

RIO BLANCO COUNTY SCHOOL DISTRICT RE-1
MEEKER, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
June 30, 2022

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Board of Education
Rio Blanco County (Meeker) School District RE-1
Meeker, Colorado

INDEPENDENT AUDITOR’S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and each fiduciary fund type, of the Rio Blanco County (Meeker) School District No. RE-1 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements as listed in the table of contents.

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 each fiduciary fund type of the Rio Blanco County (Meeker) School District No. RE-1 as of June 30, 2022, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "other supplemental information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("*Uniform Guidance*") and is not a required part of the District's financial statements. Such information has been subject to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

Maggard & Hood, P.C.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
December 6, 2022

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

Rio Blanco County (Meeker) School District RE-1 is a public-school district located in Rio Blanco County in Northwest Colorado. The District consists of Meeker Elementary, Middle and High School. The District is a political subdivision of the State of Colorado, and serves the town of Meeker, and portions of unincorporated Rio Blanco County.

The discussion and analysis of the Rio Blanco County (Meeker) School District RE-1's financial performance provides an overall review of the District's financial activities. The intent of this discussion and analysis is to look at the District's financial performance as a whole; it should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2022 are as follows:

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2022, the District's share of the PERA net pension liability is approximately \$9 million and the District's share of the PERA HCTF net OPEB liability is \$437 thousand.
- General Revenues accounted for \$12,032,705 or 80.8%, of all revenues. These general revenues include taxes, grants and entitlements not restricted to specific programs, and general interest and other revenues not related to specific programs. Program specific revenues, in the form of charges for services and sales, as well as program specific grants and contributions, accounted for \$2,857,551 or 19.2%, of the District's total revenues of \$14,890,256. The District had \$10,365,442 in expenses, of which \$2,857,551 were offset by program specific charges for services and sales, grants and contributions.
- The District's total net position of governmental activities increased by \$4.53 million, primarily due to the impacts of GASB Statements No. 68 and No. 75, which is a contrast to its decrease in fund balance on a governmental fund basis of \$3.2 million. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 16 and a discussion of the differences between the two accounting methodologies is discussed below.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Rio Blanco County (Meeker) School District RE-1 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds with all other non-major funds presented in total in a single column. For the Rio Blanco County (Meeker) School District RE-1, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2022

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of these government-wide financial statements is on the overall financial position and activities of the District. These financial statements are constructed around the concept of a primary government, the District, and its component units, except for fiduciary funds. As described below, the financial statements of the District's fiduciary funds are not included in the government-wide financial statements, because resources of these funds cannot be used to finance the District's activities. However, the financial statements of fiduciary funds are included in the District's financial statements because the District is financially accountable for those resources, even though they belong to other parties.

The two statements report the District's net position and changes therein. This change is important because it identifies whether the financial condition of the District has improved or diminished for the District as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors.

The School District's activities as reflected on the Statement of Net Position and the Statement of Activities consist of the following:

Governmental Activities – Governmental activities are those that are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. The School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, and extracurricular activities.

Proprietary Activities – The District currently has no Business-type activities, which are those provided on a charge for goods or services basis to recover all expenses of the goods and services provided.

Fiduciary Activities – Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the School District's own programs. The accounting use for the fiduciary funds is much like that used for proprietary funds. The District's fiduciary fund is the Scholarship Fund. The Scholarship Fund is an agency fund which accounts for student scholarships.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2022

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. Fund financial statements are divided into three broad categories; namely (1) governmental funds; (2) proprietary funds; and, (3) fiduciary funds.

Governmental Funds – The District's activities in governmental funds focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between government-wide activities and the governmental funds is reconciled in the financial statements. The District's major governmental funds are:

General Fund – The General Fund is the District's primary operating fund and accounts for the majority of the District's instruction and support operations, including preschool operations.

Food Service Fund – The Food Service Fund is a special revenue fund which accounts for the District's general food service activities with revenue sources specifically designated for such activities.

Pupil Activity Fund – The Pupil Activity Fund is a special revenue fund which accounts for student athletic/nonathletic activities with revenue sources raised specifically from such activities.

Bond Redemption Fund – The Bond Redemption Fund accounts for property tax collections and transactions related to the District's general obligation indebtedness.

Building Fund – The Building Fund accounts for facilities acquisition and construction from restricted Bond issues and Best Grant monies.

Capital Reserve Project Fund – The Capital Projects Fund accounts for the District's funding for major capital needs.

Proprietary Funds – Proprietary (enterprise) funds use the same basis of accounting as business-type activities. The District currently has no proprietary funds (or business-type) activities.

Fiduciary Funds – Fiduciary (or *Agency*) funds are reported in a separate Statement of Fiduciary Net Position. This type of activity is excluded from governmental funds because the District cannot use these assets to finance its operations, and the District is acting solely as trustee or agent for the benefit of others to whom the resources belong, such as school activity accounts. The District's fiduciary funds are the:

Scholarship Fund – The Scholarship Fund accounts for scholarship funds held in a custodial capacity.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2022

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.

SUPPLEMENTAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents supplemental information required by U.S. generally accepted accounting principles, as well as other supplemental information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education.

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the current compared to the prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	<i>(NOT APPLICABLE)</i>					
	2022	2021	2022	2021	2022	2021
ASSETS:						
Current and Other Assets	\$ 16,199	\$ 20,241	\$ -	\$ -	\$ 16,199	\$ 20,241
Capital Assets, Net	71,419	71,215	-	-	71,419	71,215
	87,618	91,456	-	-	87,618	91,456
DEFERRED OUTFLOWS:						
Charge on Refunding	1,693	1,875	-	-	1,693	1,875
Related to Pensions	2,792	4,378	-	-	2,792	4,378
Related to OPEBs	90	69	-	-	90	69
	4,575	6,322	-	-	4,575	6,322
LIABILITIES:						
Current & Other Liabilities	5,691	6,563	-	-	5,691	6,563
Long-term Liabilities	50,194	54,761	-	-	50,194	54,761
Net Pension Liability	9,035	12,541	-	-	9,035	12,541
Net Pension Liability	437	456	-	-	437	456
	65,357	74,321	-	-	65,357	74,321
DEFERRED INFLOWS:						
Related to Pensions	4,092	5,246	-	-	4,092	5,246
Related to OPEBs	155	147	-	-	155	147
	4,247	5,393	-	-	4,247	5,393
NET POSITION:						
Invested in Capital Assets, Net of Related Debt	16,617	11,908	-	-	16,617	11,908
Restricted	11,162	13,589	-	-	11,162	13,589
Unrestricted	(5,190)	(7,433)	-	-	(5,190)	(7,433)
	\$ 22,589	\$ 18,064	\$ -	\$ -	\$ 22,589	\$ 18,064

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are for capital projects and amounts set aside to satisfy debt service requirements and statutorily required emergency reserves.

The District's Statement of Net Position also includes the District's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The related negative unrestricted assets balance merely represents that there are *long-term* obligations, including pensions and OPEB benefits, in excess of *currently* available resources.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2022

THE DISTRICT AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current fiscal year:

<i>(In Thousands)</i>	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services & Sales	\$ 308	\$ 267	\$ -	\$ -	\$ 308	\$ 267
Operating Grants & Contributions	1,810	2,017	-	-	1,810	2,017
Capital Grants and Contributions	740	4,810	-	-	740	4,810
Total Program Revenues	<u>2,858</u>	<u>7,094</u>	<u>-</u>	<u>-</u>	<u>2,858</u>	<u>7,094</u>
General Revenues:						
Property & Ownership Taxes	8,142	8,332	-	-	8,142	8,332
Grants and Entitlements	3,654	2,707	-	-	3,654	2,707
Federal Mineral & Forest Leasing	196	129	-	-	196	129
Division of Wildlife	11	129	-	-	11	129
Interest & Investment Earnings	29	67	-	-	29	67
Total General Revenues	<u>12,032</u>	<u>11,235</u>	<u>-</u>	<u>-</u>	<u>12,032</u>	<u>11,235</u>
Total Revenues	<u>14,890</u>	<u>18,329</u>	<u>-</u>	<u>-</u>	<u>14,890</u>	<u>18,329</u>
<u>PROGRAM EXPENSES:</u>						
Instruction	7,354	8,108	-	-	7,354	8,108
Support Services:						
Students	367	295	-	-	367	295
Instructional Staff	264	215	-	-	264	215
General Administration	411	386	-	-	411	386
School Administration	697	687	-	-	697	687
Business Support Services	155	136	-	-	155	136
Operations and Maintenance	1,081	807	-	-	1,081	807
Student Transportation	427	345	-	-	427	345
Central Support Services	351	302	-	-	351	302
Food Services	321	250	-	-	321	250
Facilities Non-capitalized Expenses	-	574	-	-	-	574
Unallocated PERA Actuarial Adj.	(3,075)	(2,697)	-	-	(3,075)	(2,697)
Unallocated PERA OPEB Actuarial Adj.	(32)	(5)	-	-	(32)	(5)
Interest and Fiscal Charges	2,044	2,250	-	-	2,044	2,250
Total (Expenses)	<u>10,365</u>	<u>11,653</u>	<u>-</u>	<u>-</u>	<u>10,365</u>	<u>11,653</u>
Increase (Decrease) in Net Position	<u>\$ 4,525</u>	<u>\$ 6,676</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,525</u>	<u>\$ 6,676</u>

Most of the District's revenues come from the Public-School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. In fiscal year 2022, approximately 30.4% of SFA funding came from state equalization and 67.7% from taxes. For the fiscal year 2022 the net position of the District's governmental activities increased by approximately \$4.53 million primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities. The District currently has no business-type activities.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2022

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	<u>Fiscal Year 2022</u>		<u>Fiscal Year 2021</u>	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Instruction	\$ 7,354	\$ 5,277	\$ 8,108	\$ 6,189
Support Services:				
Students	367	140	295	174
Instructional Staff	264	264	215	215
General Administration	411	411	386	386
School Administration	697	697	687	687
Business Support Services	155	155	136	136
Operations and Maintenance	1,081	1,067	807	793
Student Transportation	427	205	345	220
Central Support Services	351	350	302	279
Food Services	321	5	250	90
Facilities Non-capitalized Expenses	-	-	574	(4,158)
Unallocated PERA Actuarial Adj.	(3,075)	(3,075)	(2,697)	(2,697)
Unallocated PERA OPEB Actuarial Adj.	(32)	(32)	(5)	(5)
Interest and Fiscal Charges	<u>2,044</u>	<u>2,044</u>	<u>2,250</u>	<u>2,250</u>
Total Expenses	<u>\$ 10,365</u>	<u>\$ 7,508</u>	<u>\$ 11,653</u>	<u>\$ 4,559</u>

The dependence on general revenues for governmental activities is apparent, whereas approximately 72% and 39% of district-wide activities were supported through taxes and other general revenues in 2022 and 2021, respectively. The community as a whole is the primary support for District students.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2022

THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds are accounted for using the modified accrual basis of accounting.

Governmental Funds –

The *General Fund* had an overall decrease in fund balance of \$505,299. The ending fund balance of \$4,106,621 is the amount available for future spending.

The *Food Service Fund* had an overall increase in fund balance of \$8,398. The ending fund balance of \$31,296 is the amount available for future spending.

The *Pupil Activity Fund* had an overall increase in fund balance of \$46,793. The ending fund balance of \$248,159 is the amount available for future spending.

The *Bond Redemption Fund* had an overall decrease in fund balance of \$1,799,379. The ending fund balance of \$3,170,257 is the amount available for future spending.

The *Building Fund* had an overall decrease of \$723,510. The ending balance of \$7,479,962 is the amount available for future spending.

The *Capital Reserve Projects Fund* had an overall decrease in fund balance of \$225,840. The ending fund balance of \$198,626 is the amount available for future spending.

Fiduciary (Agency) Funds –

The *Scholarship Fund* ended the year with \$92,638 available for future spending.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2022

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(F)* of the financial statements. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year, the District amended its budget as needed.

For the General Fund, actual revenues and other financing sources in the amount of \$9,421,410 were below budgetary expectations of \$9,998,917 by \$577,507.

The District's General Fund actual expenditures and other financing uses of \$9,926,709 were \$4,634,217 below budgeted expenditures of \$14,560,926. The major differences between budgeted amounts and actual expenditures were primarily due to excess amounts budgeted for appropriated reserves and general support services.

The Board of Directors and District management continue to strive to budget appropriate amounts for each individual line item. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity. The overall savings are indicative of the efforts to provide services in the most economical manner. This year's savings will have a positive impact on future year's fund balances.

CAPITAL ASSETS

At the end of fiscal year 2022, the District had a total of \$71,418,596 invested in capital assets for *governmental activities*. Additional information on the District's capital assets can be found in *Note 4* of the financial statements.

The following reflects the balances of fiscal year 2022 compared to fiscal year 2021:

<i>(In Thousands)</i>	Governmental Activities	
	2022	2021
<i>Net of Depreciation:</i>		
Land	\$ 725	\$ 725
Construction in Progress	-	-
Buildings & Improvements	69,615	69,638
Transportation Equipment	314	239
Food Service Equipment	-	1
Other Equipment	765	612
	\$ 71,419	\$ 71,215

DEBT ADMINISTRATION

At June 30, 2022 the School District's governmental activities had: 1) outstanding bonds of \$45,755,000 plus \$194,008 accrued interest thereon and deferred premium of \$8,586,087; and 2) accrued compensated absences of \$460,908. Other long-term obligations consist of the District's proportionate share of the aforementioned State PERA Net Pension Liability (see Note 1, 10) in the amount of \$9,034,600 and the PERA HCTF net OPEB liability (see Note 1 & 13) in the amount of \$437,097.

The bonds are being paid from a mill levy in the Bond Redemption fund while other long-term obligations are satisfied from the General Fund

Additional debt information can be found in *Note 5* of the financial statements.

**RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

For the Fiscal Year Ended June 30, 2022

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

In early 2020, a worldwide pandemic arose caused by the coronavirus (Covid-19). Management has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report.

The Public-School Finance Act of 1994 (SFA) is the largest source of revenue for the District's operating funds. The SFA calculates per-pupil funding by school district based upon a formula using a number of factors including cost of living, number of students, district size, personnel vs. non-personnel costs, and number of at-risk students. The purpose of the SFA was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the SFA are derived by the following formula:

$$\textit{Total Program Funding} = \textit{local property taxes} + \textit{general specific ownership taxes} + \textit{state equalization}$$

The District has implemented many cost-savings measures, as well as planning for utilization of existing fund balances, to maintain faculty staffing levels. The Board and Administration continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

According to Colorado PERA, the overall statewide collective net pension liability for the PERA School Division Trust Fund is \$11.6 billion, a decrease of approximately \$3.5 million from the prior year. This and the effect of other actuarial changes (primarily the net difference between actual and projected pension investment earnings), have decreased the District's proportionate share of the collective net pension liability. In addition, the overall statewide collective PERA Health Care Trust Fund Net OPEB liability decreased from \$950 million to \$ 862 million, with a corresponding decrease in the District's proportionate share thereof. During the 2018 legislative session, the Colorado General Assembly passed significant pension reform with the goal of eliminating the unfunded actuarial accrued liability and reaching a 100 percent funded ratio within the next 30 years.

It is important to note that the requirements for the reporting of the proportionate share of the net pension and net OPEB liabilities do not necessarily reflect the financial condition of a governmental entity because the liabilities cannot be made immediately due and payable. Furthermore, the District has no legal obligation to fund PERA's unfunded accrued actuarial liability nor does the District have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined pension plan. It is also important to note that the reporting requirements have no impact on the District's fund level financial statements which are used for internal and budgetary use; rather, the change only effects the District's government-wide financial statement reporting (a long-term perspective) in the year-end audited financial statements.

See the accompanying financial statement notes for the full disclosures related to PERA and OPEB.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Rio Blanco County (Meeker) School District RE-1
Attn: Finance Director
P.O. Box 1089
Meeker, CO 81641

GOVERNMENT - WIDE FINANCIAL STATEMENTS

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>
ASSETS:	
Current Assets:	
Cash and Cash Equivalents	\$ 15,741,887
Cash w/ County Treasurer	7,369
Receivables:	
Property Taxes	120,905
Intergovernmental	314,880
Other Receivables	12,199
Prepaid Expense	-
Inventory	<u>1,463</u>
Total Current Assets	<u>16,198,703</u>
Capital Assets:	
Capital Assets, Non-depreciable	725,237
Capital Assets, Net of Depreciation	<u>70,693,359</u>
Total Capital Assets	<u>71,418,596</u>
TOTAL ASSETS	<u>87,617,299</u>
DEFERRED OUTFLOWS:	
Deferred Charge on Refunding	1,693,104
Pensions, Net of Accumulated Amortization	2,792,546
OPEBs, Net of Accumulated Amortization	<u>89,578</u>
TOTAL DEFERRED OUTFLOWS	<u>4,575,228</u>
LIABILITIES:	
Accounts Payable	3,585
Accrued Salaries and Benefits	861,754
Accrued Interest Payable	194,008
Unearned Revenues	23,416
Long-term Debt:	
Portion Due or Payable within One Year, Net	4,608,356
Portion Due or Payable After One Year, Net	50,193,639
Net Pension Liability	9,034,600
Net OPEB Liability	<u>437,097</u>
TOTAL LIABILITIES	<u>65,356,455</u>
DEFERRED INFLOWS:	
Pensions, Net of Accumulated Amortization	4,092,226
OPEBs, Net of Accumulated Amortization	<u>154,877</u>
TOTAL DEFERRED INFLOWS	<u>4,247,103</u>
NET POSITION:	
Invested in Capital Assets, Net of Related Debt	16,616,601
<i>Restricted for:</i>	
Capital Projects	7,479,962
Debt Service	3,170,257
Pupil Activities	248,159
Emergencies	264,000
Unrestricted	<u>(5,190,010)</u>
TOTAL NET POSITION	<u>\$ 22,588,969</u>

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2022

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 7,353,858	\$ 37,260	\$ 1,466,540	\$ 572,793
Supporting Services:				
General Support Services:				
- Students	366,803	223,721	4,131	-
- Instructional Staff	263,946	-	-	-
- General Administration	411,403	-	-	-
- School Administration	697,028	-	-	-
Business Support Services:				
- Business Services	155,416	-	-	-
- Operations and Maintenance	1,080,639	14,400	-	-
Student Transportation	426,986	-	55,091	166,798
Central Support Services	351,222	960	-	-
Food Services	320,519	31,290	284,567	-
Unallocated PERA Actuarial Adjustments	(3,074,854)	-	-	-
Unallocated PERA OPEB Actuarial Adj.	(31,848)	-	-	-
Interest and other Costs of Long-term Debt	2,044,324	-	-	-
Total Governmental Activities	<u>10,365,442</u>	<u>307,631</u>	<u>1,810,329</u>	<u>739,591</u>
 TOTAL PRIMARY GOVERNMENT	 <u>\$ 10,365,442</u>	 <u>\$ 307,631</u>	 <u>\$ 1,810,329</u>	 <u>\$ 739,591</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Specific Ownership Taxes, for General Purposes

Grants and Entitlements Not Restricted to Specific Programs

Federal Mineral and Forest Leasing Revenues

Division of Wildlife

Unrestricted Interest and Investment Earnings

Total General Revenues

Change in Net Position

NET POSITION—BEGINNING OF YEAR

NET POSITION—END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

Governmental Activities	Business-type Activities	Total
\$ (5,277,265)	<i>(not applicable)</i>	\$ (5,277,265)
(138,951)		(138,951)
(263,946)		(263,946)
(411,403)		(411,403)
(697,028)		(697,028)
(155,416)		(155,416)
(1,066,239)		(1,066,239)
(205,097)		(205,097)
(350,262)		(350,262)
(4,662)		(4,662)
3,074,854		3,074,854
31,848		31,848
<u>(2,044,324)</u>		<u>(2,044,324)</u>
<u>(7,507,891)</u>		<u>(7,507,891)</u>
<u>(7,507,891)</u>		<u>(7,507,891)</u>
3,187,104		3,187,104
4,651,908		4,651,908
303,488		303,488
3,654,262		3,654,262
195,997		195,997
10,803		10,803
29,143		29,143
<u>12,032,705</u>		<u>12,032,705</u>
4,524,814		4,524,814
<u>18,064,155</u>		<u>18,064,155</u>
\$ <u>22,588,969</u>		\$ <u>22,588,969</u>

FUND FINANCIAL STATEMENTS

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Bond Redemption Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 4,801,767	\$ 6,517	\$ 248,159	\$ 10,486,818
Cash w/ County Treasurer	2,993	-	-	4,376
Receivables:				
Property Taxes, Net	18,663	-	-	27,215
Intergovernmental	161,681	34,164	-	-
Other Receivables	12,000	199	-	-
Inventory	-	1,463	-	-
Prepaid Expense	-	-	-	-
Due from Other Funds	-	102	-	-
	<u>-</u>	<u>102</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 4,997,104</u>	 <u>\$ 42,445</u>	 <u>\$ 248,159</u>	 <u>\$ 10,518,409</u>
 LIABILITIES AND FUND BALANCES:				
Liabilities				
Accounts Payable	\$ 3,585	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	861,754	-	-	-
Due to Other Funds	12,877	-	-	7,348,152
Unearned Revenues	12,267	11,149	-	-
Total Liabilities	<u>890,483</u>	<u>11,149</u>	<u>-</u>	<u>7,348,152</u>
 Fund Balances:				
Non-spendable	-	1,463	-	-
Restricted				
Capital Projects	-	-	-	-
Debt Service	-	-	-	3,170,257
Emergencies	264,000	-	-	-
Pupil Activity	-	-	248,159	-
Committed				
Capital Projects	-	-	-	-
Food Service	-	29,833	-	-
Unassigned	<u>3,842,621</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>4,106,621</u>	 <u>31,296</u>	 <u>248,159</u>	 <u>3,170,257</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 4,997,104</u>	 <u>\$ 42,445</u>	 <u>\$ 248,159</u>	 <u>\$ 10,518,409</u>

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

Building Fund	Capital Reserve Projects Fund	Total Governmental Funds
\$ -	\$ 198,626	\$ 15,741,887
-	-	7,369
-	-	45,878
119,035	-	314,880
-	-	12,199
-	-	1,463
-	-	-
<u>7,360,927</u>	<u>-</u>	<u>7,361,029</u>
<u>\$ 7,479,962</u>	<u>\$ 198,626</u>	<u>\$ 23,484,705</u>

\$ -	\$ -	\$ 3,585
-	-	861,754
-	-	7,361,029
-	-	23,416
<u>-</u>	<u>-</u>	<u>8,249,784</u>

-	-	1,463
7,479,962	-	7,479,962
-	-	3,170,257
-	-	264,000
-	-	248,159
-	198,626	198,626
-	-	29,833
<u>-</u>	<u>-</u>	<u>3,842,621</u>
<u>7,479,962</u>	<u>198,626</u>	<u>15,234,921</u>

<u>\$ 7,479,962</u>	<u>\$ 198,626</u>	<u>\$ 23,484,705</u>
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RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2022

TOTAL GOVERNMENTAL FUND BALANCES \$ 15,234,921

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

Property taxes receivable that are due later than 60 days after year-end are not available soon enough to pay for the current period's expenditures, and therefore are not reported in the governmental funds. 75,027

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

Governmental Capital Assets	\$ 80,162,686	
Less Accumulated Depreciation	<u>(8,744,090)</u>	71,418,596

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Net Position, the premium is deferred and allocated over the term of the issuance as accretion of deferred premium. Deferred Charges related to the refunding of long-term debt are amortized over the life of the issue, but are not reported in the funds.

Current Portion Bond Premiums	\$ (553,356)	
Noncurrent Portion Bond Premiums, Net	(8,032,731)	
Deferred Charge on Refunding, Net	<u>1,693,104</u>	(6,892,983)

Some liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:

Accrued Interest Payable	\$ (194,008)	
Current Portion of Long-term Liabilities	<u>(4,055,000)</u>	(4,249,008)

Long-term liabilities are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

Bonds Payable, Net	\$ (41,700,000)	
Accrued Compensated Absences	(460,908)	
Net Pension Liability	(9,034,600)	
Net OPEB Liability	(437,097)	
Deferred Outflows of Resources Pension	2,792,546	
Deferred Inflows of Resources Pension	(4,092,226)	
Deferred Outflows of Resources - OPEB	89,578	
Deferred Inflows of Resources - OPEB	<u>(154,877)</u>	<u>(52,997,584)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 22,588,969

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2022

	General Fund	Food Service Fund	Pupil Activity Fund
REVENUES:			
Local Sources	\$ 3,939,776	\$ 31,290	\$ 223,721
Intermediate Sources	206,800	-	-
State Sources	4,736,967	5,364	-
Federal Sources	<u>537,867</u>	<u>282,031</u>	<u>-</u>
Total Revenues	<u>9,421,410</u>	<u>318,685</u>	<u>223,721</u>
EXPENDITURES:			
Instruction	5,989,752	-	-
Supporting Services:			
Students	188,663	-	176,928
Instructional Staff	263,946	-	-
General Administration	272,741	-	-
School Administration	632,264	-	-
Business Services	155,416	-	-
Operations and Maintenance	1,076,029	-	-
Transportation	391,444	-	-
Central Services	351,222	-	-
Food Services	10,232	310,287	-
Facilities Acquisition/Construction	-	-	-
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>9,331,709</u>	<u>310,287</u>	<u>176,928</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>89,701</u>	<u>8,398</u>	<u>46,793</u>
OTHER FINANCING SOURCES (USES):			
Transfers In	-	-	-
Transfers (Out)	<u>(595,000)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(595,000)</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(505,299)	8,398	46,793
FUND BALANCE – BEGINNING	<u>4,611,920</u>	<u>22,898</u>	<u>201,366</u>
FUND BALANCE – ENDING	<u>\$ 4,106,621</u>	<u>\$ 31,296</u>	<u>\$ 248,159</u>

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

Bond Redemption Fund	Building Fund	Capital Reserve Projects Fund	Total Governmental Funds
\$ 4,623,696	\$ 2,997	\$ 78	\$ 8,821,558
-	-	-	206,800
-	224,575	-	4,966,906
-	-	-	819,898
<u>4,623,696</u>	<u>227,572</u>	<u>78</u>	<u>14,815,162</u>
-	-	-	5,989,752
-	-	-	365,591
-	-	-	263,946
-	-	-	272,741
-	-	-	632,264
-	-	-	155,416
-	-	-	1,076,029
-	-	-	391,444
-	-	-	351,222
-	-	-	320,519
-	951,082	820,918	1,772,000
4,000,000	-	-	4,000,000
2,420,425	-	-	2,420,425
<u>2,650</u>	<u>-</u>	<u>-</u>	<u>2,650</u>
<u>6,423,075</u>	<u>951,082</u>	<u>820,918</u>	<u>18,013,999</u>
<u>(1,799,379)</u>	<u>(723,510)</u>	<u>(820,840)</u>	<u>(3,198,837)</u>
-	-	595,000	595,000
-	-	-	(595,000)
-	-	<u>595,000</u>	<u>-</u>
(1,799,379)	(723,510)	(225,840)	(3,198,837)
<u>4,969,636</u>	<u>8,203,472</u>	<u>424,466</u>	<u>18,433,758</u>
<u>\$ 3,170,257</u>	<u>\$ 7,479,962</u>	<u>\$ 198,626</u>	<u>\$ 15,234,921</u>

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2022

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ (3,198,837)

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year increased from the previous fiscal year: 75,095

Governmental Funds report capital outlays as expenditures; however, on the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In addition, the net book value of asset sales/dispositions is an adjustment to gain (loss) on the Statement of Activities.

Current Period Capitalized Outlay	\$ 1,770,788	
Current Period Depreciation	<u>(1,566,733)</u>	204,055

The net book value of asset dispositions are not reported in the governmental funds as they are not a current financial use. This is the amount by which the net book value of assets disposed exceeded proceeds, if applicable, in the current year. -

Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of bond premium. This is the amount of accretion of bond premiums recognized on the current year statement of activities. 545,380

Deferred Charges on refunding of long-term debt are recognized over the term of the long-term debt. This is the amount recognized on the current statement of activities. (182,017)

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Increase in Compensated Absences	\$ (40,951)	
Current Period Debt Repayment	4,000,000	
Issuance of Bonds/Premium	<u>-</u>	3,959,049

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due.

Change in Accrued Bond Interest	\$ 15,388	
Accretion Capital Appreciation Bond Interest	<u>-</u>	15,388

Some expenses reported in the Statement of Activities do not require current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Net Pension Liability	\$ 3,506,688	
Change in Net OPEB Liability	18,619	
Change in Deferred Outflows Pension	(1,585,192)	
Change in Deferred Inflows Pension	1,153,358	
Change in Deferred Outflows - OPEB	20,860	
Change in Deferred Inflows - OPEB	<u>(7,632)</u>	<u>3,106,701</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,524,814

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
 June 30, 2022

	Scholarship Fund	Total Fiduciary (Agency) Funds
ASSETS:		
Cash and Cash Equivalents	\$ <u>92,638</u>	\$ <u>92,638</u>
Total Assets	\$ <u><u>92,638</u></u>	\$ <u><u>92,638</u></u>
LIABILITIES:		
Due to Student Groups/Agency	\$ <u>92,638</u>	\$ <u>92,638</u>
Total Liabilities:	\$ <u><u>92,638</u></u>	\$ <u><u>92,638</u></u>

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY (AGENCY) FUND – SCHOLARSHIP FUND
For the Fiscal Year Ended June 30, 2022

	<u>Scholarship Fund</u>
ADDITIONS:	
Local Revenues	\$ <u>6,219</u>
TOTAL ADDITIONS	<u>6,219</u>
DEDUCTIONS:	
Scholarship Awards	<u>13,631</u>
TOTAL DEDUCTIONS	<u>13,631</u>
Net Increase (Decrease) in Fiduciary Net Position	(7,412)
NET POSITION - BEGINNING	<u>100,050</u>
NET POSITION - ENDING	<u>\$ 92,638</u>

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rio Blanco (Meeker) School District RE-1 (the District) are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). In addition, the District conforms to the Colorado Department of Education Financial Policies and Procedures Handbook in all material respect, as required by Colorado statutes. The more significant accounting policies established in GAAP and used by the District are discussed below.

A. Financial Reporting Entity

The Rio Blanco (Meeker) School District RE-1 is a public school district organized under the laws of the State of Colorado and is governed by an elected Board of Education. Board of Education members are elected by the citizens of Rio Blanco County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent with the authority to: a) determine its budget without another government's authority to approve or modify; b) levy taxes or charges without another government's approval; and, c) issue bonded debt without approval by another government

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity. The District is not a component unit of any other governmental reporting entity. The District's financial statements include the accounts of all District operations.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Joint Venture: Rio Blanco County Board of Cooperative Educational Services (BOCES)

The District is one of two districts participating in the Rio Blanco County Board of Cooperative Educational Services (BOCES). The BOCES is a regional education service unit created under the “Board of Cooperative Services Act of 1965” and is governed by a board consisting of representatives from each of the two districts.

The governing board of the BOCES has final authority over all funds of BOCES and fiscal responsibility including budgetary and reporting. As such, this joint venture does not meet the criteria for inclusion within the reporting entity. Additional information regarding the District’s participation in the joint venture is provided in *Note 9*.

C. Basis of Presentation

The District’s basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District’s governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the District.

FUND FINANCIAL STATEMENTS

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column with enterprise and fiduciary funds, when applicable, reported by type. The District currently considers all Funds as major Funds to segregate its overall activity.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled. The various funds are grouped, in the financial statements, as follows:

GOVERNMENTAL FUNDS

Governmental Funds are those through which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported on the balance sheet as fund balance.

General Fund – The *General Fund* is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The individual special revenue fund revenues/resources are as follows: 1) *Food Service Fund* amounts are grants and other revenues for general food services and 2) *Pupil Activity Fund* amounts are from fees for athletics and other activities to be used for these programs

Debt Service Funds – The District's *Bond Redemption Fund* is used to account for the accumulation of resources for, and the payment of, general long-term bond obligation principal, interest and related costs.

Building Fund – The Building Fund is used to account for monies used for facilities acquisition and construction.

Capital Improvements Fund – The District's *Capital Reserve Projects Fund* is used to account for the District's general capital needs.

PROPRIETARY FUNDS

Enterprise Funds – Enterprise Funds are used to account for operations financed and operated in a manner similar to private business enterprises – where the intent is that a) the costs of goods or services provided to the general public on a continuing basis be financed or recovered primarily through user charges; or b) the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The District currently has no Proprietary (Enterprise) Funds.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

FIDUCIARY FUNDS

Fiduciary fund reporting focuses on net position of agency activities. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private purpose trust funds and agency funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations, or other governments and are not available to support the District's own programs. The District currently has two Agency Funds.

Agency Funds – Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's single Agency Fund is the *Scholarship Fund*.

E. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. 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.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and governmental fund statements.

Like the government-wide financial statements, enterprise funds, when applicable, are accounted for using a flow of economic resources measurement focus. All assets and all liabilities associated with the operations are included a the statement of net position. For enterprise funds a statement of changes in revenues, expenses, and changes in net position, presents increases (e.g., revenues) and decreases (e.g., expenses) therein, while a statement of cash flows reflects how the fund finances and meets the cash flow needs. The District currently has no enterprise funds.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting – (continued)

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements.

Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The District considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except un-matured interest on general long-term debt is recorded when due.

Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds and agency funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus).

Proprietary fund types, when applicable, use the accrual basis of accounting and the flow of all economic resources (measurement focus). This basis of accounting and measurement focus emphasizes the measurement of net income similar to the approach used by commercial enterprises, and revenues are recorded when earned and expenses are recorded when incurred. The District currently has no proprietary (enterprise) funds.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by Colorado School District Budget Law for all funds of the District. The District legally adopted annual budgets for all of the District's funds.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year, and the District's Board may adopt supplemental appropriations during the year. Original and final budgets are reflected in the budgetary comparison schedules included as required and other supplemental information.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is utilized by the District for management purposes and internal budgetary control during the year, but is not used for financial reporting purposes. Encumbrances outstanding at year end are closed out and the fund balance is not reserved for any encumbrances outstanding. All appropriations lapse at year-end whether or not encumbered.

G. Assets, Liabilities and Fund Equity

1) Cash and Investments

The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value. District policy limits investments to Certificates of Deposit in local banks and daily cash accumulation fund with ColoTrust. (See also Note 2.)

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity – (continued)

2) Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3) Internal Balances

Internal balances arise from outstanding amounts due to/from the District’s various funds during the course of normal operations. Internal balances within governmental activities are eliminated on the government-wide Statement of Net Position. As of year-end, the following were outstanding internal balances:

	Due From	Due To
General Fund	\$ -	\$ 12,877
Food Service Fund	102	-
Bond Redemption Fund	-	7,348,152
Building Fund	7,360,927	-

4) Inventory

Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and USDA donated commodity items are valued at USDA unit pricing, substantially on a first in-first out basis. Freight and delivery charges are not included in inventory valuations.

5) Property Taxes Receivable/Property Tax Revenues

Property taxes are levied and collected on behalf of the District by Rio Blanco County and are reported as revenue when received by the county treasurer. Taxes receivable represent the 2021 assessed taxes yet to be collected in 2022. Amounts collectible subsequent to August 2022 have been accrued on the government-wide Statement of Net Position. The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary. Property taxes levied for 2021 and collected (including amounts receivable within 60 days of year-end) are recognized as revenue as follows:

	Assessed Valuation	Mill Levy	Amount of Taxes Levied	Recognized	Percent Collected Levied
General Fund:	\$476,710,960	6.617	\$3,154,396	\$3,111,063	98.6%
Debt Service Fund:	\$476,710,960	9.649	\$4,599,784	\$4,522,212	98.3%

Property taxes are assessed on a calendar year basis and attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and accrued interest thereon become delinquent on June 16th. Recognized property tax revenues include delinquent taxes from prior years.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

6) Capital Assets

Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$5,000 (set by the Board) are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation of Equipment is on the straight-line basis with the mid-year convention, and Depreciation of Buildings and Improvements is on the straight-line method beginning in the year after they are placed in service, provided over the following estimated useful lives:

Buildings and Improvements	30-50 years
Vehicles and Other Equipment	10-15 years

7) Accrued Salaries and Benefits

The accrued salaries and benefits in the governmental funds represent the difference between wages earned and paid resulting from contracts being paid over a 12-month period, which are earned over a 9-month school year. Administrative and professional services employees that are given vacation time are 12-month employees. The amount of vacation and other compensation and benefit terms are spelled out in their individual contracts.

8) Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. In the government-wide financial statements, a long-term liability is accrued for vacation and sick pay as earned. At the governmental fund level, a liability is accrued only if matured, for example, as a result of employee resignations or retirements.

9) Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported as liabilities in the government-wide Statement of Net Position. Bonds premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Proprietary (enterprise funds), when applicable, use this same method of reporting. Governmental funds report liabilities that, once incurred, are paid in a timely manner and in full from current financial resources as obligations of the funds and bonds are recognized as a liability when due. Bond premiums and discounts are recognized in the current period when incurred. The face amount of debt issued and premiums are reported as other financing sources and discounts as other financing uses. At both the government-wide and fund level, debt issuance costs, whether or not withheld from the actual debt proceeds received, are expensed as incurred.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Assets, Liabilities and Fund Equity (continued)

10) Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

Non-spendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Education). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

At June 30, 2022, amounts were restricted for capital projects, debt service, pupil activities and for required statutory Tabor Emergency reserves. Committed amounts were for capital projects and food service expenditures.

H. Unearned Revenues

Unearned Revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods, and deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

J. Defined Benefit Pension Plan

The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (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.

Special Funding Situation:

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. Some, but not all, of these changes were in effect as of June 30, 2022.

K. Defined Benefit Other Post Employment Benefit (OPEB) Plan

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple employer defined benefit OPEB plan 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 and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

L. On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government. The State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA. Beginning on July 1, 2018, the State of Colorado is required to make a payment to PERA each year equal to \$252 million. PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division. This annual payment is required on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution. The amount of on-behalf payments made for the District by the State of Colorado have been recorded in the fund financial statements.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Inter-fund Transactions

When applicable, transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as other financing sources/uses in governmental funds and non-operating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

N. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing the District's financial program. The District does not have a formally adopted deposit or investment policy in place to specifically address credit risk, custodial credit risk, concentration of credit risk, interest rate risk or foreign currency risk; however, it is the policy of the District to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds. The District limits investments to Certificates of Deposit in local banks and daily cash accumulation fund with local government investment pools. This policy applies to the investment of all financial assets of the District over which it exercises financial control. As summary of the District's deposits and investments follows:

	Fair Value
Checking/Savings/Certificates of Deposit	\$ 1,706,254
Colo Local Govt Liquid Asset Trust (COLOTRUST)	14,196,100
Less with County Treasurer	(7,369)
Less Outstanding Items	(60,460)
Total Cash and Investments	\$ 15,834,525

This above amount is reflected in the accompanying financial statements within Governmental Activities \$15,741,887 and Fiduciary Activities \$92,638.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

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. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. There is no custodial credit risk for public deposits collateralized under PDPA.

The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had bank balances of \$1,698,885 of which \$250,000 was covered by FDIC insurance and \$1,448,885 by PDPA as described above.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest which include:

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Local Government Investment Pool (COLOTRUST)

Included in cash and cash equivalents are amounts held in the Colorado Local Government Liquid Asset Trust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard & Poor's, Fitch's and Moody's rating services. The custodian's internal records segregate investments owned by the Trust. As of June 30, 2022, the District had \$0 invested in COLOTRUST PRIME, and \$14,176,100 invested in COLOTRUST PLUS+. Investments in local government investment pools are not categorized in terms of custodial credit risk since they are not evidenced by securities that exist in physical or book entry form. Maturities of the District's investments are as follows:

	<u>Rating</u>	<u>Fair Value</u>	<u>Maturities</u>
COLOTRUST	AAAm	\$14,176,100	< 1 year

Risk Disclosures

Investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below. Additional disclosures are included in *Note 1*.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers. The District has investments in Colostrust with ratings as provided above.

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The District's policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Maturities are structured to accommodate readily identifiable cash flows as approved by the Board. The District was not subject to foreign currency risk.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	Balances June 30, 2021	Additions	Reclassify/ Dispositions	Balances June 30, 2022
Land	\$ 725,237	\$ -	\$ -	\$ 725,237
Construction-in-Progress	-	-	-	-
Depreciable Capital Assets:				
Buildings	75,835,923	1,440,741	-	77,276,664
Transportation Equipment	1,047,646	111,705	-	1,159,351
Food Service Equipment	87,946	-	-	87,946
Other Equipment	695,146	218,342	-	913,488
Total Capital Assets	<u>78,391,898</u>	<u>1,770,788</u>	<u>-</u>	<u>80,162,686</u>
<i>Less Accumulated Depreciation:</i>				
Buildings	(6,197,895)	(1,465,603)	-	(7,663,498)
Transportation Equipment	(809,236)	(35,542)	-	(844,778)
Food Service Equipment	(87,123)	(823)	-	(87,946)
Other Equipment	(83,103)	(64,765)	-	(147,868)
Total Accum Depreciation	<u>(7,177,357)</u>	<u>(1,566,733)</u>	<u>-</u>	<u>(8,744,090)</u>
 GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 71,214,541</u>	<u>\$ 204,055</u>	<u>\$ -</u>	<u>\$ 71,418,596</u>

Depreciation expense was charged to functions/programs as follows:

<u>GOVERNMENTAL ACTIVITIES</u>	
Instruction	\$ 1,323,155
Supporting Services	<u>243,578</u>
Total for Governmental Activities	<u>\$ 1,566,733</u>

BUSINESS-TYPE ACTIVITIES

The District has no Business-type Activities as of June 30, 2022.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term obligation activity for the fiscal year ended June 30, 2022, was as follows:

GOVERNMENTAL ACTIVITIES	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Ser 2014 Gen Oblig Refunding Bonds	\$ 8,450,000	\$ -	\$ (35,000)	\$ 8,415,000	\$ 35,000
Ser 2015 Gen Oblig Refunding Bonds	4,695,000	-	(1,365,000)	3,330,000	1,420,000
Ser 2019 Gen Oblig Refunding Bonds	27,775,000	-	(100,000)	27,675,000	100,000
Ser 2019 B Gen Oblig Refunding Bonds	8,835,000	-	(2,500,000)	6,335,000	2,500,000
Bond Premiums –					
Ser 2014 Premium	1,268,515	-	(5,248)	1,263,267	5,248
Ser 2015 Premium	680,912	-	(197,965)	482,947	205,941
Ser 2019 Premium	6,049,796	-	(21,781)	6,028,015	21,781
Ser 2019 B Premium	1,132,244	-	(320,386)	811,858	320,386
Compensated Absences	419,957	40,951	-	460,908	-
GOVERNMENTAL TOTAL					
LONG-TERM DEBT, NET	<u>\$ 59,306,424</u>	<u>\$ 40,951</u>	<u>\$ (4,545,380)</u>	<u>\$ 54,801,995</u>	<u>\$ 4,608,356</u>

The District's bonds are paid from the Bond Redemption Fund. Compensated absences are liquidated by the General Fund.

General Obligation Refunding Bonds – Series 2014

The District partial refunded its existing Series 2008 General Obligation Bonds on June 24, 2014 through the issuance of \$8,650,000 of Series 2014 General Obligation Refunding Bonds. The bonds advance refunded \$1,100,000 of the bonds maturing on December 1, 2024 and the remaining \$7,215,000 of bonds maturing after that date. Interest rates range from 2.0% to 4.5% payable semi-annually on June 1 and December 1, with principal due and payable on December 1. The District received \$1,297,003 of bond premiums which are being amortized over the life of the bonds. There was a net present value savings of \$701,495 on the refunding. The difference between book value of the refunded bonds and new bonds resulted in a net charge of \$1,302,583 which is being amortized over the life of the bonds.

General Obligation Refunding Bonds – Series 2015

The District partial refunded its existing Series 2008 General Obligation Bonds on February 18, 2015 through the issuance of \$7,490,000 of Series 2015 General Obligation Refunding Bonds. The bonds advance refunded \$7,265,000 of the bonds maturing between December 1, 2020 and 2024. Interest rates range from 2.0% to 4.0% payable semi-annually on June 1 and December 1, with principal due and payable on December 1. The District received \$1,086,268 of bond premiums which are being amortized over the life of the bonds. There was a net present value savings of \$433,660 on the refunding. The difference between book value of the refunded bonds and new bonds resulted in a net charge of \$969,836 which is being amortized over the life of the bonds.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 5 - LONG-TERM OBLIGATIONS- continued

General Obligation Bonds – Series 2019

The District issued \$28,000,000 of voter authorized \$38,700,000 of general obligation bonds on January 25, 2020. At the date of issuance, the bonds had an original yield below their respective interest rates generating bond premium of \$6,098,804. The premium will be allocated over the term of the long-term debt as accretion of bond premium. The proceeds from the sale of the bonds will be used to finance construction, installation and equipping of capital projects as approved by the Districts voters, and to pay cost of issuance of the bonds. The bonds interest rates range from 4% to 5.5% and are payable semi-annually commencing on June 1, 2019 and maturing December 1, 2038. Bonds maturing on or after December 1, 2029 are subject to early redemption prior to maturity at the option of the District.

General Obligation Bonds – Series B 2019

The District issued \$11,135,000 of voter authorized \$38,700,000 of general obligation bonds on July 31, 2019. At the date of issuance, the bonds had an original yield below their respective interest rates generating bond premium of \$1,426,999. The premium will be allocated over the term of the long-term debt as accretion of bond premium. The proceeds from the sale of the bonds will be used to finance construction, installation and equipping of capital projects as approved by the Districts voters, and to pay cost of issuance of the bonds. The bonds interest rates range from 4% to 5.25% and are payable semi-annually commencing on December 1, 2019 and maturing December 1, 2038. Bonds maturing on or after December 1, 2029 are subject to early redemption prior to maturity at the option of the District.

In conjunction with the issuance of the 2014, 2015 and 2019 bonds, the District is required to provide an annual report each year, as well as report certain material events if they occur, to the national reporting website for bond issuances, EMMA, which is located at emma.msrb.org. For the fiscal year ended June 30, 2022, the District believes it is in compliance with these requirements.

The annual requirements to amortize the Bonded debt service are as follows:

<u>December 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 4,055,000	\$ 2,234,675	\$ 6,289,675
2023	1,915,000	2,101,650	4,016,650
2024	1,835,000	2,024,600	3,859,600
2025	1,945,000	1,943,238	3,888,238
2026	2,025,000	1,853,600	3,878,600
2027-2031	11,630,000	7,675,050	19,305,050
2032-2036	15,105,000	4,082,513	19,187,513
2037-2039	<u>7,245,000</u>	<u>394,050</u>	<u>7,639,050</u>
TOTAL	<u>\$ 45,755,000</u>	<u>\$ 22,309,376</u>	<u>\$ 68,064,376</u>

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 5 - LONG-TERM OBLIGATIONS- continued

Compensated Absences

Accumulated unpaid sick pay is service from other revenues in the General Fund. This liability is only recorded on the government-wide financial statements since it is not expected to be financed from current resources. All employees separating from service from the District shall be compensated for accumulated days up to 80 days at a rate equivalent to substitute pay for that employee's position. An employee can accumulate at a rate of eleven (11), twelve (12) or fourteen (14) days per year based on their termed employment contract.

BUSINESS-TYPE ACTIVITIES – LONG TERM OBLIGATIONS

The District has no Business-type Activities as of June 30, 2022.

NOTE 6 - LEASE COMMITMENTS

The District has implemented the provisions of Governmental Standards Board ("GASB") Statement No. 87, Leases, for balance sheet recognition of leases and note disclosure of certain information about lease arrangements. The District has identified no leases with contractual terms longer than twelve months requiring recognition and disclosure under the GASB Statement No. 87, Leases, standard.

NOTE 7 - CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. The District is not aware of any unaccrued amounts to be refunded to the Colorado Department of Education. The District believes potential disallowed expenditures, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

NOTE 8 - INVENTORIES

Food Service inventory as of June 30, 2022 of \$1,463 consisted of purchased non-food supplies and purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Department of Agriculture, are recorded at their estimated fair market value when received.

NOTE 9 - JOINTLY GOVERNED ORGANIZATION

The District is a member of the Rio Blanco Board of Cooperative Educational Services (BOCES), a jointly governed organization of two regional school districts, with each member district appropriating a member of the Board of Education and the superintendent of each participating District to the BOCES board of directors. The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES does not meet the criteria for inclusion within the reporting entity of the District. Financial statements for the BOCES can be obtained directly from BOCES by contacting (970) 675-2064.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Benefits provided as of December 31, 2021. 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% match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

Denver Public Schools (DPS) PERA Benefit Structure *It is possible for employees participating in the SCHDTF to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer; therefore, the DPS Benefit Structure is shown below, where the lifetime retirement benefit for all eligible retiring employees under the DPS Benefit Structure is the greater of the:*

- Highest average salary multiplied by 2.5 percent and the 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% of the highest average salary and cannot exceed the maximum benefit allowed by the 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 benefits earned. If eligible, the member may receive a match of either 50% or 100% 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.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

Upon meeting certain requirements, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments (COLAs), referred to as annual increases in the C.R.S. subject to the automatic adjustment provision (AAP) under, C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. 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 1.00% AI or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% 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, 2022. Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq*, and § 24-51-413. Eligible employees are required to contribute 10.5% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. Sec 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Sec 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Sec 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	19.88%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$964,559 for the year ended June 30, 2022.

As specified in C.R.S. § 24-51-414, the state is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued

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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State Treasurer to issue warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023 and July 1, 2024.

NOTE 11 - 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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

At June 30, 2022, the District reported a liability of \$9,034,600 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District follows:

The District's proportionate share of the net pension liability	\$	9,034,600
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	\$	110,574
Total	\$	9,034,600

At December 31, 2021, the District's proportion was 0.0776344077% which was a decrease of 0.00532160183% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(2,097,551) and revenue of \$110,574 for support from the State as a non-employer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 345,881	\$ -
Changes of assumptions or other inputs	689,724	-
Net difference between projected and actual earnings on pension plan investments	-	3,396,740
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,252,646	695,486
Contributions subsequent to the measurement date	504,295	-
Total	\$ 2,792,546	\$ 4,092,226

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

The amount of \$504,295 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2023	\$ 793,388	\$ 299,778
2024	449,621	299,778
2025	9,637	95,930
2026	-	-
2027	-	-
Thereafter	-	-

Actuarial Assumptions. The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, assumptions and other inputs:

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)	1.00%
PERA Benefit Structure hired after 12/31/06 *	Financed by the AIR
* Post-retirement 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.	

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021 and effective July 1, 2022.

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

Post retirement 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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

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

Males: 97% of the rates for all ages, with generational projection using scale MP-2019.

Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disability 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 actuarial assumption used in the December 31, 2020, valuation were based on the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analysis were outlined in the Experience Study report dated October 28, 2020.

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 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 affirmation of the long-term expected 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 following table.

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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%
Total	100.00%	

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

Discount Rate. The discount rate used to measure the TPL was 7.25%. 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%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized by July 1, 2021, and effective July 1, 2022. Employee contributions for 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021 and effective July 1, 2022. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until there 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 non-employer 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 on the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employee 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 and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments system reflects the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021 and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

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

Sensitivity of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 13,298,193	\$ 9,034,600	\$ 5,476,791

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

NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN: Voluntary Investment Program

Plan Description. Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan at www.copera.org/investments/pera-financial-reports.

Funding Policy. The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2022 program members contributed \$42,702 for the Voluntary Investment Program.

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan Description. Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (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, and sets forth a framework that grants authority to PERA Board to contract, self-insure, and authorize distributions necessary in or 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 annual comprehensive financial report (ACFR) that can be obtained at: www.copera.org/investments/pera-financial-reports.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN - continued

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 on 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 member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

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% reduction in the subsidy 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.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN - continued

Denver Public Schools (DPS) PERA Benefit Structure. *It is possible for employees to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer. Under the 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 basis for 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% 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, § 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% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$49,489 for the year ended June 30, 2022.

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At June 30, 2022, the District reported a liability of \$437,097 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District's proportion was 0.050689308%, which was an increase of 0.0027305775% from its proportion measured as of December 31, 2020.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

For the year ended June 30, 2022, the District recognized OPEB expense of \$17,235. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 666	\$ 103,641
Changes of assumptions or other inputs	9,050	23,710
Net difference between projected and actual earnings on OPEB plan investments	-	27,056
Changes in proportion and differences between contrib recognized and proportionate share of contributions	55,049	469
Contributions subsequent to the measurement date	24,813	-
Total	\$ 89,578	\$ 154,876

The amount of \$24,813 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:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2023	\$ 17,874	\$ 194
2024	11,775	108
2025	9,929	76
2026	8,750	54
2027	5,729	32
Thereafter	992	5

Actuarial Assumptions. The total OPEB liability in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

<i>School Division - calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.</i>	
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 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%
	4.50% in 2021
PERACare Medicare plans	6.00% in 2022
	gradually decreasing
	to 4.5% in 2029
	3.75% in 2021
Medicare Part A premiums	gradually increasing
	to 4.50% in 2029
<i>DPS Benefit Structure:</i>	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A Premiums	N/A

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	\$596	\$199	\$562

The 2021 Medicare Part A premium is \$471 (actual dollars) per month. All costs are subject to the health care cost trend rates, as discussed above.

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

Health care cost trend rates for 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, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below are applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

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

Disability assumptions for members other than State Troopers were based upon the BubNS-2010 Disabled Retiree Table using 99% if the rates for all ages with generational projection using scale MP-2019.

The following health care cost assumptions were updated and used in the roll-forward calculation for the Trust Fund:

- 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 benefit were updated to reflect the change in cost for 2021 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 PERA Boards actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation was based on the results of the 2020 experience analysis for the period January 1, 2016 through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular executive 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.

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.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimate of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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%
Total	100.00%	

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

Sensitivity of the District's Proportionate Share of the net OPEB Liability to Changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or higher than the current rates:

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 424,545	\$ 437,097	\$ 451,638

Discount Rate. The discount rate used to measure the TOL 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, 2021 measurement date.
- 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%.
- 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 used by the plan 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.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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 TOL. 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 District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 507,642	\$437,097	\$376,839

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.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 15 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District is a member of the Colorado School Districts Self-Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program with member school districts, boards of cooperative educational services and charter schools.

The District pays an annual premium to the Pool for its property, casualty and liability insurance coverage. The Pool has reinsurance coverage for its property, automobile and general liability policies, errors and omissions and employment practices liability policies, referred to as school entity liability. The District carries commercial insurance for other risks of loss, including workers compensation and employee health insurance. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. TABOR requires that revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR also requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In November 1997 the District's electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding TABOR'S revenue limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$264,000 as of June 30, 2022.

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits (and qualification of a fund as an Enterprise Fund) will require judicial interpretation.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2022

NOTE 17 - SUBSEQUENT EVENTS

Management has evaluated events subsequent to December 31, 2021 through the issuance date of this report. In early 2020 a worldwide pandemic arose caused by the coronavirus Covid-19 which has impacted the general operations of the District. The District's management and Board have acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report. There have been no additional material events noted during this period that would impact the result reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUES FUNDS

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND

For the Fiscal Year Ended June 30, 2022

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Property Taxes	\$ 3,541,745	\$ 3,257,063	\$ 3,162,405	\$ (94,658)
Specific Ownership Taxes	246,970	257,349	303,488	46,139
Grants and Contributions	62,500	271,861	317,261	45,400
Other Local Revenues	74,750	140,356	156,622	16,266
Intergovernmental:				
Intermediate Sources	120,551	179,923	206,800	26,877
State Sources	3,878,428	4,990,921	4,736,967	(253,954)
Federal Sources	879,815	901,444	537,867	(363,577)
Total Revenues	<u>8,804,759</u>	<u>9,998,917</u>	<u>9,421,410</u>	<u>(577,507)</u>
EXPENDITURES:				
Instruction	5,502,138	5,952,687	5,989,752	(37,065)
Supporting Services:				
Students	197,172	152,538	188,663	(36,125)
Instructional Staff	306,908	371,122	263,946	107,176
General Administration	234,524	264,524	272,741	(8,217)
School Administration	618,760	601,554	632,264	(30,710)
Business Services	150,601	150,601	155,416	(4,815)
Operations and Maintenance	1,323,915	1,743,128	1,076,029	667,099
Transportation	373,209	371,348	391,444	(20,096)
Central Support	444,864	444,864	351,222	93,642
Food Service	-	-	10,232	(10,232)
Debt Service	-	-	-	-
Appropriated Reserve	3,052,668	3,813,560	-	3,813,560
Total Expenditures	<u>12,204,759</u>	<u>13,865,926</u>	<u>9,331,709</u>	<u>4,534,217</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,400,000)</u>	<u>(3,867,009)</u>	<u>89,701</u>	<u>3,956,710</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(600,000)	(695,000)	(595,000)	100,000
Total Other Financing Sources (Uses)	<u>(600,000)</u>	<u>(695,000)</u>	<u>(595,000)</u>	<u>100,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(4,000,000)	(4,562,009)	(505,299)	4,056,710
FUND BALANCE-BEGINNING	<u>4,000,000</u>	<u>4,652,472</u>	<u>4,611,920</u>	<u>(40,552)</u>
FUND BALANCE-ENDING	<u>\$ -</u>	<u>\$ 90,463</u>	<u>\$ 4,106,621</u>	<u>\$ 4,016,158</u>

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2022

	<u>FOOD SERVICE FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Local Sources	\$ 88,000	\$ 33,000	\$ 31,290	\$ (1,710)
Intergovernmental:				
State Sources	2,650	2,650	5,364	2,714
Federal Sources	<u>68,010</u>	<u>204,610</u>	<u>282,031</u>	<u>77,421</u>
Total Revenues	<u>158,660</u>	<u>240,260</u>	<u>318,685</u>	<u>78,425</u>
EXPENDITURES:				
Food Services:				
Salaries	119,286	119,286	116,618	2,668
Employee Benefits	41,500	41,500	48,182	(6,682)
Purchased Services	5,500	5,500	1,915	3,585
Supplies and Materials:				
Purchased Food/Supplies	98,374	136,374	138,301	(1,927)
Donated Commodities	11,000	11,000	5,271	5,729
Appropriated Reserve	-	7,135	-	7,135
Capital Outlay/Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>275,660</u>	<u>320,795</u>	<u>310,287</u>	<u>10,508</u>
Excess of Revenues Over (Under) Expenditures	<u>(117,000)</u>	<u>(80,535)</u>	<u>8,398</u>	<u>88,933</u>
OTHER FINANCING SOURCES (Uses):				
Operating Transfers In	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total Other Financing Sources (Uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(17,000)	19,465	8,398	(11,067)
FUND BALANCE-BEGINNING	<u>17,000</u>	<u>24,135</u>	<u>22,898</u>	<u>(1,237)</u>
FUND BALANCE-ENDING	<u>\$ -</u>	<u>\$ 43,600</u>	<u>\$ 31,296</u>	<u>\$ (12,304)</u>

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – PUPIL ACTIVITY FUND
For the Fiscal Year Ended June 30, 2022

		PUPIL ACTIVITIES FUND			
		Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:					
Local Revenues		\$ 220,000	\$ 220,000	\$ 223,721	\$ 3,721
Total Revenues		220,000	220,000	223,721	3,721
EXPENDITURES:					
Pupil Activities		250,000	250,000	176,928	73,072
Appropriated Reserves		-	171,366	-	171,366
Total Expenditures		250,000	421,366	176,928	244,438
Excess of Revenues Over (Under) Expenditures		(30,000)	(201,366)	46,793	248,159
FUND BALANCE – BEGINNING		30,000	201,366	201,366	-
FUND BALANCE – ENDING		\$ -	\$ -	\$ 248,159	\$ 248,159

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2022

<u>Colorado PERA:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>				
	<u>2022 / (2021)</u>	<u>2021 / (2020)</u>	<u>2020 / (2019)</u>	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>
District's proportion (percentage) of the collective net pension liability	0.0776344077%	0.0829560953%	0.0711482252%	0.0707024600%	0.0798177286%
District's proportionate share of the collective pension liability	\$ 9,034,600	\$ 12,541,288	\$ 10,629,390	\$ 12,519,323	\$ 25,810,216
District's covered payroll	\$ 4,851,905	\$ 4,434,964	\$ 4,180,999	\$ 3,886,893	\$ 3,633,930
District's proportionate share of the net pension liability as a percentage of its covered payroll	186%	283%	254%	322%	710%
Plan fiduciary net position as a percentage of the total pension liability	74.86 %	66.99%	64.52%	57.01%	43.96%
	<u>Reporting Fiscal Year / (Measurement Date)</u>				
<u>Colorado PERA (continued):</u>	<u>2017 / (2016)</u>	<u>2016 / (2015)</u>	<u>2015 / (2014)</u>		
District's proportion (percentage) of the collective net pension liability	0.0742685524%	0.0734942375%	0.0799359022%		
District's proportionate share of the collective pension liability	\$ 22,112,620	\$ 11,240,425	\$ 10,834,000		
District's covered payroll	\$ 3,563,340	\$ 3,256,644	\$ 3,348,736		
District's proportionate share of the net pension liability as a percentage of its covered payroll	621%	345%	324%		
Plan fiduciary net position as a percentage of the total pension liability	43.13%	59.16%	62.84%		

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2022

<u>Colorado PERA:</u>	<u>Reporting Fiscal Year</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Statutorily required contribution	\$ 964,559	\$ 945,214	\$ 825,350	\$ 774,472	\$ 743,706
District contributions in relation to the statutorily required contribution	<u>(964,559)</u>	<u>(945,214)</u>	<u>(825,350)</u>	<u>(774,472)</u>	<u>(743,706)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,851,905	\$ 4,754,581	\$ 4,252,666	\$ 4,051,429	\$ 3,705,680
District's contributions as a percentage of covered payroll	19.88%	19.88%	19.40%	19.11%	20.07%

<u>Colorado PERA (continued):</u>	<u>Reporting Fiscal Year</u>		
	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution	\$ 646,380	\$ 577,653	\$ 550,198
District contributions in relation to the statutorily required contribution	<u>(646,380)</u>	<u>(577,653)</u>	<u>(550,198)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 3,578,224	\$ 3,256,644	\$ 3,348,736
District's contributions as a percentage of covered payroll	18.06%	17.74%	16.43%

2022, 2021, 2020 and 2019 contributions include \$110,574, \$0, \$102,243 and \$102,113 respectively from the special funding situation with the State of Colorado as a non-employer contributing entity per SB 18-200.

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2022

<u>Colorado PERA HCTF:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>					
	<u>2022 / (2021)</u>	<u>2021 / (2020)</u>	<u>2020 / (2019)</u>	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>
District's proportion of the Net OPEB Liability	0.0506893805%	0.0479587305%	0.0464990341%	0.0459569755%	0.0453620987%	0.0422151746%
District's proportionate share of the Net OPEB Liability	\$ 437,097	\$ 455,716	\$ 522,648	\$ 625,364	\$ 589,525	\$ 547,334
District's covered payroll	\$ 4,851,905	\$ 4,434,964	\$ 4,180,999	\$ 3,886,893	\$ 3,633,930	\$ 3,563,340
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	9.00%	10.28%	12.50%	16.09%	16.22%	15.36%
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS
JUNE 30, 2022

	Reporting Fiscal Year					
	2022	2021	2020	2019	2018	2017
<u>Colorado PERA:</u>						
Contractually Required Contribution	\$ 49,489	\$ 45,237	\$ 43,377	\$ 41,294	\$ 38,108	\$ 35,778
District Contributions in relation to the contractually required contribution	<u>\$ (49,489)</u>	<u>\$ (45,237)</u>	<u>\$ (43,377)</u>	<u>\$ (41,294)</u>	<u>\$ (38,108)</u>	<u>\$ (35,778)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 4,851,905	\$ 4,434,964	\$ 4,252,666	\$ 4,051,429	\$ 3,705,680	\$ 3,578,224
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

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

OTHER SUPPLEMENTAL INFORMATION

DEBT SERVICE FUND
(BOND REDEMPTION FUND)

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Fiscal Year Ended June 30, 2022

	<u>BOND REDEMPTION FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Local Sources:				
Property Taxes	\$ 6,849,000	\$ 6,849,000	\$ 4,601,512	\$ (2,247,488)
Interest Earnings	6,500	6,500	22,184	15,684
Total Revenues	<u>6,855,500</u>	<u>6,855,500</u>	<u>4,623,696</u>	<u>(2,231,804)</u>
EXPENDITURES:				
Debt Service:				
Principal	4,000,000	4,000,000	4,000,000	-
Interest	2,420,425	2,420,425	2,420,425	-
Other Costs	850	850	2,650	(1,800)
Bond Refunding	-	-	-	-
Appropriated Reserves	9,489,477	12,127,010	-	12,127,010
Total Expenditures	<u>15,910,752</u>	<u>18,548,285</u>	<u>6,423,075</u>	<u>12,125,210</u>
Excess of Revenues Over (Under) Expenditures	(9,055,252)	(11,692,785)	(1,799,379)	9,893,406
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(9,055,252)	(11,692,785)	(1,799,379)	9,893,406
FUND BALANCE – BEGINNING	<u>9,055,252</u>	<u>11,692,785</u>	<u>4,969,636</u>	<u>(6,723,149)</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,170,257</u>	<u>\$ 3,170,257</u>

OTHER SUPPLEMENTAL INFORMATION

BUILDING FUND

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BUILDING FUND
For the Fiscal Year Ended June 30, 2022

	BUILDING FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Bond Premium	-	-	-	-
Other Revenues	-	-	2,948	2,948
State Best Grant Revenues	-	-	224,575	224,575
Safety Grant Revenues	-	-	-	-
Interest and Investment Earnings	200	200	49	(151)
Total Revenues	200	200	227,572	227,372
EXPENDITURES:				
Bond Issue Costs	-	-	-	-
Safety Grant	-	-	-	-
Facilities – Capital Outlay	250,000	1,566,596	951,082	615,514
Appropriated Reserves	200	200	-	200
Total Expenditures	250,200	1,566,796	951,082	615,714
Excess of Revenues Over (Under) Expenditures	(250,000)	(1,566,596)	(723,510)	943,086
OTHER FINANCING SOURCES (USES):				
Operating Transfers In(Out)	-	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(250,000)	(1,566,596)	(723,510)	843,086
FUND BALANCE – BEGINNING	250,000	1,566,596	8,203,472	6,636,876
FUND BALANCE – ENDING	\$ -	\$ -	\$ 7,479,962	\$ 7,479,962

OTHER SUPPLEMENTAL INFORMATION

CAPITAL RELATED FUNDS

CAPITAL RESERVE PROJECTS FUND

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL RESERVE PROJECTS FUND
For the Fiscal Year Ended June 30, 2022

	<u>CAPITAL RESERVE PROJECTS FUND</u>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:				
Local Sources:				
Interest Earnings	\$ 105	\$ 105	\$ 78	\$ (27)
Other Local Revenues	-	-	-	-
State Grants	-	-	-	-
Total Revenues	<u>105</u>	<u>105</u>	<u>78</u>	<u>(27)</u>
EXPENDITURES:				
Facilities Acquisition and Construction:				
Supplies	-	32,949	32,949	-
Capital Outlay	924,000	986,051	787,969	198,082
Other Expenditures	-	-	-	-
Appropriated Reserve	<u>575</u>	<u>571</u>	<u>-</u>	<u>571</u>
Total Expenditures	<u>924,575</u>	<u>1,019,571</u>	<u>820,918</u>	<u>198,653</u>
Excess of Revenues Over (Under) Expenditures	(924,470)	(1,019,466)	(820,840)	198,626
OTHER FINANCING SOURCES (USES):				
Transfers In (Out)	<u>500,000</u>	<u>595,000</u>	<u>595,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(424,470)	(424,466)	(225,840)	198,626
FUND BALANCE – BEGINNING	<u>424,470</u>	<u>424,466</u>	<u>424,466</u>	<u>-</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,626</u>	<u>\$ 198,626</u>

SUPPLEMENTARY INFORMATION

FIDUCIARY (AGENCY) FUNDS

SCHOLARSHIP FUND

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
STATEMENT OF CHANGES IN FIDUCIARY LIABILITY
FIDUCIARY (AGENCY) FUND – SCHOLARSHIP FUND
For the Fiscal Year Ended June 30, 2022

SCHOLARSHIP FUND				
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
ADDITIONS:				
Local Revenues	\$ 1,500	\$ 1,500	\$ 6,219	\$ 4,719
Total Additions	1,500	1,500	6,219	4,719
REDUCTIONS:				
Grants and Scholarships	100,000	100,000	13,631	86,369
Appropriated Reserves	1,796	1,550	-	1,550
Total Reductions	101,796	101,550	13,631	87,919
Net Activity	(100,296)	(100,050)	(7,412)	92,638
FIDUCIARY LIABILITY – BEGINNING	100,296	100,050	100,050	-
FIDUCIARY LIABILITY – ENDING	\$ -	\$ -	\$ 92,638	\$ 92,638

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
DETAIL SCHEDULE OF REVENUES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenue from Local Sources and Interest:			
Property Taxes	\$ 3,257,063	\$ 3,162,405	\$ (94,658)
Specific Ownership Taxes	257,349	303,488	46,139
Grants and Contributions	271,861	317,261	45,400
Student Fees and Gate Receipts	35,700	37,260	1,560
Rental Income	14,400	14,400	-
Other Local Revenues	89,106	98,129	9,023
Interest Earnings	<u>1,150</u>	<u>6,833</u>	<u>5,683</u>
Total Local Sources and Interest:	<u>3,926,629</u>	<u>3,939,776</u>	<u>13,147</u>
Revenue from Intermediate Sources:			
Mineral and Forest Leasing Revenues	177,923	195,997	18,074
Division of Wildlife	<u>2,000</u>	<u>10,803</u>	<u>8,803</u>
Total Intermediate Sources	<u>179,923</u>	<u>206,800</u>	<u>26,877</u>
Revenue from State Sources:			
State Equalization	3,632,703	3,654,262	21,559
BOCES ECA	187,507	185,912	(1,595)
ELPA	7,318	7,318	-
Transportation Grant	53,915	55,091	1,176
School Counselor Corp Grant	11,705	11,705	-
Library Grant	4,500	4,131	(369)
Small Rural Schools Grant	273,127	273,127	-
At Risk Supplemental Grant	3,500	3,664	164
State CCIC Grant	12,000	-	(12,000)
Early Lit Grant	67,961	67,142	(819)
Read Act	15,882	15,882	-
Air Quality Grant	-	9,100	9,100
At Risk Mitigation	39,710	39,710	-
PERA on Behalf Funding	-	107,746	107,746
Vocational Education	31,700	23,610	(8,090)
BEST Grant	519,393	112,277	(407,116)
BOCES High Cost	<u>130,000</u>	<u>166,290</u>	<u>36,290</u>
Total State Sources	<u>4,990,921</u>	<u>4,736,967</u>	<u>(253,954)</u>
Revenue from Federal Sources:			
Title I	90,270	89,938	(332)
Title II A – Teacher Quality	28,609	29,841	1,232
ESSER III Relief Funds	700,713	348,752	(351,961)
Title IV	10,000	10,000	-
SNAP P-EBT Local	-	1,080	1,080
PK Sustain Grant	16,885	5,437	(11,448)
REAP Grant	36,220	35,228	(992)
Carl Perkins Grant	15,400	15,383	(17)
Title III – ELA Enhancement	<u>3,347</u>	<u>2,208</u>	<u>(1,139)</u>
Total Federal Sources	<u>901,444</u>	<u>537,867</u>	<u>(363,577)</u>
TOTAL REVENUES	9,998,917	9,421,410	(577,507)
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETARY REVENUES	<u>\$ 9,998,917</u>	<u>\$ 9,421,410</u>	<u>\$ (577,507)</u>

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
DETAIL SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:			
INSTRUCTION:			
Salaries	\$ 3,347,877	\$ 3,364,141	\$ (16,264)
Employee Benefits	1,470,671	1,480,548	(9,877)
Purchased Services (Including Preschool)	642,402	623,693	18,709
Supplies and Materials	402,831	426,323	(23,492)
Capital Outlay	-	-	-
Other Expenditures	88,906	95,047	(6,141)
TOTAL INSTRUCTION	5,952,687	5,989,752	(37,065)
GENERAL SUPPORTING SERVICES:			
<i>Student Support:</i>			
Salaries	111,301	129,866	(18,565)
Employee Benefits	39,242	53,948	(14,706)
Purchased Services	500	4,020	(3,520)
Supplies and Materials	400	-	400
Other Expenditures	1,095	829	266
Subtotal	152,538	188,663	(36,125)
<i>Instructional Staff:</i>			
Salaries	103,880	98,817	5,063
Employee Benefits	37,525	38,672	(1,147)
Purchased Services	216,917	121,204	95,713
Supplies and Materials	5,700	5,253	447
Other Expenditures	7,100	-	7,100
Subtotal	371,122	263,946	107,176
<i>General Administration:</i>			
Salaries	146,598	147,587	(989)
Employee Benefits	53,176	56,247	(3,071)
Purchased Services	51,000	57,391	(6,391)
Supplies and Materials	500	333	167
Capital Outlay	-	-	-
Other Expenditures	13,250	11,183	2,067
Subtotal	264,524	272,741	(8,217)
<i>School Administration:</i>			
Salaries	390,326	431,817	(41,491)
Employee Benefits	152,170	153,287	(1,117)
Purchased Services	47,488	40,497	6,991
Supplies and Materials	8,350	4,885	3,465
Other Expenditures	3,220	1,778	1,442
Subtotal	601,554	632,264	(30,710)
TOTAL GENERAL SUPPORT	1,389,738	1,357,614	32,124

(continued on next page)

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

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2022

<i>(continued)</i>	Budget	Actual	Variance Favorable (Unfavorable)
BUSINESS SUPPORTING SERVICES:			
<i>Business Services:</i>			
Salaries	\$ 90,692	\$ 94,491	\$ (3,799)
Employee Benefits	35,409	38,459	(3,050)
Purchased Services	21,000	20,041	959
Supplies and Materials	500	2,425	(1,925)
Capital Outlay	3,000	-	3,000
Subtotal	150,601	155,416	(4,815)
<i>Operations and Maintenance:</i>			
Salaries	265,552	270,161	(4,609)
Employee Benefits	129,501	132,217	(2,716)
Purchased Services	164,412	191,551	(27,139)
Supplies and Materials	216,450	385,295	(168,845)
Capital Outlay	967,213	96,805	870,408
Subtotal	1,743,128	1,076,029	667,099
TOTAL BUSINESS SUPPORT	1,893,729	1,231,445	662,284
TRANSPORTATION:			
Salaries	191,531	209,208	(17,677)
Employee Benefits	68,072	81,620	(13,548)
Purchased Services	6,740	12,792	(6,052)
Supplies and Materials	52,800	71,166	(18,366)
Capital Outlay	112,205	111,705	500
Other Objects – Student Activity Reimbursements	(60,000)	(95,047)	35,047
TOTAL TRANSPORTATION	371,348	391,444	(20,096)
CENTRAL SUPPORTING SERVICES:			
Salaries	82,615	79,045	3,570
Employee Benefits	29,461	29,935	(474)
Purchased Services	175,100	178,106	(3,006)
Supplies and Materials	121,538	27,329	94,209
Other Expenditures	36,150	36,807	(657)
TOTAL CENTRAL SUPPORT	444,864	351,222	93,642
FOOD SERVICE SUPPORTING SERVICES:			
Salaries	-	10,018	(10,018)
Benefits	-	214	(214)
TOTAL FOOD SERVICE	-	10,232	(10,232)
APPROPRIATED RESERVES	3,813,560	-	3,813,560
OTHER FINANCING USES:			
Transfers Out	695,000	595,000	100,000
TOTAL BUDGETARY EXPENDITURES AND OTHER FINANCING USES	\$ 14,560,926	\$ 9,926,709	\$ 4,634,217

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

INFORMATION REQUIRED BY
SECURITIES AND EXCHANGE COMMISSION
RULE 15c2-12
(UNAUDITED)

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
HISTORY OF DISTRICT ASSESSED VALUATION
For the Fiscal Year Ended June 30, 2010 Through 2022

Levy/ Collection Year	Assessed Valuation	Percent Change	Estimated "Actual" Valuation	Percent Change
2010-2011	\$ 763,228,880	23.90%	\$ 2,300,880,226	38.80%
2011-2012	870,581,230	0.14%	2,422,591,712	5.30%
2012-2013	905,446,930	4.00%	2,430,530,889	0.30%
2013-2014	790,646,190	-12.70%	2,642,335,710	8.70%
2014-2015	732,031,450	-7.40%	2,489,780,790	-5.80%
2015-2016	783,475,580	7.03%	2,285,220,650	-8.22%
2016-2017	623,081,770	-20.47%	2,027,400,520	-11.28%
2017-2018	585,410,040	-6.05%	1,946,148,510	-4.00%
2018-2019	585,955,630	.93%	1,890,714,150	-2.85%
2019-2020	584,179,890	-.003%	1,917,482,380	1.014%
2020-2021	527,235,430	-10.80%	1,748,476,040	-9.00%
2021-2022	476,710,960	-9.04%	1,696,323,360	-9.70%

Sources: State of Colorado
Division of Property Taxation, 2010-2022
and the Rio Blanco County Assessor's Office

General Obligation Refunding Bonds Series 2014, 2019 and 2019 B - Official Statement Table II

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
HISTORY OF DISTRICT MILL LEVIES
For the Fiscal Year Ended June 30, 2010 Through 2022

<u>Levy/ Collection Year</u>	<u>General Fund Mill Levy</u>	<u>Bond Fund Mill Levy</u>	<u>Mill Levy Override</u>	<u>Abatements</u>	<u>Total Mill Levy</u>
2010-2011	6.308	2.941	0.530	0.034	9.813
2011-2012	5.555	2.579	0.678	0.081	8.893
2012-2013	5.530	2.479	0.684	0.140	8.833
2013-2014	5.767	2.839	0.512	0.083	9.201
2014-2015	5.767	2.869	0.553	0.097	9.286
2015-2016	5.767	2.869	0.517	0.171	9.324
2016-2017	5.767	3.611	0.649	0.019	10.046
2017-2018	5.767	3.843	0.691	0.042	10.343
2018-2019	5.767	7.825	0.690	0.011	14.293
2019-2020	5.767	7.874	0.692	0.043	14.376
2020-2021	5.767	8.724	.767	.041	15.299
2021-2022	5.767	9.649	.848	.002	16.266

Sources: State of Colorado, Colorado Department of Local Affairs,
Division of Property Taxation, 2010-2022 State of Colorado Property Tax Annual Reports,
the Rio Blanco County Assessor's Office, and the District

General Obligation Refunding Bond Series 2014, 2019 and 2019 B - Official
Statement Table III

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
HISTORICAL PROPERTY TAX COLLECTION
For the Fiscal Year Ended June 30, 2010 Through 2022

Levy/ Collection <u>Year</u>	Taxes <u>Levied</u>	Current Tax Collections <u>(1)</u>	Percent of <u>Levy Collected</u>
2010-2011	\$ 7,489,565	7,459,678	99.6%
2011-2012	7,742,079	7,637,454	98.6%
2012-2013	7,997,813	7,938,689	99.3%
2013-2014	7,274,685	7,158,659	98.4%
2014-2015	6,797,446	6,997,171	102.9%
2015-2016	7,373,288	7,259,194	98.5%
2016-2017	6,259,479	6,170,999	98.6%
2017-2018	6,054,896	6,015,467	99.3%
2018-2019	8,374,794	8,246,349	98.5%
2019-2020	8,398,170	8,049,742	95.9%
2020-2021	8,066,175	7,990,830	99.1%
2021-2022	7,754,180	7,633,275	98.4%

Source: Rio Blanco County Treasurer's Office

(1) Collections through June 2022

General Obligation Refunding Bonds Series 2014, 2019 and 2019 B – Official Statement
Table V

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
DISTRICT ENROLLMENT
For the Fiscal Year Ended June 30, 2009 Through 2022

Levy/ Collection Year	District Enrollment	Percent Increase Based Upon Total Enrollment
2010-2011	663.0	-6.22%
2011-2012	628.0	-5.28%
2012-2013	640.0	1.91%
2013-2014	649.0	1.41%
2014-2015	697.0	6.90%
2015-2016	707.0	1.40%
2016-2017	745.0	5.10%
2017-2018	742.0	-0.04%
2018-2019	758.0	2.15%
2019-2020	721.5	-4.82%
2020-2021	655.5	-9.10%
2021-2022	694	5.87%

Source: Colorado Department of Education; The District

General Obligation Refunding Bonds Series 2014, 2019 and 2019 B - Official Statement Table VIII

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
GENERAL FUND BUDGET SUMMARY AND COMPARISON (ACTUAL TO DATE)
For the Fiscal Year Ended June 30, 2022

	Budget 2021-2022	Budget 2022-2023	Year to Date Actual (1) 2022-2023
Beginning Fund Balance	\$ 4,652,472	\$ 4,223,951	\$ 4,223,951
Other Local Sources	3,926,629	3,718,074	269,599
Intermediate	179,923	52,000	190,997
State Sources	4,990,921	5,289,800	1,646,581
Federal Sources	<u>901,444</u>	<u>593,044</u>	<u>50,200</u>
Total Revenues	<u>9,998,917</u>	<u>9,652,918</u>	<u>2,157,377</u>
Transfer (To) From Other Funds	<u>(695,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>
Beginning Fund Balance and Reserves	13,956,389	13,676,869	6,281,328
<u>Expenditures</u>			
Instruction	5,952,687	6,165,664	1,798,160
Supporting Services	<u>4,099,679</u>	<u>3,980,163</u>	<u>1,291,117</u>
Total Expenditures	<u>10,052,366</u>	<u>10,145,827</u>	<u>3,089,277</u>
Ending Fund Balance	\$ <u><u>3,904,023</u></u>	\$ <u><u>3,531,042</u></u>	\$ <u><u>3,192,051</u></u>

Source: The District's 2020-2021 Budget document, 2021-2022 Budget document, and the District
(1) Actual unaudited figures through November 30, 2022

General Obligation Refunding Bond Series 2014, 2019 and 2019 B - Official Statement
Table IX

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



Colorado Department of Education
Auditors Integrity Report
 District: 2710 - Meeker RE-1
 Fiscal Year 2021-22
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	4,611,920	8,826,410	9,331,709	4,106,621
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	4,611,920	8,826,410	9,331,709	4,106,621
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	22,898	318,685	310,287	31,296
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	201,366	223,721	176,928	248,159
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	4,969,636	4,623,695	6,423,075	3,170,256
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	8,203,473	227,571	951,082	7,479,962
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	424,466	595,078	820,918	198,626
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	18,433,759	14,815,160	18,013,999	15,234,920
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	100,050	6,219	13,631	92,638
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	100,050	6,219	13,631	92,638

FINAL

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



Colorado Department of Education

Bolded Balance Sheet Report

District: 2710 - Meeker RE-1

Fiscal Year 2021-22

Colorado School District/BOCES

Governmental

Proprietary

Fiduciary

ASSETS	Governmental						Proprietary					Fiduciary			Totals	
	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)	4,801,767	0	0	248,159	0	0	6,517	7,908,753	198,626	0	0	0	0	92,638	0	13,256,459
Cash with Fiscal Agent (8105)	2,993	0	0	0	0	0	0	2,582,440	0	0	0	0	0	0	0	2,585,434
Taxes Receivable (8121,8122)	18,663	0	0	0	0	0	0	27,215	0	0	0	0	0	0	0	45,878
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	102	0	7,360,927	0	0	0	0	0	0	7,361,029
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	161,681	0	0	0	0	0	34,164	0	119,034	0	0	0	0	0	0	314,879
Other Receivables (8151-8154,8161)	12,000	0	0	0	0	0	199	0	0	0	0	0	0	0	0	12,199
Inventories (8171,8172,8173)	0	0	0	0	0	0	1,463	0	0	0	0	0	0	0	0	1,463
Prepaid Expenses 8181,8182)	0	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	0
Total Assets	4,997,104	0	0	248,159	0	0	42,445	10,518,408	7,678,588	0	0	0	0	92,638	0	23,577,342

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY	Governmental							Proprietary					Fiduciary		Totals	
	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
Interfund Payables (7401,7402)	12,877	0	0	0	0	0	0	7,348,152	0	0	0	0	0	0	0	7,361,029
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	3,585	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,585
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	846,211	0	0	0	0	0	0	0	0	0	0	0	0	0	0	846,211
Payroll Ded. and Withholdings (7471-7473)	15,543	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,543
Unearned Revenue (7481)	0	0	0	0	0	0	11,149	0	0	0	0	0	0	0	0	11,149
Grants Deferred Revenue (7482)	12,267	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,267
Total Liabilities	890,483	0	0	0	0	0	11,149	7,348,152	0	0	0	0	0	0	0	8,249,784

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	1,463	0	0	0	0	0	0	0	0	1,463
Restricted Fund Balance 6720	0	0	0	248,159	0	0	0	3,170,256	7,479,962	0	0	0	0	0	0	10,898,377
TABOR 3% Emergency Reserve 6721	264,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	264,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	29,833	0	198,626	0	0	0	0	0	0	228,459
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,842,621	0	0	0	0	0	0	0	0	0	0	0	0	92,638	0	3,935,259
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	4,106,621	0	0	248,159	0	0	31,296	3,170,256	7,678,588	0	0	0	0	92,638	0	15,327,557

	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
Total Liabilities & Fund Equity	4,997,104	0	0	248,159	0	0	42,445	10,518,408	7,678,588	0	0	0	0	92,638	0	23,577,342

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

Board of Education
Rio Blanco County (Meeker) School District RE-1
Meeker, Colorado

**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**

We have audited, in accordance with auditing standards generally accepted in the United States of American 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 and each major fund of the Rio Blanco County (Meeker) School District No. RE-1 (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report dated December 6, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Maggard & Hood, P.C.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
December 6, 2022

Board of Education
Rio Blanco County (Meeker) School District RE-1
Meeker, Colorado

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
THE UNIFORM GUIDANCE**

Report on Compliance for Each Major Program

We have audited the compliance of the Rio Blanco County (Meeker) School District No. RE-1 (the District) with the types of compliance requirements describe in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibilities

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

Auditor's Responsibilities

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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 the District's compliance with those requirements and performing such other procedures that 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 on the District's compliance with those requirements.

Opinion on Each Major Federal Program

In our opinion, the District 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, 2022.

Report on Internal Control Over Compliance

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

Purpose of this Report

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 and the Guide. Accordingly, this report is not suitable for any other purpose.



MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
December 6, 2022

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

PART I: SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued.....	Unmodified
Internal control over financial reporting:	
Material weaknesses identified.....	None noted
Significant deficiency identified.....	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weaknesses identified.....	None noted
Significant deficiency identified.....	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200.....	None noted
Major programs:	
American Rescue Plan -	
Elementary and Secondary School Emergency Relief Fund	ALN 84.425U
Title VB - Rural Education Achievement Program.....	ALN 84.358
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee.....	No

PART II: FINDINGS RELATED TO FINANCIAL STATEMENTS

Findings related to financial statements as required by Government Auditing Standards.....	None noted
Auditor-assigned reference number.....	Not applicable

PART III: FINDINGS REALTED TO FEDERAL AWARDS

Internal control findings	None noted
Compliance findings.....	None noted
Questioned costs	None noted

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2022

PRIOR AUDIT FINDINGS AND QUESTIONED COSTS

There were no findings for the fiscal year ended June 30, 2021.

RIO BLANCO COUNTY (MEEKER) SCHOOL DISTRICT RE-1
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal ALN Number</u>	<u>Grant Project Code</u>	<u>Expenditures</u>
<u>UNITED STATES DEPARTMENT OF EDUCATION</u>			
<i>Passed through State Department of Education:</i>			
Title I, Part A, Improving Basic Programs Operated by Schools	84.010	4010	\$ 89,938
Title II-A, Teacher & Principal Training and Recruiting Fund	84.367	4367	29,841
Title IV-A, Student Support & Academic Enrichment	84.424A	4424	10,000
COVID 19: ESF - Elementary & Secondary School Emergency Relief Fund ARP - ESSER III, Education Stabilization Fund	84.425U	4414	348,752
<i>Passed through Board of Cooperative Educational Services (BOCES):</i>			
Title III-A, English Language Acquisition	84.365	4365	2,208
<i>Passed through Colorado Colleges and Occupational System:</i>			
Carl Perkins Vocational & Applied Technology	84.048	4048	15,383
<i>U.S. Department of Education Direct Distribution:</i>			
Title VI-B, Small Rural Achievement Program (REAP)	84.358	4358	<u>35,228</u>
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			<u>531,350</u>
<u>UNITED STATES TREASURY</u>			
<i>Passed through State Department of Education:</i>			
Workplace Innovation Grant - Coronavirus	21.027	7127	5,437
<i>Passed through Rio Blanco County:</i>			
Forest Lands	10.665	7665	<u>86,625</u>
TOTAL UNITED STATES TREASURY			<u>92,062</u>
<u>UNITED STATES DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through Colorado Department of Human Services:</i>			
Food Distribution Commodities	10.555	4555	5,272 (A)
<i>Passed through State Department of Education:</i>			
SNAP - Local P-EBT Admin Reimbursement	10.649	4649	1,080
National School Lunch Program	10.555	4555	14,909 (A)
Seamless Summer Option (SSO) - Lunch	10.555	5555	201,980 (A)
Supply Chain Assistance (SCA)	10.555	6555	15,971 (A)
Special Milk Program for Children	10.556	4556	570 (A)
School Breakfast Program	10.553	4553	2,252 (A)
Seamless Summer Option (SSO) - Breakfast	10.553	5553	<u>41,077 (A)</u>
TOTAL UNITED STATES TREASURY			<u>283,111</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 906,523</u>

(A) Child Nutrition Cluster - Total \$282,031

Notes to the Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2022

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Rio Blanco County (Meeker) School District No. RE-1 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general-purpose financial statements.

Note 2 -- Basis of Determining the Value of Non-cash Awards Expended

Food Distribution Commodities: Fair market value at the time recipient received award and assessed value provided by the federal agency.

Note 3 - Sub-recipients:

The District did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards received to sub-recipients.

Note 4 -- Indirect Facilities and Administrative Costs

The District does not opt to use the 10% de minimis cost rate allowed in Title 2 US Code of Federal Regulations (CFR), Part 200.414 Indirect (F&A) costs.