

cPa DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL

DISTRICT NUMBER RE-1

WALSH, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

# DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS

JUNE 30, 2021

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BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2021

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BOARD OF EDUCATION

Todd Randolph	President
Tanner Dunivan	Vice-President
Tim Hume	Treasurer
Fara Gourley	Secretary
James Dubois	Member

SCHOOL OFFICIALS

Dr. Kirk Henwood	Superintendent
Kylene Smith	Business Manager

## FINANCIAL SECTION

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

## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Baca County School District Number RE-1  
Walsh, Colorado 81090

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District Number RE-1, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District Number RE-1, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through viii and 41 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Baca County School District Number RE-1's basic financial statements. The combining and individual fund financial statements, other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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



Trinidad, Colorado  
November 29, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS



# Walsh School District RE-1

## Management's Discussion and Analysis

The discussion and analysis of Walsh School District RE-1's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999. The GASB requires certain comparative information between the current year and the prior year to be presented in the MD&A.

As of June 30, 2021, the District's proportionate share of the net PERA pension liability is \$3,554,261. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association (PERA), is recorded as a District liability. The District's proportionate share of the net other post-employment benefits liability (OPEB) was \$129,236. Based on total liabilities, deferred inflows, and deferred inflows, there was an increase in net position of total governmental funds.

### Financial Highlights

- The General Fund Balance as of June 30, 2021 was 2,646,236, an increase of \$12,324. For the 2020 fiscal year, the District levied 6 mills of the voter approved 10 mill levy override. Only 6 mills of the levy override has been budgeted for the 2021 fiscal year. The revenue to expenditure deficit will be offset by the increase in the general fund balance that has been seen over the past 2 years.
- The District's governmental total net position increased by \$1,086,821 largely as a result of the District's change in proportionate share of the PERA net pension liability. While

# Walsh School District RE-1

net position does indicate negative overall fiscal health, the reader should be aware that this is an academic standard and does not reflect the fund-level fiscal health of the district.

- Expenses from governmental activities totaled \$3,016,174 and were countered by revenues totaling \$3,251,405. Pension changes reduced governmental activities expenses by \$1,02,321.
- General revenues reported include \$714,369 from property taxes, \$78,099 from specific ownership taxes, \$1,400,058 from state equalization, \$7,884 from earnings on investments, and \$38,674 from other revenues.

## **Overview of the Financial Statements**

The Walsh School District RE-1 basic financial statements are comprised of three components:

1. Government-wide financial statements - focusing on both short-term and long-term information about the overall financial status of the District. The government-wide financial statements include the General Fund, Insurance Reserve Fund, CPP Fund, Designated Grant Fund, Food Service Fund, and Activity Fund.
2. Fund financial statements – focusing on the individual parts of the government, reporting the District’s operations in more detail than the government-wide statements.
3. The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District’s budget for the year.

## **Government-wide Statements**

The financial statements provided are designed to supply the reader an overview of the District’s financial activities similar to those used in the private sector. The government-wide statements relate to those activities directly related to the education of students. The statement of net position includes all of the government’s assets, liabilities, and deferred flows. All of the current year’s revenues and expenses are accounted for in the statement of activities.

# Walsh School District RE-1

The two government-wide statements report the District's net position and any changes in net position from one year to the next. Net position is the difference between the District's assets, liabilities, and deferred flows, and is one indicator of the District's overall financial health. Net position indicates whether the District's financial health is improving or deteriorating. The reader should note that the net position includes the District's share of the PERA pension plan liability. Changes in the solvency of PERA affect the net position, sometimes dramatically. Other factors to consider when examining net position include non-financial factors such as changes to the District's tax base, student enrollment, and overall condition of facilities.

The government-wide financial statements of the District include the governmental activities. Most of the district's basic services are included within, such as instruction, support, general administration, and capital outlay. The statements also indicate that funding for these services come primarily from state equalization, property tax, and grant sources.

## **Fund Financial Statements**

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Walsh School District, like other governments, uses fund accounting to guarantee and demonstrate compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

### **Governmental Funds**

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances, or those available at the end of the fiscal year. Such information is used to evaluate the District's short-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Comparison of the governmental funds with the government-wide funds may allow the reader to better understand the long-term impact of the District's short-term financing decisions.

Walsh School District maintains the following fund types:

- General Fund – accounts for all financial resources except for those legally required to be accounted for separately.

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- Colorado Preschool Project Fund (CPP) – accounts for all financial resources related to preschool students identified by the CPP program and is reported as part of the General Fund.
- Designated Purpose Grants Fund – accounts for all financial resources tied to specific grant funding.
- Insurance Reserve Fund – accounts for all financial resources legally restricted for specific insurance purposes and is reported as part of the General Fund.
- Pupil Activity Fund – accounts for all financial resources held by special interest groups such as clubs, organizations, and classes.
- Food Service Special Revenue Fund – accounts for all financial resources related to the operation of the school lunch program.

### **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 district-wide and fund financial statements.

### **Required Supplementary Information**

Each year, the District adopts a budget and appropriation resolutions for each of the individual governmental funds. A budgetary comparison for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget. A comparison of the remaining governmental funds are also reported as supplemental information.

### **Financial Analysis**

As previously stated, net position is one indicator of an entity's financial health. The net position of Walsh School District increased by \$1,086,821 which was more than the increase seen in the prior year. The District's net position was \$33,044 as of June 30, 2021.

Walsh School District's current assets total was \$3,096,540 with an additional \$1,567,673 in capital assets such as land, buildings, equipment, etc. As capital assets are used to provide services to students, these assets are not available for expenditures. The ratio of current assets to current liabilities is approximately 11.7:1. indicating that the District is solvent and able to meet its financial obligations.

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NET POSITION	2021			2020		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>						
Current and Other Assets	3,096,540	-	3,096,540	3,295,488	-	3,295,488
Capital Assets	1,567,673	-	1,567,673	1,511,798	-	1,511,798
Total Assets	4,664,213	-	4,664,213	4,807,286	-	4,807,286
<b>DEFERRED OUTFLOW OF RESOURCES</b>	1,034,796	-	1,034,796	762,892	-	762,892
<b>LIABILITIES</b>						
Current and Other Liabilities	265,181	-	265,181	482,754	-	482,754
Long Term Liabilities	-	-	-	-	-	-
Net Pension and OPEB Liability	3,683,497	-	3,683,497	3,337,968	-	3,337,968
Total Liabilities	3,948,678	-	3,948,678	3,820,722	-	3,820,722
<b>DEFERRED INFLOW OF RESOURCES</b>	1,717,287	-	1,717,287	2,803,233	-	2,803,233
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,567,673	-	1,567,673	1,511,798	-	1,511,798
Restricted for:						
Tabor Reserve	77,000	-	77,000	82,000	-	82,000
Debt Service	-	-	-	-	-	-
Preschool	4,239	-	4,239	7,997	-	7,997
Food Service	25,086	-	25,086	9,889	-	9,889
Unrestricted	(1,640,954)	-	(1,640,954)	(2,665,461)	-	(2,665,461)
	33,044	-	33,044	(1,053,777)	-	(1,053,777)

## Walsh School District RE-1

Changes in Net Position	2021			2020		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>Revenues</b>						
Charges for Services	17,390	-	17,390	59,592	-	59,592
Operating Grants and Contributions	834,200	-	834,200	319,472	-	319,472
Capital Grants and Contributions	-	-	-	69,987	-	69,987
Property taxes	714,369	-	714,369	695,019	-	695,019
Specific Ownership Taxes	78,099	-	78,099	89,995	-	89,995
Equalization	1,400,058	-	1,400,058	1,562,060	-	1,562,060
Earnings on investments	7,884	-	7,884	21,215	-	21,215
Other Revenues	38,674	-	38,674	68,428	-	68,428
<b>TOTAL REVENUES</b>	<b>3,090,674</b>	<b>-</b>	<b>3,090,674</b>	<b>2,885,768</b>	<b>-</b>	<b>2,885,768</b>
<b>Expenses</b>						
Instructional services	1,608,133	-	1,608,133	1,416,277	-	1,416,277
Students	187,217	-	187,217	108,901	-	108,901
Instructional staff	45,316	-	45,316	65,729	-	65,729
District administration	279,930	-	279,930	269,803	-	269,803
School administration	187,654	-	187,654	195,242	-	195,242
Business	35,792	-	35,792	35,674	-	35,674
Operation and maintenance of facilities	266,910	-	266,910	258,538	-	258,538
Transportation	162,373	-	162,373	160,368	-	160,368
Central	102,516	-	102,516	93,388	-	93,388
Capital outlay	-	-	-	22,284	-	22,284
Interest	-	-	-	-	-	-
Pension and OPEB	(1,012,321)	-	(1,012,321)	(613,366)	-	(613,366)
Food Service	140,333	-	140,333	129,822	-	129,822
<b>TOTAL EXPENSES</b>	<b>2,003,853</b>	<b>-</b>	<b>2,003,853</b>	<b>2,142,660</b>	<b>-</b>	<b>2,142,660</b>
<b>Increase ( Decrease) in Net Position</b>	<b>1,086,821</b>	<b>-</b>	<b>1,086,821</b>	<b>743,108</b>	<b>-</b>	<b>743,108</b>

### Governmental Activities

The table below displays the District's major fiscal functions, and the net costs associated with each. As would be expected of a school district, the major functions involve instructional services and related supporting services.

## Walsh School District RE-1

Governmental Activities by Major Function					
	2021		2020		
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service	
Instructional services	1,608,133	1,109,547	1,416,277	1,165,926	
Students	187,217	64,719	108,901	108,901	
Instructional staff	45,316	45,316	65,729	60,863	
District administration	279,930	279,930	269,803	269,803	
School administration	187,654	187,654	195,242	195,242	
Business	35,792	35,792	35,674	35,674	
Operation and maintenance of facilities	266,910	186,857	258,538	258,538	
Transportation	162,373	132,498	160,368	132,723	
Central	102,516	102,516	93,388	93,388	
Capital outlay	-	-	22,284	(47,703)	
Interest	-	-	-	-	
Pension and OPEB	(1,012,321)	(1,012,321)	(613,366)	(613,366)	
Food Service	140,333	19,755	129,822	33,620	
Total	2,003,853	1,152,263	2,142,660	1,693,609	

As table above indicates, the total cost of governmental activities for the fiscal year ending June 30, 2021 was \$ 3,016,174. The District's total cost of services was offset by charges for services in the amount of \$17,390 and operating grants and contributions totaling \$834,200. Revenue for governmental activities came primarily from state equalization \$1,400,058 and district tax payers in the form of property taxes and specific ownership taxes \$792,468. In addition, earnings on investments produced \$7,884 in revenue, and other revenues contributed \$38,674 to supporting District governmental activities.

### General Fund Budgetary Highlights

The Board adopted a final budget on January 21, 2019 with a total appropriation of \$5,523,135. As of June 30, 2020, the District General Fund had actual expenditures totaling \$2,333,444 which was \$2,543,187 less than budgeted. The unspent appropriations remain in the District's fund balance. Similarly, the District realized \$2,377,337 in revenues, which was less than the budgeted amount by 34,242.

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## Next Year's Budget and Future Economic Status of the District

The 2021-2022 budget will continue to be impacted by the uncertain future of PERA reform and school finance at the State and Federal levels. Furthermore, while enrollment appears to be stabilizing, the trend favors an overall decline. Despite these fiscal concerns, District administration is confident in its ability to maintain overall financial solvency. In the upcoming year, the mill levy override will be certified at 6 mills over the base, and the district is conducting a comprehensive needs assessment to determine where funds are most needed, and areas where cuts can be made. The District will continue to engage in a budget development process that is comprehensive and effective in controlling expenditures while meeting the needs of all students.

## Capital Assets and Debt Administration

Walsh School District's investments in capital assets for its governmental activities as of June 30, 2021 are \$1,567,673. This figure represents the net capital assets, and takes into account \$3,703,179 in total accumulated depreciation. Gross capital assets would therefore total \$5,270,852. The District's governmental capital assets are composed of the following:

	2020-2021	2019-2020
Land & Sites	229,369	229,369
Construction in Progress	0	0
Buildings	3,433,645	3,345,187
Vehicles	628,471	614,031
Equipment	979,367	932,536

As of June 30, 2021, the District has no long-term debt.

## Requests for Information

The purpose of the Management's Discussion and Analysis is to provide the District's citizens, taxpayers, customers, and creditors a general overview of the District's finances. This financial report provides an added layer of fiscal accountability, and as such, may generate questions or concerns. Questions or comments concerning this report may be addressed to Kirk Henwood, Superintendent of Schools, P.O. Box 68, Walsh, CO 81090, or by calling 719-324-5400.



## BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF NET POSITION  
June 30, 2021

	Governmental Activities	Total
<u>ASSETS</u>		
Cash	2,823,746	2,823,746
Investments	-	-
Accounts Receivable	30,231	30,231
Accrued Revenue	165,361	165,361
Property Taxes Receivable	73,000	73,000
Inventories	4,202	4,202
Capital Assets	5,270,852	5,270,852
Accumulated Depreciation	(3,703,179)	(3,703,179)
<u>Total Assets</u>	<u>4,664,213</u>	<u>4,664,213</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	1,024,462	1,024,462
Other Post Employment Benefits	10,334	10,334
<u>Total Deferred Outflow of Resources</u>	<u>1,034,796</u>	<u>1,034,796</u>
<u>LIABILITIES</u>		
Accounts Payable	-	-
Accrued Salaries and Benefits	197,828	197,828
Grant Amounts Received In Advance	67,353	67,353
Net Pension Liability	3,554,261	3,554,261
Net Post Employment Benefits Liability	129,236	129,236
<u>Total Liabilities</u>	<u>3,948,678</u>	<u>3,948,678</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	1,663,830	1,663,830
Other Post Employment Benefits	53,457	53,457
<u>Total Deferred Inflow of Resources</u>	<u>1,717,287</u>	<u>1,717,287</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	1,567,673	1,567,673
Restricted for:		
TABOR Reserve	77,000	77,000
Preschool	4,239	4,239
Food Service	25,086	25,086
Unrestricted	(1,640,954)	(1,640,954)
<u>TOTAL NET POSITION</u>	<u>33,044</u>	<u>33,044</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Total
<b>FUNCTIONS</b>					
Instructional Services	1,608,133	9,164	489,422	-	(1,109,547)
Supporting Services:					
Students	187,217	-	122,498	-	(64,719)
Instructional Staff	45,316	-	-	-	(45,316)
District Administration	279,930	-	-	-	(279,930)
School Administration	187,654	-	-	-	(187,654)
Business	35,792	-	-	-	(35,792)
Operation & Maintenance of Facilities	266,910	2,400	77,653	-	(186,857)
Transportation	162,373	-	29,875	-	(132,498)
Central	102,516	-	-	-	(102,516)
Food Service	140,333	5,826	114,752	-	(19,755)
Capital Outlay	-	-	-	-	-
<u>Total Governmental Activities</u>	<u>3,016,174</u>	<u>17,390</u>	<u>834,200</u>	<u>-</u>	<u>(2,164,584)</u>
<u>Total School District</u>	<u>3,016,174</u>	<u>17,390</u>	<u>834,200</u>	<u>-</u>	<u>(2,164,584)</u>
<b>General Revenues</b>					
Property Taxes Levied for General Purposes					714,369
Specific Ownership Taxes					78,099
Equalization					1,400,058
Earnings on Investments					7,884
Changes - Pension and OPEB					1,012,321
Other Revenues					38,674
<u>Total General Revenues and Transfers</u>					<u>3,251,405</u>
<u>Change in Net Position</u>					<u>1,086,821</u>
<u>Net Position, Beginning</u>					<u>(1,053,777)</u>
<u>Net Position, Ending</u>					<u>33,044</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	<u>General</u>	<u>Designated Purpose Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	2,716,359	-	107,387	2,823,746
Accounts Receivable	9,493	-	-	9,493
Accrued Revenue	-	165,361	20,738	186,099
Due From Other Funds	165,361	-	-	165,361
Property Taxes Receivable	73,000	-	-	73,000
Inventories	-	-	4,202	4,202
<u>TOTAL ASSETS</u>	<u>2,964,213</u>	<u>165,361</u>	<u>132,327</u>	<u>3,261,901</u>
<u>LIABILITIES</u>				
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	196,074	-	1,754	197,828
Due to Other Funds	-	165,361	-	165,361
Grant Amounts Received in Advance	<u>67,353</u>	-	-	<u>67,353</u>
<u>Total Liabilities</u>	<u>263,427</u>	<u>165,361</u>	<u>1,754</u>	<u>430,542</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Tax	<u>54,550</u>	-	-	<u>54,550</u>
<u>FUND BALANCES</u>				
Nonspendable:				
Inventories	-	-	4,202	4,202
Restricted:				
Emergency Reserve	77,000	-	-	77,000
Food Service	-	-	25,086	25,086
Preschool	4,239	-	-	4,239
Committed:				
Insurance	2,511	-	-	2,511
Assigned:				
Student Activities	-	-	101,285	101,285
Unassigned:	<u>2,562,486</u>	-	-	<u>2,562,486</u>
<u>Total Fund Balances</u>	<u>2,646,236</u>	-	<u>130,573</u>	<u>2,776,809</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>2,964,213</u>	<u>165,361</u>	<u>132,327</u>	<u>3,261,901</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

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

<u>Total Fund Balance – Governmental Funds</u>	2,776,809
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$5,270,852 and the accumulated depreciation is \$3,703,179.	1,567,673
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	54,550
Long-term liabilities, including loans and capital leases are not due and payable in the current period and therefore are not reported in the funds.	-
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(3,554,261)
Net Other Post Employment Benefits Liability	(129,236)
Deferred Outflows	1,034,796
Deferred Inflows	(1,717,287)
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>33,044</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

	<u>General</u>	<u>Designated Purpose Grant</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	719,819	-	-	719,819
Specific Ownership Taxes	78,099	-	-	78,099
Earnings on Investments	7,817	-	67	7,884
Other Local Sources	41,917	-	128,324	170,241
State Aid	1,529,685	4,719	803	1,535,207
Federal Aid	-	470,925	113,949	584,874
<u>Total Revenues</u>	<u>2,377,337</u>	<u>475,644</u>	<u>243,143</u>	<u>3,096,124</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	1,118,432	475,644	-	1,594,076
Supporting Services:				
Students	63,271	-	123,946	187,217
Instructional Staff	45,316	-	-	45,316
District Administration	326,761	-	-	326,761
School Administration	187,654	-	-	187,654
Business	35,792	-	-	35,792
Operation & Maintenance of Facilities	256,315	-	-	256,315
Transportation	122,311	-	-	122,311
Central	102,516	-	-	102,516
Food Service	-	-	139,015	139,015
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital Outlay	75,076	-	-	75,076
<u>Total Expenditures</u>	<u>2,333,444</u>	<u>475,644</u>	<u>262,961</u>	<u>3,072,049</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	43,893	-	(19,818)	24,075
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(31,569)	-	31,569	-
<u>Total Other Financing         Sources (Uses)</u>	<u>(31,569)</u>	<u>-</u>	<u>31,569</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	12,324	-	11,751	24,075
<u>FUND BALANCES – BEGINNING</u>	2,633,912	-	118,822	2,752,734
<u>FUND BALANCES – ENDING</u>	<u>2,646,236</u>	<u>-</u>	<u>130,573</u>	<u>2,776,809</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	24,075
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount of depreciation and capital outlay in the current period.

Capital Outlays More Than \$5,000	192,104	
Depreciation Expense	<u>(136,229)</u>	55,875

Property tax revenues are not recognized for amounts levied and due but not “available” at year-end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities.	(5,450)
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The governmental funds report debt proceeds as another financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Repayment of Debt Principal	-
-----------------------------	---

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

Pension Cost or Benefit	1,000,486	
Other Post Employment Benefits Cost	<u>11,835</u>	<u>1,012,321</u>

<u>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	<u>1,086,821</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS



BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Baca County School District Number RE-1. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.    Fund Accounting

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

- Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Designated Purpose Grant Fund – used to account for restricted federal and state grants including, but not limited to, Every Student Succeeds Act programs which must be expended as designated by the grantor agency.

E.    Cash and Investments

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

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

F.    Receivables

Property taxes levied in 2020 but uncollected in 2021 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2021 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G.    Inventories

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

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

H.    Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-30 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I.    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.

In addition to liabilities, the statement of financial position 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.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position.

The District records long-term debt of governmental funds at the face value. Notes payable and capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K. Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing Baca County School District Number RE-1 to collect, retain and expend (during 1996 and beyond) all revenues from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending. As of June 30, 2021 the District reserved \$77,000 for this purpose.

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.    Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2020 property tax calendar for Baca County was as follows:

Levy Date	December 15, 2020
Lien Date	January 1, 2021
Tax Bills Mailed	January 1, 2021
First Installment Due	February 28, 2021
Second Installment Due	June 15, 2021
If Paid in Full, Due	April 30, 2021
Tax Sale – 2019 Delinquent Property Taxes	October 25, 2020

M.    Use of Estimates

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

N.    Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

O.    GASB Statement No. 54

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

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

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O.     GASB Statement No. 54 (Continued)

4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>				
Inventories	-	4,202	-	4,202
<u>Restricted:</u>				
Emergencies	77,000	-	-	77,000
Preschool	4,239	-	-	4,239
Food Service	-	25,086	-	25,086
<u>Committed:</u>				
Insurance	2,511	-	-	2,511
<u>Assigned:</u>				
Student Activities	-	-	101,285	101,285
<u>Unassigned</u>	<u>2,562,486</u>	<u>-</u>	<u>-</u>	<u>2,562,486</u>
<u>Total Fund Balances</u>	<u>2,646,236</u>	<u>29,288</u>	<u>101,285</u>	<u>2,776,809</u>



BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

<u>Item Eliminated</u>	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	-	165,361	31,569	-
Designated Purpose Grant Fund	165,361	-	-	-
Food Service Fund	-	-	-	31,569
	<u>165,361</u>	<u>165,361</u>	<u>31,569</u>	<u>31,569</u>

NOTE 3      BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE 3      BUDGETARY INFORMATION (Continued)

5. Formal budgetary integration should be employed as a management control device during the year for the General and Special Revenue Funds.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

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

At June 30, 2021, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,561,466	2,595,046
Cash with County Treasurer	12,230	-
Cash on Hand	50	-
<u>Total Cash and Deposits</u>	<u>2,823,746</u>	<u>2,845,046</u>

As presented above, deposits with a bank balance of \$2,595,046 and a carrying balance of \$2,561,466 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2021</u>
<u>Non-Depreciable Assets</u>				
Land	99,902	-	-	99,902
Construction in Progress	-	-	-	-
<u>Depreciable Assets:</u>				
Buildings	3,345,187	88,458	-	3,433,645
Site Improvements	129,467	-	-	129,467
Vehicles	614,031	56,815	42,375	628,471
Equipment	932,536	46,831	-	979,367
<u>Total Assets</u>	<u>5,121,123</u>	<u>192,104</u>	<u>42,375</u>	<u>5,270,852</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Buildings	2,345,808	56,225	-	2,402,033
Site Improvements	15,643	6,474	-	22,117
Equipment & Vehicles	1,247,814	73,530	42,375	1,279,029
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>3,609,325</u>	<u>136,229</u>	<u>42,375</u>	<u>3,703,179</u>
<u>Total Capital Assets, Net</u>	<u>1,511,798</u>	<u>55,875</u>	<u>-</u>	<u>1,567,673</u>

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

Governmental Activities:

Instruction	84,254
Operations and Maintenance	10,595
Transportation	40,062
Food Service	1,318
<u>Total Depreciation Expense –Governmental Activities</u>	<u>136,229</u>

NOTE 6      ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine or ten months. The salaries and benefits earned, but unpaid at June 30, 2021, are estimated to be \$197,828. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements in the appropriate fund.

NOTE 7      LONG-TERM DEBT

The District has no long-term debt as of June 30, 2021.

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

June 30, 2021

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**NOTE 8**

**PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Baca County School District Number RE-1 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

**General Information about the Pension Plan**

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

*Benefits provided as of December 31, 2020.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

The lifetime retirement benefit for all eligible retiring employees under the PERA benefit structure is the greater of the:

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 8

PENSION PLAN (Continued)

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

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions as of June 30, 2021:* Eligible employees of, Baca County School District Number RE-1 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 8**      **PENSION PLAN (Continued)**

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.88%</b>

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Baca County School District Number RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District Number RE-1 were \$254,857 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Baca County School District Number RE-1 proportion of the net pension liability was based on Baca County School District Number RE-1 contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 8**      **PENSION PLAN (Continued)**

At June 30, 2021, the Baca County School District Number RE-1 reported a liability of \$3,554,261 for its proportionate share of the net pension liability. The amount recognized by the Baca County School District Number RE-1 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Baca County School District Number RE-1 were as follows:

Baca County School District Number RE-1 proportionate share of the net pension liability	\$ 3,554,261
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Baca County School District Number RE-1	-
Total	\$ 3,554,261

At December 31, 2020, the Baca County School District Number RE-1 proportion was 0.0235 percent, which was an increase of 0.002 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Baca County School District Number RE-1 recognized pension income of \$1,000,486. At June 30, 2021, the Baca County School District Number RE-1 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	195,289	-
Changes of assumptions or other inputs	341,909	(597,944)
Net difference between projected and actual earnings on pension plan investments	-	(782,374)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	354,656	(284,015)
Contributions subsequent to the measurement date	132,608	N/A
Total	1,024,462	(1,663,830)

\$132,608 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2021	
2022	(704,052)
2023	143,601
2024	(88,101)
2025	(123,424)
2026	-
Thereafter	-

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 8

PENSION PLAN (Continued)

*Actuarial assumptions.* The total pension liability in the December 31, 2019 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% – 9.70 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

\*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

Post-retirement non-disabled mortality assumptions 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.

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

The actuarial assumptions used in the December 31, 2019, valuation 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 PERA's Board during the November 18, 2016, Board meeting.



BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 8      PENSION PLAN (Continued)

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 %
Real wage growth	0.70 %
Wage inflation	3.00 %
Salary increases, including wage inflation	3.40 % – 11.00 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 %
Discount rate	7.25 %
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25 %
PERA benefit structure hired after 12/31/06*	Financed by the AIR

\*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy; Retiree Table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 8**      **PENSION PLAN (Continued)**

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

\*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 8      PENSION PLAN (Continued)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 8**

**PENSION PLAN (Continued)**

Based on the above assumptions and methods, the SCHDTF's FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	4,848,303	3,554,261	2,475,898

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

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Baca County School District Number RE-1 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available Annual Report which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$4,627 for the Voluntary Investment Program.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS**

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

**Summary of Significant Accounting Policies**

*OPEB.* Baca County School District Number RE-1 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Baca County School District Number RE-1 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 (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

For retirees who have not participated in Social Security and who are not otherwise eligible for premium-free Medicare Part A for hospital-related services, the HCTF or the DPS HCTF pays an alternate service-based premium subsidy. Each individual retiree meeting these conditions receives the maximum \$230 per month subsidy reduced appropriately for service less than 20 years, as described above. Retirees who do not have Medicare Part A pay the difference between the total premium and the monthly subsidy.

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Baca County School District Number RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District Number RE-1 were \$13,075 for the year ended June 30, 2021.

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

At June 30, 2021, the Baca County School District Number RE-1 reported a liability of \$129,236 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Baca County School District Number RE-1 proportion of the net OPEB liability was based on Baca County School District Number RE-1 contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Baca County School District Number RE-1 proportion was 0.0136 percent, which was a decrease of 0.0003 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Baca County School District Number RE-1 recognized OPEB income of \$11,835. At June 30, 2021, the Baca County School District Number RE-1 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	343	(28,412)
Changes of assumptions or other inputs	966	(7,925)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,281)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	2,222	(11,839)
Contributions subsequent to the measurement date	6,803	N/A
Total	10,334	(53,457)

\$6,803 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2021	
2022	(11,208)
2023	(10,469)
2024	(12,063)
2025	(11,700)
2026	(4,221)
Thereafter	(265)

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Actuarial assumptions.* The total OPEB liability in the December 31, 2019 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	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members Without Medicare Part A		
Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

All costs are subject to the health care cost trend rates, as discussed below.

Health care cost trend rates reflect the change in per capita health costs over time due to factors such as medical inflation, utilization, plan design, and technology improvements. For the PERA benefit structure, health care cost trend rates are needed to project the future costs associated with providing benefits to those PERACare enrollees not eligible for premium-free Medicare Part A.



BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, 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 used to measure the total OPEB liability are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were 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.

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

Post-retirement non-disabled 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.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30% - 10.90%	3.40% - 11.00%	3.20% - 11.30%	2.80% - 5.30%
State Troopers	3.20% - 12.40%	N/A	3.20% - 12.40% *	N/A

\* C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- **Males:** 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree table, adjusted as follows:

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- **Males:** 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 9**

**OTHER POST EMPLOYMENT BENEFITS (Continued)**

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

\*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020

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 nominal rate of return assumption of 7.25 percent.

*Sensitivity of the Baca County School District Number RE-1 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:

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	125,896	129,236	133,125

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	148,043	129,236	113,168

*OPEB plan fiduciary net position.* Detailed information about the HCTF's fiduciary net position is available in PERA's Annual Report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 10     JOINT VENTURE

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

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2020, the latest year for which audited information is available, is as follows:

Assets	1,685,641
Deferred Outflows	679,671
Liabilities	3,483,351
Deferred Inflows	<u>2,120,299</u>
Net Position	<u>3,238,338</u>
Revenues	3,199,012
Expenses	<u>2,572,870</u>
Change in Net Position	<u>626,142</u>

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

NOTE 11     POLICY REGARDING COMPENSATED ABSENCES

Full-time non-certified personnel are allowed compensated absences in the form of vacations and sick days. Vacations are non-cumulative. Sick days may be accumulated not to exceed forty days. Days in excess of an accumulation of twenty may be sold to the District in the month of December.

The liability for accumulated sick days is not material and is not recorded in the accompanying financial statements.

NOTE 12     RISK MANAGEMENT

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 13    INTERFUND ACTIVITY

Transfers from the general fund to support operational and construction cash requirements were made in the following amounts:

Food Service Fund	\$ 31,569
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The Designated Purpose Grant Fund had an amount due to the General Fund of \$165,361 for expenditures paid prior to receipt of grant funds.

NOTE 14    BUDGET ACTIVITY

The following funds had expenditures in excess of amounts budgeted as shown:

Designated Purpose Grant Fund	\$141,944
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Food Service Fund	\$5,122
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## REQUIRED SUPPLEMENTARY INFORMATION

### BUDGETARY COMPARISONS

#### General Fund

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

#### Designated Purpose Grant Fund

This fund accounts for the activity in federal and state grant funded programs.

### PENSION TREND DATA

### OTHER POST EMPLOYMENT BENEFITS (OPEB) TREND DATA

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance- Favorable
<u>REVENUES</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>Local Sources</u>				
Property Taxes	702,436	702,436	719,819	17,383
Specific Ownership Taxes	75,000	75,000	78,099	3,099
Earnings on Investments	7,980	7,980	7,817	(163)
Delinquent Taxes & Interest	2,600	2,600	2,060	(540)
Tuition	36,900	36,900	5,581	(31,319)
Other	47,025	47,025	34,276	(12,749)
<u>State Sources</u>				
Equalization	1,432,606	1,432,606	1,400,058	(32,548)
Transportation	30,000	30,000	29,875	(125)
Vocational Education	18,000	18,000	8,320	(9,680)
Other	59,032	59,032	91,432	32,400
<u>Federal Sources</u>				
Designated Purpose Grants	-	-	-	-
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>2,411,579</u>	<u>2,411,579</u>	<u>2,377,337</u>	<u>(34,242)</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	898,233	898,233	720,886	177,347
Employee Benefits	395,134	395,134	321,568	73,566
Purchased Services - Professional	17,850	17,850	10,080	7,770
Purchased Services -- Property	-	-	-	-
Purchased Services -- Other	59,300	59,300	23,913	35,387
Supplies and Materials	70,000	70,000	39,105	30,895
Property	25,600	25,600	2,880	22,720
Other Objects	-	-	-	-
<u>Total Instruction</u>	<u>1,466,117</u>	<u>1,466,117</u>	<u>1,118,432</u>	<u>347,685</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	44,556	44,556	44,555	1
Employee Benefits	18,496	18,496	18,020	476
Purchased Services -- Professional	300	300	-	300
Purchased Services -- Property	-	-	-	-
Purchased Services -- Other	500	500	-	500
Supplies and Materials	3,750	3,750	696	3,054
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Services</u>	<u>67,602</u>	<u>67,602</u>	<u>63,271</u>	<u>4,331</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance -
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
<u>Instructional Staff</u>				
Salaries	26,582	26,582	27,059	(477)
Employee Benefits	14,440	14,440	7,566	6,874
Purchased Services – Professional	5,500	5,500	1,600	3,900
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,700	1,700	-	1,700
Supplies and Materials	11,900	11,900	3,515	8,385
Property	12,500	12,500	5,576	6,924
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>72,622</u>	<u>72,622</u>	<u>45,316</u>	<u>27,306</u>
<u>General Administration</u>				
Salaries	106,500	106,500	120,124	(13,624)
Employee Benefits	37,096	37,096	21,422	15,674
Purchased Services – Professional	47,050	47,050	42,562	4,488
Purchased Services – Property	-	-	4,660	(4,660)
Purchased Services – Other	58,559	58,559	42,910	15,649
Supplies and Materials	30,600	30,600	43,419	(12,819)
Property	-	-	47,082	(47,082)
Other Objects	5,300	5,300	4,582	718
<u>Total General Administration</u>	<u>285,105</u>	<u>285,105</u>	<u>326,761</u>	<u>(41,656)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	122,891	122,891	123,033	(142)
Employee Benefits	52,023	52,023	57,814	(5,791)
Purchased Services – Professional	2,000	2,000	1,147	853
Purchased Services – Property	-	-	-	-
Purchased Services – Other	2,000	2,000	528	1,472
Supplies and Materials	8,800	8,800	5,052	3,748
Property	2,000	2,000	80	1,920
Other Objects	1,000	1,000	-	1,000
<u>Total School Administration</u>	<u>190,714</u>	<u>190,714</u>	<u>187,654</u>	<u>3,060</u>
<u>Business Services</u>				
Salaries	20,919	20,919	22,191	(1,272)
Employee Benefits	9,784	9,784	9,569	215
Purchased Services – Professional	300	300	-	300
Purchased Services – Property	-	-	-	-
Purchased Services – Other	500	500	-	500
Supplies and Materials	1,500	1,500	1,252	248
Property	3,000	3,000	2,780	220
Other Objects	-	-	-	-
<u>Total Business Services</u>	<u>36,003</u>	<u>36,003</u>	<u>35,792</u>	<u>211</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operations and Maintenance</u>				
Salaries	131,280	131,280	98,174	33,106
Employee Benefits	55,769	55,769	39,822	15,947
Purchased Services – Professional	4,000	4,000	5,718	(1,718)
Purchased Services – Property	22,500	22,500	16,646	5,854
Purchased Services – Other	8,500	8,500	6,678	1,822
Supplies and Materials	109,000	109,000	89,117	19,883
Property	4,000	4,000	-	4,000
Other Objects	5,000	5,000	160	4,840
<u>Total Operations and Maintenance</u>	<u>340,049</u>	<u>340,049</u>	<u>256,315</u>	<u>83,734</u>
<u>Student Transportation</u>				
Salaries	82,621	82,621	72,085	10,536
Employee Benefits	31,000	31,000	29,021	1,979
Purchased Services – Professional	10,000	10,000	3,328	6,672
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,750	1,750	19	1,731
Supplies and Materials	40,300	40,300	17,858	22,442
Property	1,000	1,000	-	1,000
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>166,671</u>	<u>166,671</u>	<u>122,311</u>	<u>44,360</u>
<u>Central Support</u>				
Employee Benefits	-	-	2,379	(2,379)
Purchased Services – Professional	20,000	20,000	24,697	(4,697)
Purchased Services – Other	88,541	88,541	66,681	21,860
Supplies and Materials	-	-	8,759	(8,759)
Property	21,032	21,032	-	21,032
<u>Total Central Support</u>	<u>129,573</u>	<u>129,573</u>	<u>102,516</u>	<u>27,057</u>
<u>Community Services</u>				
Other	-	-	-	-
<u>Total Community Services</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Facilities Acquisition and Construction</u>				
Property	100,000	100,000	75,076	24,924
Debt Service	-	-	-	-
<u>Total Facilities Acquisition and Construction</u>	<u>100,000</u>	<u>100,000</u>	<u>75,076</u>	<u>24,924</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,388,339</u>	<u>1,388,339</u>	<u>1,215,012</u>	<u>173,327</u>
<u>Appropriated Reserves</u>	<u>2,022,175</u>	<u>2,022,175</u>	<u>-</u>	<u>2,022,175</u>
<u>TOTAL EXPENDITURES</u>	<u>4,876,631</u>	<u>4,876,631</u>	<u>2,333,444</u>	<u>2,543,187</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues Over (Under) Expenditures</u>	<u>(2,465,052)</u>	<u>(2,465,052)</u>	<u>43,893</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	<u>(68,373)</u>	<u>(68,373)</u>	<u>(31,569)</u>	<u>36,804</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(68,373)</u>	<u>(68,373)</u>	<u>(31,569)</u>	<u>36,804</u>
<u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	<u>(2,533,425)</u>	<u>(2,533,425)</u>	<u>12,324</u>	
<u>FUND BALANCE, July 1</u>	<u>2,663,643</u>	<u>2,663,643</u>	<u>2,633,912</u>	
<u>FUND BALANCE, June 30</u>	<u>130,218</u>	<u>130,218</u>	<u>2,646,236</u>	

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
DESIGNATED PURPOSE GRANT FUND - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	
<u>Revenues</u>				
Local Sources	-	-	-	-
State Sources	6,300	6,300	4,719	(1,581)
Federal Sources	<u>327,400</u>	<u>327,400</u>	<u>470,925</u>	<u>143,525</u>
<u>Total Revenues</u>	<u>333,700</u>	<u>333,700</u>	<u>475,644</u>	<u>141,944</u>
<u>Expenditures</u>				
Salaries	39,188	39,188	168,267	(129,079)
Employee Benefits	25,175	25,175	49,845	(24,670)
Purchased Services – Professional	158,018	158,018	31,891	126,127
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	111,319	111,319	77,653	33,666
Property	-	-	147,988	(147,988)
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>333,700</u>	<u>333,700</u>	<u>475,644</u>	<u>(141,944)</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	-	
<u>Transfers</u>	-	-	-	<u>-</u>
<u>Fund Balance, July 1</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>Fund Balance, June 30</u>	<u>-</u>	<u>-</u>	<u>-</u>	

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.235%	.0213%	.0228%	.0259%	.0253%	.0253%	.0249%	.0261%	-	-
District's proportionate share of the net pension liability (asset)	\$3,554,261	\$3,181,503	\$4,044,430	\$8,381,418	\$7,545,586	\$3,864,176	\$3,371,880	\$3,325,457	-	-
State's proportionate share of the net pension liability associated with the District**	\$-0-	\$403,533	\$553,020	-	-	-	-	-	-	-
District's covered payroll	\$1,281,975	\$1,252,764	\$1,260,346	\$1,237,126	\$1,154,207	\$1,110,372	\$1,092,379	\$ 996,186	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	277%	253%	321%	677%	654%	348%	309%	334%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.2%	62.80%	64.06%	-	-

\*\*A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 254,857	\$ 242,786	\$ 241,104	\$ 233,661	\$ 212,235	\$ 197,601	\$ 184,603	\$ 159,381	\$ 159,599	-
Contributions in relation to the contractually required contributions	<u>\$ (254,857)</u>	<u>\$ (242,786)</u>	<u>\$ (241,104)</u>	<u>\$ (233,661)</u>	<u>\$ (212,235)</u>	<u>\$ (197,601)</u>	<u>\$ (184,603)</u>	<u>\$ (159,381)</u>	<u>\$ (159,599)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
District's covered payroll	\$1,281,975	\$1,252,764	\$1,260,346	\$1,237,126	\$1,154,207	\$1,110,372	\$1,092,379	\$ 996,186	\$1,055,590	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.39%	17.79%	16.90%	16.00%	15.12%	-

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



BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net OPEB liability (asset)	.0136%	.0139%	.0148%	.0147%	.0144%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$129,236	\$156,465	\$201,995	\$191,936	\$186,769	-	-	-	-	-
District's covered payroll	\$1,281,975	\$1,252,764	\$1,260,346	\$1,237,126	\$1,154,207	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.08%	12.49%	16.03%	15.51%	16.18%	-	-	-	-	-
Plan fiduciary net OPEB as a percentage of the total pension liability	32.78%	24.49%	17.03%	17.53%	16.71%	-	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 13,075	\$ 12,778	\$ 12,855	\$ 12,619	\$ 11,773	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(13,075)</u>	<u>\$(12,778)</u>	<u>\$(12,855)</u>	<u>\$(12,619)</u>	<u>\$(11,773)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered payroll	\$1,281,975	\$1,252,764	\$1,260,346	\$1,237,126	\$1,154,207	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

AND

OTHER SCHEDULES

### SPECIAL REVENUE FUNDS

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

Student Activity Fund – Used to account for the activities of student clubs and organizations overseen by the District.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2021

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Food Service</u>	<u>Student Activity Fund</u>	
<u>ASSETS</u>			
Cash	6,102	101,285	107,387
Inventories	4,202	-	4,202
Accounts Receivable	-	-	-
Accrued Revenue	20,738	-	20,738
<u>Total Assets</u>	<u>31,042</u>	<u>101,285</u>	<u>132,327</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	-	-	-
Accrued Salaries	1,754	-	1,754
Due to Other Funds	-	-	-
<u>Total Liabilities</u>	<u>1,754</u>	<u>-</u>	<u>1,754</u>
<u>Fund Balances</u>			
Nonspendable:			
Inventories	4,202	-	4,202
Restricted:			
Food Service	25,086	-	25,086
Assigned:			
Student Activities	-	101,285	101,285
<u>Total Fund Balances</u>	<u>29,288</u>	<u>101,285</u>	<u>130,573</u>
<u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	<u>31,042</u>	<u>101,285</u>	<u>132,327</u>

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

BACA COUNTY SCHOOL DISTRICT RE-1  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activity Fund</u>	
<u>REVENUES</u>			
Earnings on Investments	16	51	67
Other Local Sources	5,826	122,498	128,324
State Aid	803	-	803
Federal Aid	113,949	-	113,949
<u>Total Revenues</u>	<u>120,594</u>	<u>122,549</u>	<u>243,143</u>
<u>EXPENDITURES</u>			
Instruction	-	-	-
Support Services	-	123,946	123,946
Food Service	139,015	-	139,015
Capital Outlay	-	-	-
<u>Total Expenditures</u>	<u>139,015</u>	<u>123,946</u>	<u>262,961</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(18,421)</u>	<u>(1,397)</u>	<u>(19,818)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	31,569	-	31,569
<u>Total Other Financing Sources (Uses)</u>	<u>31,569</u>	<u>-</u>	<u>31,569</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>13,148</u>	<u>(1,397)</u>	<u>11,751</u>
<u>FUND BALANCE, Beginning</u>	<u>16,140</u>	<u>102,682</u>	<u>118,822</u>
<u>FUND BALANCE, Ending</u>	<u>29,288</u>	<u>101,285</u>	<u>130,573</u>

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
FOOD SERVICE – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	4,300	5,288	988
Earnings on Investments	50	16	(34)
Other	21,500	538	(20,961)
<u>State Sources</u>			
School Lunches and Breakfast	5,200	803	(4,397)
<u>Federal Sources</u>			
School Lunches and Breakfast	34,500	107,117	72,617
Commodities	-	6,832	6,832
<u>Total Revenues</u>	<u>65,550</u>	<u>120,594</u>	<u>55,045</u>
<u>EXPENDITURES</u>			
Salaries	36,185	34,839	1,346
Employee Benefits	25,109	21,458	3,651
Purchased Services – Professional	2,400	2,196	204
Purchased Services – Property	-	2,100	(2,100)
Purchased Services - Other	-	-	-
Food Purchases	58,399	65,157	(6,758)
Capital Outlay	4,500	434	4,066
Commodities	1,000	6,832	(5,832)
Non-Food Supplies	6,300	5,999	301
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>133,893</u>	<u>139,015</u>	<u>(5,122)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(68,343)</u>	<u>(18,421)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	68,373	31,569	(36,804)
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>30</u>	<u>13,148</u>	
<u>FUND BALANCE, July 1</u>	<u>-</u>	<u>16,140</u>	
<u>FUND BALANCE, June 30</u>	<u>30</u>	<u>29,288</u>	

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-1  
STUDENT ACTIVITY SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	51	51
Other Local	<u>155,400</u>	<u>122,498</u>	<u>(32,902)</u>
<u>Total Revenues</u>	<u>155,400</u>	<u>122,549</u>	<u>(32,851)</u>
<u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	<u>155,400</u>	<u>123,946</u>	<u>31,454</u>
<u>Total Expenditures</u>	<u>155,400</u>	<u>123,946</u>	<u>31,454</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	(1,397)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	(1,397)	
<u>Fund Balance, July 1</u>	<u>-</u>	<u>102,682</u>	
<u>Fund Balance, June 30</u>	<u>-</u>	<u>101,285</u>	

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



STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education  
Auditors Integrity Report  
District: 0230 - Walsh RE-1  
Fiscal Year 2020-21  
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	2,623,408	2,202,719	2,195,640	2,635,486
16 Risk Mgmt Sub-Fund of General Fund	2,507	66,685	66,681	2,511
19 Colorado Preschool Program Fund	7,997	26,165	80,123	4,239
Sub-Total	2,633,912	2,245,768	2,333,444	2,646,236
11 Charter School Fund	0	0	0	0
20,24-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	16,140	152,163	139,015	29,287
22 Govt Designated-Purpose Grants Fund	0	475,644	475,644	0
23 Pupil Activity Special Revenue Fund	102,662	122,548	123,946	101,285
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>2,752,714</b>	<b>3,096,124</b>	<b>3,072,050</b>	<b>2,776,006</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL



**Colorado Department of Education**

**Bolded Balance Sheet Report**

District: 0230 - Walsh RE-1

Fiscal Year 2020-21

Colorado School District/BOCES

Page: 1

ASSETS	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104,8111)	1,999,709	0	19,754	101,285	0	0	6,102	0	0	0	0	0	0	0	0
Cash with Fiscal Agent (8105)	12,230	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Investment Accounts (8112-8115)	684,666	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	73,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interfund Loans Receivable (8131,8132)	170,447	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Accounts Rec (8141)	9,493	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	0	0	0	165,361	0	0	20,738	0	0	0	0	0	0	0	0
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	0	4,201	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,949,545	0	19,754	266,646	0	0	31,041	0	0	0	0	0	0	0	0
															3,266,986

	Governmental							Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	0	0	5,086	165,361	0	0	0	0	0	0	0	0	0	0	170,447
Other Payables (7421-7423)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	185,645	0	10,429	0	0	0	1,754	0	0	0	0	0	0	0	197,828
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	67,353	0	0	0	0	0	0	0	0	0	0	0	0	0	67,353
Deferred Inflow (7800)	54,550	0	0	0	0	0	0	0	0	0	0	0	0	0	54,550
<b>Total Liabilities</b>	<b>307,548</b>	<b>0</b>	<b>15,515</b>	<b>165,361</b>	<b>0</b>	<b>0</b>	<b>1,754</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>490,178</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	4,202	0	0	0	0	0	0	0	0	4,202
Restricted Fund Balance 6720	0	0	0	0	0	0	25,085	0	0	0	0	0	0	0	0	25,085
TABOR 3% Emergency Reserve 6721	77,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	77,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	4,239	0	0	0	0	0	0	0	0	0	0	0	0	4,239
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	2,511	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,511
Assigned Fund Balance 6760	0	0	0	101,285	0	0	0	0	0	0	0	0	0	0	0	101,285
Unassigned Fund Balance 6770	2,562,486	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,562,486
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>2,641,997</b>	<b>0</b>	<b>4,239</b>	<b>101,285</b>	<b>0</b>	<b>0</b>	<b>29,287</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,776,808</b>

<b>Total Liabilities &amp; Fund Equity</b>	<b>2,949,545</b>	<b>0</b>	<b>19,754</b>	<b>266,646</b>	<b>0</b>	<b>0</b>	<b>31,041</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,266,286</b>
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	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	4,202	0	0	0	0	0	0	0	0	4,202
Restricted Fund Balance 6720	0	0	0	0	0	0	25,085	0	0	0	0	0	0	0	0	25,085
TABOR 3% Emergency Reserve 6721	77,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	77,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	4,239	0	0	0	0	0	0	0	0	0	0	0	0	4,239
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	2,511	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,511
Assigned Fund Balance 6760	0	0	0	101,285	0	0	0	0	0	0	0	0	0	0	0	101,285
Unassigned Fund Balance 6770	2,562,486	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,562,486
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>2,641,997</b>	<b>0</b>	<b>4,239</b>	<b>101,285</b>	<b>0</b>	<b>0</b>	<b>29,287</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,776,808</b>

For Each Fund Type:  
Do Assets=Liability+Fund Equity