Ended June 30, 2018

Total net change in fund balances - governmental funds	\$	21,919,815
---	----	------------

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

Expenditures for insurance and similar services extending over more than one accounting period may be accounted for as expenditures of the period of acquisition.		275,284
---	--	---------

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Depreciation of \$10,542,175 exceeded Capital outlays of \$5,082,727 in the current period.		(5,459,448)
---	--	-------------

The effect of miscellaneous transactions involving capital assets.

	(48,887)	
Loss on sale of capital assets		
Proceeds from sale of capital assets	(233,093)	
		(281,980)

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

	613,999	
Payment of capital leases		
Retirement of COP's	3,215,000	
Retirement of GO bonds	11,700,000	
Amortization of premiums and deferred amounts	685,813	
Interest Expense	763,819	
		16,978,631

In the statement of activities, certain operating expenses - compensated absences (vacation and sick leave), special termination benefits (early retirement), liability claims and pension expense - are measured *by the amounts earned* during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used or due (essentially, the amounts actually paid). This amount represents the net effect of compensated absences, claims payable and pension-related amounts on the statement of activities.

	(51,251)	
Compensated absences		
Claims payable	(547,320)	
Pension expense	183,367,725	
Other postemployment benefit expense	192,272	
		(182,961,426)

Internal service funds are used by the District's management to charge the costs of production printing and the costs of health insurance to the individual funds.

The net income of these funds is reported with governmental activities.		(407,425)
---	--	-----------

Change in net position of governmental activities	\$	<u>(149,936,549)</u>
--	----	----------------------

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11
Proprietary Funds
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>
	<u>Internal Service</u>
	<u>Funds</u>
ASSETS	
Current assets	
Deposit with insurance pool	\$ 8,497,234
Accounts receivable	1,517,018
Due from other funds	1,262,203
Inventories	125,096
Total current assets	<u>11,401,551</u>
Noncurrent assets	
Capital assets	
Building	590,059
Equipment	629,640
Accumulated depreciation	<u>(482,786)</u>
Total capital assets, net	<u>736,913</u>
Total assets	<u>12,138,464</u>
LIABILITIES	
Current liabilities	
Accounts payable	147,966
Accrued compensation	103,500
Accrued compensated absences (current portion)	9,007
Health insurance claims	2,897,000
Total current liabilities	<u>3,157,473</u>
Noncurrent liabilities	
Compensated absences payable (less: current portion)	<u>12,830</u>
Total noncurrent liabilities	<u>12,830</u>
Total liabilities	<u>3,170,303</u>
NET POSITION	
Investment in capital assets	736,913
Restricted for insurance	7,181,977
Unrestricted	1,049,271
Total net position	<u>\$ 8,968,161</u>

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11
Proprietary Funds
Statement of Revenues, Expenses, and Changes in
Fund Net Position
For the Year Ended June 30, 2018

	<u>Governmental Activities</u>
	<u>Internal Service</u>
	<u>Funds</u>
OPERATING REVENUES	
Charges for services	\$ 1,704,004
Employer premium contributions	19,396,866
Employee premium contributions	<u>7,892,731</u>
Total operating revenues	<u>28,993,601</u>
OPERATING EXPENSES	
Cost of printing services and administration	1,396,756
Health insurance	25,150,110
Dental insurance	2,202,754
Life insurance	762,504
LTD insurance	234,453
Vision Insurance	227,514
Depreciation	61,381
Utilities and indirect costs	<u>103,951</u>
Total operating expenses	<u>30,139,423</u>
Operating income	(1,145,822)
NONOPERATING REVENUES (EXPENSES)	
Interest on investments	766,999
Loss on sale of capital assets	<u>(2,834)</u>
Total non-operating revenues	<u>764,165</u>
Income before transfers	(381,657)
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(25,768)</u>
Total other financing sources	(25,768)
Change in net position	(407,425)
Net position, beginning of year	<u>9,375,586</u>
Net position, end of year	<u><u>\$ 8,968,161</u></u>

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2018

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 27,508,326
Payments to suppliers	(893,212)
Payments for insurance claims	(26,295,744)
Payments to employees	(1,050,407)
Receipts for interfund services used	125,491
Net cash used in operating activities	(605,546)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers out	(25,768)
Net cash used in noncapital financing activities	(25,768)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of equipment	(139,685)
Proceeds from sale of capital assets	4,000
Net cash used in capital and related financing activities	(135,685)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	766,999
Net cash provided by investing activities	766,999
Net increase in cash and cash equivalents	-
Cash and cash equivalents, beginning of year	-
Cash and cash equivalents, end of year	\$ -
Reconciliation of operating income (loss) to net cash used in operating activities	
Operating loss	\$ (1,145,822)
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation	61,381
Changes in assets and liabilities	
Deposit with insurance pool	1,740,245
Accounts receivable	(1,485,275)
Due from other funds	125,491
Inventories	(60,705)
Accounts payable	(68,230)
Accrued compensation	7,491
Accrued compensated absences	(22,625)
Health insurance claims	250,790
Noncurrent compensated absences	(8,287)
Total adjustments	540,276
Net cash used in operating activities	\$ (605,546)

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2018

	Private Purpose Trusts	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 70,313	\$ 2,251,034
Total assets	<u>70,313</u>	<u>2,251,034</u>
LIABILITIES		
Accounts payable	-	2,248,344
Accrued compensation	<u>-</u>	<u>2,690</u>
Total liabilities	<u>-</u>	<u>2,251,034</u>
NET POSITION		
Held in trust for individuals	<u>70,313</u>	<u>-</u>
Total net position	<u>\$ 70,313</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2018

	Private Purpose Trusts
ADDITIONS	
Contributions	\$ 20,000
Interest	<u>662</u>
Total additions	<u>20,662</u>
DEDUCTIONS	
Scholarships awarded	<u>750</u>
Total deductions	750
Change in net position	19,912
Net position, beginning of year	<u>50,401</u>
Net position, end of year	<u>\$ 70,313</u>

The accompanying notes are an integral part of the basic financial statements.

Colorado Springs School District 11

Notes to the Basic Financial Statements

For the Year Ended June 30, 2018

NOTE 1: *SUMMARY OF ACCOUNTING POLICIES*

The financial statements of Colorado Springs School District 11, Colorado Springs, Colorado (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

The Financial Reporting Entity

The inclusion or exclusion of component units is based on a determination of the elected officials' financial accountability to their constituents, and whether the financial reporting entity follows the same accountability. Furthermore, the financial statements of the reporting entity should enable the reader to distinguish between the primary government (including its blended component units, which are, in substance, part of the primary government) and discretely presented component units. The criteria used for determining whether an entity should be included, either blended or discretely presented, includes but is not limited to fiscal dependency, imposition of will, legal standing, and the primary recipient of services.

The District's Board of Education authorized six charter schools for operation during fiscal year 2018, those schools are: GLOBE, Roosevelt, Community Preparation School, CIVA, Eastlake High School, and Academy for Advanced and Creative Learning. These are shown as discretely presented component units. Charter schools are deemed to be fiscally dependent upon the District, since the District provides the majority of support in the form of per-pupil operating revenue and the potential exists that their exclusion from the District's financial reporting entity would result in misleading financial reporting. The members of each of the six charter schools' governing boards are appointed separately from the District. Financial statements for the charter schools, reported under GASB standards, may be obtained by writing to the respective charter schools.

Government-wide and Fund Financial Statement Presentation

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Exceptions are charges for inter-fund services provided and used. Elimination of these charges would distort the direct costs and program revenues reported for the various functions. Governmental activities are supported by taxes and intergovernmental revenues. The *primary government* is reported separately from certain legally separate *component units*, for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which direct expenses of a given function or segment, are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. *Program revenues* include: (1) fees and 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 operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including all taxes, are reported as *general revenues*.

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

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental Funds are used to account for the District's general government activities. 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 period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the District considers property tax revenues to be available if they are collected within 60 days, and all other revenue 90 days, of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Those revenues subject to accrual are property taxes, interest revenue and charges for services. Specific ownership taxes collected and held by the county at year end, on behalf of the District, are also recognized as revenue. Other revenues, such as transportation, vocational and special education, are not subject to accrual because, generally, they are not measurable until received in cash. Entitlements and shared revenues are recorded at the time of receipt, or earlier if the accrual criteria are met.

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the District is consistent with legal and managerial requirements. The District reports the following funds:

Major Governmental Funds

The ***General Fund*** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The ***Capital Reserve Capital Projects Fund*** is used to account for resources to be used for ongoing capital needs, such as site acquisition, building additions and equipment purchases.

The ***Mill Levy Override Fund*** is a special revenue fund used to account for funds from the November 2000 and the November 2017 voter approved mill levy overrides.

The ***Bond Redemption Fund*** is a debt service fund, which accounts for the servicing of long-term debt, not financed by the Capital Reserve Capital Projects Fund or other funds.

Non-major Governmental Funds

The ***Food Services Fund*** is a special revenue fund used to record financial transactions related to food service operations.

The ***Designated Purpose Grants Fund*** is a special revenue fund used to maintain separate accounting for federal, state and local grant funded programs, which normally have a different fiscal period than that of the District.

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

Internal Service Funds account for operations that provide services to other funds within the District. Such services include printing services, employee benefits, and insurance programs. These services are provided to other funds, or to other governments, on a cost-reimbursement basis.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the District under the terms of a formal trust agreement.

The **Private Purpose Trust Fund** was created to act as a custodian for funds, such as scholarships, held in trust for the benefit of private individuals or organizations. All resources of the fund, including any earnings on invested resources, may be used to support those private individuals and organizations. There is no requirement that any portion of these resources be preserved as capital.

The **Agency Funds** are custodial in nature and do not present results of operations or a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the District holds for others in an agency capacity.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Assets, Liabilities, Deferred Inflows/Outflows of Resources and Fund Balances/Net Position

Cash and Investments

The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments. Investment income is allocated to all funds except the Designated Purpose Grants, Mill Levy Override, Agency and the Student Activities funds based on each fund's month-end balance. For the statement of cash flows, the following are considered to be cash and cash equivalents: cash on hand; cash in the bank; and highly liquid investments which have a maturity of three months or less when purchased or which are subject to withdrawal.

As of June 30, 2018, the District's investments consist of money market funds, external investment pools and a government agency security. The money market funds are reported at amortized cost. The external investment pool (COLOTRUST) is not SEC-registered and is regulated by the State of Colorado, Department of Regulatory Agencies, Division of Securities and is reported at net asset value. The government agency security is reported at amortized cost, which approximates fair value, because it had a maturity of one year or less at the time of purchase.

Restricted Investments

Restricted investments consist of \$2,910,654 in the Capital Reserve Capital Projects Fund, \$11,438,484 in the Bond Redemption Fund, and \$7,181,977 in the Risk Related Activities Fund. Each amount is restricted by debt indentures or trust documents.

Cash Held in Trust

As of June 30, 2018 the District had \$1,992,066 held in trust by the County Treasurer, which is included as a receivable on the balance sheet and statement of net position. El Paso County collects the property taxes for the school district and holds the funds in trust until sent to the District monthly.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

Inventories and Prepaid Items

Inventories are stated at cost on the first-in, first-out (FIFO) basis. When individual inventory items are purchased, they are recorded as assets. When they are consumed, they are recorded as expenditures in governmental funds or as expenses in proprietary funds. Although classified as current assets, fund balance is considered nonspendable for inventory balances.

Inventories purchased by the Food Service Fund are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at USDA's assigned values, which approximate the acquisition value at the date of receipt. Expenditures for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs. Commodity contributions received by the District are recorded as revenue when received. Because the commodities qualify as an inventory of supplies, they are recognized using the consumption method (initially recognize an asset and then recognize expenditures as supplies are consumed).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the government-wide financial statements. All purchased capital assets are valued at acquisition cost where historical records are available and at an estimated acquisition cost where no historical records exist. Effective July 1, 2001, the capital asset threshold for equipment was increased to maintain a balance between the accountability of assets and managing the cost of recording and tracking these assets. The capitalization level for equipment is \$5,000. Donated capital assets are valued at their estimated acquisition value on the date received. Major outlays for buildings and improvements are capitalized for all projects with a total cost greater than \$25,000.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the life of an asset are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, improvements and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	100
Building improvements	30
Equipment – vehicles	10/15
Equipment – other	5/10
Equipment – technology	5

Compensated Absences

Under the District's policies, employees earn vacation leave and sick leave based on longevity of service or position. Accrued sick leave is payable only as part of the early retirement program for employees meeting the seniority rules for their respective employee organizations. Accrued vacation leave is payable upon resignation, termination, retirement or death.

In accordance with the governmental accounting standards, the District has recorded the accrued liability for vacation pay in the accompanying district wide financial statements. In the governmental funds, the liability is recorded when due. Employees are limited in the number of unused vacation hours they may carry forward at year-end.

Accrued sick leave payable to recent retirees meeting the seniority rules of the District is recorded as short-term debt in the respective governmental and proprietary funds. The District estimates the amount of accrued sick leave payable in future periods based on historical data. This liability is recorded as long-term in the proprietary funds. The long-term, unpaid liability for these compensated absences for the governmental funds is recorded in the government-wide financial statements as long-term debt.

Long-term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using a method which approximates the effective interest method. COP's and bonds payable are reported net of the applicable premium or discount. Issuance costs are recognized as an expense in the period incurred. Deferred amounts on debt refundings are reported as deferred inflows/outflows of resources and are amortized over the life of the old debt or new debt whichever is shorter.

In the fund financial statements, governmental fund types recognize premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. The employer portions of contributions made to the School Division Trust Fund (SCHDTF) and the Health Care Trust Fund (HCTF) are reported as benefit expenditures in the current period.

Pensions and Other Postemployment Benefits

The District participates in the SCHDTF, a cost-sharing multiple-employer defined benefit pension fund, and the HCTF, a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan. Both trusts are administered by the Public Employees' Retirement Association of Colorado (PERA). The net pension liability (NPL), OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, pension and OPEB expenses, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the trusts 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.

Unearned Revenue

Unearned revenue in the statement of net position and fund financial statements consists of unearned grant proceeds and unused federal commodities at year end.

Workers Compensation Claims and IBNR

The District is self-insured for workers compensation claims and accounts for the related activity in the Risk Management Fund which is a sub-fund of the General Fund. The administrators of the fund manage the claims and maintain in-house records of claims and judgments.

The funding for the liabilities in the Risk Management Fund is determined each year on the basis of past experience and future projections. The District uses a claims reporting program called STARS to track all risk management liabilities. The District computes its risk liabilities from the STARS program based on actual claims filed and estimated incurred but not reported (IBNR) claims. The District purchases stop-loss insurance policies for payment of claims in excess of the self-insurance retention limit.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category.

The first is the deferred charge on refundings reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

The second and third are shown as pension and other post-employment benefit (OPEB) related amounts and includes items related to the District's portion of the Colorado Public Employees Retirement Association (PERA) benefit plans. This includes the difference between expected and actual experience, any changes of assumptions or other inputs, and the net difference between projected and actual investment earnings on pension and OPEB plan investments. More information on pension related items is included in Note 10. More information on OPEB related items is included in Note 11.

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

The item, *property taxes levied for subsequent years*, is reported as a deferred inflow of resources in both the government-wide and the governmental fund financial statements. These amounts will become an inflow of resources in the year for which they become available and are budgeted for use.

The other items included in this category are the pension and OPEB related deferred inflows of resources. These deferred inflows result from the difference between expected and actual experience, the changes of assumptions of other inputs, and the net difference between projected and actual investment earnings on pension and OPEB plan investments. More information on pension related items is included in Note 10. More information on OPEB related items is included in Note 11.

Fund Balances

In accordance with the GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances are classified in one of five categories: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance represents assets that will never be converted to cash. Restricted fund balances reflect resources that are subject to externally enforceable legal restrictions. Committed fund balance is the portion that is limited in use by the Board of Education. Formal Board action is required to remove or adjust this limitation.

Assigned fund balance displays the Districts intended use of these resources. Board policy DA – Fiscal Management – Fund Balance authorizes the Superintendent, the Chief Financial Officer, the Director of Budget and Planning or the Director of Fiscal Services to assign fund balances. Unassigned fund balance for the general fund represents the net resources in excess of the prior classifications. It is the District's policy to maintain a positive unassigned fund balance in the General Fund. When multiple categories of fund balance are available for expenditure, balances will be used from the restricted classification first, and then committed, assigned and unassigned fund balances sequentially.

Net Position

Net position represents the difference between the assets and deferred outflows of resources and liabilities and deferred inflows of resources in the proprietary and government-wide financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in financial statements when there are limitations imposed on their use through external restrictions by creditors, grantors, or laws or regulations of other governments. Net position restricted by enabling legislation consists of \$5,181,340 for constitutional amendment – TABOR, \$250,000 for multi-year obligations, and \$23,073,193 for mill levy override. An additional \$14,592,847 is restricted for debt service per covenants and \$7,181,977 is restricted for insurance claims.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's practice to consider restricted-net position to have been depleted before unrestricted - net position is applied.

Inter-fund Transactions

Inter-fund transactions are accounted for as expenditures/expenses when they constitute reimbursements from one fund to another. These transactions are recorded as expenditures/expenses in the reimbursing fund and are recorded as reductions of expenditures/expenses in the fund receiving the reimbursement. All other inter-fund transactions are reported as transfers.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2: *DEPOSITS AND INVESTMENTS*

Custodial Credit Risk – For deposits, custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. However, there is no custodial credit risk for public deposits because they are collateralized under the Colorado Public Deposit Protection Act (PDPA). The PDPA requires that deposits of all units of local governments be held at eligible public depositories, whose eligibility is determined by state regulators.

Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

FDIC insurance coverage is \$250,000 per qualified account. Cash deposits of the District totaled \$19,439,817 at fiscal year-end including \$2,321,347 of fiduciary fund deposits. Federal insurance coverage totaled \$1,198,617. The balance of \$18,241,200 falls under the provisions of the Colorado Public Deposit Protection Act. The District also had \$5,222 in petty cash on hand. Cash deposits of the component units of the District consisted of \$8,290,533. Federal insurance coverage totaled \$1,597,995. The balance of \$6,692,538 falls under the provisions of the Colorado Public Deposit Protection Act.

For investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District and its component units will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's safekeeping bank must meet the following requirements under District policy: the purchase and sale of securities and repurchase agreements shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the District.

Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices. As of June 30, 2018, none of the District's investments were exposed to custodial credit risk as they were all insured or registered in the District's name held by the counterparty or the counterparty's trust department. The District's investment in the external investment pool and the money market funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To manage exposure to this risk, the District's board approved investment policy limits investment maturities to five years or less. The Colorado revised statute 24-75-601 also limits investment maturities to five years or less.

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit risk in the portfolio is minimized by investing the majority of assets in US Treasury and Instrumentalities which have the support of the US government and failure to receive maturing funds is remote.

The District is also compliant with state laws that limit investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments including bank obligations, general obligation bonds, and commercial paper are limited to ones of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more nationally recognized rating agencies.

COLOTRUST assets are approximately \$6 billion, rated AAAM by Standard and Poors, and maintains a constant net asset value of \$1 per share. COLOTRUST is regulated by the State of Colorado, Department of Regulatory Agencies, Division of Securities, which establishes policies for and reviews the operation of local government investment pools in the state. Local government investment pools in Colorado must be organized under Colorado Revised Statutes, and are therefore subject to oversight by the Colorado Securities Commission, with quarterly reporting and annual audits required.

Concentration of Credit Risk – The District's investment policy seeks diversification to reduce overall portfolio risk while attaining market rates of return to enable the District to meet its anticipated cash requirements. The District's policy requires that at least 50% of the portfolio will be invested in some combination of U.S. Treasury securities, Federal Instrumentality securities, Repurchase Agreements or Eligible Local Governmental Investment Pools.

The 50% requirement in this combination of safe investments assures that the District's credit risk is spread across a variety of securities and that imprudent concentrations will not occur in slightly more aggressive securities. None of the District's investments in any one issuer, as of June 30, 2018, excluding money market funds and the external investment pool, represent five percent or more of total investments.

Fair Value Measurement and Application – GASB 72 addresses accounting and financial reporting issues related to fair value measurements. Fair value is the price that would be received by the District to sell an asset or paid by the District to transfer a liability in an orderly transaction. The District categorizes its fair value measurement within the fair value hierarchy of three levels, as established by generally accepted accounting principles. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted market prices for similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable. Level 3 inputs are unobservable, such as property valuation or an appraisal. ColoTrust falls under the existing exemptions to fair value measurement for pools.

As of June 30, 2018 the District had the following investments. These investments are internally pooled to maximize investment safety, liquidity, and interest yield.

<u>Investments</u>	<u>Maturities</u>	<u>Amortized cost</u>	<u>Standard & Poors Rating</u>	<u>Fair Value Measurement</u>
Money Market Funds				
Wells Fargo - money market fund (MMF)	Less than 1 year	2,910,159	AAAm	Amortized Cost
Government Agency Securities				
UMB QZAB - Federal Home Loan Bank Discount Notes	Less than 1 year	3,316,067	A-1	Level 2
US Bank TABOR MYO - First American Government Obligation Fund	Less than 1 year	669,544	AAAm	Amortized Cost
External Investment Pool				
Local government investment pool-ColoTrust	Less than 1 year	84,502,320	AAAm	Net Asset Value
UMB - Local government investment pool-ColoTrust	Less than 1 year	7,877,443	AAAm	Net Asset Value
Total investments		<u>\$ 99,275,533</u>		

NOTE 3: *TAXES*

Property Taxes

Property taxes for a calendar year are certified in arrears to the county on December 10 and attached as a lien on property the following January 1. For example, property taxes owed in 2018 are certified to the county in December 2017 and are available for collection on the lien date, January 1, 2018. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The county bills and collects property taxes for all taxing districts in the county. The property tax receipts collected by the county are generally remitted to the District in the subsequent month.

Specific Ownership Taxes

Specific ownership taxes are collected by the county for motor vehicle and other personal property registered in the District's assessment area. The tax receipts collected by the county are remitted to the District in the subsequent month. Specific ownership taxes are recorded as revenue when collected by the county.

NOTE 4: *INTER-FUND RECEIVABLES, PAYABLES, AND TRANSFERS*

Receivables and Payables

All inter-fund receivables and payables are created in conjunction with the District's pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice. All balances are expected to be repaid within one year.

The following schedule reflects the District's inter-fund receivables and payables as of June 30, 2018:

	Governmental Activities	
	Interfund Receivable	Interfund Payable
Governmental Funds:		
General fund	\$ -	\$ 33,176,352
Capital reserve fund	7,772,646	-
Mill levy override fund	21,278,675	-
Non-major governmental funds	3,268,140	405,312
Internal Service Funds	1,262,203	-
Total receivables/payables	\$ 33,581,664	\$ 33,581,664

At year-end the General Fund reports a substantial inter-fund payable to other funds due to pooled cash accounting as described in Note 1. The payable balance in the non-major governmental funds is associated with temporary borrowing to cover expenditures for reimbursement based grants.

Transfers

The District transfers amounts from the General Fund to other funds to meet their operational needs and legal requirements. The District uses a separate accounting fund to act as a conduit for all mill levy plan items in order to maintain a high degree of accountability by tightly restricting tax proceeds, separately accounting for tax revenues and transfers and preventing the co-mingling of revenues and expenditures in the general fund. MLO covered expenditures are segregated by account string identification within the general fund and then subsequently reimbursed by an operating transfer from the MLO Fund. At June 30, 2018 the detail for these transfers is as follows:

	Transfers Out			
	General Fund	Mill Levy Override Fund	Internal Service Funds	Total
Transfers In				
Governmental Funds:				
General fund	\$ -	\$ 40,502,342	\$ 80,000	\$ 40,582,342
Capital reserve fund	7,463,311	4,030,422	-	11,493,733
Non-major governmental funds	448,782	534,346	-	983,128
Total governmental funds	7,912,093	45,067,110	80,000	53,059,203
Internal Service Funds	1,400,000	54,232	-	1,454,232
Total transfers in / out	\$ 9,312,093	\$ 45,121,342	\$ 80,000	\$ 54,513,435

NOTE 5: CAPITAL ASSETS

Capital asset activity and depreciation expense for the year ended June 30, 2018 were as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Non-depreciable assets:				
Land	\$ 21,885,367	\$ -	\$ (200,000)	\$ 21,685,367
Construction in progress	3,887,390	4,087,957	(580,124)	7,395,223
Total non-depreciable assets	25,772,757	4,087,957	(780,124)	29,080,590
Depreciable assets:				
Buildings and improvements	376,549,767	579,993	-	377,129,760
Equipment	32,721,591	1,134,586	(1,202,978)	32,653,199
Total depreciable assets	409,271,358	1,714,579	(1,202,978)	409,782,959
Total gross assets- governmental activities	435,044,115	5,802,536	(1,983,102)	438,863,549
Less accumulated depreciation for:				
Buildings and improvements	(156,146,855)	(9,049,593)	-	(165,196,448)
Equipment	(23,219,404)	(1,553,963)	1,114,164	(23,659,203)
Total accumulated depreciation	(179,366,259)	(10,603,556)	1,114,164	(188,855,651)
Net capital assets-governmental activities	\$ 255,677,856	\$ (4,801,020)	\$ (868,938)	\$ 250,007,898

Depreciation Expense:**Governmental activities:**

Instruction	\$ 8,176,528
Instructional support	7,635
General administration	159,756
Business services	16,923
Maintenance and operations	412,354
Transportation	817,587
Central services	808,438
Miscellaneous support services	142,954
	<u>10,542,175</u>
Internal service funds	61,381
	<u>\$ 10,603,556</u>

Component Units

Charter school capital asset activity for the year ended June 30, 2018 was as follows:

Component Units	Beginning Balance	Additions	Retirements	Ending Balance
Depreciable assets:				
Buildings and improvements	\$ 2,228,089	\$ 258,297	\$ -	\$ 2,486,386
Equipment	1,315,405	273,046	(12,500)	1,575,951
Total depreciable assets	<u>3,543,494</u>	<u>531,343</u>	<u>(12,500)</u>	<u>4,062,337</u>
Less accumulated depreciation:				
Buildings and improvements	(416,962)	(45,019)	-	(461,981)
Equipment	(1,219,460)	(69,654)	12,500	(1,276,614)
Total accumulated depreciation	<u>(1,636,422)</u>	<u>(114,673)</u>	<u>12,500</u>	<u>(1,738,595)</u>
Net capital assets-component units	<u>\$ 1,907,072</u>	<u>\$ 416,670</u>	<u>\$ -</u>	<u>\$ 2,323,742</u>

NOTE 6: ACCRUED COMPENSATION/COMPENSATED ABSENCES

Salaries and related benefits of certain school-based personnel are paid over a ten or twelve-month period beginning in September, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2018 are:

Accrued Compensation**Governmental Activities:**

General Fund	\$ 29,783,527
Capital Reserve Capital Projects Fund	71,922
Non-major Governmental Funds	<u>2,140,030</u>
Total Governmental Funds	31,995,479
Internal Service Funds	103,500
Total	<u>\$ 32,098,979</u>

The District accrues compensated absences to provide an accurate reporting of liabilities associated with vacation, sick leave, and post-retirement insurances. These benefits, earned, but unpaid, as of June 30, 2018 are:

Accrued Compensated Absences**Governmental Activities:**

General Fund	\$ 1,574,627
Total Governmental Funds	<u>1,574,627</u>
Internal Service Funds	21,837
Sick leave and sick leave bank	<u>1,603,243</u>
Total Compensated Absences	<u>\$ 3,199,707</u>

The General Fund compensated absences are pending payouts of unused sick leave owed to employees separated from active service as of June 30, 2018.

The accrued portion of these absences by employee group for all funds at June 30, 2018, is as follows:

		Educational			
		Support	Executive	Sick	
Compensated Absences	Teachers	Professionals	Professionals	Leave Bank	Total
Insurance Benefits	\$ 600,539	\$ 202,770	\$ -	\$ -	\$ 803,309
Short-term sick leave (RSL)	631,409	187,949	319,186	-	1,138,544
Long-term vacation	-	182,414	151,501	-	333,915
Long-term sick leave	464,433	288,146	114,927	-	867,506
Long-term sick bank	-	-	-	56,433	56,433
Totals	\$ 1,696,381	\$ 861,279	\$ 585,614	\$ 56,433	\$ 3,199,707

Changes in compensated absences for the year are as follows:

	Balance at June 30, 2017	Additions	Deletions	Balance at June 30, 2018	Due Within One Year
Governmental Activities	\$ 3,474,250	\$ 1,645,552	\$ 1,920,095	\$ 3,199,707	\$ 1,583,634

Internal service funds predominantly service the governmental funds. Accordingly, long-term liabilities for the funds are included as part of the above totals for governmental activities. For governmental activities, claims and judgments are liquidated by the Risk Related Activities Fund, and compensated absences are liquidated by the General Fund.

Early Retirement Program

Early retirement program obligations of the District are recorded as accrued liabilities at June 30, 2018. The District's total cost for early retirement obligations in fiscal year 2018 was \$1,941,851. The District anticipates a savings as a result of these early retirements in excess of any incentive payments made to retirees. These savings will be reflected in lower salary and fringe benefit totals within the budget in future years.

NOTE 7: *LEASES*

Operating Leases

The District leases fiber optic cable from Colorado Springs Utilities. This agreement allows the District to use capacity on an existing fiber optic cable network for telecommunication services. An initial payment in the amount of \$847,392 was made in fiscal year 2008 which provided usage for 10 years from fiscal year 2008 through fiscal year 2017. The district has negotiated to extend the lease on an annual basis with future lease payments of \$110,592 due in July each year to cover usage for that fiscal year.

A usage agreement was entered into on July 1, 2012 with the Colorado Springs World Arena. This agreement provides usage of the World Arena facilities for graduations, hockey practice and games through June 30, 2022. An initial payment of \$315,000 was made in fiscal year 2013 as base rent through fiscal year 2017; the first five years of the agreement. An additional payment of \$375,000 was made on July 1, 2017 for base rent for years 6 through 10 of the agreement.

In the governmental funds, operating lease payments are recognized as expenditures in the year in which they are paid. In the government-wide statements, operating lease payments are recorded as prepaid expenses and are recognized as expenses equally over the life of the lease. The balance of the prepaid leases on the statement of net position as of June 30, 2018 is \$300,001.

Capital Leases – Governmental Activities

On March 10, 2005, the District entered into a capital lease for the installation and construction of equipment including, but not limited to, automated controls for the HVAC systems, ventilation and water efficiency systems, and upgrades to swimming pool covers and boilers. The cost of the equipment is expected to be offset by savings in future energy costs.

The effective interest rate is 4.20%, with total payments of \$6,813,828, which is inclusive of interest of \$1,676,849. The final phases of the equipment installation for the energy performance contract were completed in fiscal year 2010.

Equipment (energy performance contract)	\$	5,334,938
Less: accumulated depreciation		4,908,603
Total	\$	<u>426,335</u>

The future lease obligations as of June 30, 2018, are as follows:

Fiscal Year	Principal	Interest	Payment
2019	450,360	6,648	457,008
Total	\$ 450,360	6,648	<u>457,008</u>

NOTE 8: *LONG-TERM DEBT*

General Obligation Bonds Payable

The District issues general obligation bonds for the purpose of (i) financing the construction of new school buildings; (ii) paying the cost of enlarging, improving, remodeling, repairing and making additions to existing District facilities; (iii) equipping or furnishing District facilities, particularly with technological improvements; (iv) payment for the acquisition of land; and (v) payment of bond issuance costs.

General Obligation bonds payable at June 30, 2018, are as follows:

<u>Description, Interest Rates and Maturity Dates</u>	<u>Principal Balance June 30, 2018</u>
Series 2006-B General Obligation Refunding Bonds in the original amount of \$38,320,000 issued on September 14, 2006 due in varying installments through December 1, 2021, with an average coupon rate of 5.18%	29,735,000
Series 2012 General Obligation Refunding Bonds in the original amount of \$8,400,000 issued on May 3, 2012 due in varying installments through December 1, 2022, with an average coupon rate of 2.71%	7,655,000
Series 2013 General Obligation Refunding Bonds in the original amount of \$84,085,000 issued on January 30, 2013 due in varying installments through December 1, 2030, with an average coupon rate of 3.94%	73,200,000
	<u>\$ 110,590,000</u>

The bonds are secured by the District's covenant to certify a rate of levy sufficient to meet the principal and interest payments with respect to the bonds. Payment of principal and interest for general obligation bonds is made from the Bond Redemption Fund. In compliance with state legislation, the District established a Custodial Agreement with UMB Bank, Kansas City, Missouri governing the administration of the District's Bond Redemption Fund.

The Custodial Agreement provided for the establishment of a custodial account with the Custodian and requires the District to direct the County Treasurer to transfer to the Custodian all revenues from the property tax levied by the District for the payment of debt service. The Custodial Agreement restricts the transfer of funds out of the custodial account solely for the scheduled payment of principal and interest on the bonds, and upon written direction of the District, to pay Registrar and Paying Agent fees, custodian fees and arbitrage rebate compliance costs associated with the bonds. At June 30, 2018 the balance of restricted assets held by the Custodian was \$7,876,947.

Qualified Zone Academy Bonds Payable

On March 11, 2005, the District received authority from the Colorado Department of Education to issue \$4,023,111 in Qualified Zone Academy Bonds (QZAB). In May 2005, the District's school board approved the appropriation of funds to reestablish the Building Fund to account for capital projects funded with the bonds. Funds were spent on major repairs, renovations and safety upgrades approved in the District's Capital Plan. The maturity date is May 31, 2020. The QZAB's are general obligation bonds and repayment will be made from the Bond Redemption Fund. At June 30, 2018, the District

had restricted assets of \$3,316,067 for repayment of these bonds.

Certificates of Participation

Certificates of Participation represent long-term lease purchase agreements for the acquisition of capital items. Certificates of Participation are not considered bonded debt of the District due to the structure of the lease and annual appropriation clause. The Certificates of Participation are not considered a general obligation or other indebtedness of the District within the meaning of any constitutional or statutory debt limitations.

Certificates of Participation payable at June 30, 2018, are as follows:

<u>Description, Interest Rates and Maturity Dates</u>	<u>Principal Balance June 30, 2018</u>
Refunding Certificates of Participation, Series 2009, in the original amount of \$28,175,000 due in annual installments through 2020, with an average coupon rate of 4.02%	\$ 8,950,000
Refunding Certificates of Participation, Series 2016, in the original amount of \$5,000,000 due in annual installments through 2026, with an average coupon rate of 1.802%	4,320,000
	<u>\$ 13,270,000</u>

The 2009 COP's will be repaid from funds in the Capital Projects Capital Reserve Fund using revenues provided by a transfer from the General Fund. Total revenues in the current year were \$7,463,311; total principal and interest paid was \$3,174,388. There is \$2,910,159 in restricted fund balance for this purpose at June 30, 2018. Total principal and interest to be paid on the bonds is \$35.4 million.

The 2016 COP's will be repaid from funds in the Capital Projects Capital Reserve Fund using revenues provided by a transfer from the General Fund. Total principal and interest paid was \$521,811. There is \$495 in restricted fund balance for this purpose at June 30, 2018. Total principal and interest to be paid on the bonds is \$5.5 million.

Changes in Long-Term Debt

Changes in governmental activities long-term debt for the year ended June 30, 2018, are as follows:

Long-Term Debt	June 30, 2017	Additions	Deletions	June 30, 2018	Due Within One Year
Bonds Payable					
General Obligation Bonds	\$ 122,290,000	\$ -	\$ 11,700,000	\$ 110,590,000	\$ 12,215,000
GO Bond Premiums	11,226,828	-	1,207,422	10,019,406	-
Total Bonds Payable	133,516,828	-	12,907,422	120,609,406	12,215,000
Certificates of Participation	16,485,000	-	3,215,000	13,270,000	3,315,000
COP Premiums	292,297	-	85,550	206,747	-
Total COP Payable	16,777,297	-	3,300,550	13,476,747	3,315,000
QZAB Bonds	4,023,111	-	-	4,023,111	-
Capital Leases	1,064,359	-	613,999	450,360	450,360
	<u>\$ 155,381,593</u>	<u>\$ -</u>	<u>\$ 16,821,971</u>	<u>\$ 138,559,624</u>	<u>\$ 15,980,360</u>

Debt Service Requirements

The following schedule reflects the debt service requirements to maturity of the District's governmental activities long-term debt payable as of June 30, 2018:

2006B General Obligation Bonds			
Fiscal Year	Principal	Interest	Total
2019	6,885,000	1,380,356	8,265,356
2020	7,240,000	1,009,575	8,249,575
2021	7,610,000	619,763	8,229,763
2022	8,000,000	210,000	8,210,000
Total	\$ 29,735,000	\$ 3,219,694	\$ 32,954,694

2012 General Obligation Bonds			
Fiscal Year	Principal	Interest	Total
2019	115,000	225,700	340,700
2020	120,000	222,750	342,750
2021	530,000	1,358,825	1,888,825
2022	3,400,000	155,700	3,555,700
2023	3,490,000	52,350	3,542,350
Total	\$ 7,655,000	\$ 2,015,325	\$ 9,670,325

2013 General Obligation Bonds			
Fiscal Year	Principal	Interest	Total
2019	5,215,000	2,822,500	8,037,500
2020	5,425,000	2,609,700	8,034,700
2021	60,000	2,500,600	2,560,600
2022	2,375,000	2,452,500	4,827,500
2023	2,480,000	2,355,400	4,835,400
2024-2028	33,890,000	8,246,400	42,136,400
2029-2031	23,755,000	1,449,900	25,204,900
Total	\$ 73,200,000	\$ 22,437,000	\$ 95,637,000

2009 Certificates of Participation (COP)			
Fiscal Year	Principal	Interest	Total
2019	2,870,000	297,013	3,167,013
2020	2,980,000	183,600	3,163,600
2021	3,100,000	62,000	3,162,000
Total	\$ 8,950,000	\$ 542,613	\$ 9,492,613

2016 Certificates of Participation (COP)			
Fiscal Year	Principal	Interest	Total
2019	445,000	73,837	518,837
2020	455,000	65,728	520,728
2021	465,000	57,439	522,439
2022	470,000	49,014	519,014
2023	480,000	40,455	520,455
2024-2027	2,005,000	73,026	2,078,026
Total	\$ 4,320,000	\$ 359,499	\$ 4,679,499

Qualified Zone Academy Bonds			
Fiscal Year	Principal	Interest	Total
2020	\$ 4,023,111	\$ -	\$ 4,023,111
Total	\$ 4,023,111	\$ -	\$ 4,023,111

Computation of Legal Debt Margin

Assessed valuation	\$ 2,695,851,790	
Debt limitation - 20% of assessed valuation		\$ 539,170,358
Total general obligation debt		<u>114,613,111</u>
Legal debt margin available		<u>\$ 424,557,247</u>

NOTE 9: CONTINGENCIES AND COMMITMENTS**Grants**

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. District management believes that disallowances, if any, will be immaterial to the basic financial statements.

Litigation

The District is involved in pending or threatened lawsuits and claims. The District estimates that the potential claims not covered by insurance or accrued for, resulting from such litigation, would not materially affect the financial statements of the District.

NOTE 10: BENEFIT PLANS**Defined Benefit Pension Plan**

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 the Public Employees' Retirement Association of Colorado (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 that includes financial statements and required supplementary information for the SCHDTF. That report may be obtained at www.copera.org/investments/pera-financial-reports, or by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA's InfoLine at 1-800-759-PERA (7372).

Summary of Significant Accounting Policies for the SCHDTF

The District contributes to the School Division Trust Fund (SCHDTF) administered by 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.

During the 2018 legislative session, 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*. Governmental accounting standards require the net pension liability and related amounts of the SCHDTF for financial reporting purposes be measured using the plan provisions in effect as of the SCHDTF's measurement date of December 31, 2017. As such, the following disclosures do not include the changes to plan provisions required by SB 18-200 with the exception of the section titled *Changes between the measurement date of the net pension liability and June 30, 2018*

Benefits Provided

The SCHDTF provides retirement, disability, and survivor benefits for members. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefits 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 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.

Benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. Benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure receive an annual increase of 2 percent, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 2 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 receive an annual increase of the lesser of 2 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve for the SCHDTF.

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 retirement benefit formula 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

Eligible employees and the District are required to contribute to the SCHTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, et seq. The contribution rate for members is 8.0% of their PERA-includible salary. The District's contribution requirements are summarized in the table below:

	For the Year Ended December 31, 2017	For the Year Ended December 31, 2018
Employer Contribution Rate ^{1,2}	10.15%	10.15%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	4.5%	4.5%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%	5.5%
Total Employer Contribution Rate to the SCHDTF ¹	19.65%	20.15%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

²Amount of Employer Contribution includes 1.02% apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f). (See Note 12)

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 \$30,693,588 for the year ended June 30, 2018.

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

At June 30, 2018, the District reported a liability of \$1,068,366,318 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll forward the total pension liability to December 31, 2017.

The District's proportion of the net pension liability was based on its contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers to the SCHDTF. At December 31, 2017, the District's proportion was 3.3039076649 percent, which was a decrease of 0.03704 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized net pension expense of \$184,935,821. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$19,642,755	\$ -
Net difference between expected and actual earnings on pension plan investments	-	41,955,762
Changes in proportionate share of NPL	1,248,552	14,518,634
Contributions subsequent to the measurement date	16,467,056	-
Changes of assumptions or other inputs	272,793,612	1,731,082
Total	\$310,151,975	\$58,205,478

The \$16,467,056 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date of December 31, 2017, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Deferred inflows of resources, except for differences between expected and actual investment earnings, are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the measurement period. The deferred inflows related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period beginning in the current year.

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:	Effect of deferred inflows/outflows on pension expense
2019	\$160,861,797
2020	90,365,621
2021	35,946
2022	(15,783,923)
Total	\$235,479,441

Internal service funds predominantly service the governmental funds. Accordingly, pension liabilities and other pension related balances are included as part of the above totals and reported on the government-wide statements with the governmental activities. For governmental activities, pension related balances are liquidated by the General Fund.

Actuarial Assumptions

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50 – 9.70%
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 %
Discount Rate	5.26%
Future post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	2.00%
PERA Benefit Structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

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

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

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

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

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.

The SCHDTF's long-term expected rate of return on pension plan investments was determined using 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 analysis of the long-term expected rate of return, presented to the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Discount Rate

The discount rate used to measure the total pension liability was 4.78 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 current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date, including 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan 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. As the ad hoc post-retirement benefit increases financed by the AIR are defined to have a present value at the long-term expected rate of return on plan investments equal to the amount transferred for their future

payment, AIR transfers to the fiduciary net position and the subsequent AIR benefit payments have no impact on the Single Equivalent Interest Rate (SEIR) determination process when the timing of AIR cash flows is not a factor (i.e., the plan's fiduciary net position is not projected to be depleted). When AIR cash flow timing is a factor in the SEIR determination process (i.e., the plan's fiduciary net position is projected to be depleted), 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 end of the month.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be depleted in 2041 and, as a result, the municipal bond index rate was used in the determination of the discount rate. The long-term expected rate of return of 7.25 percent on pension plan investments was applied to periods through 2041 and the municipal bond index rate, the December average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer, was applied to periods on and after 2041 to develop the discount rate. For the measurement date, the municipal bond index rate was 3.43 percent, resulting in a discount rate of 4.78 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 3.86 percent were used in the discount rate determination resulting in a discount rate of 5.26 percent, 0.48 percent higher 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 4.78 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 (3.78 percent) or 1-percentage-point higher (5.78 percent) than the current rate (rounded to thousands):

	1% Decrease (3.78%)	Current Discount Rate (4.78%)	1% Increase (5.78%)
Proportionate share of the net pension liability	\$1,349,528	\$1,068,366	\$839,251

Pension plan fiduciary net position

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

Changes between the measurement date of the net pension liability and June 30, 2018.

During the 2018 legislative session, the Colorado General Assembly passed significant pension reform through 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. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the unfunded actuarial accrued liability of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next 30 years.

A brief description of some of the major changes to plan provisions required by SB 18-200 are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates by 0.25 percent on July 1, 2019.
- Increases employee contribution rates by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- Directs the state to allocate \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution will be allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the other divisions eligible for the direct distribution.

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, modifying the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the state, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

At June 30, 2018, the District reported a liability of \$1,068,366,318 for its proportionate share of the net pension liability which was measured using the plan provisions in effect as of the pension plan's year-end based on a discount rate of 4.78%. For comparative purposes, the following schedule presents an estimate of what the District's proportionate share of the net pension liability and associated discount rate would have been had the provisions of SB 18-200, applicable to the SCHDTF, become law on December 31, 2017. This pro forma information was prepared using the fiduciary net position of the SCHDTF as of December 31, 2017. Future net pension liabilities reported could be materially different based on changes in investment markets, actuarial assumptions, plan experience and other factors.

Estimated Discount Rate Calculated Using Plan Provisions Required by SB 18-200 (pro forma)	Proportionate Share of the Estimated Net Pension Liability Calculated Using Plan Provisions Required by SB 18-200 (pro forma)
7.25%	\$ 482,678,642

Recognizing that the changes in contribution and benefit provisions also affect the determination of the discount rate used to calculate proportionate share of the net pension liability, approximately \$498,720,071 of the estimated reduction is attributable to the use of a 7.25 percent discount rate.

Deferred Compensation Plans

The SDTF members of the District may voluntarily contribute to the Voluntary Investment Program (VIP), an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Plan participation is voluntary and contributions are separate from others made to PERA. Title 24, Article 51, Part 14 of the CRS, as amended, assigns the authority to establish the VIP provisions to the State Legislature.

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 Colorado Revised Statutes, as amended. No employer contributions are required; the District does not currently match voluntary member contributions.

In addition to the existing 401(k) and 403(b) deferred compensation plans offered to employees of the District, beginning October 1, 2004, the District offered employees the option to participate in the Deferred Compensation Plan of the State of Colorado. The Deferred Compensation Plan is governed by the requirements of Internal Revenue Code Section 457. In addition, the Governmental Accounting Standards Board (GASB) Statement No. 32, Accounting and Financial Reporting for IRS Section 457 Deferred Compensation Plans, establishes accounting and reporting standards for the Plan.

NOTE 11: *POST-EMPLOYMENT HEALTH CARE BENEFITS*

Summary of Significant Accounting Policies for the HCTF

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

Defined Benefit Other Post Employment Benefit (OPEB) Plan

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 that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided

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

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

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

Contributions

The District is required to contribute at a rate of 1.02% of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the District are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the Health Care Trust Fund is established under Title 24, Article 51, Section 208 of the Colorado Revised Statutes, as amended. The School District's contributions to HCTF for the year ended June 30, 2018 were \$1,660,202.

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

At June 30, 2018, the District reported a liability of \$24,389,607 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2016. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2017.

The District's proportion of the net OPEB liability was based on its contributions to the HCTF for the calendar year 2017 relative to the total contributions of participating employers to the HCTF. At December 31, 2017 the District's proportion was 1.8767010351 percent, which was a decrease of .02234 percent from its proportion measured as of December 31, 2016.

For the year ended June 30, 2018, the District recognized OPEB expense of \$302,660. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$115,342	\$ -
Changes of assumptions or other inputs	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	408,032
Changes in proportionate share of net OPEB liabilities	-	242,131
Contributions subsequent to the measurement date	881,318	-
Total	\$996,660	\$650,163

The \$881,318 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date of December 31, 2017, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Deferred inflows of resources, except for differences between expected and actual investment earnings, are being amortized over a closed period equal to the average of the expected service lives of all participants as of the beginning of the measurement period. The deferred inflows related to the difference between expected and actual investment earnings is being amortized over a closed 5-year period beginning in the current year.

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:	Effect of deferred inflows/outflows on pension expense
2019	\$(126,917)
2020	(126,917)
2021	(126,917)
2022	(126,879)
2023	(24,899)
2024	(2,292)
Total	\$(534,821)

Actuarial Assumptions

The total OPEB liability in the December 31, 2016 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 increases, including wage inflation	3.50 in aggregate
Long-term investment Rate of Return, net of OPEB 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	3.00% for 2017, gradually rising to 4.25% in 2023

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.

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, 2016, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2017	5.00%	3.00%
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.00%
2023	5.00%	4.25%
2024+	5.00%	4.25%

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

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

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

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

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

The following economic and demographic assumptions were specifically developed for, and used in, the measurement of the obligations for the HCTF:

- The assumed rates of PERACare participation were revised to reflect more closely actual experience.
- 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 2017 plan year.
- The percentages of PERACare enrollees who will attain age 65 and older ages and are assumed to not qualify for premium-free Medicare Part A coverage were revised to more closely reflect actual experience.
- The percentage of disabled PERACare enrollees who are assumed to not qualify for premium-free Medicare Part A coverage were revised to reflect more closely actual experience.
- Assumed election rates for the PERACare coverage options that would be available to future PERACare enrollees who will qualify for the “No Part A Subsidy” when they retire were revised to more closely reflect actual experience.
- Assumed election rates for the PERACare coverage options that will be available to those current PERACare enrollees, who qualify for the “No Part A Subsidy” but have not reached age 65, were revised to more closely reflect actual experience.
- 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 rates of PERACare coverage election for spouses of eligible inactive members and future retirees were revised to more closely reflect actual experience.
- The assumed age differences between future retirees and their participating spouses were revised to reflect more closely actual experience.

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. 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 needed.

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

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

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

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

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

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 (rounded to thousands):

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.00%	3.00%	4.00%
Ultimate Medicare Part A trend rate	3.25%	4.25%	5.25%
Net OPEB Liability	23,719	24,390	25,198

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 assumed that employer contributions will be made at rates equal to the fixed statutory rates specified in law. In addition, the updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2017, measurement date were used in the projection. 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 (rounded to thousands):

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$27,242	\$24,390	\$21,802

OPEB plan fiduciary net position

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

NOTE 12: RISK RELATED ACTIVITIES

Employee Benefits

The District is exposed to various claims and losses. As an employer that partially self-funds its health plan expenses, the District takes on the role of the insurance company and assumes most of the financial risk of providing health coverage for its members.

BEST Health Plan

The District joined The Colorado Boards of Education Self-Funded Trust (BEST) in 2004. This partially self-funded trust was established in 2004 to offer a stable, long term, statewide medical program designed to meet the business objectives and challenges of school districts. Medical coverage for District employees is purchased through the trust. The trust is audited each year by a local independent Colorado accounting firm, Ryan, Gunsauls, and O'Donnell, P.C.

The District pays a monthly premium to BEST to provide health insurance coverage and services for its plan members.

Employees are responsible for paying a deductible amount before the plan begins to pay. The individual deductible amount for fiscal year 2018 was \$1,150 and the family amount was \$2,300. There is no lifetime maximum benefit for plan members.

Because there is the potential to incur high cost medical claims, BEST purchases stop-loss coverage to cover claims that exceed its deductible limit, which is currently \$250,000. Each year, the deductible limit is reviewed based on actuarial analysis to determine if paying an additional premium would increase or reduce the ultimate cost of risk to the District.

As a member of the BEST Health Plan, the District also purchases prescription coverage through the pool.

Since the District retains some risk of loss, through BEST Health, it uses an active claim management system and actuarial analysis conducted by Leif and Associates for estimating claims and Incurred But Not Reported (IBNR) liabilities. The District also has on deposit with BEST an additional reserve for unexpected claim fluctuations otherwise referred to as a Claim Fluctuation Reserve (CFR). All claims liabilities are carried at current cost with no discounting. IBNR and CFR reserves for medical are held at BEST.

The District participates in the BEST Health Plan under a contractual arrangement that requires the District be responsible for maintaining adequate IBNR and CFR. This has been confirmed as adequate by the Trust actuary as of June 30, 2018. The District does not retain any liability for the other school district members of the BEST Health Plan.

In accordance with GASB Statement No. 10, the District's participation in the pool does not represent a transfer of risk to the pool or pooling of risk with other pool participants, therefore, it recognizes and measures its claims liabilities and related expenditures/expenses when a liability is probable and can reasonably be estimated. Payments to the pool should be reported either as deposits or as reductions of the claim liability, as appropriate.

Risk Management

The District is exposed to various claims and losses. In Risk Management, the exposures include workers' compensation claims from employee injuries; loss, destruction or damage of property; and liability, including professional (errors and omissions) and general liability.

Each year the deductibles for the insurance coverage's are reviewed based on actuarial analysis to determine if paying an additional premium would increase or reduce the ultimate cost of risk to the District.

Since the District retains some risk of loss, the District uses an active claim management system and actuarial analysis methods for estimating claims and Incurred But Not Reported (IBNR) liabilities. All claims liabilities are carried at current cost with no discounting.

Premiums are contributed into the Risk Related Activities Fund and the Risk Management subaccount of the General Fund by other funds in order to pay claims, insurance and administrative costs of the program. It is anticipated that inter-fund premiums will approximately equal risk expenses over a period of time.

On the government wide financial statements, liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Claim reserves for liabilities are based on the estimated ultimate cost of closing claims and include an amount for claims that have been incurred but not reported (IBNRs). Trend analysis includes frequency of claims and amount of payouts, legal implications and estimated recoveries on unsettled claims, such as salvage or subrogation. In the governmental funds, the liability is recorded when due.

Balances of claim liabilities and IBNR totals as of June 30, 2018 are:

	Fiscal Year 2016		Fiscal Year 2017		Fiscal Year 2018		
	Balance June 30, 2016	Claims & Changes in Estimates	Actual Claim Payments	Balance June 30, 2017	Claims & Changes in Estimates	Actual Claim Payments	Balance June 30, 2018
Workers Comp	\$ 1,544,132	\$ 937,316	\$ (802,466)	\$ 1,678,982	\$ 707,948	\$ (820,852)	\$ 1,566,078
General Liability	476,848	(2,131)	(3,880)	470,837	(470,427)	(410)	-
Other Insurance	71,227	279,398	(144,518)	206,107	349,812	(366,432)	189,487
Errors/Omissions	128,733	118,701	(247,434)	-	67,898	(14,857)	53,041
Health Insurance	2,585,174	23,488,675	(23,427,639)	2,646,210	27,494,129	(27,243,339)	2,897,000
Total Liability	<u>\$ 4,806,114</u>	<u>\$ 24,821,959</u>	<u>\$ (24,625,937)</u>	<u>\$ 5,002,136</u>	<u>\$ 28,149,360</u>	<u>\$ (28,445,890)</u>	<u>\$ 4,705,606</u>

Excess-of-Loss Self-Insurance Pool

The District participates with two other school districts in an insurance pool for general liability, errors and omissions, and auto liability. Additionally, the District purchases cyber liability coverage through the pool broker. Each member's initial contribution and subsequent contributions are based on a number of factors approved by the Colorado Insurance Commissioner. This pool is audited each year by CliftonLarsonAllen LLP, 8390 East Crescent Parkway, Suite 500, Greenwood Village, CO 80111, an independent certified public accounting firm.

The pool participants' respective shares, based (in part) upon total enrollment, are:

Colorado Springs School District 11	34.0%
Aurora Public Schools	47.0%
Littleton Public Schools	19.0%
	<u>100.0%</u>

An unaudited summary of the pool's financial information as of June 30, 2018 follows:

	Total	District's Share
Total Assets	<u>\$ 440,241</u>	<u>\$ 149,682</u>
Liabilities	14,400	4,896
Equity	425,841	144,786
Total Liabilities and Equity	<u>440,241</u>	<u>149,682</u>
Total Revenues	864,237	293,841
Total Expenditures	(865,661)	(294,325)
Net Income (loss)	<u>\$ (1,424)</u>	<u>\$ (484)</u>

There was no long-term debt associated with the pool.

The insurance described above provides the following types of coverage, self-insured retention and reinsurance attachment points:

Coverage	Amount	Self-Insured Retention	Attachment Point
General Liability	\$5,000,000	\$150,000	\$150,000
Error and Omissions	\$5,000,000	\$150,000	\$150,000
Auto Liability	\$1,000,000	\$200,000	\$200,000
Cyber Liability	\$2,000,000	\$150,000	\$150,000

In the event the District exceeds policy limits on any of the above insurances, it would first use any available contingency in the risk related activity fund. If risk related contingencies were insufficient, the District would use general fund contingency.

NOTE 13: TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments.

The District's financial activity provides the basis for calculation of limitations adjusted for allowable increases tied to inflation and local growth. Spending and revenue limits are determined based on the prior year's spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rates, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Excluded from the provisions of the Amendment are District enterprises that are defined as government-owned businesses (i) authorized to issue revenue bonds and (ii) receiving less than 10% annual revenue from state and local government grants.

The District levied 22.560 and 23.472 mills for property taxes to be collected in the General Fund for calendar year 2018 and 2017, respectively.

The District has calculated its spending beginning with the accrual basis of accounting for proprietary and fiduciary funds and the modified accrual basis of accounting for governmental funds, adding reserve increases and subtracting allowable spending exclusions. The District has estimated its fiscal year 2018 spending limit as \$174,126,585.

Except for bond refinances at lower interest rates or adding employees to existing pension plans, the amendment may be construed as prohibiting the creation of multiple-fiscal year debt or other financial obligations without voter approval or the irrevocable pledging of present cash reserves for all future payments.

The amendment requires emergency reserves be established. These reserves must be at least 3% of fiscal year spending. The District is prohibited from using these emergency reserves to compensate for economic conditions, revenue shortfalls or salary and benefit increases. There is a \$5,181,340 restriction of fund balance in the General Fund for the amendment.

The amendment is complex and subject to numerous interpretational ambiguities. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations which the District believes are reasonable and prudent interpretations of the amendment's language in order to determine its compliance.

NOTE 14: RESTATEMENT OF NET POSITION

During fiscal year 2018, the District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which requires the District to record its "proportionate share" of other postemployment benefit liabilities and related deferred inflows and outflows of resources in the government-wide financial statements.

As a result, the District restated beginning net position as follows:

	Governmental activities
Beginning net position, as originally reported	<u>\$(460,440,209)</u>
Implementation of GASB Statement No. 75:	
Net other postemployment benefit liabilities at June 30, 2017	(24,621,768)
Deferred outflow of resources related to contributions made after the December 31, 2016 measurement date	<u>770,930</u>
Beginning net position, as restated	<u><u>\$(484,291,047)</u></u>



THE WORLD IS CHANGING.
MEET THE FUTURE.

Required Supplementary Information



Colorado Springs School District 11

General Fund

Budgetary Comparison Schedule

For the Year Ended June 30, 2018

	Budget			Variance with Final Budget
	Original	Final	Actual	
Resources (inflows)				
Fund balance, beginning of year	\$ 40,189,193	\$ 40,292,435	\$ 40,670,691	\$ 378,256
Property taxes	55,942,791	55,620,717	55,690,805	70,088
Specific ownership taxes	11,261,202	15,858,983	14,700,897	(1,158,086)
Intergovernmental				
Federal grant revenues	2,084,439	2,121,939	1,721,096	(400,843)
State and other grant revenues				
State equalization	122,934,194	121,080,320	121,913,547	833,227
State grants	25,055,977	8,532,595	8,838,825	306,230
Interest on investments	79,700	129,700	521,841	392,141
Tuition	321,677	313,177	269,242	(43,935)
Services provided to charter schools	874,172	891,169	883,957	(7,212)
Miscellaneous income	2,640,022	3,331,395	3,316,881	(14,514)
Net transfers	5,933,867	32,791,657	32,670,249	(121,408)
Resources available for appropriation	<u>267,317,234</u>	<u>280,964,087</u>	<u>281,198,031</u>	<u>233,944</u>
Appropriations (outflows)				
Current				
Instruction	143,686,837	150,270,412	142,240,062	8,030,350
Pupil activities	12,941,201	13,713,308	13,044,858	668,450
Instructional support	16,764,188	17,138,484	15,471,431	1,667,053
General administration	1,819,584	1,739,341	1,505,858	233,483
School administration	20,505,793	21,473,608	20,072,612	1,400,996
Business services	2,500,253	2,707,863	2,409,369	298,494
Maintenance and operations	24,479,358	27,206,128	24,756,111	2,450,017
Transportation	4,657,090	5,092,085	5,020,170	71,915
Central services	13,417,796	14,925,647	11,724,069	3,201,578
Community and other services	2,574,578	2,428,688	2,313,565	115,123
Contingency	23,970,556	24,268,523	-	24,268,523
Total appropriations of expenditures	<u>267,317,234</u>	<u>280,964,087</u>	<u>238,558,105</u>	<u>42,405,982</u>
Fund balance, unadjusted end of year*	<u>\$ -</u>	<u>\$ -</u>	42,639,926	<u>\$ 42,639,926</u>
Fund balance, unadjusted, beginning of year**			<u>(40,670,691)</u>	
Excess of resources over charges to appropriations			<u>\$ 1,969,235</u>	

*Unadjusted ending fund balance (budgetary basis of accounting) of \$42,639,962 less \$8,316,000 unfunded accrued salaries and benefits = GAAP adjusted ending fund balance of \$34,323,926

**Unadjusted beginning fund balance (budgetary basis of accounting) of \$40,670,691 less \$8,316,000 unfunded accrued salaries and benefits = GAAP beginning fund balance of \$32,354,691

See notes to required supplementary information.

Colorado Springs School District 11

General Fund

Reconciliation of the Budgetary Basis of Accounting To GAAP Basis of Accounting For the Year Ended June 30, 2018

BUDGETARY BASIS

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of resources

Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule. \$ 281,198,031

Differences - budget to GAAP:

Beginning fund balance is an inflow of budgetary resources but is not revenue for reporting purposes. (40,670,691)

Net transfers from other funds are inflows of budgetary resources but are not revenues for reporting purposes (32,670,249)

GAAP BASIS, Revenues \$ 207,857,091

BUDGETARY BASIS

Uses/Outflows of resources

Actual amounts (budgetary basis) "total appropriations of expenditures" from the budgetary comparison schedule. \$ 238,558,105

GAAP BASIS, Expenditures \$ 238,558,105

Note: Contingency reserves are appropriated as part of the budget adoption process, and because of this reserve budget amounts are shown for budgetary comparison only.

See notes to required supplementary information.

Colorado Springs School District 11
Mill Levy Override Special Revenue Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows)				
Fund balance, beginning of year	\$ 214,069	\$ 641,858	\$ 641,858	\$ -
Taxes				
Local property taxes	<u>26,852,853</u>	<u>66,852,853</u>	<u>67,722,572</u>	<u>869,719</u>
Resources available for appropriation	<u>27,066,922</u>	<u>67,494,711</u>	<u>68,364,430</u>	<u>869,719</u>
Appropriations (outflows)				
Current				
Treasurer collection fees	68,100	168,100	169,895	(1,795)
Audit services	100,000	100,000	-	100,000
Other financing uses:				
Transfers out	26,898,822	45,776,611	45,121,342	655,269
Contingency	<u>-</u>	<u>21,450,000</u>	<u>-</u>	<u>21,450,000</u>
Total appropriations of expenditures	<u>27,066,922</u>	<u>67,494,711</u>	<u>45,291,237</u>	<u>22,203,474</u>
Fund balance, end of year	\$ <u>-</u>	\$ <u>-</u>	23,073,193	\$ <u>23,073,193</u>
Fund balance, beginning of year			<u>(641,858)</u>	
Excess of resources over charges to appropriations			<u>\$ 22,431,335</u>	

See notes to required supplementary information.

Colorado Springs School District 11 **Mill Levy Override Special Revenue Fund** **Reconciliation of the Budgetary Basis of Accounting** **To GAAP Basis of Accounting** **For the Year Ended June 30, 2018**

BUDGETARY BASIS

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of resources

Actual resources available for appropriation from the budgetary comparison schedule.	\$	68,364,430
--	----	------------

Differences - budget to GAAP:

Beginning fund balance is an inflow of budgetary resources but is not revenue for reporting purposes.		(641,858)
---	--	-----------

GAAP BASIS, Revenues	\$	<u><u>67,722,572</u></u>
-----------------------------	-----------	--------------------------

BUDGETARY BASIS

Uses/Outflows of resources

Actual appropriations of expenditures from the budgetary comparison schedule.	\$	45,291,237
---	----	------------

Differences - budget to GAAP:

Transfers to other funds are outflows of budgetary resources but are not expenditures for reporting purposes.		(45,121,342)
---	--	--------------

GAAP BASIS, Expenditures	\$	<u><u>169,895</u></u>
---------------------------------	-----------	-----------------------

Note: Contingency reserves are appropriated as part of the budget adoption process, and because of this reserve budget amounts are shown for budgetary comparison only.

See notes to required supplementary information.

Colorado Springs School District 11

Schedule of the District's Contributions - PERA SCHDTF

Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Contractually required contribution	\$ 18,088,130	\$ 19,374,246	\$ 20,510,410	\$ 21,310,844
Contributions in relation to the contractually required contribution	<u>(18,088,130)</u>	<u>(19,374,246)</u>	<u>(20,510,410)</u>	<u>(21,310,844)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 158,509,456	\$ 157,396,866	\$ 155,300,290	\$ 151,082,432
Contributions as a percentage of pensionable wages	12.50%	13.40%	14.30%	15.20%

*Adjusted to reflect contributions for Pension only. OPEB contributions reported separately.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 21,843,648	\$ 22,784,882	\$ 23,739,326	\$ 26,450,925	\$ 27,186,014	\$ 30,693,588
(21,843,648)	(22,784,882)	(23,739,326)	(26,450,925)	(27,186,014)	(30,693,588)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 145,863,620	\$ 146,427,300	\$ 144,477,372	\$ 152,628,266	\$ 149,948,553	\$ 162,764,862
16.10%	15.56%	16.43%	17.33%	18.13%	18.86%

Colorado Springs School District 11
Schedule of the District's Contributions - PERA HCTF
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Contractually required contribution	\$ 1,616,796	\$ 1,605,448	\$ 1,584,063	\$ 1,541,041
Contributions in relation to the contractually required contribution	<u>(1,616,796)</u>	<u>(1,605,448)</u>	<u>(1,584,063)</u>	<u>(1,541,041)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 158,509,456	\$ 157,396,866	\$ 155,300,290	\$ 151,082,432
Contributions as a percentage of OPEB includable wages	1.02%	1.02%	1.02%	1.02%

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 1,487,809	\$ 1,493,558	\$ 1,473,669	\$ 1,556,808	\$ 1,529,475	\$ 1,660,202
<u>(1,487,809)</u>	<u>(1,493,558)</u>	<u>(1,473,669)</u>	<u>(1,556,808)</u>	<u>(1,529,475)</u>	<u>(1,660,202)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 145,863,620	\$ 146,427,300	\$ 144,477,372	\$ 152,628,266	\$ 149,948,553	\$ 162,764,862
1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

Colorado Springs School District 11
Schedule of the District's Proportionate
Share of Net Pension Liability
Last Five Calendar Years

	2013	2014	2015	2016	2017
District's proportion of the net pension liability	3.63%	3.45%	3.50%	3.34%	3.30%
District's proportionate share of the net pension liability	\$ 462,857,165	\$ 467,413,789	\$ 535,654,577	\$ 994,729,027	\$ 1,068,366,318
Covered payroll	\$ 146,718,832	\$ 144,477,372	\$ 153,628,266	\$ 149,948,553	\$ 152,359,348
District's proportionate share of the net pension liability as a percentage of its pensionable wages	315.47%	323.52%	348.67%	663.38%	701.21%
Plan fiduciary net position as a percentage of the total pension liability	64.10%	62.84%	59.20%	43.10%	43.96%

* year were determined as of 12/31,
Years prior to 2013 are not available.

Colorado Springs School District 11 **Schedule of the District's Proportionate** **Share of Net OPEB Liability** **Last Two Calendar Years**

	<u>2016</u>	<u>2017</u>
District's proportion of the net OPEB liability	1.90%	1.88%
District's proportionate share of the net OPEB liability	\$ 24,621,768	\$ 24,389,607
Covered payroll	\$ 149,948,553	\$ 152,359,348
District's proportionate share of the net OPEB liability as a percentage of its OPEB includable wages	16.42%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	16.72%	17.53%

*

The amounts presented for each year were determined as of 12/31, the measurement date used by the district. Years prior to 2016 are not available.

Notes to the Required Supplementary Information

For the Year Ended June 30, 2018

NOTE 1: *BUDGETS*

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements. By state law, budgets are required for all funds. Annual appropriated budgets are adopted for all funds. At least thirty days prior to July 1, the Superintendent submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and means of financing them.

Public hearings are conducted by the Board of Education to obtain taxpayer comments. On or before June 30, the budget is adopted by formal resolution. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budget amounts between functions within any fund and the reallocation of budget line items within any department in the General Fund rests with the function manager and is reviewed by the Budget Office. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Education throughout the fiscal year 2018. All original and supplemental appropriations for all funds lapse at the end of the fiscal year. Budgeted amounts in each fund follow a governmental GAAP approach, which ignores the budgeting of beginning of year fund balances. The deficiency of revenues and other financing sources over expenditures and other financing uses reflects the budgeting of reserve and contingency accounts as expenses/expenditures without the corresponding fund equity resource carryover. In actuality, total resources equal total obligations in the District's adopted budget each year as the District complies with the balanced budget requirement. The District is not required to budget for discretely presented component units.

For fiscal year 2018, the board adopted a resolution approving initial appropriations of \$401,730,703. The appropriation was amended during the year by \$36,107,065 bringing final appropriations to \$437,837,768.

Encumbrances

Appropriations in governmental funds are encumbered upon issuance of purchase orders, contracts or other forms of legal commitments. Encumbrances are recorded as an assignment of fund balance in the General Fund as of June 30, 2018. Encumbrances do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent fiscal year. The discretely presented component units do not record outstanding encumbrances as an assignment of fund balance at year-end.

NOTE 2: *BUDGETARY BASIS OF ACCOUNTING FOR THE YEAR ENDED JUNE 30, 2018*

Colorado statutes require that boards of education of school districts adopt a budget and appropriation resolution each fiscal year. When using GAAP-basis accounting for budgeting, school districts budget for all accrued salaries and related benefits earned but unpaid at June 30. GAAP-basis accounting requires that expenditure of salaries and related benefits be recorded in the fiscal year *earned*.

Under Colorado statutes, school districts are not required to budget or appropriate for salaries and related benefits earned but not paid at June 30. The budgetary basis of accounting is used when no, or only a partial amount of, accrued salaries and benefits are budgeted. Under the budgetary basis of accounting, salaries and related benefits are recorded as expenditures in the fiscal year *earned and paid*.

Teachers and other school-year employees work over a period of nine to ten months but are paid over a twelve-month period. On November 18, 1998, the Board of Education approved a resolution allowing the reduction, or unfunding, of the salary accrual by \$3,888,000 for fiscal year 1999. On February 24, 1999, the Board approved an additional \$4,428,000 unfunding of the salary accrual for fiscal year 2000. This unfunding is recorded as an \$8,316,000 adjustment to fund balance for the difference between budgetary and GAAP basis of accounting and is reported in the budgetary comparison schedule of the General Fund.

NOTE 3: *PENSION AND OTHER POST EMPLOYMENT BENEFIT PLAN CONTRIBUTIONS*

The District is required to contribute to PERA as provided under senate bill 18-200. The Districts required contribution rates are as follows:

Start Date	Statutory Employer Contribution	AED	SAED*	Total Contribution % for Year
Jan 2018	10.15%	4.50%	5.50%	20.15%
July 2019	10.40%	4.50%	5.50%	20.40%

* State statute mandates that the SAED be funded by monies otherwise available for employee wage increases. The SAED is not credited to the member account.

The member contribution percentage will incrementally increase 2 percent as follows:

- .75 percent on July 1, 2019.
- .75 percent on July 1, 2020.
- .50 percent on July 1, 2021.

PERA will receive an annual direct distribution from the State in the amount of \$225 million (actual dollars). The distribution will occur July 1, 2018, and on July 1 each year thereafter until there is no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

In 2004 and 2006, legislation was passed that required employers to remit additional contributions to PERA. These additional contributions are the Amortization Equalization Disbursement (AED) and Supplemental Amortization Equalization Disbursement (SAED). The AED is an additional amount contributed by PERA employers that has gradual increases. The SAED is also an amount contributed by employers and is, to the extent permitted by law, to be funded by moneys otherwise available for employee wage increases. The SAED also has gradual increases. These additional employer contributions, based on the total payroll of PERA members and employees who can elect either PERA or another plan (regardless of the plan elected), are designed to reduce PERA's unfunded liability and amortization period.

For the School Division, the AED increased by 0.4 percent per year from 2013 through 2015 and by 0.3 percent in 2016 for a total rate of 4.5 percent. In addition, the SAED will continue to increase by 0.5 percent per year to a total rate of 5.5 percent by 2018. Also the 0.4 percent increase in the statutory employer contribution rate in 2013 was eliminated. However, if the funding ratio reaches 103 percent, the AED and SAED will be reduced by 0.5 percent of pay each.

The actuarially determined contribution (ADC) rates, as a percentage of pensionable payroll, used to determine the ADC amounts in the Schedule of District Contributions are calculated as of December 31, two years prior to the end of the year in which ADC amounts are reported. The following actuarial methods and assumptions (from the December 31, 2015, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending December 31, 2017:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Amortization period	30 years, closed, layered
Asset valuation method	4-year smoothed market
Price inflation	2.80 percent
Real wage growth	1.10 percent
Wage inflation	3.90 percent
Salary increases, including wage inflation	3.90 to 10.85 percent
Long-term investment rate of return, net of pension plan investment expense, including price inflation	7.50 percent
Future post-retirement benefit increases	
PERA benefit structure hired prior to 1/1/07	2.00 percent
PERA benefit structure hired after 12/31/06	0.00 percent, as financed by the annual increase reserve

NOTE 4: *PENSION AND OTHER POSTEMPLOYMENT BENEFIT PLAN PROVISIONS*

On June 4, 2018 senate bill 18-200: *Concerning Modifications to the Public Employee's Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years* was signed into law. SB 18-200 makes changes to the plans administered by PERA with the goal of eliminating the UAAL of the Division Trust Funds and thereby reach a 100 percent funded ratio for each division within the next thirty years.

Benefit changes

The number of years used in the HAS calculation increased from three to five years for members, except judges, who do not have five years of service credit on December 31, 2019, and for new members hired on or after January 1, 2020. PERA-includable salary for all members are redefined to include payouts of unused sick leave.

PERA-includable salary for all members hired on or after July 1, 2019 are redefined to include contributions to IRC Section 125 and 132 plans.

Members, other than State Troopers, hired on or after January 1, 2020 full service retirement eligibility is met at:

- Any age with 35 years of service.
- Age 64 with 30 years of service.
- Age 65 with 5 years of service.

Members, other than State Troopers, hired on or after January 1, 2020 reduced service retirement eligibility is met at:

- Age 55 with 25 years of service.
- Age 60 with 5 years of service.

AI is temporarily suspended for years 2018 and 2019.

AI cap is set at 1.5 percent and the AI waiting period is extended from one to three years.

Other Provisions

Effective July 1, 2020, and each year thereafter, member contributions, employer contributions, the direct distribution from the State, and the AI will be adjusted based on certain statutory parameters to keep PERA on path to full funding in 30 years.

For benefit recipients of the PERA benefit structure based upon a membership date before January 1, 2007, future Post-Retirement Benefits Increases (Increase) are set at an amount equal to 2 percent (the lesser of that or the annual Consumer Price Index for Urban Wage Earners and Clerical Workers [CPI-W] increase for 2010). However, if the investment return for the prior year is negative, then the Increase is an amount equal to the annual CPI-W increase with a cap of 2 percent. The 2 percent cap may be adjusted based upon the year-end funded status, with increases mandated when the funded status reaches 103 percent and decreases mandated when the funded status subsequently falls below 90 percent. The cap will not be reduced below 2 percent. In addition, the Increase is first paid on the July 1st that is at least 12 months after retirement for those members who retire on or after January 1, 2011. Members not eligible to retire as of January 1, 2011, who retire with a reduced service retirement allowance must reach age 60 or the age and service requirements for unreduced service retirement to be eligible for the Post-Retirement Benefit Increases.

Effective January 1, 2011, other than in the Judicial Division, for all active members, who are not eligible for retirement on January 1, 2011, the annual salary increase cap in determination of Highest Average Salary (HAS) was lowered from 15 percent to 8 percent for PERA benefit structure members and for DPS benefit structure members, a change from the average of salaries of the highest 36 months of earned service to the PERA benefit structure method with an annual salary cap of 8 percent.

Effective January 1, 2011, a new requirement was added that PERA benefit structure members must have five years of earned service credit in order to receive a 50 percent match on a refund.

Effective January 1, 2011, the reduction factors for a reduced service retirement benefit for members not eligible to retire as of January 1, 2011, were changed to an actuarial equivalent basis.

Effective January 1, 2011, a modified Rule of 85 for service retirement eligibility was implemented for members with less than 5 years of service credit as of January 1, 2011.

Effective January 1, 2011, a modified Rule of 88 with a minimum age of 58 for service retirement eligibility was implemented for members hired on or after January 1, 2011, but before January 1, 2017.

Effective January 1, 2011, a modified Rule of 90 with a minimum age of 60 for service retirement eligibility was implemented for members hired on or after January 1, 2011.

The following changes were made to the Plan's provisions as a result of the passage of SB 06-235:

The Annual Increase Reserve (AIR) was established January 1, 2007, and will be used to provide post-retirement benefit increases for members hired on or after that date. The AIR is financed by an allocation from the employer statutory contributions, made on behalf of members hired on or after January 1, 2007, equal to 1.00 percent of pensionable payroll and through an allocation of purchase of service dollars.

The Service Retirement Eligibility for those members hired after January 1, 2007, was changed at age 55 by increasing the age and service requirement from 80 years to 85 years.

Other Plan provisions and assumptions include the following:

The investment return assumption is 7.50 percent, which is net of investment expenses to better represent the investment consultant's assumptions and predictions and also to better align with GASB accounting and reporting requirements. An ongoing estimated administrative expense of 0.35 percent of pensionable payroll was added to the normal cost beginning with the December 31, 2012 actuarial valuation.

The post-retirement mortality tables used are the RP-2000 Combined Mortality tables projected with a Scale AA to 2020, set back one year for males and two years for females.

The assumed interest rate credited on member contribution accounts is 3 percent.

For the AIR established on January 1, 2007, the AIR balance is excluded from both assets and liabilities in the determination of the ADC rate as a percentage of pensionable payroll.



THE WORLD IS CHANGING.
MEET THE FUTURE.

Combining and Individual Fund Financial Statement and Schedules





THE WORLD IS CHANGING.
MEET THE FUTURE.

Major Governmental Funds

General Fund

The General Fund is used to account for all transactions of the District not required legally or by sound financial management to be accounted for in another fund. This fund accounts for the District's ordinary operations financed primarily from property taxes and state aid. It is the most significant fund in relation to the District's overall operations. Two sub-funds exist within the General Fund: The *Risk Management Fund* and the *Preschool Fund*.

Risk-Management Fund

This fund allows separate reporting specific to risk management including worker's compensation, general liability, errors and omissions, vehicle and property insurance.

Preschool Fund

Moneys allocated pursuant to section 22-54-105(4) of the Colorado Revised Statutes are deposited in this fund. In addition, any other moneys of the District may be used to pay the costs of providing preschool services directly to children enrolled in the preschool program.

Capital Reserve Capital Projects Fund

This fund is used to account for acquisition of sites, buildings, equipment and vehicles. Its purpose and limitations are specified by section 22-45-103(1)(d) of the Colorado Revised Statutes.

Mill Levy Override Fund

This fund accounts for the use of funds from the November 2000 voter-approved mill levy override.

Bond Redemption Fund

The Bond Redemption Fund is a debt service fund that was created to account for a bond redemption mill levy approved by the voters on November 5, 1996. This fund accounts for the restricted general obligation property tax used to finance principal and interest payments on the 2006, 2010, 2012 and 2013 bonds.

Colorado Springs School District 11
General Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 17,118,470	\$ 15,733,713
Investments, unrestricted at fair value	81,088,439	53,227,747
Accounts receivable	234,865	125,855
Property taxes		
Current	2,662,777	2,363,607
County treasurer	1,588,343	1,225,265
Inventories and other assets	509,566	390,757
Total assets	<u>103,202,460</u>	<u>73,066,944</u>
LIABILITIES		
Current liabilities		
Accounts payable	2,994,124	2,069,684
Accrued compensation and benefits	29,783,527	28,605,354
Due to other funds	33,176,352	7,132,950
Unearned revenue	18,037	18,924
Accrued compensated absences	1,574,627	1,767,007
Total liabilities	<u>67,546,667</u>	<u>39,593,919</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	1,331,867	1,118,334
Total deferred inflows of resources	<u>1,331,867</u>	<u>1,118,334</u>
FUND BALANCE		
Nonspendable		
Inventories	497,066	378,257
Prepays - risk management	12,500	12,500
Restricted		
Constitutional amendment - multi-year obligations	250,000	250,000
3% statutory reserve - TABOR	5,181,340	5,148,026
Assigned		
Risk management	2,618,118	2,364,108
Preschool	443,734	540,886
District 11 Cohort	-	600,000
Energy lease	-	457,008
Miscellaneous projects	1,800,615	159,875
IT programs	-	341,560
Possible teacher positions	-	626,000
Instructional supply carryover	2,311,240	2,194,795
Non-instructional supply carryover	1,131,986	1,433,906
Unassigned	20,077,327	17,847,770
Total fund balance	<u>34,323,926</u>	<u>32,354,691</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,202,460</u>	<u>\$ 73,066,944</u>

Colorado Springs School District 11
General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Taxes				
Local property taxes				
Current	\$ 55,838,291	\$ 55,958,140	\$ 119,849	\$ 57,185,090
Delinquent, net of abatements	(217,574)	(267,335)	(49,761)	(187,144)
Specific ownership taxes	15,858,983	14,700,897	(1,158,086)	11,708,972
Total taxes	71,479,700	70,391,702	(1,087,998)	68,706,918
Intergovernmental				
Federal grant revenues	2,121,939	1,721,096	(400,843)	2,174,854
State and other grant revenues				
State equalization (net)	121,080,320	121,913,547	833,227	121,332,708
State grants	8,532,595	8,838,825	306,230	8,209,276
Total intergovernmental	131,734,854	132,473,468	738,614	131,716,838
Interest on investments	129,700	521,841	392,141	211,142
Other				
Tuition	313,177	269,242	(43,935)	319,683
Services provided to charter schools	891,169	883,957	(7,212)	907,249
Miscellaneous	3,331,395	3,316,881	(14,514)	3,802,089
Total other	4,535,741	4,470,080	(65,661)	5,029,021
Total revenues	207,879,995	207,857,091	(22,904)	205,663,919
EXPENDITURES				
Current				
Instruction	150,270,412	142,240,062	8,030,350	131,925,522
Pupil activities	13,713,308	13,044,858	668,450	12,008,377
Instructional support	17,138,484	15,471,431	1,667,053	14,222,441
General administration	1,739,341	1,505,858	233,483	1,486,448
School administration	21,473,608	20,072,612	1,400,996	18,433,451
Business services	2,707,863	2,409,369	298,494	2,298,638
Maintenance and operations	27,206,128	24,756,111	2,450,017	23,714,201
Transportation	5,092,085	5,020,170	71,915	4,652,290
Central services	14,925,647	11,724,069	3,201,578	10,941,094
Community and other services	2,428,688	2,313,565	115,123	2,065,601
Reserves	24,268,523	-	24,268,523	-
Total expenditures	280,964,087	238,558,105	42,405,982	221,748,063
Excess (deficiency) of revenues over expenditures	(73,084,092)	(30,701,014)	42,383,078	(16,084,144)
OTHER FINANCING SOURCES (USES)				
Transfers in	40,728,499	40,582,342	(146,157)	26,431,323
Transfers out	(7,936,842)	(7,912,093)	24,749	(7,465,954)
Total other financing sources (uses)	32,791,657	32,670,249	(121,408)	18,965,369
Net change in fund balance	\$ (40,292,435)	1,969,235	\$ 42,261,670	2,881,225
Fund balance, beginning of year		40,670,691		37,789,466
Fund balance, end of year		42,639,926		40,670,691
Adjustment for budgetary basis (Note 2)		(8,316,000)		(8,316,000)
Fund balance (GAAP basis), end of year		\$ 34,323,926		\$ 32,354,691

Colorado Springs School District 11
Capital Reserve Capital Projects Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments - unrestricted	\$ 3,837,956	\$ 2,831,960
Investments - restricted	2,910,654	2,898,794
Accounts receivable	10,833	10,156
Property taxes, county treasurer	83,833	83,833
Due from other funds	<u>7,772,646</u>	<u>4,271,119</u>
Total assets	<u><u>14,615,922</u></u>	<u><u>10,095,862</u></u>
 LIABILITIES		
Accounts payable	915,565	1,099,503
Accrued compensation	<u>71,922</u>	<u>26,314</u>
Total liabilities	<u><u>987,487</u></u>	<u><u>1,125,817</u></u>
 FUND BALANCES		
Restricted		
Debt service	2,910,654	2,898,794
Assigned		
Emergency contingency	1,000,000	1,000,000
Capital projects	<u>9,717,781</u>	<u>5,071,251</u>
Total fund balances	<u><u>13,628,435</u></u>	<u><u>8,970,045</u></u>
Total liabilities and fund balances	<u><u>\$ 14,615,922</u></u>	<u><u>\$ 10,095,862</u></u>

Colorado Springs School District 11
Capital Reserve Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Taxes				
Specific ownership taxes	\$ 1,006,000	\$ 1,005,996	\$ (4)	\$ 1,005,996
Intergovernmental				
Federal sources	1,215,108	1,215,108	-	-
Interest on investments	60,000	117,800	57,800	60,006
Other				
School land fees	90,000	227,144	137,144	409,076
Services provided to charter schools	215,099	202,554	(12,545)	209,599
Miscellaneous	127,015	203,522	76,507	180,513
Total revenues	<u>2,713,222</u>	<u>2,972,124</u>	<u>258,902</u>	<u>1,865,190</u>
EXPENDITURES				
Current				
Instruction	68,288	65,021	3,267	9,831
School administration	-	-	-	260,058
Business services	-	-	-	49,389
Maintenance and operations	709,376	531,081	178,295	325,423
Transportation	600,000	600,000	-	613,147
Central services	540,265	540,265	-	55,560
Other support services	-	-	-	17,273
Contingency	7,087,835	-	7,087,835	-
Capital outlay				
Site acquisition and improvements	2,508,290	644,916	1,863,374	1,716,257
Building improvement services	7,317,635	3,261,263	4,056,372	5,929,676
Debt service				
Principal retirement	3,828,999	3,828,999	-	3,500,559
Interest and fiscal charges	519,194	519,194	-	645,328
Total expenditures	<u>23,179,882</u>	<u>9,990,739</u>	<u>13,189,143</u>	<u>13,122,501</u>
Excess (deficiency) of revenues over expenditures	(20,466,660)	(7,018,615)	(13,448,045)	(11,257,311)
OTHER FINANCING SOURCES (USES)				
Transfers in	11,496,616	11,493,733	(2,883)	5,767,718
Proceeds from sale of capital assets	-	183,272	183,272	27,651
Total other financing sources (uses)	<u>11,496,616</u>	<u>11,677,005</u>	<u>-</u>	<u>5,795,369</u>
Net change in fund balance	\$ <u>(8,970,044)</u>	4,658,390	\$ <u>(13,628,434)</u>	(5,461,942)
Fund balance, beginning of year		<u>8,970,045</u>		<u>14,431,987</u>
Fund Balance, end of year		<u>\$ 13,628,435</u>		<u>\$ 8,970,045</u>

Colorado Springs School District 11
Mill Levy Override Special Revenue Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Property taxes		
Current	\$ 3,031,330	\$ 1,096,499
County treasurer	281,847	64,361
Due from other funds	<u>21,278,675</u>	<u>-</u>
	<u>24,591,852</u>	<u>1,160,860</u>
Total assets		
	<u>24,591,852</u>	<u>1,160,860</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	<u>1,518,659</u>	<u>519,002</u>
	<u>1,518,659</u>	<u>519,002</u>
Total deferred inflows of resources		
	<u>1,518,659</u>	<u>519,002</u>
 FUND BALANCES		
Restricted for mill levy override	<u>23,073,193</u>	<u>641,858</u>
	<u>23,073,193</u>	<u>641,858</u>
Total fund balances		
	<u>23,073,193</u>	<u>641,858</u>
Total deferred inflows of resources and fund balances	<u>\$ 24,591,852</u>	<u>\$ 1,160,860</u>

Colorado Springs School District 11
Mill Levy Override Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Taxes				
Local property taxes	\$ 66,852,853	\$ 67,722,572	\$ 869,719	\$ 26,684,582
Total revenues	<u>66,852,853</u>	<u>67,722,572</u>	<u>869,719</u>	<u>26,684,582</u>
EXPENDITURES				
Current				
Treasurer collection fees	168,100	169,895	(1,795)	67,130
Audit services	100,000	-	100,000	85,000
Contingency	<u>21,450,000</u>	<u>-</u>	<u>21,450,000</u>	<u>-</u>
Total expenditures	<u>21,718,100</u>	<u>169,895</u>	<u>21,548,205</u>	<u>152,130</u>
Excess of revenues over expenditures	45,134,753	67,552,677	22,417,924	26,532,452
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	<u>(45,776,611)</u>	<u>(45,121,342)</u>	<u>655,269</u>	<u>(26,521,323)</u>
Net change in fund balances	\$ <u>(641,858)</u>	22,431,335	\$ <u>23,073,193</u>	11,129
Fund balance, beginning of year		<u>641,858</u>		<u>630,729</u>
Fund balance, end of year		\$ <u><u>23,073,193</u></u>		\$ <u><u>641,858</u></u>

Colorado Springs School District 11
Bond Redemption Debt Service Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Investments, restricted	\$ 11,438,484	\$ 18,473,101
Property taxes		
Current	410,090	656,463
County treasurer	<u>38,043</u>	<u>38,573</u>
Total assets	<u><u>11,886,617</u></u>	<u><u>19,168,137</u></u>
 LIABILITIES		
Accounts payable	<u>-</u>	<u>-</u>
 DEFERRED INFLOWS OF RESOURCES		
Property taxes levied for subsequent years	<u>204,424</u>	<u>310,315</u>
 FUND BALANCE		
Restricted for debt service	<u>11,682,193</u>	<u>18,857,822</u>
 Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 11,886,617</u></u>	<u><u>\$ 19,168,137</u></u>

Colorado Springs School District 11
Bond Redemption Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Lo Current	\$ 9,212,606	\$ 9,233,251	\$ 20,645	\$ 15,945,312
Interest on investments	150,000	200,664	50,664	158,915
Total revenues	9,362,606	9,433,915	71,309	16,104,227
EXPENDITURES				
Debt service				
Principal	11,700,000	11,700,000	-	10,540,000
Interest and fiscal charges	4,910,494	4,909,544	950	6,109,119
Reserves	11,609,934	-	11,609,934	-
Total expenditures	28,220,428	16,609,544	11,610,884	16,649,119
Net change in fund balance	\$ <u>(18,857,822)</u>	(7,175,629)	\$ <u>(11,539,575)</u>	(544,892)
Fund balance, beginning of year		18,857,822		19,402,714
Fund balance, end of year		\$ <u>11,682,193</u>		\$ <u>18,857,822</u>



THE WORLD IS CHANGING.
MEET THE FUTURE.

Non-major Governmental Funds

Special Revenue Funds

These funds are used to account for *and report* the proceeds of special revenue sources that are restricted *or* committed to expenditure for specified purposes *other than debt service or capital projects*. A separate fund may be used for each restricted source. The following revenue funds are designed for use by school districts.

Food Service Fund

The food service fund is used to record financial transactions related to food service operations. Because the district receives USDA school breakfast/lunch money, this fund is required.

Governmental Designated-Purpose Grants Fund

This fund is used to record financial transactions for grants received for designated programs funded by federal, state or local sources which normally have a different fiscal period than that of the District.

Colorado Springs School District 11
Non-Major Governmental Funds
Combining Balance Sheet with Comparative Totals for 2017
June 30, 2018

	Special Revenue		2018	2017
	Food Services Fund	Designated Purpose Grants Fund	Non-major Governmental Funds Total	Non-major Governmental Funds Total
ASSETS				
Cash and cash equivalents	\$ 5,222	\$ -	\$ 5,222	\$ 4,792
Accounts receivable	41,366	-	41,366	44,967
Due from other governments	135,820	3,121,812	3,257,632	4,235,434
Due from other funds	3,268,140	-	3,268,140	2,372,935
Commodities and inventories	424,627	-	424,627	525,287
Total Assets	<u>3,875,175</u>	<u>3,121,812</u>	<u>6,996,987</u>	<u>7,183,415</u>
LIABILITIES				
Accounts payable	55,264	343,427	398,691	264,176
Accrued compensation	268,277	1,871,753	2,140,030	1,934,284
Due to other funds	-	405,312	405,312	898,798
Unearned revenue	431,395	501,320	932,715	1,002,402
Total liabilities	<u>754,936</u>	<u>3,121,812</u>	<u>3,876,748</u>	<u>4,099,660</u>
FUND BALANCES				
Nonspendable inventories	424,627	-	424,627	525,287
Assigned				
Food services	<u>2,695,612</u>	<u>-</u>	<u>2,695,612</u>	<u>2,558,468</u>
Total fund balances	<u>3,120,239</u>	<u>-</u>	<u>3,120,239</u>	<u>3,083,755</u>
Total liabilities and fund balances	<u>\$ 3,875,175</u>	<u>\$ 3,121,812</u>	<u>\$ 6,996,987</u>	<u>\$ 7,183,415</u>

Colorado Springs School District 11
Non-Major Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes
in Fund Balances with Comparative Totals for 2017
For the Year Ended June 30, 2018

	Special Revenue		2018	2017
	Food Services Fund	Designated Purpose Grants Fund	Non-major Governmental Funds Total	Non-major Governmental Funds Total
REVENUES				
Intergovernmental				
Federal sources	\$ 8,878,682	\$ 15,253,140	\$ 24,131,822	\$ 24,021,658
State and local sources	196,645	2,077,071	2,273,716	2,243,264
Charges for services	2,173,743	-	2,173,743	1,976,199
Interest on investments	22,803	-	22,803	10,291
Miscellaneous	59,867	-	59,867	53,920
Total revenues	11,331,740	17,330,211	28,661,951	28,305,332
EXPENDITURES				
Current				
Instruction	-	11,719,739	11,719,739	11,749,151
Instructional support	-	5,159,691	5,159,691	4,871,209
Food service operations	12,118,133	-	12,118,133	10,823,671
Miscellaneous support services	-	611,032	611,032	862,585
Total expenditures	12,118,133	17,490,462	29,608,595	28,306,616
Excess of revenues over (under) expenditures	(786,393)	(160,251)	(946,644)	(1,284)
OTHER FINANCING SOURCES				
Transfers in	822,877	160,251	983,128	388,236
Net change in fund balances	36,484	-	36,484	386,952
Fund balance, beginning of year	3,083,755	-	3,083,755	2,696,803
Fund balance, end of year	\$ 3,120,239	\$ -	\$ 3,120,239	\$ 3,083,755

Colorado Springs School District 11
Food Services Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 5,222	\$ 4,792
Accounts receivable	41,366	44,967
Due from other governments	135,820	917,655
Due from other funds	3,268,140	2,372,935
Commodities and inventories	<u>424,627</u>	<u>525,287</u>
Total assets	<u><u>3,875,175</u></u>	<u><u>3,865,636</u></u>
 LIABILITIES		
Accounts payable	55,264	67,308
Accrued compensation	268,277	230,888
Unearned revenue	<u>431,395</u>	<u>483,685</u>
Total liabilities	<u>754,936</u>	<u>781,881</u>
 FUND BALANCES		
Nonspendable inventories	424,627	525,287
Assigned for food services	<u>2,695,612</u>	<u>2,558,468</u>
Total fund balances	<u>3,120,239</u>	<u>3,083,755</u>
Total liabilities and fund balances	<u><u>\$ 3,875,175</u></u>	<u><u>\$ 3,865,636</u></u>

Colorado Springs School District 11
Food Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Intergovernmental				
Federal sources	\$ 8,993,918	\$ 8,878,682	\$ (115,236)	\$ 8,768,372
State and local sources	197,801	196,645	(1,156)	194,841
Charges for services	2,074,224	2,173,743	99,519	1,976,199
Interest on investments	-	22,803	22,803	10,291
Miscellaneous	5,000	59,867	54,867	53,920
	<u>11,270,943</u>	<u>11,331,740</u>	<u>60,797</u>	<u>11,003,623</u>
EXPENDITURES				
Current				
Food purchases	4,130,661	3,836,392	294,269	3,861,389
Salaries	4,623,030	4,533,336	89,694	3,835,228
Employee benefits	1,310,218	1,249,522	60,696	1,108,444
Commodity items	838,980	838,385	595	730,537
Purchased services	325,886	301,285	24,601	266,994
Supplies and other charges	1,470,707	1,359,213	111,494	1,021,079
Contingency	1,700,837	-	1,700,837	-
	<u>14,400,319</u>	<u>12,118,133</u>	<u>2,282,186</u>	<u>10,823,671</u>
Excess (deficiency) of revenues over expenditures	(3,129,376)	(786,393)	2,342,983	179,952
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>829,856</u>	<u>822,877</u>	<u>(6,979)</u>	<u>207,000</u>
Net change in fund balances	\$ <u>(2,299,520)</u>	36,484	\$ <u>2,336,004</u>	386,952
Fund balance, beginning of year		<u>3,083,755</u>		<u>2,696,803</u>
Fund balance, end of year		\$ <u>3,120,239</u>		\$ <u>3,083,755</u>

Colorado Springs School District 11
Designated Purpose Grants Special Revenue Fund
Comparative Balance Sheets
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Due from other governments	\$ 3,121,812	\$ 3,317,779
Total assets	<u>3,121,812</u>	<u>3,317,779</u>
 LIABILITIES		
Accounts payable	343,427	196,868
Accrued compensation	1,871,753	1,703,396
Due to other funds	405,312	898,798
Unearned revenue	<u>501,320</u>	<u>518,717</u>
Total liabilities	<u>3,121,812</u>	<u>3,317,779</u>
 FUND BALANCE	 <u>-</u>	 <u>-</u>
Total liabilities and fund balance	\$ <u>3,121,812</u>	\$ <u>3,317,779</u>

Colorado Springs School District 11
Designated Purpose Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
REVENUES				
Intergovernmental				
Federal sources	\$ 18,131,062	\$ 15,253,140	\$ (2,877,922)	\$ 15,253,286
State and local sources	3,541,269	2,077,071	(1,464,198)	2,048,423
Total revenues	<u>21,672,331</u>	<u>17,330,211</u>	<u>(4,342,120)</u>	<u>17,301,709</u>
EXPENDITURES				
Current				
Instruction	13,420,760	11,719,739	1,701,021	11,749,151
Instructional Support	6,288,563	5,159,691	1,128,872	4,871,209
Miscellaneous Support Services	<u>2,648,100</u>	<u>611,032</u>	<u>2,037,068</u>	<u>862,585</u>
Total expenditures	<u>22,357,423</u>	<u>17,490,462</u>	<u>4,866,961</u>	<u>17,482,945</u>
Excess (deficiency) of revenues over expenditures	(685,092)	(160,251)	524,841	(181,236)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>685,092</u>	<u>160,251</u>	<u>(524,841)</u>	<u>181,236</u>
Net change in fund balances	\$ <u>-</u>	\$ -	\$ <u>-</u>	-
Fund balance, beginning of year		<u>-</u>		<u>-</u>
Fund balance, end of year		\$ <u>-</u>		\$ <u>-</u>



THE WORLD IS CHANGING.
MEET THE FUTURE.

Proprietary Funds

Proprietary Funds account for operations that are organized to be self-supporting through user charges. The District's Proprietary Funds consist of two Internal Service Funds.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the District and to other government units on a cost reimbursement basis.

Production Printing Fund

This fund accounts for all financial activities associated with the District's printing services.

Risk Related Activities Fund

This fund is used to account for the financial transactions of all health and wellness programs. This includes employee benefits such as health, vision and dental insurance.

Colorado Springs School District 11
Internal Service Funds
Combining Schedule of Net Position with Comparative Totals for 2017
June 30, 2018

	Production Printing Fund	Risk Related Activities Fund	Totals	
			June 30, 2018	June 30, 2017
ASSETS				
Current assets				
Deposit with insurance pool	\$ -	\$ 8,497,234	\$ 8,497,234	\$ 10,237,479
Accounts receivable	18,275	1,498,743	1,517,018	31,743
Due from other funds	113,736	1,148,467	1,262,203	1,387,694
Inventories	125,096	-	125,096	64,391
Total current assets	257,107	11,144,444	11,401,551	11,721,307
Noncurrent assets				
Capital assets				
Building	590,059	-	590,059	590,059
Equipment	617,450	12,190	629,640	533,117
Accumulated depreciation	(470,596)	(12,190)	(482,786)	(457,733)
Total capital assets, net	736,913	-	736,913	665,443
Total assets	994,020	11,144,444	12,138,464	12,386,750
LIABILITIES				
Current liabilities				
Accounts payable	43,246	104,720	147,966	216,196
Accrued compensation	76,494	27,006	103,500	96,009
Accrued compensated absences (current portion)	9,007	-	9,007	31,632
Health insurance claims	-	2,897,000	2,897,000	2,646,210
Total current liabilities	128,747	3,028,726	3,157,473	2,990,047
Noncurrent liabilities				
Compensated absences (less: current portion)	7,857	4,973	12,830	21,117
Total noncurrent liabilities	7,857	4,973	12,830	21,117
Total liabilities	136,604	3,033,699	3,170,303	3,011,164
NET POSITION				
Investment in capital assets	736,913	-	736,913	665,443
Restricted net position	-	7,181,977	7,181,977	7,680,269
Unrestricted net position	120,503	928,768	1,049,271	1,029,874
Total net position	\$ 857,416	\$ 8,110,745	\$ 8,968,161	\$ 9,375,586

Colorado Springs School District 11
Internal Service Funds
Combining Schedule of Revenues, Expenses, and Changes in
Fund Net Position with Comparative Totals for 2017
For the Year Ended June 30, 2018

	Production Printing Fund	Risk Related Activities Fund	Totals	
			June 30, 2018	June 30, 2017
OPERATING REVENUES				
Charges for services	\$ 1,704,004	\$ -	\$ 1,704,004	\$ 2,014,966
Employer premium contributions	-	19,396,866	19,396,866	18,790,464
Employee premium contributions	-	7,892,731	7,892,731	7,774,392
Collections and subrogations	-	-	-	1,209
Total operating revenues	1,704,004	27,289,597	28,993,601	28,581,031
OPERATING EXPENSES				
Cost of printing services and administration	1,396,756	-	1,396,756	2,269,619
Health insurance	-	25,150,110	25,150,110	24,366,935
Dental insurance	-	2,202,754	2,202,754	1,977,082
Life insurance	-	762,504	762,504	745,870
LTD insurance	-	234,453	234,453	238,471
Vision Insurance	-	227,514	227,514	226,050
Depreciation	61,381	-	61,381	66,185
Utilities and indirect costs	103,951	-	103,951	121,435
Total operating expenses	1,562,088	28,577,335	30,139,423	30,011,647
Operating income (loss)	141,916	(1,287,738)	(1,145,822)	(1,430,616)
NONOPERATING REVENUES				
Interest on investments	1,448	765,551	766,999	408,500
Gain (loss) on sale of capital assets	(2,834)	-	(2,834)	4,500
Total non-operating revenues	(1,386)	765,551	764,165	413,000
Income (loss) before transfers	140,530	(522,187)	(381,657)	(1,017,616)
OTHER FINANCING SOURCES				
Transfers in (out)	(32,354)	6,586	(25,768)	1,400,000
Total other financing sources	(32,354)	6,586	(25,768)	1,400,000
Change in net position	108,176	(515,601)	(407,425)	382,384
Net position, beginning of year	749,240	8,626,346	9,375,586	8,993,202
Net position, end of year	\$ 857,416	\$ 8,110,745	\$ 8,968,161	\$ 9,375,586

Colorado Springs School District 11
Internal Service Funds
Combining Schedule of Cash Flows with Comparative Totals for 2017
For the Year Ended June 30, 2018

	Production Printing Fund	Risk Related Activities Fund	Totals June 30, 2018	June 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,717,472	\$ 25,790,854	\$ 27,508,326	\$ 28,576,968
Payments to suppliers	(893,212)	-	(893,212)	(1,793,867)
Payments for insurance claims	-	(26,295,744)	(26,295,744)	(26,645,887)
Payments to employees	(708,376)	(342,031)	(1,050,407)	(1,022,586)
Receipts (payments) for interfund services used	50,707	74,784	125,491	(541,723)
Net cash provided by (used in) operating activities	166,591	(772,137)	(605,546)	(1,427,095)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)	(32,354)	6,586	(25,768)	1,400,000
Net cash provided by (used in) noncapital financing activities	(32,354)	6,586	(25,768)	1,400,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Net cash from capital leases	-	-	-	(373,105)
Purchases of equipment	(139,685)	-	(139,685)	(12,800)
Proceeds from sale of capital assets	4,000	-	4,000	4,500
Net cash used in capital and related financing activities	(135,685)	-	(135,685)	(381,405)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	1,448	765,551	766,999	408,500
Net cash provided by investing activities	1,448	765,551	766,999	408,500
Net increase in cash and cash equivalents	-	-	-	-
Cash and cash equivalents, beginning of year	-	-	-	-
Cash and cash equivalents, end of year	\$ -	\$ -	\$ -	\$ -
Reconciliation of operating loss to net cash used in operating activities				
Operating income (loss)	\$ 141,916	\$ (1,287,738)	\$ (1,145,822)	\$ (1,430,616)
Adjustments to reconcile operating income to net cash provided by operating activities				
Depreciation	61,381	-	61,381	66,185
Change in assets and liabilities				
Deposit with insurance pool	-	1,740,245	1,740,245	467,360
Accounts receivable	13,468	(1,498,743)	(1,485,275)	(4,063)
Due from other funds	50,707	74,784	125,491	(541,724)
Inventories	(60,705)	-	(60,705)	31,184
Accounts payable	(14,340)	(53,890)	(68,230)	(122,543)
Accrued compensation	3,573	3,918	7,491	9,251
Accrued compensated absences	(22,625)	-	(22,625)	31,632
Accrued interest payable	-	-	-	(2,046)
Health insurance claims	-	250,790	250,790	61,036
Noncurrent compensated absences	(6,784)	(1,503)	(8,287)	7,249
Total adjustments	24,675	515,601	540,276	3,521
Net cash used in operating activities	\$ 166,591	\$ (772,137)	\$ (605,546)	\$ (1,427,095)

Colorado Springs School District 11
Production Printing Fund
Comparative Schedules of Net Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Accounts receivable	\$ 18,275	\$ 31,743
Due from other funds	113,736	164,443
Inventories	<u>125,096</u>	<u>64,391</u>
Total current assets	<u>257,107</u>	<u>260,577</u>
Noncurrent assets		
Capital assets		
Building	590,059	590,059
Equipment	617,450	520,927
Accumulated depreciation	<u>(470,596)</u>	<u>(445,543)</u>
Total capital assets	<u>736,913</u>	<u>665,443</u>
Total assets	<u>994,020</u>	<u>926,020</u>
LIABILITIES		
Current liabilities		
Accounts payable	43,246	57,586
Accrued compensation	76,494	72,921
Accrued compensated absences (current portion)	<u>9,007</u>	<u>31,632</u>
Total current liabilities	<u>128,747</u>	<u>162,139</u>
Noncurrent liabilities		
Accrued compensated absences (less: current portion)	7,857	14,641
Capital lease payable (less: current portion)	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>7,857</u>	<u>14,641</u>
Total liabilities	<u>136,604</u>	<u>176,780</u>
NET POSITION		
Investment in capital assets	736,913	665,443
Unrestricted	<u>120,503</u>	<u>83,797</u>
Total net position	<u>\$ 857,416</u>	<u>\$ 749,240</u>

Colorado Springs School District 11
Production Printing Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
OPERATING REVENUES				
Charges for services	\$ 2,281,639	\$ 1,704,004	\$ (577,635)	\$ 2,014,966
Total operating revenues	2,281,639	1,704,004	(577,635)	2,014,966
OPERATING EXPENSES				
Cost of sales and services	2,177,990	1,325,877	852,113	2,201,108
Administration costs	263,232	70,879	192,353	68,511
Depreciation	61,381	61,381	-	66,185
Utilities and indirect costs	104,679	103,951	728	121,435
Total operating expenses	2,607,282	1,562,088	1,045,194	2,457,239
Operating income (loss)	(325,643)	141,916	467,559	(442,273)
NONOPERATING REVENUES				
Interest on investments	-	1,448	1,448	2,605
Gain (loss) on sale of capital assets	(2,918)	(2,834)	84	4,500
Total non-operating revenues	(2,918)	(1,386)	1,532	7,105
Income (loss) before transfers	(328,561)	140,530	469,091	(435,168)
TRANSFERS IN (OUT)	(36,270)	(32,354)	3,916	400,000
Change in net position	\$ (364,831)	108,176	\$ 473,007	(35,168)
Net position, beginning of year		749,240		784,408
Net position, end of year		\$ 857,416		\$ 749,240

Colorado Springs School District 11
Production Printing Fund
Comparative Schedules of Cash Flows
For the Years Ended June 30, 2018 and 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Receipts from customers and users	\$ 1,717,472	\$ 2,010,903
Payments to suppliers	(893,212)	(1,793,867)
Payments to employees	(708,376)	(702,226)
Receipts for interfund services used	50,707	463,990
Net cash provided by (used in) operating activities	166,591	(21,200)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer in (out)	(32,354)	400,000
Net cash provided by (used in) noncapital financing activities	(32,354)	400,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Net cash from capital lease	-	(373,105)
Purchases of equipment	(139,685)	(12,800)
Proceeds from sale of capital assets	4,000	4,500
Net cash used in capital and related financing activities	(135,685)	(381,405)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	1,448	2,605
Net cash provided by investing activities	1,448	2,605
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	-	-
Cash and cash equivalents, end of year	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities		
Operating income (loss)	\$ 141,916	\$ (442,273)
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	61,381	66,185
Change in assets and liabilities:		
Accounts receivable	13,468	(4,063)
Due from other funds	50,707	463,989
Inventories	(60,705)	31,184
Accounts payable	(14,340)	(180,325)
Accrued compensation	3,573	8,303
Accrued compensated absences	(22,625)	31,632
Accrued interest payable	-	(2,046)
Noncurrent compensated absences	(6,784)	6,214
Total adjustments	24,675	421,073
Net cash provided by operating activities	\$ 166,591	\$ (21,200)

Colorado Springs School District 11
Risk Related Activities Fund
Comparative Schedules of Net Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Deposit with insurance pool	\$ 8,497,234	\$ 10,237,479
Accounts receivable	1,498,743	-
Due from other funds	<u>1,148,467</u>	<u>1,223,251</u>
Total current assets	<u>11,144,444</u>	<u>11,460,730</u>
Noncurrent assets		
Capital assets		
Equipment	12,190	12,190
Accumulated depreciation	<u>(12,190)</u>	<u>(12,190)</u>
Total capital assets, net	<u>-</u>	<u>-</u>
Total assets	<u>11,144,444</u>	<u>11,460,730</u>
LIABILITIES		
Current liabilities		
Accounts payable	104,720	158,610
Accrued compensation	27,006	23,088
Health insurance claims	<u>2,897,000</u>	<u>2,646,210</u>
Total current liabilities	<u>3,028,726</u>	<u>2,827,908</u>
Noncurrent liabilities		
Accrued compensated absences	<u>4,973</u>	<u>6,476</u>
Total noncurrent liabilities	<u>4,973</u>	<u>6,476</u>
Total liabilities	<u>3,033,699</u>	<u>2,834,384</u>
NET POSITION		
Restricted net position	7,181,977	7,680,269
Unrestricted net position	<u>928,768</u>	<u>946,077</u>
Total net position	<u>\$ 8,110,745</u>	<u>\$ 8,626,346</u>

Colorado Springs School District 11
Risk Related Activities Fund
Schedule of Revenues, Expenses, and Changes in Net Position
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	2018			2017
	Final Budget	Actual	Variance with Final Budget	Actual
OPERATING REVENUES				
Employer premium contributions	\$ 18,734,898	\$ 19,396,866	\$ 661,968	\$ 18,790,464
Employee premium contributions	9,454,426	7,892,731	(1,561,695)	7,774,392
Collections and subrogations	-	-	-	1,209
Total operating revenues	28,189,324	27,289,597	(899,727)	26,566,065
OPERATING EXPENSES				
Health insurance	32,870,624	25,150,110	7,720,514	24,366,935
Dental insurance	2,627,758	2,202,754	425,004	1,977,082
Life insurance	766,791	762,504	4,287	745,870
LTD insurance	244,829	234,453	10,376	238,471
Vision insurance	327,327	227,514	99,813	226,050
Total operating expenses	36,837,329	28,577,335	8,259,994	27,554,408
Operating income (loss)	(8,648,005)	(1,287,738)	7,360,267	(988,343)
NONOPERATING REVENUES				
Interest on investments	12,000	765,551	753,551	405,895
Income (loss) before transfers	(8,636,005)	(522,187)	8,113,818	(582,448)
TRANSFERS IN	9,660	6,586	(3,074)	1,000,000
Change in net position	\$ <u>(8,626,345)</u>	(515,601)	\$ <u>8,110,744</u>	417,552
Net position, beginning of year		8,626,346		8,208,794
Net position, end of year		\$ <u>8,110,745</u>		\$ <u>8,626,346</u>

Colorado Springs School District 11
Risk Related Activities Fund
Comparative Schedules of Cash Flows
For the Years Ended June 30, 2018 and 2017

CASH FLOWS FROM OPERATING ACTIVITIES	2018	2017
Receipts from customers and users	\$ 25,790,854	\$ 26,566,065
Payments for insurance claims	(26,295,744)	(26,645,887)
Payments to employees	(342,031)	(320,360)
Receipts (payments) for interfund services used	74,784	(1,005,713)
Net cash used in operating activities	<u>(772,137)</u>	<u>(1,405,895)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers in	<u>6,586</u>	<u>1,000,000</u>
Net cash provided by noncapital financing activities	<u>6,586</u>	<u>1,000,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	<u>765,551</u>	<u>405,895</u>
Net cash provided by investing activities	<u>765,551</u>	<u>405,895</u>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents, beginning of year	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Reconciliation of operating income (loss) to net cash used in operating activities		
Operating income	\$ <u>(1,287,738)</u>	\$ <u>(988,343)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Deposit with insurance pool	1,740,245	467,360
Accounts receivable	(1,498,743)	-
Due from other funds	74,784	(1,005,713)
Accounts payable	(53,890)	57,782
Accrued compensation	3,918	948
Health insurance claims	250,790	61,036
Noncurrent accrued compensated absences	<u>(1,503)</u>	<u>1,035</u>
Total adjustments	<u>515,601</u>	<u>(417,552)</u>
Net cash used in operating activities	<u><u>\$ (772,137)</u></u>	<u><u>\$ (1,405,895)</u></u>

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the government in a public trustee capacity. Fiduciary Funds are segregated as follows:

Private Purpose Trust Fund

This fund was created to act as a custodian for funds, such as scholarships, held for the benefit of private individuals and organizations. These funds are not used for the benefit of the District.

Agency Fund

This fund was created to act as a custodian for other funds, governmental units or private entities. Pupil activities along with other agency activities are accounted for in this fund.

Colorado Springs School District 11
Private Purpose Trust Funds
Comparative Schedules of Fiduciary Net Position
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and cash equivalents	\$ 70,313	\$ 50,401
Total assets	<u>70,313</u>	<u>50,401</u>
NET POSITION		
Held in trust for individuals	70,313	50,401
Total net position	<u>\$ 70,313</u>	<u>\$ 50,401</u>

Private Purpose Trust Funds
Schedule of Changes in Fiduciary Net Position
Budget and Actual with Comparative Actual Totals for 2017
For the Year Ended June 30, 2018

	<u>2018</u>			<u>2017</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Actual</u>
ADDITIONS				
Contributions	\$ 10,000	\$ 20,000	\$ 10,000	\$ -
Interest on investments	<u>-</u>	<u>662</u>	<u>662</u>	<u>293</u>
Total additions	<u>10,000</u>	<u>20,662</u>	<u>10,662</u>	<u>293</u>
DEDUCTIONS				
Scholarships awarded	<u>150,000</u>	<u>750</u>	<u>149,250</u>	<u>-</u>
Total deductions	<u>150,000</u>	<u>750</u>	<u>149,250</u>	<u>-</u>
Change in net position	<u>\$ (140,000)</u>	19,912	<u>\$ 159,912</u>	293
Net position, beginning of year		<u>50,401</u>		<u>50,108</u>
Net position, end of year		<u>\$ 70,313</u>		<u>\$ 50,401</u>

Colorado Springs School District 11
Agency Funds
Combining Statement of Assets and Liabilities
With Comparative Totals for 2017
June 30, 2018

	Pupil Activity Agency Fund	Other Agency Fund	Totals	
			June 30, 2018	June 30, 2017
ASSETS				
Cash and cash equivalents	\$ 2,152,461	\$ 98,573	\$ 2,251,034	\$ 2,247,560
Total assets	<u>2,152,461</u>	<u>98,573</u>	<u>2,251,034</u>	<u>2,247,560</u>
LIABILITIES				
Accounts payable	2,149,771	98,573	2,248,344	2,246,451
Accrued compensation	<u>2,690</u>	<u>-</u>	<u>2,690</u>	<u>1,109</u>
Total liabilities	\$ <u>2,152,461</u>	\$ <u>98,573</u>	\$ <u>2,251,034</u>	\$ <u>2,247,560</u>

Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the year ended June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 2,247,560	\$ 6,299,127	\$ 6,295,653	\$ 2,251,034
Total assets	<u>2,247,560</u>	<u>6,299,127</u>	<u>6,295,653</u>	<u>2,251,034</u>
LIABILITIES				
Accounts payable	2,246,451	7,451,811	7,449,918	2,248,344
Accrued compensation	<u>1,109</u>	<u>2,690</u>	<u>1,109</u>	<u>2,690</u>
Total liabilities	\$ <u>2,247,560</u>	\$ <u>7,454,501</u>	\$ <u>7,451,027</u>	\$ <u>2,251,034</u>

Colorado Springs School District 11
Pupil Activity Agency Fund
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 2,153,014	\$ 6,219,137	\$ 6,219,690	\$ 2,152,461
Total assets	<u>2,153,014</u>	<u>6,219,137</u>	<u>6,219,690</u>	<u>2,152,461</u>
LIABILITIES				
Accounts payable	2,151,905	7,225,535	7,227,669	2,149,771
Accrued compensation	<u>1,109</u>	<u>2,690</u>	<u>1,109</u>	<u>2,690</u>
Total liabilities	\$ <u>2,153,014</u>	\$ <u>7,228,225</u>	\$ <u>7,228,778</u>	\$ <u>2,152,461</u>

Other Agency Fund
Statement of Changes in Assets and Liabilities
For the year ended June 30, 2018

	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and cash equivalents	\$ 94,546	\$ 79,990	\$ 75,963	\$ 98,573
Total assets	<u>94,546</u>	<u>79,990</u>	<u>75,963</u>	<u>98,573</u>
LIABILITIES				
Accounts payable	<u>94,546</u>	<u>226,276</u>	<u>222,249</u>	<u>98,573</u>
Total liabilities	\$ <u>94,546</u>	\$ <u>226,276</u>	\$ <u>222,249</u>	\$ <u>98,573</u>

Statistical Section

This part of the Colorado Springs School District 11 Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Financial Trends

The schedules on pages 122-129 contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.

Revenue Capacity

Pages 130-133 contain information to help the reader assess the District's most significant local revenue source, the property tax.

Debt Capacity

Pages 134-139 present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

Pages 140-141 offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

Pages 142-152 contain service data to help the reader understand how the information in the Districts' financial report relates to the services the District provides and the activities it performs.

Note: Unless otherwise noted, the information in these schedules is derived from internal sources.



Colorado Springs School District 11

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 60,330,432	\$ 79,343,791	\$ 75,305,047	\$ 73,020,449
Restricted	43,521,854	29,122,593	30,882,851	28,789,378
Unrestricted	28,186,837	25,877,407	25,003,803	19,947,500
Total governmental activities net position	<u>132,039,123</u>	<u>134,343,791</u>	<u>131,191,701</u>	<u>121,757,327</u>
Business-type activities				
Net investment in capital assets	759,663	775,652	781,443	784,235
Unrestricted	1,036,092	1,382,523	1,387,636	1,357,723
Total business-type activities net position	<u>1,795,755</u>	<u>2,158,175</u>	<u>2,169,079</u>	<u>2,141,958</u>
Primary government				
Net investment in capital assets	61,090,095	80,119,443	76,086,490	73,804,684
Restricted	43,521,854	29,122,593	30,882,851	28,789,378
Unrestricted	29,222,929	27,259,930	26,391,439	21,305,223
Total primary government net position	<u>\$ 133,834,878</u>	<u>\$ 136,501,966</u>	<u>\$ 133,360,780</u>	<u>\$ 123,899,285</u>

Notes:

In fiscal year 2015, the District restated beginning net position/fund balance due to a reclassification of a non-major enterprise fund to a non-major special revenue fund. Consistent with the guidance from the Colorado Department of Education and in accordance with GASB Statement No 54, Fund Balance Reporting and Governmental Fund Type Definitions, management of the District has reclassified the Food Services Fund from an enterprise fund to a special revenue fund.

In addition, during fiscal year 2015, the District adopted GASB Statement Nos. 68 and 71, Accounting and Financial Reporting for Pensions, which requires the District to record its "proportionate share" of the net pension liability and related deferred inflows and outflows of resources in the government-wide financial statement.

Balances prior to 2015 are shown as originally presented and have not been restated for accounting changes.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 72,492,705	\$ 78,422,323	\$ 88,177,837	\$ 96,721,208	\$ 105,995,551	\$ 116,540,240
26,120,031	35,897,410	36,656,819	39,366,180	35,476,769	50,279,357
31,027,203	19,780,530	(429,374,993)	(452,411,974)	(601,912,529)	(801,047,193)
<u>129,639,939</u>	<u>134,100,263</u>	<u>(304,540,337)</u>	<u>(316,324,586)</u>	<u>(460,440,209)</u>	<u>(634,227,596)</u>
1,173,822	1,089,766	-	-	-	-
1,460,240	1,178,616	-	-	-	-
<u>2,634,062</u>	<u>2,268,382</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
73,666,527	79,512,089	88,177,837	96,721,208	105,995,551	116,540,240
26,120,031	35,897,410	36,656,819	39,366,180	35,476,769	50,279,357
32,487,443	20,959,146	(429,374,993)	(452,411,974)	(601,912,529)	(801,047,193)
<u>\$ 132,274,001</u>	<u>\$ 136,368,645</u>	<u>\$ (304,540,337)</u>	<u>\$ (316,324,586)</u>	<u>\$ (460,440,209)</u>	<u>\$ (634,227,596)</u>

Colorado Springs School District 11
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

Expenses	Fiscal Year			
	2009	2010	2011	2012
Governmental activities:				
Instruction	\$ 149,269,910	\$ 157,580,081	\$ 154,242,400	\$ 148,131,513
Pupil activities	9,778,400	9,929,064	9,963,857	10,033,704
Instructional support	19,643,423	20,085,867	19,525,598	18,804,575
General administration	3,750,923	2,982,750	2,613,631	2,514,869
School administration	19,100,926	16,908,290	17,427,453	17,460,771
Business services	2,338,722	2,382,204	2,121,957	2,084,754
Maintenance and operations	22,678,397	23,390,212	23,098,081	22,884,102
Transportation	5,011,957	5,466,558	5,785,082	5,535,648
Central services	12,345,045	11,574,939	11,328,296	14,760,051
Miscellaneous support services	3,766,633	4,519,354	3,813,274	3,505,147
Community and other services	1,690,063	1,430,019	2,122,492	2,180,693
Technology plan	-	1,396,902	1,689,696	-
Interest on long-term debt	15,160,822	12,836,565	12,773,975	12,771,533
Total governmental activities expenses	264,535,221	270,482,805	266,505,792	260,667,360
Business-type activities:				
Food Services	9,836,430	9,955,793	9,760,207	9,478,082
Community Education	233,387	216,487	187,365	168,624
Total business-type activities expenses	10,069,817	10,172,280	9,947,572	9,646,706
Total primary government expenses	274,605,038	280,655,085	276,453,364	270,314,066
Program revenues				
Governmental activities:				
Charges for services: Instruction	2,554,841	2,130,312	1,811,358	1,857,901
Charges for services: Other	1,859,747	1,790,269	2,090,742	2,276,314
Operating grants and contributions	27,210,862	30,611,870	38,978,465	28,959,032
Capital grants and contributions	-	325,287	133,707	495,935
Total governmental activities program revenues	31,625,450	34,857,738	43,014,272	33,589,182
Business-type activities:				
Food services:				
Charges for services	3,450,271	3,325,694	2,715,655	2,474,287
Operating grants and contributions	6,273,215	6,831,613	6,812,232	6,771,907
Community education: Charges for services	132,668	145,170	122,154	66,558
Total business-type activities program revenues	9,856,154	10,302,477	9,650,041	9,312,752
Total primary government program revenues	41,481,604	45,160,215	52,664,313	42,901,934
Net (expense) revenue				
Governmental activities	(232,909,771)	(235,625,067)	(223,491,520)	(227,078,178)
Business-type activities	(213,663)	130,197	(297,531)	(333,954)
Total primary government net (expense) revenue	(233,123,434)	(235,494,870)	(223,789,051)	(227,412,132)
General revenues				
Governmental activities:				
Property taxes	112,790,701	115,518,331	115,028,227	107,681,853
State equalization	114,331,643	118,307,243	101,663,908	104,712,798
Investment earnings	1,759,222	732,008	248,342	154,698
School land fees	143,852	87,776	106,612	89,880
Gain on sale of capital assets	-	-	-	-
Miscellaneous	2,831,732	3,374,377	3,382,341	5,094,576
Total governmental activities	231,857,150	238,019,735	220,429,430	217,733,805
Business-type activities				
Investment earnings	3,006	2,144	1,054	2,193
Miscellaneous revenues	205,954	140,079	217,381	214,640
Total business-type activities	208,960	142,223	218,435	216,833
Total primary government	232,066,110	238,161,958	220,647,865	217,950,638
Transfers				
Governmental activities	(90,000)	(90,000)	(90,000)	(90,000)
Business-type activities	90,000	90,000	90,000	90,000
Change in net position				
Governmental activities	(1,142,621)	2,304,668	(3,152,090)	(9,434,373)
Business-type activities	85,297	362,420	10,904	(27,121)
Total primary government	\$ (1,057,324)	\$ 2,667,088	\$ (3,141,186)	\$ (9,461,494)

Fiscal Year						
	2013	2014	2015	2016	2017	2018
\$	142,505,989	\$ 145,000,577	\$ 149,517,993	\$ 165,628,261	\$ 247,608,725	\$ 275,985,827
	9,784,370	9,967,853	10,728,273	12,879,517	21,294,909	24,113,592
	18,235,463	18,713,424	18,745,019	21,037,745	29,952,057	33,371,614
	2,525,328	2,912,121	2,760,071	3,056,593	4,726,737	5,332,927
	17,214,082	17,570,738	18,289,643	20,459,489	31,152,857	34,842,413
	1,990,776	2,090,375	2,255,485	2,571,495	3,913,464	4,261,452
	22,241,699	22,686,489	24,516,915	26,188,777	35,327,552	38,538,157
	5,093,914	5,549,777	5,278,914	5,852,482	7,617,612	8,275,922
	8,997,782	11,213,119	11,325,868	11,763,965	16,650,969	17,743,988
	3,385,847	3,536,525	13,721,139	11,086,174	15,490,306	17,668,757
	1,464,682	2,061,184	1,834,520	3,049,179	3,251,974	3,237,446
	-	-	-	-	-	-
	12,947,349	9,475,504	7,845,570	7,973,285	7,604,570	5,272,078
	246,387,281	250,777,686	266,819,410	291,546,962	424,591,732	468,644,173
	9,398,038	9,798,648	-	-	-	-
	117,358	165,129	-	-	-	-
	9,515,396	9,963,777	-	-	-	-
	255,902,677	260,741,463	266,819,410	291,546,962	424,591,732	468,644,173
	1,814,503	1,852,906	1,463,044	1,157,528	1,227,132	1,153,399
	2,152,046	2,334,303	5,017,763	4,923,543	5,730,258	5,182,949
	28,220,786	28,461,558	37,403,827	38,201,500	36,649,052	36,965,459
	72,111	-	876,805	-	-	-
	32,259,446	32,648,767	44,761,439	44,282,571	43,606,442	43,301,807
	2,217,387	2,204,298	-	-	-	-
	7,501,438	7,226,572	-	-	-	-
	80,309	65,459	-	-	-	-
	9,799,134	9,496,329	-	-	-	-
	42,058,580	42,145,096	44,761,439	44,282,571	43,606,442	43,301,807
	(214,127,835)	(218,128,919)	(222,057,971)	(247,264,391)	(380,985,290)	(425,342,366)
	283,738	(467,448)	-	-	-	-
	(213,844,097)	(218,596,367)	(222,057,971)	(247,264,391)	(380,985,290)	(425,342,366)
	111,165,231	110,894,125	110,238,258	110,863,634	112,342,808	148,353,521
	104,054,569	107,936,377	115,698,059	121,129,681	121,332,708	121,913,547
	116,359	81,407	1,685,554	212,023	848,854	1,630,107
	235,320	286,942	170,723	246,441	409,076	227,144
	3,313,820	-	-	798,223	0	0
	3,215,148	3,435,468	3,702,204	2,230,140	1,936,221	3,281,498
	222,100,447	222,634,319	231,494,798	235,480,142	236,869,667	275,405,817
	1,006	707	-	-	-	-
	117,360	55,985	-	-	-	-
	118,366	56,692	-	-	-	-
	222,218,813	222,691,011	231,494,798	235,480,142	236,869,667	275,405,817
	(90,000)	(45,076)	-	-	-	-
	90,000	45,076	-	-	-	-
	7,882,612	4,460,324	9,436,827	(11,784,249)	(144,115,623)	(149,936,549)
	492,104	(365,680)	-	-	-	-
\$	8,374,716	\$ 4,094,644	\$ 9,436,827	\$ (11,784,249)	\$ (144,115,623)	\$ (149,936,549)

Colorado Springs School District 11
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
General fund				
Nonspendable	\$ -	\$ -	\$ 615,561	\$ 555,428
Restricted	-	-	4,106,600	2,000,000
Assigned	-	-	14,115,158	14,838,323
Unassigned	-	-	5,707,337	3,202,672
Reserved	7,365,929	8,282,491	-	-
Unreserved	9,278,348	15,256,989	-	-
Total general fund	<u>16,644,277</u>	<u>23,539,480</u>	<u>24,544,656</u>	<u>20,596,423</u>
All other governmental funds				
Nonspendable	-	-	-	-
Restricted	-	-	24,530,298	21,355,388
Assigned	-	-	4,888,255	8,244,295
Reserved	35,842,947	26,990,140	-	-
Unreserved	16,569,464	7,132,839	-	-
Total all other governmental funds	<u>52,412,411</u>	<u>34,122,979</u>	<u>29,418,553</u>	<u>29,599,683</u>
Total Governmental Funds	<u>\$ 69,056,688</u>	<u>\$ 57,662,459</u>	<u>\$ 53,963,209</u>	<u>\$ 50,196,106</u>

Note:

In fiscal year 2011, the District adopted GASB Statement No. 54, Fund Balance Reporting and Fund Type Definitions, changing the titles and classifications of fund balances.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 439,224	\$ 446,112	\$ 397,533	\$ 349,542	\$ 390,757	\$ 509,566
250,000	6,750,000	5,110,321	5,383,210	5,398,026	5,431,340
13,308,538	9,998,625	9,428,913	9,178,984	8,718,138	8,305,693
4,578,300	5,879,996	14,449,587	14,561,730	17,847,770	20,077,327
-	-	-	-	-	-
-	-	-	-	-	-
18,576,062	23,074,733	29,386,354	29,473,466	32,354,691	34,323,926
-	-	467,831	468,152	525,287	424,627
23,823,031	25,030,905	24,417,565	25,741,567	22,398,474	37,666,040
14,646,724	7,891,418	9,689,672	10,952,514	8,629,719	13,413,393
-	-	-	-	-	-
-	-	-	-	-	-
38,469,755	32,922,323	34,575,068	37,162,233	31,553,480	51,504,060
\$ 57,045,817	\$ 55,997,056	\$ 63,961,422	\$ 66,635,699	\$ 63,908,171	\$ 85,827,986

Colorado Springs School District 11
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2009	2010	2011	2012
Revenues				
Taxes	\$ 112,790,701	\$ 115,518,331	\$ 115,028,227	\$ 107,681,853
Intergovernmental	141,542,504	148,927,280	140,776,080	134,167,765
Investment income	1,735,548	713,894	236,272	147,816
Tuition	1,248,073	1,130,481	924,665	966,595
Miscellaneous	5,019,093	5,071,543	4,978,940	6,748,373
Total revenues	<u>262,335,919</u>	<u>271,361,529</u>	<u>261,944,184</u>	<u>249,712,402</u>
Expenditures				
Instruction	146,146,081	146,672,402	145,097,662	140,509,213
Pupil activities	9,801,295	9,943,129	9,975,546	10,039,300
Instructional support	19,615,348	20,030,156	19,482,999	18,756,430
General administration	3,719,799	2,660,304	2,372,670	2,279,520
School administration	19,089,440	16,876,936	17,390,753	17,410,362
Business services	2,330,315	2,364,435	2,107,827	2,069,583
Maintenance and operations	22,120,678	22,354,263	22,123,333	21,912,062
Transportation	4,462,497	4,588,261	5,061,446	4,813,438
Central services	10,600,994	8,841,041	9,148,981	6,887,456
Food service operations	3,801,390	4,561,316	3,757,019	3,488,085
Community and other services	3,139,100	2,828,679	3,813,649	2,181,393
Capital outlay	24,459,268	13,059,113	4,612,704	2,322,234
Debt service				
Principal	8,090,754	19,394,866	10,583,994	11,210,185
Interest and fiscal charges	12,287,402	11,741,697	10,262,368	9,681,042
Total expenditures	<u>289,664,361</u>	<u>285,916,598</u>	<u>265,790,951</u>	<u>253,560,303</u>
Excess of revenues over (under) expenditures	(27,328,442)	(14,555,069)	(3,846,767)	(3,847,901)
Other financing sources (uses)				
Transfers in	28,279,605	26,882,725	30,900,028	32,915,690
Transfers out	(28,369,605)	(26,889,289)	(30,910,452)	(32,926,114)
Proceeds from sale of capital assets	-	-	-	-
Payment to refunded bond escrow agent	-	(25,948,647)	(21,421,693)	(9,875,375)
Refunding Bonds issued	-	28,175,000	19,775,000	8,400,000
Premium on Bonds issued	-	941,051	1,804,634	1,566,597
Total other financing sources (uses)	<u>(90,000)</u>	<u>3,160,840</u>	<u>147,517</u>	<u>80,798</u>
Net change in fund balances	\$ <u>(27,418,442)</u>	\$ <u>(11,394,229)</u>	\$ <u>(3,699,250)</u>	\$ <u>(3,767,103)</u>
Debt service as a percentage of noncapital expenditures	7.7%	11.4%	8.0%	8.3%

Fiscal year					
2013	2014	2015	2016	2017	2018
\$ 111,165,231	\$ 110,894,125	\$ 110,238,258	\$ 110,863,634	\$ 112,342,808	\$ 148,353,521
132,347,466	136,397,935	153,978,691	159,331,181	157,981,760	160,094,114
112,196	80,404	94,124	207,130	440,354	863,108
964,155	752,041	451,026	326,947	319,683	269,242
4,496,460	5,185,485	8,183,577	6,651,211	7,538,645	7,067,668
<u>249,085,508</u>	<u>253,309,990</u>	<u>272,945,676</u>	<u>277,380,103</u>	<u>278,623,250</u>	<u>316,647,653</u>
134,334,684	134,890,378	137,641,295	146,868,066	143,684,504	154,024,822
9,767,023	9,933,442	10,230,168	11,743,130	12,008,377	13,044,858
18,184,265	18,665,775	18,524,722	20,016,970	19,093,650	20,631,122
2,344,691	2,707,836	2,442,419	2,529,841	1,486,448	1,505,858
17,427,054	17,430,313	17,583,275	18,883,449	18,693,509	20,072,612
1,972,735	2,067,075	2,177,779	2,382,329	2,348,027	2,409,369
21,373,380	21,722,628	23,480,316	24,309,971	24,039,624	25,287,192
4,472,417	4,859,167	4,600,320	4,916,184	5,265,437	5,620,170
11,497,339	10,702,677	10,310,108	10,128,013	10,996,654	12,264,334
1,462,514	3,323,338	13,378,291	10,514,144	10,823,671	12,118,133
3,420,366	2,056,883	1,674,262	2,892,051	3,097,589	3,094,492
3,115,530	4,512,246	2,920,452	6,512,783	7,645,933	3,906,179
9,258,090	13,163,229	13,350,128	14,084,173	14,040,559	15,528,999
11,289,578	7,558,264	6,889,499	6,351,015	6,754,447	5,428,738
<u>249,919,666</u>	<u>253,593,251</u>	<u>265,203,034</u>	<u>282,132,119</u>	<u>279,978,429</u>	<u>294,936,878</u>
(834,158)	(283,261)	7,742,642	(4,752,016)	(1,355,179)	21,710,775
32,039,871	27,778,395	33,070,880	33,214,010	32,587,277	53,059,203
(32,050,295)	(28,543,895)	(34,070,880)	(33,214,010)	(33,987,277)	(53,033,435)
7,205,339	-	40,502	2,426,293	27,651	183,272
(95,750,497)	-	-	-	-	-
84,085,000	-	-	-	-	-
12,154,451	-	-	5,000,000	-	-
<u>7,683,869</u>	<u>(765,500)</u>	<u>(959,498)</u>	<u>7,426,293</u>	<u>(1,372,349)</u>	<u>209,040</u>
\$ <u>6,849,711</u>	\$ <u>(1,048,761)</u>	\$ <u>6,783,144</u>	\$ <u>2,674,277</u>	\$ <u>(2,727,528)</u>	\$ <u>21,919,815</u>
8.3%	8.3%	7.7%	7.4%	7.6%	7.2%

Colorado Springs School District 11

Assessed Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial, Agricultural, and Natural Resources	State Assessed, Vacant Land, And Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Value	Assessment Rates	
									Residential	All Others
2009	1,214,415,180	1,066,478,500	99,909,730	156,207,940	2,537,011,350	42.331	19,816,464,227	12.80%	7.96%	29.00%
2010	1,216,832,330	1,048,567,700	98,506,890	151,729,480	2,515,636,400	42.183	19,764,794,301	12.73%	7.96%	29.00%
2011	1,124,891,100	956,196,700	93,835,070	153,261,110	2,328,183,980	42.493	18,280,817,658	12.74%	7.96%	29.00%
2012	1,121,924,400	950,037,180	99,973,560	153,306,780	2,325,241,920	44.004	18,243,629,638	12.75%	7.96%	29.00%
2013	1,109,701,480	957,261,980	105,453,440	173,427,370	2,345,844,270	43.445	18,203,019,049	12.89%	7.96%	29.00%
2014	1,109,334,380	948,298,880	105,143,640	166,874,560	2,329,651,460	44.264	18,143,835,722	12.84%	7.96%	29.00%
2015	1,118,463,050	948,372,860	103,066,100	187,604,570	2,357,506,580	43.165	18,323,091,052	12.87%	7.96%	29.00%
2016	1,224,056,780	959,482,050	104,855,460	208,020,150	2,496,414,440	40.803	19,764,730,904	12.63%	7.96%	29.00%
2017	1,230,011,060	969,873,760	105,306,580	216,557,140	2,521,748,540	40.878	19,906,361,080	12.67%	7.96%	29.00%
2018	1,283,881,170	1,082,358,760	110,495,350	219,116,320	2,695,851,600	52.499	22,700,461,970	11.88%	7.20%	29.00%

Source: El Paso County Abstract of Assessments

Colorado Springs School District 11

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

<u>Taxing Authority</u>	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Colorado Springs School District 11										
General Fund	24.818	24.726	24.575	24.356	24.557	24.451	24.648	23.694	23.472	22.888
Bond Levy	6.560	6.750	7.135	7.080	8.046	8.093	6.900	6.129	6.513	3.513
Education Levy 2000	10.953	10.707	10.783	12.568	10.842	11.720	11.617	10.980	10.893	10.212
Education Levy 2017										15.886
Total for Colorado Springs School District 11	42.331	42.183	42.493	44.004	43.445	44.264	43.165	40.803	40.878	52.499
City of Colorado Springs	4.944	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279
El Paso County	7.748	7.531	7.882	7.762	7.663	7.714	7.791	7.869	7.919	7.965
Special Districts:										
Central Marksheffel Metropolitan District	40.000	40.000	40.000	40.000	40.000	40.000	30.000	30.000	30.000	33.164
Cheyenne Creek Park and Water District	0.800	0.800	0.800	0.500	0.500	0.500	0.500	0.500	1.000	1.000
Cimarron Hills Fire Protection District	11.082	11.110	11.110	12.150	14.390	14.390	15.290	15.286	15.286	16.200
Colorado Avenue Gateway Special Impr. District	1.009	1.009	1.009	1.009	1.009	1.009	1.009	1.009	1.009	1.009
Colorado Springs Downtown Devel. Authority	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Cottonwood General Impr. District	7.000	7.000	6.500	6.500	6.500	6.500	-	-	-	-
Greater Downtown Improvement District	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000	5.000
Gold Hill Mesa Metropolitan District #2	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	38.146
Gold Hill Mesa Metropolitan District #3	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000	35.000
Lowell Metropolitan District	48.940	48.940	48.940	48.940	48.940	48.940	48.940	48.940	48.940	54.110
Marketplace at Austin Bluffs	25.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000	50.000
Norwood Improvement District	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935	3.935
Old Colorado City Maintenance & Impr. District	13.416	13.416	13.416	13.416	13.416	13.416	13.416	13.416	13.416	13.416
Pikes Peak Regional Library District	3.540	3.468	3.556	3.999	4.000	4.000	4.000	3.857	3.957	3.812
Powers & Woodmen Improvement District	1.000	22.000	26.000	26.000	26.000	26.000	26.000	29.261	26.000	26.000
Southeastern Colo Water Conservancy District	0.943	0.940	0.947	0.947	0.944	0.940	0.940	0.941	0.940	0.939

Source: El Paso County Abstract of Assessments.

Notes:

Overlapping rates are those of local and county governments that apply to property owners within Colorado Springs School District 11.

Not all overlapping rates apply to all District property owners. The rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district.

State Constitution, Article X, Section 20, limits the District's ability to raise its direct tax rates as disclosed in Note 13.

Colorado Springs School District 11

Principal Property Taxpayers

Current Year and Nine Years Ago

Taxpayer	Type of Business	2018			2009		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Verizon Wireless	Communications	94,390,140	1	3.50%	\$ 78,043,650	1	3.08%
Qwest Corporation	Communications	69,410,900	2	2.57%			
Wal-Mart Real Estate Business Trust	Retail Shopping Complex	16,589,330	3	0.62%			
Palmer Center Ltd	Communications	15,621,370	4	0.58%			
CV Patriot Springs LLC	Office Real Estate Investment	11,984,730	5	0.44%			
SCMC LLC	Commercial Real Estate	11,528,730	6	0.43%			
LSI Logic Corporation	Software Technology	11,234,770	7	0.42%			
Keysight Technologies	Technology	11,201,860	8	0.42%			
NV Printers Park MOB, LLC	Medical Office Building	11,031,260	9	0.41%			
North Nevada Retail	Retail Shopping	8,288,810	10	0.31%			
MCI Communication Services	Communications				19,591,300	2	0.77%
Intel Corporation	Semiconductor Manufacturer				15,951,460	3	0.63%
MMP Citadel LLC	Commercial Real Estate				15,366,180	4	0.61%
Agilent Technologies, Inc.	Communication Technology				10,811,860	7	0.43%
Western Forge Corp	Manufacturing				8,012,640	9	0.32%
Colorado Marker Center LP	Real Estate				7,635,530	10	0.30%
Totals		\$ 261,281,900		9.69%	\$ 190,837,420		7.52%
Total Assessed Valuation		\$ 2,695,851,600			\$ 2,537,011,350		

Source: El Paso County Assessor's Office & El Paso County Treasurer's Office

Colorado Springs School District 11

Property Tax Levies and Collections

Last Ten Calendar Years

Assessment Year	Collection Year	Current Tax Levy	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2008	2009	104,339,215	103,246,220	99.0%	(377,798)	102,868,422	98.6%
2009	2010	106,366,437	105,811,559	99.5%	(261,007)	105,550,552	99.2%
2010	2011	106,393,027	105,902,295	99.5%	(308,369)	105,593,926	99.2%
2011	2012	101,528,191	100,946,179	99.4%	(540,014)	100,406,165	98.9%
2012	2013	100,655,586	99,982,948	99.3%	(295,393)	99,687,555	99.0%
2013	2014	101,968,331	101,149,630	99.2%	(583,139)	100,566,491	98.6%
2014	2015	100,314,848	99,949,500	99.6%	(392,035)	99,557,465	99.2%
2015	2016	100,327,049	98,909,712	98.6%	(202,348)	98,707,364	98.4%
2016	2017	101,315,346	100,460,315	99.2%	(431,743)	100,028,572	98.7%
2017	2018	138,795,969	137,143,515	98.8%	(493,290)	136,650,225	98.5%

Source: El Paso County Treasurer's Office.

Notes:

Collections in Subsequent Years column includes interest, penalties and abatements as well as delinquent tax collections.
Negative amounts indicate abatements in excess of revenues.

Because interest and penalties are included in the Percentage of Levy column, these percentages may exceed 100%.

2018 collections are from January 31 to August 31. Additional taxes will be collected from September 1 to December 31.

Colorado Springs School District 11
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2009	2010	2011	2012
Assessed Value	\$ 2,537,011,350	\$ 2,515,636,400	\$ 2,523,185,320	\$ 2,325,241,920
Debt limit	507,402,270	503,127,280	504,637,064	465,048,384
Total net debt applicable to limit	196,333,084	189,183,084	183,948,084	175,273,084
Legal debt margin	<u>\$ 311,069,186</u>	<u>\$ 313,944,196</u>	<u>\$ 320,688,980</u>	<u>\$ 289,775,300</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>38.69%</u>	<u>37.60%</u>	<u>36.45%</u>	<u>37.69%</u>

Note:

Under state finance law, the outstanding general obligation debt should not exceed 20 percent of total assessed property value.

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 2,345,844,270	\$ 2,329,651,460	\$ 2,357,506,580	\$ 2,496,414,440	\$ 2,521,748,540	\$ 2,695,851,600
469,168,854	465,930,292	471,501,316	499,282,888	504,349,708	539,170,320
168,648,111	158,263,111	147,843,111	136,853,111	126,313,111	114,613,111
\$ 300,520,743	\$ 307,667,181	\$ 323,658,205	\$ 362,429,777	\$ 378,036,597	\$ 424,557,209
35.95%	33.97%	31.36%	27.41%	25.04%	21.26%

Colorado Springs School District 11

Ratio of General Bonded Debt to Estimated Actual Taxable Value And Bonded Debt Per Capita Last Ten Calendar Years

Year	Estimated Actual Taxable Value	General Obligation Bonds	QZAB	Restricted Resources	Net General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Taxable Value	Population	Net Bonded Debt per Capita
2009	19,816,464,227	206,852,915	4,023,111	17,365,931	193,510,095	1.0%	401,186	482
2010	19,764,794,301	198,579,909	4,023,111	17,098,611	185,504,409	0.9%	407,733	455
2011	18,280,817,658	192,667,283	4,023,111	17,889,606	178,800,788	1.0%	420,716 **	425
2012	18,243,629,638	192,299,355	4,023,111	17,180,297	179,142,169	1.0%	428,112 *	418
2013	18,203,019,049	187,303,188	4,023,111	19,365,620	171,960,679	0.9%	433,748 *	396
2014	18,143,835,722	169,948,662	4,023,111	20,867,621	153,104,152	0.8%	439,340 *	348
2015	18,323,091,052	157,895,081	4,023,111	20,535,503	141,382,689	0.8%	444,708 *	318
2016	19,764,730,904	145,411,136	4,023,111	19,062,206	130,372,041	0.7%	451,585 *	289
2017	19,906,361,080	133,516,827	4,023,111	18,473,101	119,066,837	0.6%	456,626 *	261
2018	22,700,461,970	120,609,407	4,023,111	11,438,484	113,194,034	0.5%	468,431 *	242

Sources: El Paso County Assessor's Office and Colorado Department of Local Affairs, Demography Section, Housing and Households

* Estimate

** Census

Colorado Springs School District 11
Ratio of Annual Debt Service Expenditures for
General Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Annual Debt Service Expenditures for General Bonded Debt	Total General Fund Expenditures	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures
2009	17,156,133	220,873,362	7.8%
2010	17,137,670	215,306,722	8.0%
2011	14,069,626	211,351,215	6.7%
2012	17,063,150	205,679,125	8.3%
2013	16,332,832	202,056,760	8.1%
2014	16,975,963	204,893,328	8.3%
2015	16,481,188	209,638,446	7.9%
2016	16,598,644	223,659,510	7.4%
2017	16,646,069	221,748,063	7.5%
2018	16,606,897	238,558,105	7.0%

Colorado Springs School District 11

Ratios of Outstanding Debt By Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Total Primary Government	Population	Per Capita	Percentage of Personal Income
	General Obligation Bonds	Certificates of Participation	Other Bonds Payable	Capital Leases				
2009	206,852,915	37,790,000	4,023,111	4,930,259	253,596,285	401,186	632	1.77%
2010	198,579,909	28,175,000	4,023,111	4,478,596	235,256,616	407,733	577	1.51%
2011	192,667,283	26,110,000	4,023,111	4,074,415	226,874,809	420,716 **	539	1.42%
2012	192,299,355	23,960,000	4,023,111	3,636,919	223,919,385	428,112 *	523	1.41%
2013	187,303,188	21,745,000	4,023,111	3,164,278	216,235,577	433,748 *	499	1.26%
2014	169,948,662	19,420,000	4,023,111	2,654,219	196,045,992	439,340 *	446	1.11%
2015	157,895,081	16,980,000	4,023,111	2,164,091	181,062,283	444,701 *	407	0.98%
2016	145,411,136	19,415,000	4,023,111	2,008,023	170,857,270	451,585 *	378	0.90%
2017	133,516,827	16,485,000	4,023,111	1,064,359	155,089,297	456,626 *	340	0.76%
2018	120,609,407	13,270,000	4,023,111	450,360	138,352,878	468,431 *	295	0.66%

Source: Colorado Department of Local Affairs, Demography Section, Housing & Household (demographic information only)

Notes:

Details regarding the District's outstanding debt can be found in the notes to the financial statements.

Demographic and Economic Statistics has additional personal income and population data.

* Estimate

** Census

Colorado Springs School District 11

Computation of Direct and Overlapping Debt

June 30, 2018

	2018 Assessed Valuation	Entity's Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Direct Debt:				
Colorado Springs School District 11	\$ 2,695,851,600	\$ 138,352,878	100.00%	\$ 138,352,878
Overlapping Debt:				
Central Marksheffel Metropolitan District	29,864,250	11,880,000	25.43%	3,020,609
City of Colorado Springs	5,414,794,380	51,202,000	45.35%	23,222,155
El Paso County	7,445,701,460	142,345,345	34.13%	48,581,043
Gold Hill Mesa Metropolitan District #2	9,547,280	10,188,000	100.00%	10,188,000
Lowell Metropolitan District	4,696,240	7,940,000	100.00%	7,940,000
Marketplace at Austin Bluffs GID	4,999,060	2,275,000	99.59%	2,265,582
North Nevada Ave URA	37,708,900	55,270,000	99.91%	55,218,046
Powers and Woodmen BID	\$ 11,980,610	\$ 3,804,217	99.98%	\$ 3,803,342
Total Overlapping Debt				<u>154,238,776</u>
Total Direct and Overlapping Debt				<u>\$ 292,591,654</u>

Sources: El Paso County Assessor's Office and information obtained from individual entities and from the District.

Notes:

The following entities also overlap the District but have no general obligation debt outstanding:

Central Colorado Conservation District, Cherokee Metro District, Cheyenne Creek Park and Water District, Cimarron Hills Fire Protection District, City Auditorium Block URA, Colorado Avenue Gateway Special Improvement District, El Paso County Conservation District, Gold Hill Mesa Metropolitan District #1 and #3, Greater Downtown Improvement District, Metrex Metropolitan District, Norwood Special Improvement, Old Colorado City Maintenance and Improvement District, Platte Ave Special Improvement District, SouthCentral Downtown URA, Southeastern Colorado Water Conservancy District, Southwest Downtown URA and Pikes Peak Library District.

Some districts had authorized but unissued debt prior to the TABOR amendment. These districts report that it is unlikely bonds will be issued based upon the authorization due to limitations imposed by agreements with the city and/or the county.

The amount of each entity's outstanding debt attributable to the District is calculated by determining the percentage amount of that entity overlapping the District and multiplying the entity's outstanding debt by the percentage.

Colorado Springs School District 11

Demographic and Economic Statistics

Last Ten Fiscal Years

Fiscal Year	Population ^a	Total Personal Income	Per Capita Personal Income ^b	School Enrollment (Certified Funded Pupil Count) ^c	Unemployment Rate ^d
2009	401,186	14,329,160,362	35,717	27,714	7.7%
2010	407,733	15,583,962,993	38,221	27,979	8.9%
2011	416,427	15,991,213,227	38,401	27,189	9.8%
2012	422,816	15,905,492,288	37,618	27,262	9.2%
2013	429,679	17,184,581,926	39,994	26,873	9.1%
2014	431,834	17,696,557,320	40,980	27,599	7.4%
2015	446,439	18,415,608,750	41,250	27,527	5.2%
2016	450,347	18,901,513,937	41,971	27,031	4.2%
2017	456,626	20,339,035,292	44,542	27,015	3.1%
2018	468,431	20,825,505,398	44,458	26,527	3.1%

Sources:

^a Colorado Department of Local Affairs, Demography Section and State Demography Office

^b U.S. Bureau of Economic Analysis

^c District's Educational Data and Support Services Office

^d LMI Gateway LAUS Unit

Colorado Springs School District 11

Principal Employers for the Pikes Peak Region

Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Fort Carson Army Post	29,618	1	11.20%	22,971	1	9.80%
Peterson Air Force Base	9,785	2	3.70%	8,204	2	3.50%
United States Air Force Academy	8,727	3	3.30%	6,329	3	2.70%
Schriever Air Force Base	6,611	4	2.50%	6,094	4	2.60%
Memorial Health Services	6,082	5	2.30%	4,688	5	2.00%
Colorado Springs School District 11	3,967	6	1.50%	3,985	6	1.70%
Academy School District 20	3,173	7	1.20%	2,578	8	1.10%
Penrose-St. Francis Health Services	2,909	8	1.10%	3,047	7	1.30%
El Paso County	2,380	9	0.90%	2,110	10	0.90%
City of Colorado Springs	2,116	10	0.80%	2,344	9	1.00%
			<u>28.50%</u>			<u>26.60%</u>

Sources: The Greater Colorado Springs Chamber and EDC and the Colorado Department of Labor.

Colorado Springs School District 11

Employees by Program and Function

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Teachers</u>										
Elementary Education	666.95	665.50	664.10	651.20	620.50	607.20	599.60	616.50	616.50	614.40
Middle School	285.50	306.30	306.15	289.40	271.70	271.80	265.90	267.30	275.10	272.60
High School	359.70	345.90	345.20	332.40	314.00	304.90	311.25	316.50	308.60	311.10
Special Education	107.59	100.80	95.20	96.20	103.20	107.80	107.80	111.50	117.50	149.74
Alternative Programs	42.00	39.25	38.25	33.50	31.50	34.50	30.40	32.75	36.85	37.80
Literacy	57.50	52.00	52.00	48.00	34.00	32.00	33.50	33.50	33.50	33.70
ESL/Foreign Language	43.50	48.50	48.00	48.00	48.00	48.60	56.20	54.35	54.35	53.35
Full-Day Kindergarten	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preschool	17.60	17.90	19.10	19.80	18.20	18.50	18.50	18.50	18.50	20.00
Other Programs	101.35	98.25	105.05	125.65	121.65	149.15	142.00	118.80	116.35	97.30
Designated Purpose Grants	173.99	205.78	214.72	176.54	171.70	171.62	172.64	157.58	188.25	148.53
Student Support Services	115.70	114.80	116.05	120.45	119.15	120.65	123.65	124.45	123.25	123.90
Instructional Support	66.30	61.10	58.10	57.60	58.70	59.20	57.50	61.00	60.60	57.50
General Administration	2.50	0.50	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Central Support Services	4.00	4.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Education	0.33	0.33	0.33	0.33	0.00	0.00	0.00	0.00	0.00	0.00
Teachers Total	2044.51	2060.91	2064.50	1999.32	1912.55	1926.17	1919.19	1912.98	1949.60	1920.17
<u>Education Support Professionals</u>										
Elementary Education	75.94	72.12	77.57	70.64	69.40	58.75	58.75	58.75	61.38	60.50
Middle School	3.00	4.00	4.00	4.00	4.00	6.00	4.00	5.00	6.88	5.88
High School	11.00	10.00	12.00	12.00	12.00	7.88	8.00	8.00	6.75	5.88
Special Education	313.16	311.56	306.01	305.20	291.20	281.20	281.20	286.20	276.20	262.57
ESL/Foreign Language	12.50	12.50	12.50	14.00	14.00	14.00	16.50	19.50	19.50	19.50
Full-Day Kindergarten	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Preschool	19.94	20.44	20.44	20.44	19.63	19.63	19.63	19.63	19.63	21.25
Other Programs	1.00	8.60	6.50	6.50	12.38	8.00	11.56	12.06	7.78	5.50
Designated Purpose Grants	65.50	53.89	53.14	48.54	46.42	40.23	46.17	42.32	42.02	46.83
Student Support Services	20.88	18.88	16.88	15.88	15.88	14.48	16.10	19.98	17.88	22.28
Instructional Support	79.97	78.10	69.82	68.84	65.20	65.40	65.78	69.64	70.62	68.68
General Administration	9.75	11.25	10.75	10.75	9.75	9.75	9.75	9.75	4.00	4.00
School Administration	203.60	196.00	201.00	202.00	201.50	187.00	192.00	201.50	197.25	197.66
Business Services	17.00	17.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Operations & Maintenance	452.00	443.00	444.40	443.40	439.40	446.90	459.90	472.40	472.40	472.90
Central Support Services	21.50	21.50	20.91	20.50	16.00	16.50	17.50	17.50	23.50	25.00
Other Support Services	2.00	2.00	2.00	1.00	1.00	1.00	1.50	1.50	2.08	1.50
Other Non-Instruction Svcs	8.00	9.50	9.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50
Capital Reserve	1.50	0.50	0.50	0.50	0.50	0.50	0.00	0.50	0.50	2.50
Building Fund - Project Mgt	5.00	0.00	0.00	0.00	0.00	0.00	0.50	0.00	0.00	0.00
Risk Related Activities Fund	2.00	2.00	2.44	2.44	3.00	3.00	3.00	3.00	3.00	3.00
Production Printing	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Food Services	167.73	168.39	170.15	175.28	181.72	175.35	175.35	191.35	206.70	206.17
ESP Total	1510.97	1479.23	1474.51	1464.41	1445.48	1398.07	1429.69	1481.08	1480.57	1474.10

Colorado Springs School District 11

Employees by Program and Function

Last Ten Fiscal Years

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>Administrators</u>										
Designated Purpose Grants	2.00	2.00	2.00	3.00	3.00	4.85	5.85	2.85	2.85	2.85
Student Support Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00
Instructional Support	12.50	11.50	10.50	9.50	9.50	9.15	9.15	11.15	10.15	12.00
General Administration	2.00	2.00	3.00	3.00	2.00	2.00	2.00	2.00	1.00	1.00
School Administration	104.50	97.50	96.50	96.00	95.50	94.00	92.00	90.00	88.00	88.00
Business Services	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Operations & Maintenance	3.50	4.00	4.00	4.00	3.00	2.00	2.00	2.00	2.00	3.00
Central Support Services	5.00	6.00	5.00	5.00	5.00	5.00	5.00	4.00	6.00	7.00
Building Fund - Project Mgt	0.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk Related Activities Fund	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Food Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrators Total	137.00	130.00	128.00	127.50	125.00	124.00	123.00	119.00	117.00	121.85
<u>Professionals</u>										
Special Education	7.00	7.00	6.00	6.00	6.00	6.00	6.00	0.00	0.00	0.00
Preschool	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Programs	5.00	5.00	5.00	4.00	4.00	4.00	4.00	0.00	0.00	0.00
Designated Purpose Grants	8.39	7.89	12.34	7.39	7.64	7.39	3.05	3.05	4.05	4.55
Student Support Services	12.00	13.00	12.50	13.00	12.00	12.00	12.00	14.00	14.00	14.00
Instructional Support	35.20	37.20	34.00	32.20	29.45	30.45	30.45	34.45	33.13	34.20
General Administration	3.41	0.00	3.41	4.41	4.41	4.00	4.00	4.00	1.00	1.00
Business Services	13.50	13.50	13.50	12.00	10.00	10.50	10.50	10.50	10.50	10.37
Operations & Maintenance	21.00	20.50	20.00	20.50	19.50	18.50	19.50	19.50	19.50	20.50
Central Support Services	27.00	25.00	23.50	22.50	23.00	23.00	23.00	24.00	27.00	27.00
Other Support Services	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	1.42	2.00
Other Non-Instruction Svcs	2.30	2.30	2.30	2.30	2.00	2.00	2.00	2.00	2.00	2.00
Capital Reserve	0.50	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	10.00
Building Fund - Project Mgt	5.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Risk Related Activities Fund	7.00	7.00	7.00	6.50	6.00	6.00	6.00	6.00	6.00	6.10
Production Printing	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00	2.00	1.00
Food Services	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Community Education	0.70	0.70	0.70	0.70	0.00	0.00	0.00	0.00	0.00	0.00
Professionals Total	154.50	148.09	149.25	141.50	135.00	134.84	132.50	129.50	128.60	137.72
Total Employees	3846.98	3818.23	3816.26	3732.73	3618.03	3583.08	3604.38	3642.56	3675.77	3653.84

Colorado Springs School District 11

School Building Capacity and Population

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Elementary:										
Adams (1963)										
Square feet	43,512	-	-	-	-	-	-	-	43,512	43,512
Capacity (students)	450	-	-	-	-	-	-	-	388	438
Enrollment	249	-	-	-	-	-	-	-	410	427
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	20.10	19.95
Student on Free/Reduced Lunch	214	-	-	-	-	-	-	-	376	387
Audubon (1956)										
Square feet	47,332	47,332	47,332	47,332	47,332	47,332	47,332	47,332	47,332	47,332
Capacity (students)	500	475	475	475	475	475	475	475	425	425
Enrollment	209	325	300	335	293	303	301	351	365	363
Projected Student/Teacher Ratio	19.00	21.00	20.00	20.13	20.83	26.12	19.55	20.17	19.84	18.71
Student on Free/Reduced Lunch	126	201	175	206	179	194	210	196	237	235
Bristol (1971)										
Square feet	31,290	31,290	31,290	31,290	31,290	31,290	31,290	31,290	31,290	31,290
Capacity (students)	300	300	300	300	300	300	325	325	325	325
Enrollment	217	236	225	225	211	211	216	252	244	251
Projected Student/Teacher Ratio	17.00	21.00	16.00	17.67	17.46	19.46	18.15	18.13	17.55	18.06
Student on Free/Reduced Lunch	161	180	169	171	151	172	176	176	183	192
Buena Vista - Montessori (1911)										
Square feet	34,111	34,111	34,111	34,111	34,111	34,111	34,111	34,111	34,111	34,111
Capacity (students)	275	250	250	250	250	250	250	250	250	250
Enrollment	189	151	163	176	210	216	205	164	166	177
Projected Student/Teacher Ratio	12.00	10.00	14.00	17.11	17.75	13.72	14.24	12.24	12.77	13.62
Student on Free/Reduced Lunch	93	43	47	45	55	53	60	60	42	40
Carver (1971)										
Square feet	40,236	40,236	40,236	40,236	40,236	40,236	40,236	40,236	40,236	40,236
Capacity (students)	425	438	428	428	428	388	388	388	388	388
Enrollment	350	358	366	363	357	348	356	333	334	324
Projected Student/Teacher Ratio	20.00	18.00	20.00	21.12	19.78	18.62	19.35	19.14	19.20	19.70
Student on Free/Reduced Lunch	246	260	278	280	260	282	288	288	266	264
Chipeta (1987)										
Square feet	63,600	63,600	63,600	63,600	63,600	63,600	63,600	63,600	63,600	63,600
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	465	471	468	460	466	488	444	469	455	452
Projected Student/Teacher Ratio	19.00	20.00	19.00	20.54	20.78	21.12	20.75	21.92	21.26	21.12
Student on Free/Reduced Lunch	61	72	61	67	98	99	87	85	74	76
Columbia (1969)										
Square feet	29,448	29,448	29,448	29,448	29,448	29,448	29,448	29,448	29,448	29,448
Capacity (students)	325	288	288	288	288	288	263	263	263	263
Enrollment	222	295	283	315	304	270	268	287	299	275
Projected Student/Teacher Ratio	17.00	16.00	20.00	21.58	21.04	19.37	18.48	18.52	18.23	16.77
Student on Free/Reduced Lunch	137	194	182	225	209	191	214	201	221	196
Edison (1956)										
Square feet	36,085	36,085	36,085	36,085	36,085	36,085	36,085	36,085	36,085	36,085
Capacity (students)	350	313	313	313	313	313	313	313	313	313
Enrollment	203	239	206	215	221	306	291	265	289	305
Projected Student/Teacher Ratio	16.00	15.00	18.00	19.39	20.97	21.18	19.53	17.79	18.77	19.81
Student on Free/Reduced Lunch	159	179	158	178	172	240	260	238	244	262
Freedom (2007)										
Square feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	600	605	605	605	605	575	575	575	575	575
Enrollment	553	645	597	606	582	495	479	486	438	469
Projected Student/Teacher Ratio	19.00	18.00	20.00	21.21	19.72	20.04	20.47	19.92	19.55	20.89
Student on Free/Reduced Lunch	87	124	122	123	144	108	115	111	105	121
Fremont (1973)										
Square feet	40,738	40,738	40,738	40,738	40,738	40,738	40,738	40,738	40,738	40,738
Capacity (students)	475	550	550	550	550	450	450	450	450	450
Enrollment	358	404	416	445	394	440	434	442	468	442
Projected Student/Teacher Ratio	20.00	23.00	21.00	22.32	23.35	22.78	22.37	21.67	22.94	21.61
Student on Free/Reduced Lunch	165	201	222	239	226	268	282	282	325	297
Grant (1966)										
Square feet	45,273	45,273	45,273	45,273	45,273	45,273	45,273	45,273	45,273	45,273
Capacity (students)	475	450	450	450	450	450	450	450	450	450
Enrollment	435	475	471	506	495	497	467	448	499	488
Projected Student/Teacher Ratio	19.00	20.00	19.00	21.58	21.07	20.85	20.85	20.93	21.32	21.79
Student on Free/Reduced Lunch	256	327	319	337	312	366	358	358	373	339

Colorado Springs School District 11

School Building Capacity and Population

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Henry (1971)										
Square feet	39,890	39,890	39,890	39,890	39,890	39,890	39,890	39,890	39,890	39,890
Capacity (students)	475	438	438	488	488	438	413	413	413	388
Enrollment	373	386	409	405	385	364	298	323	319	307
Projected Student/Teacher Ratio	18.00	18.00	20.00	20.84	19.23	18.72	20.00	20.97	19.45	19.94
Student on Free/Reduced Lunch	218	239	267	257	252	237	251	224	237	238
Howbert (1959)										
Square feet	30,888	30,888	30,888	30,888	30,888	30,888	30,888	30,888	30,888	30,888
Capacity (students)	225	363	363	363	363	313	313	313	313	313
Enrollment	288	326	321	310	311	318	278	279	264	259
Projected Student/Teacher Ratio	18.00	18.00	20.00	20.21	18.62	17.86	18.66	18.72	18.99	18.63
Student on Free/Reduced Lunch	83	107	114	132	129	150	140	125	145	142
Jackson (1966)										
Square feet	33,354	33,354	33,354	33,557	33,557	33,557	33,557	33,557	33,557	33,557
Capacity (students)	200	438	438	438	438	338	300	300	300	300
Enrollment	241	327	288	304	323	430	457	455	417	383
Projected Student/Teacher Ratio	19.00	21.00	19.00	20.67	20.10	19.74	21.36	21.26	21.49	19.74
Student on Free/Reduced Lunch	139	220	206	220	230	348	411	391	352	316
Keller (1971)										
Square feet	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823	38,823
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment	520	548	530	529	507	503	463	444	438	447
Projected Student/Teacher Ratio	20.00	20.00	20.00	21.36	20.55	19.87	21.53	20.65	21.37	20.79
Student on Free/Reduced Lunch	273	318	297	297	286	306	333	315	294	281
King (1984)										
Square feet	45,127	45,127	45,127	45,127	45,127	45,127	45,127	45,127	45,127	45,127
Capacity (students)	500	475	475	475	475	475	475	475	475	475
Enrollment	410	421	445	429	425	387	368	355	354	354
Projected Student/Teacher Ratio	20.00	20.00	20.00	19.85	20.05	19.19	19.95	20.34	20.29	20.29
Student on Free/Reduced Lunch	167	190	211	223	205	207	223	213	213	201
Madison (1964)										
Square feet	36,741	36,741	36,741	36,741	36,741	36,741	36,741	36,741	36,741	36,741
Capacity (students)	425	425	425	425	425	425	400	400	400	400
Enrollment	315	366	380	388	364	378	340	349	324	321
Projected Student/Teacher Ratio	19.00	21.00	20.00	21.01	20.12	18.99	19.54	20.06	19.76	19.57
Student on Free/Reduced Lunch	144	198	200	228	200	248	269	236	206	215
Martinez (1988)										
Square feet	54,714	54,714	54,714	54,714	54,714	54,714	54,714	54,714	54,714	54,714
Capacity (students)	575	610	610	610	610	550	525	525	525	550
Enrollment	598	654	660	637	629	613	568	542	489	451
Projected Student/Teacher Ratio	19.00	18.00	21.00	20.47	19.56	16.40	19.93	19.71	19.96	19.19
Student on Free/Reduced Lunch	102	140	147	144	165	159	203	191	154	147
McAuliffe (2007)										
Square feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	600	600	600	600	600	575	575	575	575	550
Enrollment	567	595	611	592	575	578	572	542	541	504
Projected Student/Teacher Ratio	20.00	18.00	20.00	20.29	21.00	19.09	20.88	19.78	19.74	18.39
Student on Free/Reduced Lunch	305	347	328	316	304	320	359	348	312	302
Midland (1956)										
Square feet	38,710	38,710	38,710	38,710	38,710	38,710	38,710	38,710	38,710	38,710
Capacity (students)	300	388	388	388	388	288	288	288	288	288
Enrollment	152	184	174	158	170	152	154	189	204	190
Projected Student/Teacher Ratio	16.00	17.00	16.00	16.70	16.26	19.39	13.87	15.62	17.00	15.83
Student on Free/Reduced Lunch	109	134	131	127	129	125	121	121	154	130
Monroe (1964)										
Square feet	47,633	47,633	47,633	47,633	47,633	47,633	47,633	47,633	47,633	47,633
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	394	416	408	400	453	476	462	493	491	439
Projected Student/Teacher Ratio	18.00	18.00	20.00	21.75	20.70	21.52	20.63	21.07	20.98	18.76
Student on Free/Reduced Lunch	345	375	354	343	385	416	445	425	445	395
Penrose (1973)										
Square feet	40,769	40,769	40,769	40,769	40,769	40,769	40,769	40,769	40,769	40,769
Capacity (students)	425	538	538	538	538	438	438	438	438	413
Enrollment	402	421	435	407	410	366	326	312	362	395
Projected Student/Teacher Ratio	18.00	17.00	20.00	20.82	20.65	21.47	21.17	19.02	18.66	19.36
Student on Free/Reduced Lunch	210	228	237	242	220	207	247	230	252	253

Colorado Springs School District 11

School Building Capacity and Population

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Queen Palmer (1948)										
Square feet	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129	44,129
Capacity (students)	275	338	338	338	338	288	288	288	288	288
Enrollment	212	228	210	266	263	237	262	279	256	242
Projected Student/Teacher Ratio	20.00	18.00	19.00	20.53	18.94	19.52	20.31	20.07	18.42	17.41
Student on Free/Reduced Lunch	192	203	187	250	242	218	244	244	241	226
Rogers (1960)										
Square feet	41,511	41,511	41,511	41,511	41,511	41,511	41,511	41,511	41,511	41,511
Capacity (students)	375	438	438	438	438	388	388	388	388	363
Enrollment	324	277	261	267	296	337	362	398	386	361
Projected Student/Teacher Ratio	17.00	22.00	21.00	21.05	21.04	21.36	18.66	20.52	19.90	18.61
Student on Free/Reduced Lunch	252	231	203	211	243	283	311	311	335	307
Rudy (1978)										
Square feet	43,861	43,861	43,861	43,861	43,861	43,861	43,861	43,861	43,861	43,861
Capacity (students)	475	500	500	500	500	450	450	450	450	450
Enrollment	425	412	437	449	429	419	398	379	345	339
Projected Student/Teacher Ratio	19.00	19.00	20.00	21.08	19.79	17.47	20.52	19.54	17.78	19.48
Student on Free/Reduced Lunch	163	186	202	201	201	217	227	214	183	169
Scott (1998)										
Square feet	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221	58,221
Capacity (students)	550	605	605	605	605	550	550	550	550	550
Enrollment	658	674	684	657	693	686	595	586	604	567
Projected Student/Teacher Ratio	20.00	19.00	20.00	19.74	20.06	18.59	22.45	20.56	21.19	19.89
Student on Free/Reduced Lunch	183	196	206	189	202	244	235	222	234	196
Steele (1953)										
Square feet	29,041	29,041	29,041	29,041	29,041	29,041	29,041	29,041	29,041	29,041
Capacity (students)	225	288	288	288	288	288	288	288	288	288
Enrollment	285	267	280	272	280	295	309	298	297	289
Projected Student/Teacher Ratio	18.00	20.00	19.00	20.15	19.85	19.79	20.74	20.00	19.93	19.40
Student on Free/Reduced Lunch	45	47	44	45	53	63	81	81	75	73
Stratton (1953)										
Square feet	37,607	37,607	37,607	37,607	37,607	37,607	37,607	37,607	37,607	37,607
Capacity (students)	325	338	338	338	338	338	338	325	325	300
Enrollment	347	354	333	333	335	354	321	326	312	300
Projected Student/Teacher Ratio	18.00	24.00	23.00	21.26	22.56	20.69	22.29	22.64	21.67	20.83
Student on Free/Reduced Lunch	130	154	139	135	133	146	151	141	129	120
Taylor (1953)										
Square feet	29,229	29,229	29,229	29,229	29,229	29,229	29,229	29,229	29,229	29,229
Capacity (students)	275	288	288	288	288	288	288	288	288	288
Enrollment	265	303	322	260	256	263	257	257	249	241
Projected Student/Teacher Ratio	18.00	18.00	20.00	20.15	16.33	17.34	18.49	18.49	17.91	18.68
Student on Free/Reduced Lunch	142	159	167	146	130	153	150	150	154	136
Trailblazer (1998)										
Square feet	57,470	57,470	57,470	57,470	57,470	57,470	57,470	57,470	57,470	57,470
Capacity (students)	525	550	550	550	550	550	550	550	550	550
Enrollment	330	381	408	377	330	334	305	318	339	328
Projected Student/Teacher Ratio	18.00	13.00	18.00	19.54	17.99	20.00	20.47	18.28	19.48	20.00
Student on Free/Reduced Lunch	65	102	130	116	123	135	131	131	158	145
Twain (1962)										
Square feet	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594	56,594
Capacity (students)	600	600	550	550	550	550	600	600	600	600
Enrollment	445	492	493	523	519	496	457	422	455	427
Projected Student/Teacher Ratio	20.00	21.00	21.00	21.12	18.08	19.02	21.31	21.70	21.21	19.91
Student on Free/Reduced Lunch	331	370	385	416	416	404	417	400	372	344
West (1923)										
Square feet	-	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102
Capacity (students)	-	388	388	388	388	388	338	338	388	388
Enrollment	-	341	371	358	300	347	370	337	291	276
Projected Student/Teacher Ratio	-	19.00	19.00	19.34	19.06	15.42	19.07	19.37	17.74	15.86
Student on Free/Reduced Lunch	-	266	274	273	230	207	314	314	251	233
Wilson (1969)										
Square feet	46,567	46,567	46,567	46,567	46,567	46,567	46,567	46,567	46,567	46,567
Capacity (students)	400	450	450	450	450	350	425	425	425	425
Enrollment	346	424	401	406	393	404	381	399	421	383
Projected Student/Teacher Ratio	18.00	17.00	20.00	20.83	20.05	18.24	18.68	19.56	20.64	20.82
Student on Free/Reduced Lunch	301	366	339	354	349	364	337	337	381	338

Colorado Springs School District 11

School Building Capacity and Population

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Middle:										
Galileo/East (1954)										
Square feet	98,516	98,516	98,516	98,516	98,516	98,516	98,516	98,516	98,516	98,516
Capacity (students)	675	675	765	765	765	765	765	765	720	765
Enrollment	247	476	710	657	623	501	483	516	497	505
Projected Student/Teacher Ratio	20.00	14.00	21.00	21.73	21.43	21.04	20.13	20.64	20.71	20.28
Student on Free/Reduced Lunch	153	314	496	503	499	417	408	408	441	448
Holmes (1968)										
Square feet	78,155	78,155	78,155	78,155	78,155	78,155	78,155	78,155	78,155	78,155
Capacity (students)	750	675	675	675	675	675	675	675	675	675
Enrollment	720	723	681	697	686	696	712	727	678	659
Projected Student/Teacher Ratio	20.00	21.00	21.00	22.00	21.00	20.59	21.58	21.13	21.19	19.85
Student on Free/Reduced Lunch	240	276	268	268	286	307	317	317	273	260
Jenkins (1999)										
Square feet	125,516	125,516	125,516	125,516	125,516	125,516	125,516	125,516	125,516	125,516
Capacity (students)	963	1,035	1,035	1,035	1,035	1,035	1,058	1,058	1,058	1,058
Enrollment	845	907	956	945	952	954	961	972	992	982
Projected Student/Teacher Ratio	20.00	18.00	20.00	21.02	21.19	21.54	20.89	21.13	21.11	20.63
Student on Free/Reduced Lunch	176	217	253	219	260	291	319	319	338	327
Mann (1957)										
Square feet	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650	86,650
Capacity (students)	788	788	788	788	788	788	788	788	743	743
Enrollment	684	635	570	514	497	461	439	461	482	510
Projected Student/Teacher Ratio	20.00	22.00	20.00	21.01	21.01	21.70	21.95	19.13	18.75	19.92
Student on Free/Reduced Lunch	382	388	366	338	338	340	338	338	359	391
North (1923)										
Square feet	113,113	113,113	113,113	113,113	113,113	113,113	113,113	113,113	113,113	113,113
Capacity (students)	813	833	833	833	833	833	855	878	878	878
Enrollment	702	694	604	662	686	660	701	658	676	651
Projected Student/Teacher Ratio	20.00	20.00	20.00	21.74	21.50	19.73	20.03	18.48	19.59	18.55
Student on Free/Reduced Lunch	414	402	343	408	419	444	509	509	510	489
Russell (1971)										
Square feet	108,104	108,104	108,104	108,104	108,104	108,104	108,104	108,104	108,104	108,104
Capacity (students)	850	810	810	810	810	810	810	810	810	810
Enrollment	814	828	738	707	691	726	686	685	658	620
Projected Student/Teacher Ratio	20.00	21.00	20.00	20.69	21.17	18	22	20.76	20.43	19.38
Student on Free/Reduced Lunch	344	397	373	368	367	421	422	422	427	408
Sabin (1975)										
Square feet	106,419	106,419	106,419	106,419	106,419	106,419	106,419	106,419	106,419	106,419
Capacity (students)	938	878	878	878	878	878	900	923	923	923
Enrollment	711	940	815	839	820	857	848	802	765	807
Projected Student/Teacher Ratio	20.00	23.00	21.00	21.71	21.66	21.18	22.92	21.62	20.56	21.18
Student on Free/Reduced Lunch	346	506	460	526	508	574	575	575	536	548
Swigert (1967)										
Square feet	104,564	104,564	104,564	104,564	104,564	104,564	104,564	104,564	104,564	104,564
Capacity (students)	800	698	698	698	698	878	810	810	810	810
Enrollment	-	538	552	512	486	504	476	470	467	518
Projected Student/Teacher Ratio	-	17.00	21.00	20.88	21.42	25	21	20.43	20.30	19.19
Student on Free/Reduced Lunch	-	469	478	438	423	447	422	422	444	460
West (1923)										
Square feet	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102	101,102
Capacity (students)	725	315	315	315	315	315	394	394	349	349
Enrollment	332	286	287	268	260	268	276	258	290	292
Projected Student/Teacher Ratio	20.00	15.00	18.00	19.25	20.00	21.63	25.09	20.64	20.71	18.84
Student on Free/Reduced Lunch	191	189	192	189	178	292	205	205	197	180
High:										
Coronado (1970)										
Square feet	225,984	225,984	225,984	225,984	225,984	225,984	225,984	225,984	225,984	225,984
Capacity (students)	1,825	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862	1,862
Enrollment	1,394	1,364	1,421	1,368	1,331	1,492	1,557	1,508	1,438	1,377
Projected Student/Teacher Ratio	21.00	21.00	21.00	22.79	22.68	20.46	21.84	21.45	20.75	20.71
Student on Free/Reduced Lunch	419	454	494	516	508	663	712	712	697	664
Doherty (1975)										
Square feet	239,484	239,484	239,484	239,484	239,484	239,484	239,484	239,484	239,484	239,484
Capacity (students)	2,100	2,168	2,168	2,168	2,168	2,168	2,168	2,168	2,168	2,168
Enrollment	2,036	1,993	1,965	1,990	1,938	2,062	1,980	1,988	2,024	2,025
Projected Student/Teacher Ratio	22.00	22.00	22.00	23.48	22.39	22.68	22.68	22.02	21.24	21.16
Student on Free/Reduced Lunch	524	571	631	700	685	806	797	797	872	864

Colorado Springs School District 11

School Building Capacity and Population

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Mitchell (1965)										
Square feet	247,386	247,386	247,386	247,386	247,386	247,386	247,386	247,386	247,386	247,386
Capacity (students)	1,850	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989	1,989
Enrollment	1,084	1,036	1,027	941	977	1,199	1,203	1,234	1,243	1,286
Projected Student/Teacher Ratio	20.00	21.00	20.00	20.13	21.53	21.22	19.85	19.16	19.45	20.13
Student on Free/Reduced Lunch	636	682	694	630	710	913	940	940	1,006	1,036
Palmer (1939)										
Square feet	270,135	270,135	270,135	270,135	270,135	270,135	270,135	270,135	270,135	270,135
Capacity (students)	1,975	2,219	2,219	2,219	2,219	2,219	2,193	2,193	2,193	2,193
Enrollment	1,827	1,851	1,798	1,881	1,871	1,967	1,898	1,747	1,721	1,621
Projected Student/Teacher Ratio	21.00	20.00	21.00	22.83	21.85	17.60	20.77	20.41	19.99	19.16
Student on Free/Reduced Lunch	644	698	710	818	836	972	1,026	1,026	1,028	943
Education Opportunity:										
Wasson (1959)										
Square feet	254,876	254,876	254,876	254,876	254,876	254,876	254,876	254,876	254,876	254,876
Capacity (students)	1,750	1,862	1,862	1,862	1,862	-	-	-	-	-
Enrollment	1,099	1,056	918	918	918	-	-	-	-	-
Projected Student/Teacher Ratio	20.00	20.00	20.00	19.95	-	-	-	-	-	-
Student on Free/Reduced Lunch	608	640	586	612	642	-	-	-	-	-
Achieve K-12										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	240	240	240	135
Enrollment	-	-	62	179	191	229	229	235	247	240
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	41	27	58	119	120	120	130	129
Adult Education Center										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	480	480	480	230
Enrollment	95	80	58	91	64	56	-	-	-	-
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-
Bijou School										
Square feet	9,686	9,686	9,686	-	-	-	-	-	-	-
Capacity (students)	150	150	150	150	150	150	150	150	150	153
Enrollment	133	119	108	101	98	108	111	105	121	122
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	67	74	60	54	58	76	77	77	92	81
Digital										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	30	30	30	60
Enrollment	-	-	102	102	121	122	119	119	127	122
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-
Early College										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	30	30	330	448
Enrollment	-	-	-	-	-	-	111	146	182	190
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	59	59	101	108
Springs Community Night School										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	-	-	85	77	73	54	71	45
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-
Tesla										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	330	330	330	330	330	330	210	210	210	280
Enrollment	217	221	218	201	192	180	191	203	199	189
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	157	171	167	152	148	151	172	172	157	175
Other										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	617	686	-	735	562	582	536	488	477	465
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	-	-	-	-	-	-	-	-

Colorado Springs School District 11

School Building Capacity and Population

Last Ten Fiscal Years

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Charter Schools:										
AACL										
Square feet	-	-	-	-	-	-	-	-	-	31,255
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	-	-	161	244	276	285	284	305	296	301
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	-	-	33	55	42	62	62	62	49	49
CIVA (1976)										
Square feet	39,120	39,120	39,120	39,120	39,120	39,120	39,120	39,120	39,120	22,188
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	144	142	142	155	157	186	193	178	169	153
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	39	55	61	65	51	67	80	80	45	57
Community Prep School										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	170	176	201	205	242	256	240	256	290	330
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	87	120	100	105	112	119	38	38	98	145
Life Skills Center										
Square feet	-	-	-	-	-	-	-	-	-	-
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	285	325	284	261	250	213	239	257	291	291
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	127	80	119	135	123	74	101	101	137	141
Roosevelt (1969)										
Square feet	51,340	51,340	51,340	51,340	51,340	51,340	51,340	51,340	51,340	51,976
Capacity (students)	500	700	700	700	700	700	700	525	525	525
Enrollment	674	702	676	715	697	693	717	713	696	673
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	612	637	588	616	589	620	647	647	605	587
GLOBE										
Square feet	-	-	-	-	-	-	-	-	-	41,483
Capacity (students)	-	-	-	-	-	-	-	-	-	-
Enrollment	161	170	177	192	176	172	176	191	187	157
Projected Student/Teacher Ratio	-	-	-	-	-	-	-	-	-	-
Student on Free/Reduced Lunch	90	100	100	116	110	120	115	115	108	78
Other:										
Administration Complex (1956)										
Square feet	86,609	86,609	86,609	86,609	86,609	86,609	86,609	86,609	86,609	86,609
Facilities Complex										
Square feet	100,326	100,326	100,326	100,326	100,326	100,326	100,326	100,326	100,326	100,326
G. Berry Stadium (1959)										
Square feet	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	13,394
Nikola Tesla (1999)										
Square feet	78,936	78,936	78,936	78,936	78,936	78,936	78,936	78,936	78,936	78,941

Note: The Education Opportunity schools are located in the Wasson building.

Colorado Springs School District owns 55 schools, 4 support sites, and square feet of 711 acres of land. Its facilities include over 4.0 million building space with a current replacement value of over \$1 billion. The average building age is 51 years, with the oldest active school built in 1902.

The District owns over 18,500 student and staff computer work stations.

Sources: District's Offices and CDE

Colorado Springs School District 11

Capital Assets by Function

Last Ten Years

Function	Fiscal Year			
	2009	2010	2011	2012
Instruction	\$ 246,856,221	\$ 258,962,960	\$ 257,919,534	\$ 249,912,861
Instructional support	313,774	269,574	250,844	216,608
General administration	4,898,520	4,718,486	4,537,773	4,357,763
Business services	620,778	606,648	592,518	578,388
Maintenance and operations	6,263,120	7,754,718	7,079,194	6,627,626
Transportation	9,388,395	9,534,216	10,087,755	10,275,713
Central services	15,690,359	14,211,835	12,704,462	11,023,555
Construction services	21,884,458	7,043,431	1,166,568	1,982,919
Other services	-	-	-	-
Sub-total	305,915,625	303,101,868	294,338,648	284,975,433
Internal service funds	1,087,988	982,090	834,177	811,250
Sub-total	307,003,613	304,083,958	295,172,825	285,786,683
Business-type activities	759,663	775,651	781,443	784,235
Grand Total	\$ <u>307,763,276</u>	\$ <u>304,859,609</u>	\$ <u>295,954,268</u>	\$ <u>286,570,918</u>

Source: District's Fiscal Services Office

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 241,038,540	\$ 235,215,680	\$ 231,702,844	\$ 223,663,260	\$ 223,066,115	\$ 215,512,591
177,692	160,547	145,556	131,048	122,777	115,142
4,178,313	4,001,739	3,840,869	3,681,113	3,521,357	3,361,601
564,115	568,705	551,866	534,943	518,020	501,097
5,846,465	4,930,029	4,536,693	3,786,108	3,462,022	3,157,218
10,393,055	10,696,381	11,118,112	11,358,543	11,752,750	11,453,185
10,085,827	9,401,077	8,918,751	8,266,296	8,056,689	7,278,241
1,405,993	1,271,151	-	5,350,892	3,887,390	7,395,223
-	-	938,365	779,678	625,293	496,686
273,690,000	266,245,309	261,753,056	257,551,881	255,012,413	249,270,984
719,637	669,471	649,098	718,827	665,443	736,913
274,409,637	266,914,780	262,402,154	258,270,708	255,677,856	250,007,897
1,173,822	1,089,766	-	-	-	-
\$ <u>275,583,459</u>	\$ <u>268,004,546</u>	\$ <u>262,402,154</u>	\$ <u>258,270,708</u>	\$ <u>255,677,856</u>	\$ <u>250,007,897</u>

Colorado Springs School District 11

Miscellaneous Statistical Data

For the School Years Ending in May

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number of Schools										
Elementary Schools	41	35	35	35	35	33	33	33	33	33
Middle Schools	9	9	9	9	9	9	9	9	9	9
High Schools	5	5	5	5	5	4	4	4	4	4
Alternative Schools	4	5	5	5	5	6	6	6	6	6
Charter Schools	5	4	5	5	5	5	7	6	6	6
Total	64	58	59	59	59	57	59	58	58	58
Number of Teachers by Educational Levels										
Bachelor of Arts	294	269	251	280	296	299	284	323	329	326
Bachelor of Arts + 16	173	162	161	146	111	113	107	115	109	115
Bachelor of Arts + 32	111	108	96	98	75	72	80	140	141	130
Bachelor of Arts+48/Master's Degree	442	445	423	411	470	427	429	403	412	390
Master's Degree +16	205	210	233	226	201	198	198	202	188	172
Master's Degree + 32	190	189	199	177	164	173	175	158	156	161
Master's Degree + 48	150	155	160	137	126	136	145	158	162	138
Master's Degree + 64 *	115	122	120	106	94	96	84	335	332	337
Master's Degree + 80 *	92	94	100	89	82	70	86	-	-	-
Master's Degree +96/Doctorate *	184	209	219	202	180	189	204	25	23	24
Total	1,956	1,963	1,962	1,872	1,799	1,773	1,792	1,859	1,852	1,793
Student Enrollment	29,573	29,820	29,032	29,727	29,235	28,404	28,005	27,547	27,558	27,079
Funded Pupil Count	27,714	27,979	27,710	27,776	27,375	26,865	26,838	25,696	25,672	25,249
Teacher/Student Ratio										
Elementary Schools	14.92	16.09	15.67	15.89	16.19	15.94	19.79	19.61	19.55	19.19
Middle Schools	16.98	18.75	16.04	16.58	17.61	17.13	21.71	20.44	20.37	19.76
High Schools	18.73	20.03	18.87	19.33	20.00	20.96	21.29	20.76	20.36	20.29
Alternative Schools	14.59	15.47	13.64	13.71	16.63	15.98	13.90	12.96	14.53	14.94
Charter Schools	15.33	14.42	12.71	14.93	14.23	13.58	15.85	15.44	17.44	15.90
**District-wide	16.21	17.39	16.19	16.66	17.18	17.02	17.02	19.45	18.45	18.02
Number of Students Receiving School Lunches Free or at Reduced Cost										
Elementary Schools	6,986	7,279	7,150	7,427	7,230	7,382	8,017	7,708	7,723	7,316
Middle Schools	2,541	3,158	3,229	3,257	3,278	3,031	3,515	3,515	3,525	3,511
High Schools	2,831	3,045	3,115	3,276	3,381	3,354	3,475	3,475	3,603	3,507
Alternative Schools	224	264	268	233	264	346	428	428	480	493
Charter Schools	1,474	1,239	1,307	1,419	1,345	1,409	1,341	1,341	1,042	1,057
District-wide	14,056	14,985	15,069	15,612	15,498	15,522	16,776	16,467	16,373	15,884

Notes:

Year of organization: 1872 / Largest school district in the Pikes Peak Region

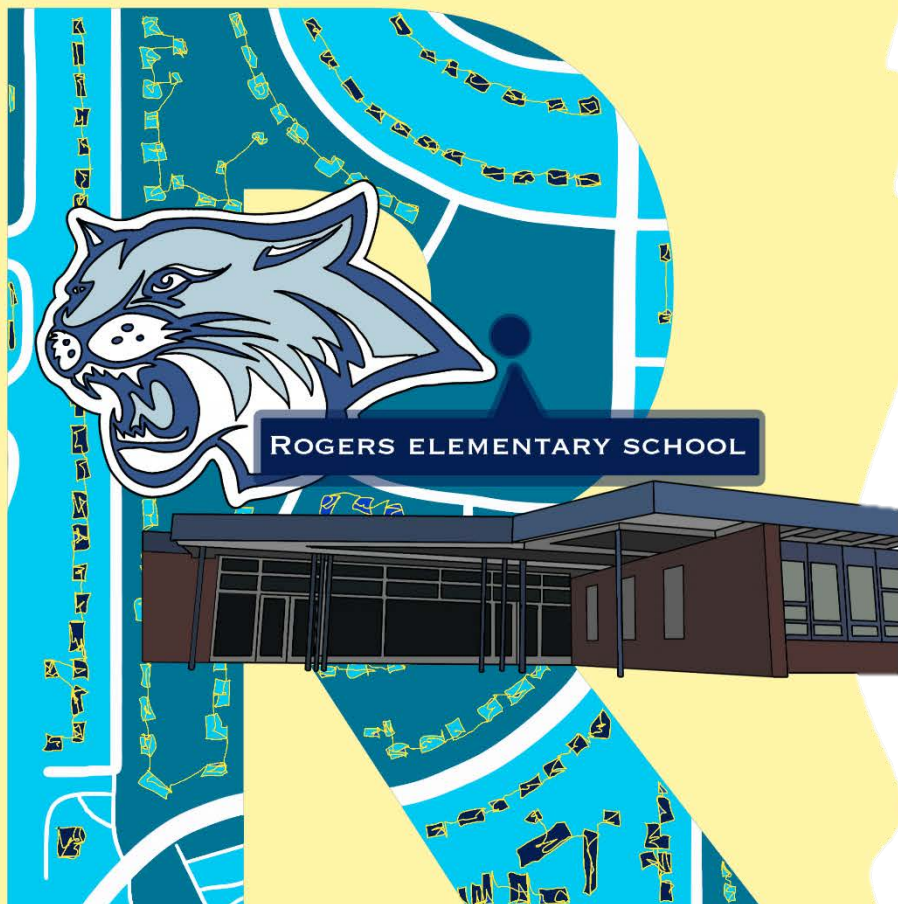
Geographical area: 70.5 square miles

Accreditation: Colorado Department of Education

* Master's Degree +64 now includes Master's Degree's +80 and Master's Degree's +96

** District-wide totals weighted by TOTAL of Teacher/Student counts

Single Audit Report



* The following supplementary Schedule of Expenditures of Federal Awards is in accordance with federal reporting requirements as described in the Uniform Guidance.

Colorado Springs School District 11

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

	Federal Grantor/ Pass-Through Grantor/ Program Title	Pass-Through Grantor's Identifying Number	Federal CFDA Number
U.S. Department of Education			
Direct Programs:			
	Impact Aid	4041	84.041
	Title VI A - Indian Education	4060	84.060
	Subtotal		
Pass-Through Colorado Department of Education:			
	Title I	4010/5010/7010	84.010
	Title VI-B IDEA Special Education	4027/5027	84.027
	Title VI B IDEA Preschool	4173	84.173
	Total Special Education Cluster (IDEA)		
	Title III Part A English Language Acquisition	4365/7365	84.365
	Title II Part A Training & Recruiting	4367	84.367
	Title IV Student Support and Academic Enrichment	4424	84.424
	Colorado Multi-Tiered System of Supports	5323	84.323
	Adult Education	5002/6002	84.002
	Race To The Top-Early Childhood Readiness Assessment	5412	84.412
	Subtotal		
Grants from Other Pass-Through Colorado Community College Systems			
	Perkins Grant	4048	84.048
	Subtotal		
	Total U.S. Department of Education		
U.S. Department of Commerce			
Grants from Other Pass-Through Pikes Peak Community College			
	Regional Alliances and Multistakeholder Partnerships to Stimulate	7620	11.620
	Total U.S. Department of Commerce		
U.S. Department of Transportation			
Grants from Other Pass-Through Colorado Department of Transportation			
	Safe Routes to Schools	7205	20.205
	Total U.S. Department of Transportation		
U.S. Department of Health and Human Services Administration for Children & Families			
Grants from Other Pass-Through Colorado Department of Health and Human Services			
	CRELA - Refugee English Language Acquisition	7566	93.556
	CRELA - Temporary Assistance to Needy Families	8558	93.558
	Total U.S. Department of Health and Human Services		
U.S. Department of Defense:			
Direct Programs:			
	DODEA-Personalized Learning in High Military Schools	7556	12.556
	SPED Impact Aid	7558	12.588
	Total U.S. Department of Defense		
U.S. Department of Agriculture			
Pass-Through Colorado Department of Human Services:			
	National School Lunch Program- Donated Commodities	4555	10.555
Pass-Through Colorado Department of Education:			
	National School Breakfast Program	4553	10.553
	National School Lunch Program	4555	10.555
	Summer Lunch Program	4559	10.559
	Total National School Lunch Program Cluster		
Pass-Through Colorado Department of Health and Environment:			
	Child & Adult Care Food Program	4558	10.558
	Total U.S. Department of Agriculture		

Total federal awards

See notes to Schedule of Expenditures of Federal Awards

Current Year Award Amount	Accounts Rec or (Deferred Rev) at June 30, 2017	Receipts Federal Sources	Expenditures	Accounts Rec or (Deferred Rev) at June 30, 2018
\$ -	\$ -	\$ 262,707	\$ 262,707	\$ -
31,442	<u>7,257</u>	<u>35,722</u>	<u>33,698</u>	<u>5,233</u>
	7,257	298,429	296,405	5,233
7,447,793	1,527,968	7,295,371	7,281,984	1,514,581
5,289,439	1,037,167	5,619,486	5,542,765	960,446
146,133	<u>12,309</u>	<u>124,700</u>	<u>139,730</u>	<u>27,339</u>
	1,049,476	5,744,186	5,682,495	987,785
192,180	61,255	280,570	256,996	37,681
985,531	371,202	1,140,371	1,060,556	291,387
127,654	-	33,624	46,260	12,636
12,836	4,770	8,206	5,771	2,335
468,864	61,971	414,817	450,041	97,195
-	<u>-</u>	<u>23,154</u>	<u>23,154</u>	<u>-</u>
	3,076,642	14,940,299	14,807,257	2,943,600
237,617	<u>130,671</u>	<u>309,830</u>	<u>227,178</u>	<u>48,019</u>
	130,671	309,830	227,178	48,019
	3,214,570	15,548,558	15,330,840	2,996,852
-	<u>3,986</u>	<u>8,551</u>	<u>9,172</u>	<u>4,607</u>
	3,986	8,551	9,172	4,607
-	<u>15,813</u>	<u>15,813</u>	<u>-</u>	<u>-</u>
	15,813	15,813	-	-
31,850	-	15,355	17,477	2,122
28,875	<u>-</u>	<u>22,465</u>	<u>26,237</u>	<u>3,772</u>
	-	37,820	43,714	5,894
99,924	29,003	123,403	114,098	19,698
-	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	29,003	123,403	114,098	19,698
713,309	(306,377)	783,798	838,385	(251,790)
-	221,999	2,364,704	2,142,705	-
-	555,023	6,214,594	5,659,570	(1)
-	<u>130,147</u>	<u>181,233</u>	<u>186,905</u>	<u>135,819</u>
	907,169	8,760,531	7,989,180	135,818
-	<u>(21,039)</u>	<u>62,936</u>	<u>69,140</u>	<u>(14,835)</u>
	579,753	9,607,265	8,896,705	(130,807)
\$	<u>3,843,125</u>	<u>25,341,410</u>	<u>24,394,529</u>	<u>2,896,244</u>

Colorado Springs School District 11

Notes to the Schedule of Expenditures of Federal Awards

June 30, 2018

NOTE 1: *BASIS OF PRESENTATION*

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Colorado Springs School District 11 (the District) for the year ended June 30, 2018. All federal awards received directly from federal agencies, as well as federal awards passed through other governmental agencies, are included in the schedule. 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). Therefore, some amounts presented in this schedule may differ from amounts reported in, or used in the preparation of, the basic financial statements. Because the Schedule presents only a select portion of the operations of the District, it is not intended to and does not present the financial position or changes in net position of the District.

NOTE 2: *SIGNIFICANT ACCOUNTING POLICIES*

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting. Expenditures of federal awards are recognized in the accounting period when the liability is incurred. 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.

NOTE 3: *SUBRECIPIANTS*

For the year ended June 30, 2018, the District did not pass through any federal grant awards to subrecipients.

NOTE 4: *INDIRECT COST RATE*

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 5: *NON-CASH PROGRAMS (COMMODITIES)*

Commodities donated to the District by the U.S. Department of Agriculture (USDA) of \$783,798 are valued based on the USDA's Donated Commodity Price List. These are shown as part of the National School Lunch program (10.555).

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Colorado Springs School District 11
Colorado Springs, Colorado

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 units, each major fund, and the aggregate remaining fund information of Colorado Springs School District 11, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Colorado Springs School District 11's basic financial statements, and have issued our report thereon dated October 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Colorado Springs School District 11'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Colorado Springs School District 11's internal control. Accordingly, we do not express an opinion on the effectiveness of Colorado Springs School District 11'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 Colorado Springs School District 11'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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 18, 2018

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Colorado Springs School District 11
Colorado Springs, Colorado

Report on Compliance for the Major Federal Program

We have audited Colorado Springs School District 11's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Colorado Springs School District 11's major federal program for the year ended June 30, 2018. Colorado Springs School District 11's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Colorado Springs School District 11's major federal program 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 the audit 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). 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 Colorado Springs School District 11'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 the major federal program. However, our audit does not provide a legal determination of Colorado Springs School District 11's compliance.

Opinion on the Major Federal Program

In our opinion, Colorado Springs School District 11 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of Colorado Springs School District 11 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 Colorado Springs School District 11's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with 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 Colorado Springs School District 11's internal control over compliance.

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 a combination of deficiencies, in internal control over compliance, such that there is a 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. 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.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
October 18, 2018

**COLORADO SPRINGS SCHOOL DISTRICT 11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section I – Summary of Auditors' Results

Financial Statements

1. Type of auditors' report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
3. Noncompliance material to financial statements noted? _____ yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? _____ yes x no
 - Significant deficiency(ies) identified? _____ yes x none reported
2. Type of auditors' report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes x no

Identification of Major Federal Programs

CFDA Number(s)

10.553, 10.555, and 10.559

Name of Federal Program or Cluster

Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$ \$750,000

Auditee qualified as low-risk auditee?

 x yes _____ no

**COLORADO SPRINGS SCHOOL DISTRICT 11
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

Section IV – Prior Year Findings

There were no findings in the prior year that were required to be reported.

CDE/TABOR Section





THE WORLD IS CHANGING.
MEET THE FUTURE.

Colorado Springs School District 11
Calculation of Spending
Pursuant to Article X, Section 20 of the Colorado Constitution
For the Year Ended June 30, 2018

	Fiscal Year	
	2017	2018
COMPUTATION OF FISCAL YEAR SPENDING		
Total District Expenditures		\$191,885,901
Less: Special Items:		
Expenditures from Federal Funds		25,852,918
Expenditures from Damage Awards		-
Expenditures from Collections for Governments		1,304,255
Expenditures from Gifts & Donations		1,162,177
Expenditures from Proceeds of Sales of Assets		296,689
Total Special Items		<u>28,616,039</u>
Less: Expenditures from District Reserves		
General Fund		2,423,640
Charter Schools		-
Capital Reserve Fund		-
Food Services Fund		100,660.00
Production Printing Fund		-
Risk Related Activities Fund		515,601
Total District Reserve Spending		<u>3,039,901</u>
Plus: Expenditures into District Reserves		
General Fund		4,392,875
Charter Schools		3,184,782
Capital Reserve Fund		4,658,390
Food Services Fund		137,144
Production Printing Fund		108,176
Risk Related Activities Fund		-
Total District Reserve Designation		<u>12,481,367</u>
Fiscal Year Spending	<u>\$169,383,838</u>	<u>\$172,711,328</u>
COMPUTATION OF SPENDING LIMITATION		
Fiscal Year Spending	\$169,383,838	\$172,711,328
Growth Allowance		
Inflation Change	2.80%	
Enrollment Change	<u>0.00%</u>	
Total Growth Allowance	2.80%	
Growth Allowance in Dollars	<u>4,742,747</u>	
Fiscal Year 2018 Spending Limit		<u>174,126,585</u>
Amount Over (Under) Limit		<u>(\$1,415,257)</u>



Colorado Department of Education

Auditors Integrity Report

District: 1010 - COLORADO SPRINGS 11

Fiscal Year 2017-18

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number		Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental		+		-	=
10	General Fund	29,437,198	234,051,891	232,239,514	31,249,575
18	Risk Mgmt Sub-Fund of General Fund	2,376,608	3,266,522	3,012,512	2,630,618
19	Colorado Preschool Program Fund	540,886	3,208,927	3,306,079	443,734
Sub- Total		32,354,691	240,527,340	238,558,105	34,323,927
11	Charter School Fund	5,638,651	20,592,722	17,407,940	8,823,433
20,26-29	Special Revenue Fund	641,858	22,601,230	169,896	23,073,193
21	Food Service Spec Revenue Fund	3,083,755	12,154,618	12,118,133	3,120,239
22	Govt Designated-Purpose Grants Fund	0	17,490,462	17,490,462	0
23	Pupil Activity Special Revenue Fund	0	0	0	0
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	18,857,822	9,433,915	16,609,544	11,682,193
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	8,970,044	14,649,130	9,990,739	13,628,436
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals		69,546,821	337,449,417	312,344,819	94,651,420
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	8,626,346	8,664,869	9,180,469	8,110,745
60,65-69	Other Internal Service Funds	749,240	249,971	141,795	857,416
Totals		9,375,586	8,914,839	9,322,264	8,968,161

FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.

10/23/2018

10:24 AM