

cPa DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL

DISTRICT RE-4

SPRINGFIELD, 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 RE-4  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2021

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BOARD OF EDUCATION

Larry Duncan	President
Clinton Arbuthnot	Vice-President
Kay Maes	Secretary
Tyler Gibson	Treasurer
Jennifer Swanson	Member-Director

SCHOOL OFFICIALS

Richard Hargrove	Superintendent
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## FINANCIAL SECTION

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TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Baca County School District RE-4  
Springfield, Colorado 81073

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Baca County School District RE-4, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 Baca County School District RE-4, 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 ix, and 43 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 Baca County School District RE-4'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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2021, on our consideration of Baca County School District RE-4's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Baca County School District RE-4's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Baca County School District RE-4's internal control over financial reporting and compliance.

  
November 25, 2021



## MANAGEMENT'S DISCUSSION AND ANALYSIS

## SPRINGFIELD SCHOOL DISTRICT RE-4

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

This Management's Discussion and Analysis (MD&A) of Springfield School District RE-4 is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this report is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the District's financial statements following this section.

The District implemented GASB 68 in 2015. The District has a net pension liability of \$5,425,807 at June 30, 2021. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District.

The District implemented GASB 75 in 2018. The District has an other post-employment benefit (OPEB) liability of \$197,123 at June 30, 2021. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the district.

### FINANCIAL HIGHLIGHTS

The District's total combined assets were \$14,435,197 as of June 30, 2021. This substantial increase is due to an increase in capital assets obtained through a district issued bond due to a BEST capital construction grant. The District's total liabilities were \$13,069,365 which included a total net pension liability of \$5,425,807 (due to GASB 68 required reporting). The District's Net Investment in Capital Assets as of June 30, 2021, was \$3,256,978. This considerable larger total liability comes from the districts matching money bond indebtedness.

In the spring of 2020 the District was awarded a BEST Grant to construct a new school. The District's required match of \$5.99 million dollars will be paid with a 20 year bond which was approved by the public in November of 2020. The expenses incurred during construction will greatly impact the District's over financial position.

The General Fund reported a fund balance of \$3,093,120 at the close of the fiscal year 2020 – 2021 which was \$159,552 higher than the previous year. The district strives to limit the spending of their reserves; which will eventually deplete the reserves. The district through these efforts has increased the reserves for the last six consecutive years.

## SPRINGFIELD SCHOOL DISTRICT RE-4

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

#### OVERVIEW OF FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is normally provided in this document. Since this is the first presentation of management's discussion and analysis, no comparison data is provided. The School Districts' basic financial statements are comprised of three components: 1) district-wide financial statements,

2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used in private sector companies. The statement of net position includes all of the government's assets, liabilities and deferred flows.

The district-wide statements report the Districts' net position and how it has changed. Net position is the difference between the Districts' assets, liabilities and deferred flows is one way to measure the District's financial health or position. Increases or decreases in the Districts' net position could indicate whether the district's financial health is improving or deteriorating. One needs to consider additional factors such as changes in the District's tax base, changes in student enrollment and the condition of school buildings.

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

*Governmental activities:* Most of the Districts' basic services are included here, such as instruction, transportation, maintenance and operations, and administration. State funding from equalization and property taxes finances most of these activities. This information is comprised of all of the following Springfield School District funds – general fund, preschool fund, lunch fund, activity fund and special revenue funds.

*Business-type activities:* The District charges fees to help cover the costs of certain services it provides.

#### FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Districts' funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other governments, uses fund accounting to ensure and demonstrate compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds

## SPRINGFIELD SCHOOL DISTRICT RE-4

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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

*Proprietary Funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

## NOTES TO THE FINANCIAL STATEMENTS

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

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

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as an indicator of the District's financial position. The Districts' total net position on June 30, 2021 was \$501,734. Of the District's \$14,435,177 in assets, 24% reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment).

# SPRINGFIELD SCHOOL DISTRICT RE-4

## Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

Table 1:

**NET POSITION**

	2021			2020		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>						
Current and Other Assets	10,919,629	-	10,919,629	3,820,348	-	3,820,348
Capital Assets	3,515,568	-	3,515,568	1,874,890	-	1,874,890
Total Assets	14,435,197	-	14,435,197	5,695,238	-	5,695,238
<b>DEFERRED OUTFLOW OF RESOURCES</b>	1,481,125	-	1,481,125	1,156,213	-	1,156,213
<b>LIABILITIES</b>						
Current and Other Liabilities	1,432,122	-	1,432,122	689,802	-	689,802
Long Term Liabilities	6,014,313	-	6,014,313	19,481	-	19,481
Net Pension Obligation	5,622,930	-	5,622,930	5,206,633	-	5,206,633
Total Liabilities	13,069,365	-	13,069,365	5,915,916	-	5,915,916
<b>DEFERRED INFLOW OF RESOURCES</b>	2,345,223	-	2,345,223	3,867,574	-	3,867,574
<b>NET POSITION</b>						
Net Investment in Capital Assets	3,256,978	-	3,256,978	1,874,890	-	1,874,890
Restricted for:						
Tabor Reserve	147,000	-	147,000	116,000	-	116,000
Multi Year Obligations	-	-	-	-	-	-
Preschool	48,255	-	48,255	28,516	-	28,516
Debt Service	316,616	-	316,616	-	-	-
Insurance	-	-	-	-	-	-
Food Service	119,045	-	119,045	63,081	-	63,081
Capital Outlay	5,731,410	-	5,731,410	-	-	-
Unrestricted	(9,117,570)	-	(9,117,570)	(5,014,526)	-	(5,014,526)
	501,734	-	501,734	(2,932,039)	-	(2,932,039)

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

**Table 2:**  
**Changes in Net Position**

	2021			2020		
	Government al Activities	Business Type Activities	Total	Government al Activities	Business Type Activities	Total
<b>Revenues</b>						
Charges for Services	39,724	-	39,724	101,008	-	101,008
Operating Grants and Contributions	1,115,675	-	1,115,675	799,127	-	799,127
Capital Grants and Contributions	1,731,193	-	1,731,193	29,171	-	29,171
Property taxes	1,256,294	-	1,256,294	807,865	-	807,865
Specific Ownership Taxes	114,813	-	114,813	97,879	-	97,879
Equalization	2,098,472	-	2,098,472	2,313,782	-	2,313,782
Earnings on investments	5,335	-	5,335	42,942	-	42,942
Other Revenues	16,910	-	16,910	34,830	-	34,830
Transfers	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>6,378,416</b>	<b>-</b>	<b>6,378,416</b>	<b>4,226,604</b>	<b>-</b>	<b>4,226,604</b>
<b>Expenses</b>						
Instructional services	2,141,676	-	2,141,676	2,120,849	-	2,120,849
Students	264,850	-	264,850	320,208	-	320,208
Instructional staff	69,355	-	69,355	70,056	-	70,056
District administration	250,440	-	250,440	203,767	-	203,767
School administration	157,089	-	157,089	156,408	-	156,408
Business	70,408	-	70,408	71,010	-	71,010
Operation & maintenance of facilities	426,491	-	426,491	398,982	-	398,982
Transportation	179,223	-	179,223	178,743	-	178,743
Central	24,317	-	24,317	35,585	-	35,585
Capital outlay	538,876	-	538,876	61,625	-	61,625
Interest	79,018	-	79,018	-	-	-
Pension and OPEB	(1,430,966)	-	(1,430,966)	(853,060)	-	(853,060)
Other Post Employment Benefits	-	-	-	-	-	-
Food Service	173,866	-	173,866	203,986	-	203,986
<b>TOTAL EXPENSES</b>	<b>2,944,643</b>	<b>-</b>	<b>2,944,643</b>	<b>2,968,159</b>	<b>-</b>	<b>2,968,159</b>
<b>Increase (Decrease) in Net Position</b>	<b>3,433,773</b>	<b>-</b>	<b>3,433,773</b>	<b>1,258,445</b>	<b>-</b>	<b>1,258,445</b>

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

GOVERNMENTAL ACTIVITIES

The table below illustrates the total cost of the district's major services. It also shows the net costs of these services. (Net cost would include all expenses for the particular service less any revenue received for the service).

The majority of the cost for these services is financed with state equalization and property taxes.

**Table - 3**  
**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	2,141,676	1,282,495	2,120,849	1,559,469
Students	264,850	212,330	320,208	216,207
Instructional staff	69,355	69,355	70,056	70,056
District administration	250,440	250,440	203,767	203,767
School administration	157,089	157,089	156,408	156,408
Business	70,408	70,408	71,010	71,010
Operation and maintenance of facilities	426,491	426,491	398,982	398,982
Transportation	179,223	153,032	178,743	155,945
Central	24,317	24,317	35,585	35,585
Capital outlay	538,876	(1,192,317)	61,625	32,454
Interest	79,018	79,018	-	-
Pension and OPEB	(1,430,966)	(1,430,966)	(856,060)	(856,060)
Other Post Employment Benefit	-	-	-	-
Food Service	173,866	(43,641)	203,986	(7,970)
Total	2,944,643	58,051	2,965,159	2,035,853

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

The Districts' total revenues were \$6,378,614. A significant portion (45%) of the revenue comes from federal sources, other state aid and charges for services, while (33%) comes from state aid (equalization), (21%) comes from local property taxes and the remaining (1%) from other sources. The total cost of all programs and services \$2,944,643. The bulk of these expenses (84%) were spent on instruction and supporting services. (Total revenue percentages vary from 2019-20 due to BEST Grant revenue and ESSER funding.

**SPECIAL REVENUE ACTIVITIES**

The food service fund is a special revenue fund. This program had revenues of \$217,868 and expenses of \$170,734. The District's lunch program is a recipient of federal food commodities and is greatly impacted when these commodities are not available to the district. The Food Service Fund was subsidized in part by General Fund money from seconds and staff duty reimbursements in 2020 - 2021. Revenues were impacted when the district was allowed to provide meals following SFSP funding guidelines as a result of COVID-19. The district participates in the National School Lunch Program and receives reimbursement for the meals that are served. During the school year all student meals are fully funded by the Seamless Summer option through USDA. In 2004-2005 the district implemented a breakfast program that is also included in the National School Lunch Program.

**FINANCIAL ANALYSIS OF THE DISTRICTS' FUNDS**

State funding (equalization) for the General Fund and Colorado Preschool Project Fund is based on pupil count. Equalized funding (the per pupil amount set by Colorado Department of Education funded with local property tax and state aid) increased for 2020-2021. The District receives full per pupil funding for preschool students who qualify for the Colorado Preschool Project program. All other students enrolled in the district are funded at 100% of the per pupil rate. There were 297 students enrolled in Springfield School District RE-4 on October 1, 2020.

**GENERAL FUND BUDETARY HIGHLIGHTS**

Over the course of the year the District did not do a supplemental budget. Actual expenditures (\$3,489,038) were below the budgeted amounts. Actual revenues (\$3,997,297) were less than the budgeted amount. Because of COVID-19 the District received grant money from ESSER funds. This revenue was restricted to only COVID related expenses to be expended by 12/30/2020 (FY 2020-21). The district continues to maintain frugal spending habits in an effort to spend only the money that is collected in a year.



SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$1,838,987.

Table 4:

Capital Assets ( Net of Depreciation )

	Governmental <u>2021</u>	Business Type <u>2021</u>	Total <u>2021</u>	Governmental <u>2020</u>	Business Type <u>2020</u>	Total <u>2020</u>
Construction in Progress	1,676,581	-	1,676,581	-	-	-
Buildings & Improvements	1,256,577	-	1,256,577	1,326,063	-	1,326,063
Equipment & Vehicles	582,410	-	582,410	548,827	-	548,827
Other			-			-
Total Capital Assets	<u>3,515,568</u>	<u>-</u>	<u>3,515,568</u>	<u>1,874,890</u>	<u>-</u>	<u>1,874,890</u>

LONG-TERM DEBT

The District is responsible for future compensated absences (sick leave, vacation allowances, etc.). The amount due as of June 30, 2020 was \$24,313, which is 20% higher than the prior year.

The District will be responsible for repayment of the 5.99 million dollar bond over the next 20 years. Long-term liabilities, including notes payable and capital lease obligations are not due and payable in the current period and therefore not reported in current year funds. The first years projected bond repayment is \$378,957 of which \$240,965 is principal.

## SPRINGFIELD SCHOOL DISTRICT RE-4

### Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2021

#### **ECONOMIC FACTORS AND NEXT YEARS' BUDGETS AND RATES**

The budget for 2021-2022 will be impacted by a decrease in enrollment, an increase in staffing (due to district's efforts to address loss of learning during the COVID-19 pandemic), increase in minimum wage, utility costs and the rising percentage that the District pays to the Public Employees Retirement Account (PERA). The budget will also be impacted by statewide budget cuts due to COVID-19. The budget stabilization factor will continue to lower the per pupil factor. The district received \$94,988 from SB17-267 to be used for technology and other classroom needs to improve instruction. These additional funds must be approved by the State Legislature each year. The District is committed to keeping the base salary for certified employees to a level equal to or above the other districts in the area in order to obtain quality instructors. The District's goal is to monitor spending in the district to eliminate future years of spending more than the district receives. The District was awarded a BEST Grant for new construction and renovation in the amount of \$40,144,782. The District cost will be \$5,990,000 which the district will collect through a 20 year bond. In November 2020, the district passed a \$5.99 million 20 year bond to fund the district's portion of the BEST grant received in June of 2020.

The Gallagher Amendment ratchets down local property taxes. The TABOR Amendment keeps property taxes down; Amendment 23 sets requirements for increasing school funding. In 2009, Amendment 23 was reinterpreted and allowed the legislature to cut funding from one year to the next. This budget stabilization factor is responsible for a reduction in per pupil funding. With increased school funding required and declining property taxes, the state is required to make up the differences on both ends.

#### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Districts' finances and to demonstrate the District's accountability for the money it receives. We understand that all of your questions may not have been answered in this report; therefore, we invite you to contact the Springfield School District Office at 389 Tipton Street, Springfield, Colorado, 719-523-6654. You may talk directly to the Superintendent, Richard Hargrove or the Business Manager, Missy Corn.

## BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF NET POSITION  
June 30, 2021

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Equivalents	6,603,869	6,603,869
Investments	3,321,622	3,321,622
Accounts Receivable	856,708	856,708
Accrued Revenue	45,750	45,750
Property Taxes Receivable	81,877	81,877
Inventories	9,803	9,803
Prepaid Assets	-	-
Capital Assets	6,905,207	6,905,207
Accumulated Depreciation	(3,389,639)	(3,389,639)
<u>Total Assets</u>	<u>14,435,197</u>	<u>14,435,197</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	1,464,423	1,464,423
Other Post Employment Benefits	16,702	16,702
<u>Total Deferred Outflows</u>	<u>1,481,125</u>	<u>1,481,125</u>
<u>LIABILITIES</u>		
Accounts Payable	953,133	953,133
Accrued Salaries and Benefits	335,616	335,616
Accrued Interest	11,735	11,735
Grant Amounts Received in Advance	131,638	131,638
Compensated Absences	24,313	24,313
Noncurrent Liabilities:		
Matching Money Bonds Due Within One Year	240,965	240,965
Matching Money Bonds Due In More Than One Year	5,749,035	5,749,035
Net Pension Liability	5,425,807	5,425,807
Net Other Post Employment Benefits Liability	197,123	197,123
<u>Total Liabilities</u>	<u>13,069,365</u>	<u>13,069,365</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	2,270,239	2,270,239
Other Post Employment Benefits	74,984	74,984
<u>Total Deferred Inflows</u>	<u>2,345,223</u>	<u>2,345,223</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,256,978	3,256,978
Restricted for:		
TABOR Reserve	147,000	147,000
Preschool	48,255	48,255
Debt Service	316,616	316,616
Food Service	119,045	119,045
Capital Outlay	5,731,410	5,731,410
Unrestricted	(9,117,570)	(9,117,570)
<u>TOTAL NET POSITION</u>	<u>501,734</u>	<u>501,734</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

FUNCTIONS	Net (Expenses) Revenue and Changes in Net Position				
	Primary Government				Total
	Expenses	Charges for Services	Program Revenues Operating Grants & Contributions	Capital Grants and Contributions	
Instructional Services	2,141,676	36,105	823,076	-	(1,282,495)
Supporting Services:					
Students	264,850	-	52,520	-	(212,330)
Instructional Staff	69,355	-	-	-	(69,355)
District Administration	250,440	-	-	-	(250,440)
School Administration	157,089	-	-	-	(157,089)
Business	70,408	-	-	-	(70,408)
Operation & Maintenance of Facilities	426,491	-	-	-	(426,491)
Transportation	179,223	-	26,191	-	(153,032)
Central	24,317	-	-	-	(24,317)
Community	-	-	-	-	-
Food Service	173,866	3,619	213,888	-	43,641
Capital Outlay	538,876	-	-	1,731,193	1,192,317
Interest on Long-Term Debt	79,018	-	-	-	(79,018)
Total Governmental Activities	4,375,609	39,724	1,115,675	1,731,193	(1,489,017)
Total School District	4,375,609	39,724	1,115,675	1,731,193	(1,489,017)
General Revenues					
Property Taxes Levied for General Purposes					1,256,294
Specific Ownership Taxes					114,813
Equalization					2,098,472
Earnings on Investments					5,335
Pension and OPEB changes					1,430,966
Other Revenues					16,910
Total General Revenues and Transfers					4,922,790
Change in Net Position					3,433,773
Net Position, Beginning					(2,932,039)
Net Position, Ending					501,734

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

BACA COUNTY SCHOOL DISTRICT RE-4  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	<u>General</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>					
Cash and Equivalents	154,164	5,873,627	306,749	269,329	6,603,869
Investments	3,321,622	-	-	-	3,321,622
Accounts Receivable	25,309	-	-	20,483	45,792
Accrued Revenue	23,078	810,916	-	22,672	856,666
Due from Other Funds	-	-	-	-	-
Property Taxes Receivable	55,823	-	26,054	-	81,877
Prepays	-	-	-	-	-
Inventories	-	-	-	9,803	9,803
<u>Total Assets</u>	<u>3,579,996</u>	<u>6,684,543</u>	<u>332,803</u>	<u>322,287</u>	<u>10,919,629</u>
<u>LIABILITIES:</u>					
Accounts Payable	-	953,133	-	-	953,133
Accrued Salaries and Benefits	316,985	-	-	18,631	335,616
Due to Other Funds	-	-	-	-	-
Grant Amounts Received in Advance	<u>131,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>131,638</u>
<u>Total Liabilities</u>	<u>448,623</u>	<u>953,133</u>	<u>-</u>	<u>18,631</u>	<u>1,420,387</u>
<u>DEFERRED INFLOW OF RESOURCES:</u>					
Property Tax	<u>38,253</u>	<u>-</u>	<u>16,187</u>	<u>-</u>	<u>54,440</u>
<u>FUND BALANCES:</u>					
Nonspendable					
Inventories and Prepays	-	-	-	9,803	9,803
Restricted:					
Emergency Reserve	147,000	-	-	-	147,000
Food Service	-	-	-	119,045	119,045
Preschool	48,255	-	-	-	48,255
Capital Outlay	-	5,731,410	-	-	5,731,410
Debt Service	-	-	316,616	-	316,616
Committed:					
Insurance	52,430	-	-	-	52,430
Capital Outlay	-	-	-	113,094	113,094
Assigned:					
Student Activities	-	-	-	61,714	61,714
Unassigned	<u>2,845,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,845,435</u>
<u>Total Fund Balances</u>	<u>3,093,120</u>	<u>5,731,410</u>	<u>316,616</u>	<u>303,656</u>	<u>9,444,802</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>					
	<u>3,579,996</u>	<u>6,684,543</u>	<u>332,803</u>	<u>322,287</u>	<u>10,919,629</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
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>	9,444,802
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$6,905,207 and the accumulated depreciation is \$3,389,639.	3,515,568
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” None of the deferred property tax revenue is available in the funds.	54,440
Accrued interest payable on long-term liabilities is not recorded in the funds.	(11,735)
Long-term liabilities, including notes payable and capital lease obligations are not due and payable in the current period and therefore are not reported in funds.	(5,990,000)
Compensated absences are not reported as a liability in the funds.	(24,313)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(5,425,807)
Net Other Post Employment Benefits Liability	(197,123)
Deferred Outflows	1,481,125
Deferred Inflows	(2,345,223)
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>501,734</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

	<u>General</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Property Taxes	868,840	-	383,804	-	1,252,644
Specific Ownership Taxes	114,813	-	-	-	114,813
Earnings on Investments	4,549	-	9	777	5,335
Other Local Sources	86,205	-	86	56,139	142,430
State Aid	2,323,542	1,426,418	-	311,070	4,061,030
Federal Aid	<u>599,348</u>	<u>-</u>	<u>-</u>	<u>207,593</u>	<u>806,941</u>
Total Revenues	<u>3,997,297</u>	<u>1,426,418</u>	<u>383,899</u>	<u>575,579</u>	<u>6,383,193</u>
<u>EXPENDITURES</u>					
Current:					
Instructional Services	2,047,801	-	-	-	2,047,801
Supporting Services:					
Students	207,642	-	-	57,208	264,850
Instructional Staff	69,355	-	-	-	69,355
District Administration	250,440	-	-	-	250,440
School Administration	157,089	-	-	-	157,089
Business	70,408	-	-	-	70,408
Operation & Maintenance of Facilities	422,350	-	-	-	422,350
Transportation	239,636	-	-	-	239,636
Food Service	-	-	-	170,734	170,734
Central	24,317	-	-	-	24,317
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	67,283	-	67,283
Capital Outlay	<u>-</u>	<u>1,676,581</u>	<u>-</u>	<u>538,876</u>	<u>2,215,457</u>
Total Expenditures	<u>3,489,038</u>	<u>1,676,581</u>	<u>67,283</u>	<u>766,818</u>	<u>5,999,720</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>					
	<u>508,259</u>	<u>(250,163)</u>	<u>316,616</u>	<u>(191,239)</u>	<u>383,473</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers	(348,707)	-	-	348,707	-
Matching Money Bond Proceeds	<u>-</u>	<u>5,981,573</u>	<u>-</u>	<u>-</u>	<u>5,981,573</u>
Total Other Financing Sources (Uses)	<u>(348,707)</u>	<u>5,981,573</u>	<u>-</u>	<u>348,707</u>	<u>5,981,573</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>159,552</u>	<u>5,731,410</u>	<u>316,616</u>	<u>157,468</u>	<u>6,365,046</u>
<u>FUND BALANCES – BEGINNING</u>	<u>2,933,568</u>	<u>-</u>	<u>-</u>	<u>146,188</u>	<u>3,079,756</u>
<u>FUND BALANCES –ENDING</u>	<u>3,093,120</u>	<u>5,731,410</u>	<u>316,616</u>	<u>303,656</u>	<u>9,444,802</u>

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



BACA COUNTY SCHOOL DISTRICT RE-4  
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>	6,365,046
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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 than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	1,777,027	
Depreciation Expense	<u>(136,349)</u>	1,640,678

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.

3,650

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Funds record interest for amounts paid in the period.

Repayment of Debt Principal	-	
Proceeds of Debt	(5,990,000)	
Change in Interest Accrued	<u>(11,735)</u>	(6,001,735)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount.

(4,832)

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	1,414,324	
Other Post Employment Benefits	<u>16,642</u>	<u>1,430,966</u>

<u>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	<u>3,433,773</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 RE-4  
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 RE-4 (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 RE-4. 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 RE-4  
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 RE-4  
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.

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
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

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.

Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Capital Project Fund – used to account for building and facility construction and improvement funded by debt and grants.

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 RE-4  
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 (5-50 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 RE-4  
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 RE-4 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 \$147,000 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 RE-4  
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.    Accumulated Sick Leave

District policy allows for the accumulation of staff leave. Staff with five years of service are paid an amount of money equal to their number of unused leave days in excess of five times \$25 per day when there is a separation from service.

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2021, the District has recorded an estimated liability of \$24,313 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Accumulated Sick Leave	<u>19,481</u>	<u>4,832</u>	<u>—</u>	<u>24,313</u>

N.    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.

O.    Interest Expense

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.     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 balance 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).
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.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	General Fund	Bond Redemption Fund	Food Service Fund	Building Fund	Capital Reserve Capital Project Fund	Student Activity Fund	Total Governmental Funds
Nonspendable:							
Inventories and Prepaids	-	-	9,803	-	-	-	9,803
Restricted:							
Emergencies	147,000	-	-	-	-	-	147,000
Preschool	48,255	-	-	-	-	-	48,255
Food Service	-	-	119,045	-	-	-	119,045
Capital Outlay	-	-	-	5,731,410	-	-	5,731,410
Debt Service	-	316,616	-	-	-	-	316,616
Committed:							
Insurance	52,430	-	-	-	-	-	52,430
Capital Outlay	-	-	-	-	113,094	-	113,094
Assigned:							
Student Activities	-	-	-	-	-	61,714	61,714
Unassigned	<u>2,845,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,845,435</u>
Total Fund Balances	<u>3,093,120</u>	<u>316,616</u>	<u>128,848</u>	<u>5,731,410</u>	<u>113,094</u>	<u>61,714</u>	<u>9,444,802</u>

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.

Items Eliminated

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	348,707
Food Service Fund	11,782	-
Building-		
Capital Project Fund	<u>336,925</u>	<u>-</u>
	<u>348,707</u>	<u>348,707</u>

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2021

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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.
5. Formal budgetary integration should be employed as a management control device during the year for the General, Special Revenue and Capital Project Funds.
6. Budgets for the General, Special Revenue and Capital Project 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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 4      CASH AND INVESTMENTS (Continued)

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)	343,958	350,309
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	70,841	112,550
Cash with County Treasurer	23,713	-
Cash Equivalent - BEST	6,165,357	-
Cash on Hand	-	-
<u>Total Cash and Deposits</u>	<u>6,603,869</u>	<u>462,859</u>

As presented above, deposits with a bank balance of \$112,550 and a carrying balance of \$70,841 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2021, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	External Investment Pool	Under 60 Day Average	\$3,321,622

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST is rated AAAM by Standard and Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no recurring fair value measurements as of June 30, 2021:

- ColoTrust Investment Pool

Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

BACA COUNTY SCHOOL DISTRICT RE-4  
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 July 1, 2020	Additions	Deletions	Balance June 30, 2021
<u>Non-Depreciable Assets:</u>				
Construction in Progress	-	1,676,581	-	1,676,581
<u>Total Non-Depreciable Assets</u>	-	1,676,581	-	1,676,581
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	3,608,573	-	-	3,608,573
Vehicles	590,033	100,446	-	690,479
Equipment	929,574	-	-	929,574
<u>Total Depreciable Assets</u>	5,128,180	100,446	-	5,228,626
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	2,282,510	69,486	-	2,351,996
Vehicles	367,843	36,784	-	404,627
Equipment	602,937	30,079	-	633,016
<u>Total Accumulated Depreciation</u>	3,253,290	136,349	-	3,389,639
<u>Total Capital Assets, Net</u>	1,874,890	1,640,678	-	3,515,568

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

Governmental Activities:

Instruction	89,043
Food Service	3,132
Operations and Maintenance	4,141
Transportation	40,033
<u>Total Depreciation Expense –Governmental Activities</u>	136,349

NOTE 6      INTERFUND ACTIVITY

Fund	Transfer From Other Funds	Transfer To Other Funds
General	-	348,707
Food Service	11,782	-
Capital Project	336,925	-
	<u>348,707</u>	<u>348,707</u>

Transfers were made to support operations in the year ended June 30, 2021. Due To Other Funds will be paid in the upcoming period.

NOTE 7      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 \$335,616. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

BACA COUNTY SCHOOL DISTRICT RE-4  
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 RE-4 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 RE-4 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 RE-4  
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 RE-4 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 RE-4  
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 RE-4 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District RE-4 were \$401,391 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 RE-4 proportion of the net pension liability was based on Baca County School District RE-4 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 RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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

At June 30, 2021, the Baca County School District RE-4 reported a liability of \$5,425,807 for its proportionate share of the net pension liability. The amount recognized by the Baca County School District RE-4 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 RE-4 were as follows:

Baca County School District RE-4 proportionate share of the net pension liability	\$ 5,425,807
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Baca County School District RE-4	-
Total	\$ 5,425,807

At December 31, 2020, the Baca County School District RE-4 proportion was 0.036 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 RE-4 recognized pension income of \$1,414,324. At June 30, 2021, the Baca County School District RE-4 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	298,121	-
Changes of assumptions or other inputs	521,946	(912,032)
Net difference between projected and actual earnings on pension plan investments	-	(1,194,344)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	428,971	(163,863)
Contributions subsequent to the measurement date	215,385	N/A
Total	1,464,423	(2,270,239)

\$215,385 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	(926,125)
2023	252,997
2024	(159,659)
2025	(188,414)
2026	-
Thereafter	-

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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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 RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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 RE-4  
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 RE-4  
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 RE-4  
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**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 RE-4 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	7,401,245	5,425,807	3,779,616

*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 RE-4 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 \$17,501 for the Voluntary Investment Program.

BACA COUNTY SCHOOL DISTRICT RE-4  
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**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS**

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

**Summary of Significant Accounting Policies**

*OPEB.* Baca County School District RE-4 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 RE-4 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 RE-4  
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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 RE-4  
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**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 RE-4 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District RE-4 were \$20,595 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 RE-4 reported a liability of \$197,123 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 RE-4 proportion of the net OPEB liability was based on Baca County School District RE-4 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 RE-4 proportion was 0.021 percent, which was a decrease of 0.001 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Baca County School District RE-4 recognized OPEB income of \$16,642. At June 30, 2021, the Baca County School District RE-4 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	523	(43,337)
Changes of assumptions or other inputs	1,473	(12,087)
Net difference between projected and actual earnings on OPEB plan investments	-	(8,055)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	4,194	(11,505)
Contributions subsequent to the measurement date	10,512	N/A
Total	16,702	(74,984)

\$10,512 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	(15,584)
2023	(14,457)
2024	(15,552)
2025	(15,456)
2026	(7,268)
Thereafter	(477)

BACA COUNTY SCHOOL DISTRICT RE-4  
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:

Medicare Plan	Initial Costs for Members Without Medicare Part A		
	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 RE-4  
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 RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**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.

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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 RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
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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 RE-4  
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**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 RE-4 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
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	192,028	197,123	203,054

*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.



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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 RE-4 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	225,808	197,123	172,614

*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).

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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. An audited financial statement is filed annually with the office of the Colorado State Auditor.

NOTE 11     RISK MANAGEMENT

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

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

NOTE 12     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 12      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2021.

An audited summary of the Colorado School District's Pool financial information at June 30, 2020 and for the year then ended (latest information available) follows:

Total Assets	<u>50,982,972</u>
Total Liabilities	<u>23,141,059</u>
Total Equity	<u>27,841,913</u>
Revenue	31,306,454
Underwriting Expenses	<u>26,904,016</u>
Underwriting Gain (Loss)	4,402,438
Net Investment Income	1,580,789
Other Income	-
Net Income (Loss) Before Dividend	<u>5,983,227</u>
Dividend	-
Net Income (Loss)	<u>5,983,227</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>48,913</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>27,841,913</u>

NOTE 13      LONG-TERM DEBT

In November 2020, the voters of the District approved a bond issue in the amount of \$5,990,000 to supplement a BEST grant awarded by the State of Colorado to build and improve buildings on existing District land. Principal payments are due each December 1, and interest payments are due on June 1 and December 1 each year. The bond matures on December 1, 2040. The stated coupon rate is 2.351%.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 13    LONG-TERM DEBT (Continued)

The debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	240,965	137,992	378,957
2023	243,501	132,298	375,799
2024	249,226	126,506	375,732
2025	255,085	120,577	375,662
2026	261,082	114,509	375,591
2027-2031	1,400,417	476,424	1,876,841
2032-2036	1,572,961	301,852	1,874,813
2037-2041	<u>1,766,763</u>	<u>105,772</u>	<u>1,872,535</u>
	<u>5,990,000</u>	<u>1,515,930</u>	<u>7,505,930</u>

Changes in Long-Term Debt:

	<u>Beginning Balance 7-1-2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6-30-2021</u>	<u>Due Within One Year</u>
BEST Matching Money Bond	<u>-</u>	<u>5,990,000</u>	<u>-</u>	<u>5,990,000</u>	<u>240,965</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

## GENERAL AND MAJOR SPECIAL REVENUE FUNDS

### General Fund

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
<u>Local Sources</u>	<u>Original</u>	<u>Final</u>		
Property Taxes	856,781	856,781	868,840	12,059
Specific Ownership Taxes	97,880	97,880	114,813	16,933
Earnings on Investments	6,585	6,585	4,549	(2,036)
Delinquent Taxes & Interest	4,000	4,000	4,815	815
Other	71,130	71,130	81,390	10,260
<u>State Sources</u>				
Equalization	2,047,166	2,047,166	2,098,472	51,306
Transportation	24,836	24,836	26,191	1,355
Vocational Education	20,000	20,000	15,987	(4,013)
Special Education	32,000	32,000	33,125	1,125
Other	169,113	169,113	149,767	(19,346)
<u>Federal Sources</u>				
Designated Purpose Grants	1,062,614	1,062,614	599,348	(463,266)
Other	-	-	-	-
<b><u>TOTAL REVENUES</u></b>	<b><u>4,392,105</u></b>	<b><u>4,392,105</u></b>	<b><u>3,997,297</u></b>	<b><u>(394,808)</u></b>
 <u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	1,517,362	1,517,362	1,426,373	90,989
Employee Benefits	445,286	445,286	392,428	52,858
Purchased Services - Professional	-	-	-	-
Purchased Services – Property	43,080	43,080	30,788	12,292
Purchased Services – Other	90,536	90,536	47,653	42,883
Supplies and Materials	132,062	132,062	89,976	42,086
Property	48,556	48,556	57,912	(9,356)
Other Objects	6,420	6,420	2,671	3,749
<u>Total Instruction</u>	<u>2,283,302</u>	<u>2,283,302</u>	<u>2,047,801</u>	<u>235,501</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	78,046	78,046	76,554	1,492
Employee Benefits	17,332	17,332	16,679	653
Purchased Services – Professional	78,138	78,138	81,140	(3,002)
Purchased Services – Property	400	400	75	325
Purchased Services – Other	9,166	9,166	3,043	6,123
Supplies and Materials	18,376	18,376	25,427	(7,051)
Property	2,000	2,000	4,724	(2,724)
Other Objects	200	200	-	200
<u>Total Student Services</u>	<u>203,658</u>	<u>203,658</u>	<u>207,642</u>	<u>(3,984)</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
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 Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	41,713	41,713	47,312	(5,599)
Employee Benefits	13,433	13,433	14,465	(1,032)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	100	100	-	100
Purchased Services – Other	-	-	-	-
Supplies and Materials	9,200	9,200	7,578	1,622
Property	300	300	-	300
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>64,746</u>	<u>64,746</u>	<u>69,355</u>	<u>(4,609)</u>
<u>General Administration</u>				
Salaries	173,742	173,742	173,891	(149)
Employee Benefits	50,706	50,706	50,773	(67)
Purchased Services – Professional	18,150	18,150	13,447	4,703
Purchased Services – Other	1,300	1,300	357	943
Supplies and Materials	6,000	6,000	3,444	2,556
Property	250	250	24	226
Other Objects	9,100	9,100	8,504	596
<u>Total General Administration</u>	<u>259,248</u>	<u>259,248</u>	<u>250,440</u>	<u>8,808</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	111,881	111,881	111,120	761
Employee Benefits	38,540	38,540	34,649	3,891
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	1,950	1,950	1,907	43
Purchased Services – Other	9,400	9,400	7,574	1,826
Supplies and Materials	4,000	4,000	1,328	2,672
Property	500	500	-	500
Other Objects	800	800	511	289
<u>Total School Administration</u>	<u>167,071</u>	<u>167,071</u>	<u>157,089</u>	<u>9,982</u>
<u>Business Services</u>				
Salaries	44,587	44,587	43,989	598
Employee Benefits	12,032	12,032	11,086	946
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	11,750	11,750	12,246	(496)
Purchased Services – Other	1,650	1,650	1,450	200
Supplies and Materials	2,000	2,000	1,499	501
Property	500	500	-	500
Other Objects	250	250	138	112
<u>Total Business Services</u>	<u>72,769</u>	<u>72,769</u>	<u>70,408</u>	<u>2,361</u>

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



BACA COUNTY SCHOOL DISTRICT RE-4  
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 Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operations and Maintenance</u>				
Salaries	143,224	143,224	138,380	4,844
Employee Benefits	31,847	31,847	30,783	1,064
Purchased Services – Professional	500	500		500
Purchased Services – Property	37,300	37,300	21,245	16,055
Purchased Services – Other	109,671	109,671	107,985	1,686
Supplies and Materials	597,527	597,527	121,881	475,646
Property	28,036	28,036	2,076	25,960
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>948,105</u>	<u>948,105</u>	<u>422,350</u>	<u>525,755</u>
<u>Student Transportation</u>				
Salaries	101,064	101,064	87,432	13,632
Employee Benefits	22,470	22,470	19,434	3,036
Purchased Services – Professional	2,050	2,050	1,268	782
Purchased Services – Property	7,000	7,000	1,660	5,340
Purchased Services – Other	2,050	2,050	451	1,599
Supplies and Materials	33,250	33,250	23,399	9,851
Property	99,386	99,386	105,992	(6,606)
<u>Total Student Transportation</u>	<u>267,270</u>	<u>267,270</u>	<u>239,636</u>	<u>27,634</u>
<u>Central Support</u>				
Purchased Services – Other	32,468	32,468	24,317	8,151
Property	-	-	-	-
Other	13,000	13,000	-	13,000
<u>Total Central Support</u>	<u>45,468</u>	<u>45,468</u>	<u>24,317</u>	<u>21,151</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,028,335</u>	<u>2,028,335</u>	<u>1,441,237</u>	<u>587,098</u>
<u>Appropriated Reserves</u>	<u>2,512,848</u>	<u>2,512,848</u>	<u>-</u>	<u>2,512,848</u>
<u>TOTAL EXPENDITURES</u>	<u>6,824,485</u>	<u>6,824,485</u>	<u>3,489,038</u>	<u>3,335,447</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(2,432,380)</u>	<u>(2,432,380)</u>	<u>508,259</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(501,189)	(501,189)	(348,707)	152,482
<u>Total Other Financing Sources (Uses)</u>	<u>(501,189)</u>	<u>(501,189)</u>	<u>(348,707)</u>	<u>152,482</u>
<u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	<u>(2,933,569)</u>	<u>(2,933,569)</u>	<u>159,552</u>	
<u>FUND BALANCE, July 1</u>	<u>2,933,569</u>	<u>2,933,569</u>	<u>2,933,568</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>3,093,120</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
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)	0.0358%	0.0332%	0.0332%	0.0372%	0.0375%	0.0380%	0.0405%	0.0309%	-	-
District's proportionate share of the net pension liability (asset)	\$5,425,807	\$4,962,621	\$5,880,041	\$12,019,643	\$11,166,973	\$5,811,557	\$5,491,966	\$4,978,810	-	-
State's proportionate share of the net pension liability associated with the District**	-	\$629,444	\$804,014	-	-	-	-	-	-	-
District's covered payroll	\$2,019,068	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	268%	253%	307%	688%	658%	352%	329%	301%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	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 RE-4  
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	\$ 401,391	\$ 380,689	\$ 366,261	\$ 329,940	\$ 311,778	\$ 293,216	\$ 281,895	\$ 265,134	\$ 235,516	-
Contributions in relation to the contractually required contributions	<u>\$ (401,391)</u>	<u>\$ (380,689)</u>	<u>\$ (366,261)</u>	<u>\$ (329,940)</u>	<u>\$ (311,778)</u>	<u>\$ (293,216)</u>	<u>\$ (281,895)</u>	<u>\$ (265,134)</u>	<u>\$ (235,516)</u>	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-
District's covered payroll	\$2,019,068	\$1,964,388	\$1,914,588	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	\$1,561,542	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	16.01%	15.08%	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
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)	0.0207%	0.0217%	0.0215%	0.0211%	0.0213%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$197,123	\$244,012	\$293,672	\$274,478	\$276,406	-	-	-	-	-
District's covered payroll	\$2,019,068	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.76%	12.42%	15.34%	15.71%	16.30%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB 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 RE-4  
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	\$ 20,595	\$ 20,036	\$ 19,528	\$ 17,823	\$ 17,302	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (20,595)</u>	<u>\$ (20,036)</u>	<u>\$ (19,528)</u>	<u>\$ (17,823)</u>	<u>\$ (17,302)</u>	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-
District's covered payroll	\$2,019,068	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	-	-	-	-	-
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 FUND

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

Student Activity Fund – The District holds assets in trust for various student clubs and organizations and oversees activities expenditures.

### CAPITAL PROJECT FUND

Capital Reserve Capital Project Fund – This fund is used to pay for capital items and projects funded by grants, donations and transfers from the General Fund.

Building Fund – Proceeds from debt and grants received to fund a building project and their expenditures are recorded in this fund.

### DEBT SERVICE FUND

Bond Redemption Fund – This fund is used to record the taxes received from levies to pay general obligation debt. The payment of the principal and interest from those receipts is recorded here.

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2021

	<u>Special Revenue</u>		<u>Capital Project</u>	Total
	<u>Food</u>	<u>Student</u>	<u>Capital Reserve</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Activity</u>	<u>Capital Project</u>	<u>Governmental</u>
<u>ASSETS</u>				<u>Funds</u>
Cash	113,657	61,714	93,958	269,329
Investments	-	-	-	-
Accounts Receivable	1,347	-	19,136	20,483
Accrued Revenue	22,672	-	-	22,672
Due from Other Funds	-	-	-	-
Inventories	9,803	-	-	9,803
<u>Total Assets</u>	<u>147,479</u>	<u>61,714</u>	<u>113,094</u>	<u>322,287</u>
<u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	-	-	-	-
Accrued Salaries	18,631	-	-	18,631
Due to Other Funds	-	-	-	-
Other Liabilities – Meal Deposits	-	-	-	-
<u>Total Liabilities</u>	<u>18,631</u>	<u>-</u>	<u>-</u>	<u>18,631</u>
<u>Fund Balances</u>				
Nonspendable:				
Inventories	9,803	-	-	9,803
Restricted:				
Food Service	119,045	-	-	119,045
Committed:				
Capital Outlay	-	-	113,094	113,094
Assigned:				
Student Activities	-	61,714	-	61,714
<u>Total Fund Balances</u>	<u>128,848</u>	<u>61,714</u>	<u>113,094</u>	<u>303,656</u>
<u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	<u>147,479</u>	<u>61,714</u>	<u>113,094</u>	<u>322,287</u>

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



BACA COUNTY SCHOOL DISTRICT RE-4  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2021

	<u>Special Revenue</u>	<u>Capital Project</u>	<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Activity</u>	<u>Governmental</u>
			<u>Funds</u>
<u>REVENUES</u>			
Earnings on Investments	361	256	160
Other Local Sources	3,619	52,520	-
State Aid	6,295	-	304,775
Federal Aid	<u>207,593</u>	<u>-</u>	<u>-</u>
<u>Total Revenues</u>	<u>217,868</u>	<u>52,776</u>	<u>304,935</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	-	57,208	-
Food Service	170,734	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>538,876</u>
<u>Total Expenditures</u>	<u>170,734</u>	<u>57,208</u>	<u>538,876</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>	47,134	(4,432)	(233,941)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>11,782</u>	<u>-</u>	<u>336,925</u>
<u>NET CHANGE IN FUND BALANCES</u>	58,916	(4,432)	102,984
<u>FUND BALANCE, Beginning</u>	<u>69,932</u>	<u>66,146</u>	<u>10,110</u>
<u>FUND BALANCE, Ending</u>	<u>128,848</u>	<u>61,714</u>	<u>113,094</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD SERVICE – SPECIAL REVENUE FUND  
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	16,850	2,972	(13,878)
Earnings on Investments	215	361	146
Other	1,900	647	(1,253)
<u>State Sources</u>			
School Lunches and Breakfast	2,924	6,295	3,371
<u>Federal Sources</u>			
School Lunches and Breakfast	145,000	200,299	55,299
Commodities	<u>5,500</u>	<u>7,294</u>	<u>1,794</u>
<u>Total Revenues</u>	<u>172,389</u>	<u>217,868</u>	<u>45,479</u>
<u>EXPENDITURES</u>			
Salaries	77,175	71,558	5,617
Employee Benefits	21,462	20,617	845
Purchased Services – Professional	-	-	-
Purchased Services – Property	1,500	1,336	164
Purchased Services - Other	1,400	1,383	17
Food Purchases	86,500	64,978	21,522
Capital Outlay	2,000	238	1,762
Commodities	-	7,294	(7,294)
Non-Food Supplies	4,900	3,330	1,570
Appropriated Reserves	<u>62,384</u>	-	<u>62,384</u>
<u>Total Expenditures</u>	<u>257,321</u>	<u>170,734</u>	<u>86,587</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(84,932)	47,134	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>15,000</u>	<u>11,782</u>	<u>(3,218)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(69,932)	58,916	
<u>FUND BALANCE, July 1</u>	<u>69,932</u>	<u>69,932</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>128,848</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STUDENT ACTIVITY FUND – SPECIAL REVENUE FUND  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	256	256
Other Local	<u>293,211</u>	<u>52,520</u>	<u>(240,691)</u>
Total Revenues	<u>293,211</u>	<u>52,776</u>	<u>(240,435)</u>
<u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	<u>293,211</u>	<u>57,208</u>	<u>236,003</u>
Total Expenditures	<u>293,211</u>	<u>57,208</u>	<u>236,003</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	(4,432)	
<u>TRANSFERS</u>	-	-	-
<u>FUND BALANCE, July 1</u>	-	<u>66,146</u>	
<u>FUND BALANCE, June 30</u>	-	<u>61,714</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL RESERVE - CAPITAL PROJECT FUND  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	110	160	50
Other - Local Revenue	-	-	-
State Sources	<u>484,844</u>	<u>304,775</u>	<u>(180,069)</u>
<u>Total Revenues</u>	<u>484,954</u>	<u>304,935</u>	<u>(180,019)</u>
<u>EXPENDITURES</u>			
Land and Sites	-	-	-
Building and Improvements	966,254	538,876	427,378
Transportation Equipment	-	-	-
Equipment	-	-	-
Debt Service	-	-	-
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>966,254</u>	<u>538,876</u>	<u>427,378</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(481,300)	(233,941)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>471,190</u>	<u>336,925</u>	<u>(134,265)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(10,110)	102,984	
<u>FUND BALANCE, July 1</u>	<u>10,110</u>	<u>10,110</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>113,094</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BUILDING FUND – CAPITAL PROJECT FUND  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local Revenue	-	-	-
State Grant Revenue	<u>34,154,782</u>	<u>1,426,418</u>	<u>(32,728,364)</u>
<u>Total Revenues</u>	<u>34,154,782</u>	<u>1,426,418</u>	<u>(32,728,364)</u>
<u>EXPENDITURES</u>			
Building and Site Improvements	40,144,782	1,676,581	38,468,201
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>40,144,782</u>	<u>1,676,581</u>	<u>38,468,201</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(5,990,000)</u>	<u>(250,163)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Matching Money Bond Proceeds	5,990,000	5,981,573	(8,427)
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>5,990,000</u>	<u>5,981,573</u>	<u>(8,427)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	5,731,410	
<u>FUND BALANCE, July 1</u>	-	-	
<u>FUND BALANCE, June 30</u>	-	<u>5,731,410</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
BOND REDEMPTION – DEBT SERVICE FUND  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Property Taxes	400,000	383,804	(16,196)
Specific Ownership Taxes	-	-	-
Other Local Sources	-	86	86
Earnings on Investments	-	9	9
<u>Total Revenues</u>	<u>400,000</u>	<u>383,899</u>	<u>(16,101)</u>
<u>EXPENDITURES</u>			
Debt Service			
Principal	240,965	-	240,965
Interest	137,696	67,283	70,413
Other Fees	750	-	750
Appropriated Reserves	<u>20,589</u>	<u>-</u>	<u>20,589</u>
<u>Total Expenditures</u>	<u>400,000</u>	<u>67,283</u>	<u>332,717</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>316,616</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>-</u>	<u>316,616</u>	
<u>FUND BALANCE, July 1</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>316,616</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: 0250 - Springfield RE-4  
Fiscal Year 2020-21  
Colorado School District/BOCES

Page: 1

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	2,832,435	3,463,444	3,303,443	2,992,435
18 Risk Mgmt Sub-Fund of General Fund	72,616	90,151	110,339	52,430
19 Colorado Preschool Program Fund	28,516	94,994	75,256	48,255
Sub-Total	2,933,568	3,648,590	3,489,038	3,093,120
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const. Tech. Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	59,933	215,649	170,733	128,848
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	56,146	52,776	57,207	61,714
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	383,899	67,283	316,616
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	7,407,991	1,676,581	5,731,410
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	10,110	641,860	538,876	113,094
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Totals	3,079,757	12,364,765	5,999,719	3,444,803
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
66,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
<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
Totals	0	0	0	0
<b>FINAL</b>				

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Colorado Department of Education  
Bolded Balance Sheet Report  
District: 0250 - Springfield RE-4  
Fiscal Year 2020-21  
Colorado School District/BOCES

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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 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
Cash and Investments (8100-8104,8111)	3,403,670	0	63,424	61,714	0	0	113,657	0	5,967,585	0	0	0	0	0	0
Cash with Fiscal Agent (8105)	8,693	0	0	0	0	0	0	306,749	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	55,823	0	0	0	0	0	0	26,054	0	0	0	0	0	0	0
Interfund Loans Receivable (8131,8132)	3,692	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Accounts Rec. (8141)	25,309	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	23,078	0	0	0	0	0	22,672	0	0	0	0	0	0	0	0
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	1,347	0	830,052	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	0	9,803	0	0	0	0	0	0	0	0
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	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	3,520,264	0	63,424	61,714	0	0	147,479	332,803	6,797,637	0	0	0	0	0	10,923,322

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	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	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	3,692	0	0	0	0	0	0	0	0	0	0	0	0	3,692
Other Payables (7421-7423)	0	0	0	0	0	0	0	0	953,133	0	0	0	0	0	0	953,133
Accrued Expenses (7461)	305,508	0	11,477	0	0	0	18,631	0	0	0	0	0	0	0	0	335,616
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	131,638	0	0	0	0	0	0	0	0	0	0	0	0	0	0	131,638
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	38,253	0	0	0	0	0	0	16,187	0	0	0	0	0	0	0	54,440
Total Liabilities	475,399	0	15,169	0	0	0	18,631	16,187	953,133	0	0	0	0	0	0	1,478,519

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 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	9,803	0	0	0	0	0	0	0	9,803
Restricted Fund Balance 6720	0	0	0	0	0	0	119,046	316,616	5,731,410	0	0	0	0	0	6,167,072
TABOR 3% Emergency Reserve 6721	147,000	0	0	0	0	0	0	0	0	0	0	0	0	0	147,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	48,255	0	0	0	0	0	0	0	0	0	0	0	48,255
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	52,430	0	0	0	0	0	0	0	113,094	0	0	0	0	0	165,524
Assigned Fund Balance 6760	0	0	0	61,714	0	0	0	0	0	0	0	0	0	0	61,714
Unassigned Fund Balance 6770	2,845,435	0	0	0	0	0	0	0	0	0	0	0	0	0	2,845,435
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	3,044,865	0	48,255	61,714	0	0	128,848	316,616	5,844,504	0	0	0	0	0	9,444,803

	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 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,520,264	0	63,424	61,714	0	0	147,479	332,803	6,797,637	0	0	0	0	0	10,923,322

	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 70-79	Foundations Fund 85	Totals
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

SINGLE AUDIT SECTION

164 E. MAIN  
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education  
Baca County School District RE-4  
Springfield, Colorado 81073

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Baca County School District RE-4 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Baca County School District RE-4's basic financial statements, and have issued our report thereon dated November 25, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Baca County School District RE-4's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Baca County School District RE-4's internal control. Accordingly, we do not express an opinion on the effectiveness of the Baca County School District RE-4's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baca County School District RE-4's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### Purpose of this Report

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



November 25, 2021

164 E. MAIN  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Education  
Baca County School District RE-4  
Springfield, Colorado 81073

Report on Compliance for Each Major Federal Program

We have audited Baca County School District RE-4's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Baca County School District RE-4's major federal programs for the year ended June 30, 2021. Baca County School District RE-4's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Baca County School District RE-4's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Baca County School District RE-4's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Baca County School District RE-4's compliance.

## Opinion on Each Major Federal Program

In our opinion, Baca County School District RE-4 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Baca County School District RE-4 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Baca County School District RE-4's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Baca County School District RE-4's internal control over compliance.

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

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

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

*Dickson Waller & Co., Inc.*

November 25, 2021



BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021

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SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of Baca County School District RE-4.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of Baca County School District RE-4 were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified report has been issued on Baca County School District RE-4 compliance for major programs.

Audit Findings

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Coronavirus Relief Act	21.019
Elementary and Secondary School Emergency Relief Act	84.425D

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as low-risk auditee

The District did not qualify as a low-risk auditee for fiscal year 2020/2021.

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021

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(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

BACA COUNTY SCHOOL DISTRICT RE-4  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2021

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None

Baca County School District RE-4  
Schedule of Expenditures of Federal Awards By Grant  
For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<i>Child Nutrition Cluster-Cluster</i>				
United States Department of Agriculture				
Summer Food Service Program for Children				
Summer Food Service Program for Children	10.559	Colo Dept Of Ed	Commodities -4559	7,294
Summer Food Service Program for Children	10.559	Colo Dept Of Ed	COVID 19-4559	76,761
Summer Food Service Program for Children	10.559	Colo Dept Of Ed	4559	123,537
Total Summer Food Service Program for Children				207,592
<i>Total United States Department of Agriculture</i>				207,592
<i>Total Child Nutrition Cluster-Cluster</i>				207,592
<i>Other Programs</i>				
Department of Education				
Title I Grants to Local Educational Agencies	84.010	Colo Dept Of Ed	4010	147,987
Rural Education	84.358	Colo Dept of Ed	6358	19,418
Improving Teacher Quality State Grants	84.367	Colo Dept of Ed	4367	19,951
Student Support and Academic Enrichment Program	84.424	Colo Dept of Ed	4424	10,000
Elementary and Secondary School Emergency Relief Act	84.425D	Colo Dept of Ed	4420	18,003
Elementary and Secondary School Emergency Relief Act	84.425D	Colo Dept of Ed	4425	94,673
Total Elementary and Secondary School Emergency Relief Act				112,676
<i>Total Department of Education</i>				310,032
Department of the Treasury				
Coronavirus Relief Act				
Coronavirus Relief Act	21.019	Colorado Dept of Ed	4012	269,336
Coronavirus Relief Act	21.019	Colorado Dept of Ed	5012	19,980
Total Coronavirus Relief Act				289,316
<i>Total Department of the Treasury</i>				289,316
<i>Total Other Programs</i>				599,348
<i>Total Expenditures of Federal Awards</i>				\$ 806,940

The accompanying notes are an integral part of this schedule

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021

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NOTE 1    Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Baca County School District RE-4 and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2    INDIRECT COST RATES

All grants being charged indirect cost have been received through the Colorado Department of Education. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 3    Food Distribution

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

NOTE 4    SUBRECIPIENT PAYMENTS

No amounts of federal financial assistance were passed through to subrecipients in the year ended June 30, 2021.