

Mission Statement

*Develop responsible and
productive members of
society*

Strasburg School District
31-J

January 9th, 2019 @ 6:30 p.m.

Board of Education

John Sampson, President

Nancy Taylor, 1st Vice President

Connie Lybarger, 2nd Vice
President

Michael Marrero, Secretary

Julie Winter, Treasurer

*Strasburg School Board strives to
follow our guiding principles:*

T – Transparency

R – Respect

U – Unity

T – Trust

H – Honesty

Agenda

SCHOOL DISTRICT BOARD ROOM

Meetings are held in the East video-conference room – Room 110.

Please enter the High School through the circle drive entrance.

The Board's meeting time is dedicated to the mission and goals of the Strasburg 31J School District. Your opinion is valuable to the Board. There is an opportunity during request from patrons to address the Board.

Members of the public who intend to offer public comment to the Board must sign up for comment with the Superintendent at least 24 hours before each Board meeting. The Board President has discretion to call on those who have signed up and set the order of speakers.

(District students should identify themselves as such and they will be called upon first).

Presentations must be no more than three minutes.

There are many other ways to become involved with the schools such as district accountability committees, booster clubs, classroom parent volunteers, etc. For more information feel free to contact any of the schools or the administration office.

I. Opening of the Meeting

- a. Call to Order
- b. Roll Call
- c. Pledge of Allegiance
- d. Adoption of Agenda

II. Report of the Superintendent

- a. Update on Master Plan Development
- b. Management Discussion and Analysis of the audit **Page 3**

III. Board Action items

- a. Personnel
 - i. Resignation: Michelle Woodard, Head Softball Coach **Page 9**
 - ii. New Hires: Nicole Osentoski, Head Softball Coach **Page 10**
 - iii. Sub List **Page 11**
- b. Reschedule Retreat Date
- c. Approve the Assurances for Financial Accreditation **Page 13**
- d. Budget Appropriation Resolution **Page 17**

IV. Consent Agenda

- a.** Approval of the minutes of the December 12, 2018 Regular Board Meeting. **Page 18**
- b. Approval of claims, accounts, and financial statements, as appropriate. As per Board action, financials are mailed out no later than 12 working days from the beginning of the month. The Board confirms approval of financials at its next regular meeting. Questions regarding information on the financials can be brought to the Board meeting.

V. Adjournment

June 30, 2018

This is a Management Discussion and Analysis (MD&A) for Strasburg School District 31J. It offers the reader management’s perspective of the financial activities of Strasburg School District 31J for the year ended June 30, 2018.

The MD&A is an element of reporting put forth by the Government Accounting Standards Board (GASB), in accordance with GASB Statement No. 34, *Basic Financial Statement and Management’s Discussion and Analysis for State and Local Governments*.

Financial Highlights

- In government-wide activities the District’s net position totaled (\$10,911,568) at the end of the 2018 fiscal year and (\$6,294,946, as restated. See Note 10) at the end of the 2017 fiscal year. The net position includes the pension liability of \$30,975,844 applied under the GASB 68 standards. Without the pension liability the net position would be \$20,064,276.
- Total assets in the governmental funds (General, Bond Redemption, & Non-major Governmental Funds) were \$6,154,911; total liabilities and deferred inflows were \$964,978, resulting in an ending fund balance of \$6,154,911.
- The ending fund balance of the General Fund was 3,547,627 at June 2018 and 2,922,458 at June 30, 2017. The General Fund portion maintained a fund balance of 39.8% of the total General Fund budget well within the 15% required by Board policy DG.

Overview of the Financial Statements

The Management’s Discussion & Analysis is presented as an introduction into the Strasburg School District’s basic financial statements. This information is comprised in the following three components:

- 1) Government-wide financial statements
- 2) Fund Financial Statements
- 3) Notes to 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.

The *Statement of Net Position* presents information about all the District’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. The reader should consider the impact of the pension liability when examining the net position.

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

Government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues. The governmental activities of the District include instruction, instructional support, general and school administration, business and central services, maintenance and operations, and transportation. The business-type activity also includes food services which is funded in part from fees, federal funds administered by the state, and supplemented by General funds.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been "set apart" for specific activities. The fund financial statements provide detailed information about the District's funds. These statements focus on those specific funds, not the District as a whole. Strasburg School District 31J, like other governmental agencies, uses fund accounting to demonstrate and ensure compliance.

All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds. The District does not report any proprietary fund types.

Governmental Funds: Most of the District's basic services are reported in governmental funds. This information is reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund accounting may help the reader determine whether there are more or less financial resources that can be spent in the near future. The differences between the government-wide statements and the governmental funds are reconciled in the financial statements. The District reports the following funds as major governmental funds: The General Fund and the Bond Redemption Fund.

Fiduciary Funds: The District is the agent, or *Fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purpose. The District reports the student activities as a Fiduciary Fund.

Supplementary Information: In addition to the financial statements and accompanying notes, the District's financial statements also contain more detailed financial information and other supplementary information concerning the District's non-major governmental funds.

Financial Analysis of The Governmental Funds: The focus of the District's governmental funds is to provide information on balances of available (spendable) resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful tool in measuring the District's net resources available for spending at the end of the fiscal year. The District's

unassigned fund balance in the General Fund was \$3,267,627 at June 30, 2018 compared to 2,650,458 at June 30, 2017.

Financial Analysis of the District as a Whole

The District's total net position on June 30, 2018 was (\$10,911,568). Of the District's \$19,150,430 in total assets, \$12,995,519 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The long term debt on June 30, 2018 was \$6,100,994. Current debt (due within one year) was \$660,000.

Statement of Net Position	2018	2017
Assets		
Current and Other Assets	6,154,911	5,484,459
Capital Assets	12,995,519	13,425,088
Total Assets	19,150,430	18,909,547
Deferred Outflows	11,011,731	10,142,308
Liabilities		
Current and Other Liabilities	939,722	804,967
* Non-Current Liabilities	37,784,149	31,662,391
Total Liabilities	38,723,871	32,467,358
Deferred Inflows	2,349,858	2,328,904
Net Position		
Invested in Capital Assets	7,156,651	6,936,625
Restricted for:		
Debt Service	1,532,758	1,517,894
Emergencies	280,000	278,400
Unrestricted	(19,880,977)	(14,477,326)

Total Net Position(5,744,407)(5,744,407)

**Pension Liability

30,975,844

Statement of Activities	2018	2017
Revenues		
Charges for Services	367,882	387,327
Grants and Contributions	916,544	876,318
Property Taxes	3,779,912	3,641,281
Specific Ownership Taxes	339,821	317,885
State Equalization	4,695,825	4,561,069
Per Pupil Revenue	191,334	212,809
Other Revenues	75,949	144,962
Total Revenues	10,367,267	10,141,651
Expenses		
Instruction	8,702,505	7,255,077
Supporting Services	6,124,079	5,134,990
Interest	157,305	174,966
Total Expenses	14,983,889	12,565,033
Change in Net Position	(4,616,622)	(2,423,382)
Net Position, Beginning	(6,294,946)	(3,321,025)
Net Position, Ending	(10,911,568)	(5,744,407)

Note: 2017 information has not be restated here because prior year information is unavailable.

Financial Analysis of the District's Funds

The General Fund is the major operating fund of the District. During the current fiscal year, fund balance increased by \$625,169 from \$2,922,458 to \$3,547,627.

The Bond Redemption Fund accounts for property taxes restricted for the payment of general obligation debt, and had an ending fund balance at June 30, 2018, of \$1,537,702.

General Fund Budgetary Highlights

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

General Fund. For the year ended June 30, 2018, actual expenditures of \$8,426,001 were less than budgeted expenditures by \$396,241

The District must maintain an emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). On June 30, 2018, the General Fund TABOR reserve amounted to \$280,000.

Capital Asset and Debt Administration

Capital assets. The District's capital assets as of June 30, 2018, totaled \$12,995,519. More information on the District's capital assets can be found in Note 3 to the financial statements.

Long-term debt. As of June 30, 2018, the District had general obligation bonds payable of \$6,100,994. Bond proceeds were used to construct a new middle school and improve other District facilities. More information on the District's long-term debt can be found in Note 4 to the financial statements.

Economic Factors

The local, state, and federal economies are performing very well. This has resulted in an increase in the District's assessed property value, which increased 4% from 2016 to 2017; despite a reduction in the residential assessment rate currently at 7.20%. Due to requirements of the Colorado State Constitution's Gallagher Amendment, passed in 1982 – which mandates a consistent ratio between residential and non-residential property, the residential assessment rate is likely to continue to decline. This will result in more revenue needed from the state to fund local school districts.

Although the District has maintained a relatively consistent student count, the impact of the State imposed negative factor, now called the Budget Stabilization Factor (BSF) decreased the revenue by an aggregate of nearly \$7,000,000. Due to the BSF the District has deferred maintenance, delayed the purchase of replacement buses, limited employee raises, and lengthened the cycle for replacement of technology and curriculum.

The District is expected to experience an increase in student count due to local residential development. The District stands at the cusp of having the economy of scale to increase facility capacity.

The Board of Education is committed to providing students with a 21st century learning experience. To that end they have worked diligently to stop deficit spending and increase the fund balance while meeting the needs of students.

Contacting the District's Financial Management

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

Monica Johnson

Superintendent of Schools
Strasburg School District
56729 E. Colorado Ave.
Strasburg, CO 80136



Overview

This form is required pursuant to Section 22-11-206(4), C.R.S. The school district must submit an assurance form certifying the school district's substantial and good-faith compliance with the a) School District Budget Law, b) Financial Policies and Procedures Act, c) Public School Financial Transparency Act, and d) accounting and reporting. The Colorado Department of Education monitors the district's compliance by reviewing the district's finance data pipeline submission, audited financial statements, financial transparency website, and responses from management to inquiries related to those reviews. Good-faith compliance is determined, in part, by the assurances provided below as certified by those charged with governance.

Additional information for charter school authorizers

The assurances provided with this form are also applicable to all charter schools unless a separate CHARTER FORM AFA2018 is executed by or on behalf of a charter school and provided to CDE. The submission of a CHARTER FORM AFA2018 by an authorizer communicates that the authorizer does not provide the assurances for that charter school within the authorizer's FORM AFA2018. If applicable, CHARTER FORM AFA2018(s) should be submitted with an authorizer's FORM AFA2018.

Completion and submission

1. Open header and select entity from the drop down.
2. Select the appropriate response for each assurance. Note: select "N/A" when item is not applicable.
3. Complete an Attachment A for each "No" response.
4. Scan to PDF the completed and signed FORM AFA2018 with, if applicable, an Attachment A for each "No" response.
5. Submit with the following items as PDF files via email attachments to: schoolfinance@cde.state.co.us
 - a. Audited financial statements for year ended June 30, 2018 (including audit reports for charter schools, if applicable)
 - b. Grant Revenue Reconciliation Report from data pipeline with responses for all differences in column 9
 - c. Finance December Error Detail Report - Rollup from data pipeline with confirmation or responses for all warning edits

PART 1 - Assurances for Article 44 Budget Policy and Procedures required pursuant to Section 22-11-206(4)(a)(I), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
44-1	Adopt budget and an appropriation resolution	22-44-103(1) 22-44-107	The board of education adopted a budget and an appropriation resolution prior to June 30, 2017. If no, please address compliance with Section 22-44-104, C.R.S., in an Attachment A. <i>Note:</i> the appropriation resolution may by reference incorporate the budget as adopted.	Yes
44-2	Detail of budget	22-44-105(1)(c)	The budget for fiscal year 2017-18 itemizes expenditures by fund and by pupil.	Yes





Ref.	Description	C.R.S. Section	Assurance	Response
44-3	TABOR	22-44-105(1)(c.5)	The three percent emergency reserve required by TABOR has been properly reported using a) unrestricted general funds, b) cash fund emergency reserves, or c) a statutorily approved alternative.	Yes
44-4	Uniform summary sheet	22-44-105(1)(d.5)	The budget for fiscal year 2017-18 includes a uniform summary sheet for each fund.	Yes
44-5	Use of beginning fund balance	22-44-105(1.5)(a)&(c)	For budgets that include the use of beginning fund balance, a resolution was adopted by the board specifically authorizing this use and stating the district's plan to ensure that use will not lead to an ongoing deficit.	N/A
44-6	Contingency reserve - operating reserve	22-44-106(2)	If applicable, the board of education adopted a board resolution committing fund balance, which is limited to 15% of total general fund budgeted expenditures, considered as a beginning general fund balance for the 2018-19 fiscal year and thereby unavailable for appropriation during the 2017-18 fiscal year.	N/A
44-7	Preparation of budget	22-44-108(1)(c)	A proposed budget for fiscal year 2017-18 was submitted to the board by May 31, 2017.	Yes
44-8	Notice of proposed budget	22-44-109	Notice was made in accordance with law that the proposed budget is available for public inspection.	Yes
44-9	Adoption of budget	22-44-110(4)	The budget for fiscal year 2017-18 was adopted by the board by June 30, 2017.	Yes
44-10	Supplemental budget	22-44-110(5)	Modifications to the budget after January 31, 2018, were made through adoption of a supplemental budget by the board.	Yes
44-11	Interfund borrowing	22-44-113(1)	Interfund borrowings were repaid within 3 months of the fiscal year end.	N/A
44-12	Spending in excess of appropriations	22-44-115(1)	Spending did not exceed amounts appropriated for each fund.	Yes
44-13	Use of handbook and chart of accounts	22-44-204(3)	The financial policies and procedures handbook and chart of accounts were used for budget development, maintaining financial records, and periodic presentation of financial information to the board.	Yes
44-14	Financial transparency	22-44-304	Information required by the Public School Financial Transparency Act was made available on-line in a downloadable format. <i>Note:</i> Check the organization's website to ensure all required documents are posted and current.	Yes

PART 2 - Assurances for Article 45 Accounting and Reporting required pursuant to Section 22-11-206(4)(a)(II), C.R.S.





Ref.	Description	C.R.S. Section	Assurance	Response
45-1	Enterprise fund accounting	22-45-102(1)(a)	The full accrual basis of accounting was used for budgeting and accounting for enterprise funds.	Yes
45-2	Generally Accepted Accounting Principles	22-45-102(1)(a)	Financial records are kept in accordance with generally accepted principles of governmental accounting.	Yes
45-3	Board review of financial condition	22-45-102(1)(a) & (b)	The board required the preparation of financial reports that included at a minimum the information required by state law. The board reviewed the financial condition of the entity at least quarterly during the fiscal year.	Yes
45-4	Financial records	22-45-102(2)	All financial records are maintained at the principal administrative offices and general ledger accounts are posted and reconciled at least monthly.	Yes
45-5	Bond redemption fund	22-45-103(1)(b)	A third party custodian was designated to administer the bond redemption fund.	Yes

PART 3 - Assurance required pursuant to Section 22-11-206(4)(b), C.R.S.

Ref.	Description	C.R.S. Section	Assurance	Response
30.5-1	Itemized accounting to charter schools	22-30.5-112(2)(a.4)	An itemized accounting of all costs charged to charter schools was provided to those schools by September 30, 2018.	Yes

PART 4 - Optional disclosures

Accounting general ledger software information:

Company/vendor name: Replace with name

Company/vendor contact: Name: Replace with name

Email: Replace with email



PART 5 - Certification of assurances

I certify, to the best of my knowledge and belief, that the assurances provided in Parts 1 through 3 are true and correct. I further certify that all information provided with Attachment A(s), if applicable, is true and correct.

Chief Financial Officer/Business Manager (signature)

(printed name)

Date: _____

Superintendent/Executive Director (signature)

(printed name)

Date: _____

I certify that the board reviewed the assurances and approved the related responses.

President of the Board (signature)

(printed name)

Date: _____

Mid-Year Appropriation Adjustment

General Fund

Unaudited (\$'s in Thousands)	FY 18-19		
	Adopted Budget	Adjustment	
Beginning Fund Balance	3,547,626.00	3,547,626.00	2922458 2017 Ending Fund Balance
Revenue			
Local Revenue	3,584,620.00	3,504,846.00	Change in Property Tax
Interest Revenue	350.00	485.00	
State Revenue	5,664,850.00	6,009,527.00	Change in State Equalization due to PPR
Federal Revenue	72,065.00	72,065.00	
Total Revenue	9,321,885.00	9,586,923.00	
Expenses			
Salaries	4,844,827.00	4,792,011.00	
Benefits	1,768,931.00	1,766,114.00	
Services	1,377,695.00	1,494,895.00	
Supplies	1,039,730.00	834,005.00	
Equipment	121,650.00	278,327.00	
Debt	1,700.00	1,700.00	
Other	131,698.00	127,028.00	
Transfer to Lunch	38,153.00	38,153.00	
Total Expenses	9,324,384.00	9,332,233.00	
Increase in Contingency		254,690.00	
Between Technology, Transportation and Maintenance			

Changes in Expenditures are due to reallocation of funds from small rural grant

Strasburg School District 31J
56729 East Colorado Avenue
Strasburg, Colorado 80136

Minutes of the Regular Meeting of the Board of Education
December 12th 2018 (6:30 P.M.) – SHS – East Video Conference Room #110

CALL TO ORDER:

Meeting was called to order at 6:30 P.M. by Board President, John Sampson

ATTENDANCE: (Roll Call)

Board members present were: Connie Lybarger, Micheal Marrero, John Sampson, Nancy Taylor and Julie Winter.

Others present were Monica Johnson (Superintendent of Schools), Jeff Rasp (SHS Principal), Carol Wethington (SES Principals) Stephanie Velez (Secretary to the BOE), I-70 Scout, and other members of the district and public.

PLEDGE OF ALLEGIANCE: Mr. Micheal Marrero

AGENDA APPROVAL:

On a motion by Julie Winter and seconded by Connie Lybarger, it is hereby resolved to approve the amended agenda.

AYE: LYBARGER, MARRERO, SAMPSON, TAYLOR, WINTER

NAY: NONE – MOTION CARRIED: 5-0

REQUEST FROM PATRONS TO ADDRESS THE BOARD OF EDUCATION:

None

SUPERINTENDENT'S REPORT: (Mrs. Johnson addressed the BOE on each of the following items.)

Superintendent Johnson turned the floor over to High School Principal Jeff Rasp for an update on the high school college preparation process the district has in place. Superintendent Johnson then went over the final student count for the district. The floor was then turned over to Board President John Sampson who briefly addressed the Board.

BOARD DISCUSSION:

Board member Nancy Taylor gave her ECBOCES report. Board Member Micheal Marrero and Superintendent Johnson reported to the Board on the CASB Conference. Board members John Sampson and Connie Lybarger have elected to have electronic signatures placed on diplomas, members, Micheal Marrero, Nancy Taylor and Julie Winter would like to come in and sign diplomas.

BOARD ACTION ITEMS:

On a motion by Connie Lybarger and seconded by Micheal Marrero, it is hereby resolved to approve the hiring of Audra Robison, high school girls basketball assistant coach, Brandi Marrero, temporary tech support and Nicolas Dodge as district custodian.

AYE: LYBARGER, MARRERO, SAMPSON, TAYLOR, WINTER

NAY: NONE – MOTION CARRIED: 5-0

On a motion by Connie Lybarger and seconded by Julie Winter, it is hereby resolved to approve the resignation of Casey Millhollin as district bus driver and Cleo Bradford as district custodian.

AYE: LYBARGER, MARRERO, SAMPSON, TAYLOR, WINTER

NAY: NONE – MOTION CARRIED: 5-0

On a motion by Julie Winter and seconded by Nancy Taylor, it is hereby resolved to Certify The Mills as presented.

AYE: LYBARGER, MARRERO, SAMPSON, TAYLOR, WINTER

NAY: NONE – MOTION CARRIED: 5-0

On a motion by Connie Lybarger and seconded by Micheal Marrero it is hereby resolved to approve January 18th, 2019 as the Board retreat and work session date.

AYE: LYBARGER, MARRERO, SAMPSON, TAYLOR, WINTER

NAY: NONE – MOTION CARRIED: 5-0

CONSENT AGENDA: BOARD MINUTES AND CLAIMS AND FINANCIALS

On a motion by Nancy Taylor and seconded by Connie Lybarger, it is hereby resolved to approve the minutes and financial packet for the November 2018 board of education meeting as presented.

AYE: LYBARGER, MARRERO, SAMPSON, TAYLOR, WINTER

NAY: NONE – MOTION CARRIED: 5-0

ADJOURNMENT:

John Sampson, President

Date

Julie Winter, Treasurer

Date