

**ELBERT COUNTY SCHOOL DISTRICT NO. 200**

**ELBERT COUNTY, COLORADO**

**BASIC FINANCIAL STATEMENTS**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2020**

**ELBERT COUNTY SCHOOL DISTRICT NO. 200**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**JUNE 30, 2020**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Education  
Elbert County School District No. 200  
Elbert, Colorado

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, of the Elbert County School District No. 200, Elbert County, Colorado (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

## **Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the District's proportionate share of the net pension and OPEB liabilities, the schedule of contributions and related ratios of the pension and OPEB, and budgetary comparison information shown as required supplementary information in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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. I 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 principally of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

## **Other Information**

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The statements included in the other supplementary information section and Colorado Department of Education Auditor's Integrity Report are presented for additional analysis and are not a required part of the basic financial statements.

The other supplementary information and Colorado Department of Education Auditor's Integrity Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected 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 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado  
September 10, 2020

**Elbert School District #200**  
**Year Ended June 30, 2020**  
**Management's Discussion and Analysis 2019-20**

As management of the Elbert School District #200, we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and financial statements, which immediately follow this section.

**Financial Highlights**

- The primary government has government-wide net position totaling over \$11,094,794 at the end of the current fiscal year. This is a decrease in net position of \$1,555,609 due to additional depreciation of existing and new assets that is not recorded in the fund financial statements and the increase in the net pension liability.
- Governmental activities have an unrestricted net position (deficit) of (\$5,526,600). As required by the Governmental Accounting Standards Board, much of this deficit is the result of the implementation of GASB 68/71 & 75 (Net Pension and OPEB Liabilities).
- Fund balance of the District's governmental funds increased by \$207,895 in 2019-20. This increase was a fund balance increase from five funds.

**Overview of the Financial Statements**

The Management's Discussion and Analysis is intended to serve as an introduction to the District's financial statements. The Elbert School District #200's basic financial statements are comprised of two components, Basic Financial Statements and Supplemental Information. The Basic Financial Statements have the three sections: 1) Government-wide Financial Statements and 2) Fund Financial Statements, and 3) Notes to the Financial Statements. The Other Supplementary Information is comprised of the combining and individual fund statements and schedules.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers a broad overview of Elbert School District #200's financial activities in a manner similar to a private sector business.

The statement of net position presents information on all of the District's assets and liabilities. The difference between assets and liabilities is reported as net position. Over

time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying events occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (example: levied but uncollected property taxes and earned but unused employee's vacation leave).

The government-wide financial statements consolidate governmental and internal service type activities that are principally supported by taxes and intergovernmental revenues from business-type activities that are intended to recover all or most of their costs through user fees and charges. Governmental activities consolidate all of the following Elbert School District #200 funds: General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Capital Projects Fund and Bond Redemption Fund.

## **Fund Financial Statements**

These statements focus on individual parts of the District. The District's operations are in more detail than the government-wide statements.

### *Governmental Funds*

The governmental funds statements show how basic services such as instruction were financed in the short-term as well as what remains (fund balances) for the future spending (budgeting).

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget.

## **Notes to the Financial Statements**

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

## **Required Other Supplementary Information**

In addition to the financial statements and accompanying notes, this report also contains required supplemental information concerning the District's Special Revenue Funds. The combining statements of the special revenue governmental funds are presented after the notes to the financial statements.

## Government-wide Financial Analysis

### Government-wide Net Position

The assets of Elbert School District #200 are classified as current assets and capital assets. Cash, property taxes receivables and governmental accounts receivables are the current assets. These assets are available to provide the resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

The assets of the District exceed liabilities by \$11,094,794. The liabilities of the district 2019-20 school-year were accounts payable, accrued salaries and benefits, capital lease payable, net pension and OPEB liabilities and matching bonds payable of \$7,111,467.

#### Condensed Statement of Net Position

|                                       | <u>Governmental Activities</u> |                       | <u>Total School District</u> |                       | <u>Total % Change</u> |
|---------------------------------------|--------------------------------|-----------------------|------------------------------|-----------------------|-----------------------|
|                                       | <u>2019</u>                    | <u>2020</u>           | <u>2019</u>                  | <u>2020</u>           | <u>2019-20</u>        |
| <b>Assets</b>                         |                                |                       |                              |                       |                       |
| Current                               | \$ 2,546,745                   | \$ 3,010,744          | \$ 2,546,745                 | \$ 3,010,744          | + .85%                |
| Capital/Net depreciation              | <u>\$18,902,676</u>            | <u>\$18,408,045</u>   | <u>\$18,902,676</u>          | <u>\$18,408,045</u>   | <u>1.02-</u>          |
| <b>Total Assets</b>                   | <b>\$21,449,421</b>            | <b>\$21,418,789</b>   | <b>\$21,994,740</b>          | <b>\$21,418,789</b>   | <b>1.00%</b>          |
| <b>Deferred outflows of resources</b> |                                |                       |                              |                       |                       |
|                                       | \$ 3,287,141                   | 1,916,368             | \$ 3,287,141                 | 1,916,368             | -1.71%                |
| <b>Liabilities</b>                    |                                |                       |                              |                       |                       |
| Current                               | \$ 247,922                     | \$ 493,309            | \$ 247,922                   | \$ 493,309            | .50%                  |
| Noncurrent                            | <u>\$ 7,600,542</u>            | <u>\$ 6,618,158</u>   | <u>\$ 7,600,542</u>          | <u>\$ 6,618,158</u>   | <u>-60%</u>           |
| <b>Total Liabilities</b>              | <b>\$ 7,848,464</b>            | <b>\$ 7,111,467</b>   | <b>\$ 7,848,464</b>          | <b>\$ 7,111,467</b>   | <b>1.10%</b>          |
| <b>Deferred inflows of resources</b>  |                                |                       |                              |                       |                       |
|                                       | \$ 4,237,335                   | \$ 5,128,896          | \$ 4,237,335                 | 5,128,896             | 826%                  |
| <b>Net Position</b>                   |                                |                       |                              |                       |                       |
| Invested in Capital                   | \$16,669,726                   | \$16,326,038          | \$16,669,726                 | \$16,326,038          | -.02%                 |
| Restricted                            | \$ 289,345                     | \$ 295,356            | \$ 289,345                   | \$ 295,356            | -.09%                 |
| Unrestricted                          | <u>\$ (4,308,668)</u>          | <u>\$ (5,526,600)</u> | <u>\$ (4,308,668)</u>        | <u>\$ (5,526,600)</u> | <u>.77%</u>           |
| <b>Total Net Position</b>             | <b>\$12,650,403</b>            | <b>\$11,094,794</b>   | <b>\$12,650,403</b>          | <b>\$11,094,794</b>   | <b>.66%</b>           |

The major change in the net position from 2018-19 to 2019-20 is that total assets decreased by \$30,632 and liabilities decreased by about \$726,997.

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**Total Liabilities Net Position 2019-20**

|   | <b>Governmental</b> | <b>Business-Type</b> | <b>Total</b>        |
|---|---------------------|----------------------|---------------------|
| <b>Total Liabilities, Deferred inflows and Net Position</b> | <b>\$23,335,157</b> | <b>\$0</b>           | <b>\$23,335,157</b> |

**Total Liabilities Net Position 2018-19**

|   | <b>Governmental</b> | <b>Business-Type</b> | <b>Total</b>        |
|---|---------------------|----------------------|---------------------|
| <b>Total Liabilities, Deferred inflows and Net Position</b> | <b>\$24,736,562</b> | <b>\$0</b>           | <b>\$24,736,562</b> |

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**Government Activities/Business Type**

The governmental activities decreased the net position of the District by \$(1,555,609) during the current fiscal year ended June 30, 2020 mainly due to governmental funds report pension expenses as expenditures when paid. Pension obligations in the statement of activities is allocated and expensed for future pension costs. There is now a \$4,457,376 net pension liability and \$219,046 OPEB liability on the District's Statement of Net Position.

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|                             | <b>Governmental</b> | <b>Total</b> |
|-----------------------------|---------------------|--------------|
| Net position, July 1, 2019  | \$12,650,403        | \$12,650,403 |
| Net position, June 30, 2020 | \$11,094,794        | \$11,094,794 |
| Net position, July 1, 2019  | \$12,650,403        | \$12,650,403 |
| Net position, June 30, 2018 | \$12,163,891        | \$12,163,891 |



The following is a comparison of the District's general revenues, program revenues and governmental activities for the years 2018-19 and 2019-20:

| Comparison of Revenues and Expenses |                      |                      |                           |
|-------------------------------------|----------------------|----------------------|---------------------------|
|                                     | <u>2018-19</u>       | <u>2019-2020</u>     | <u>Increase(decrease)</u> |
| <b>General Revenues:</b>            |                      |                      |                           |
| Local property taxes                | \$ 639,655           | \$ 705,289           | \$ 65,634                 |
| Specific ownership taxes            | 122,037              | 125,299              | 3,262                     |
| State equalization                  | 2,345,875            | 2,476,998            | 131,123                   |
| Other                               | 144,908              | 123,781              | -21,781                   |
| <b>Program Revenues:</b>            |                      |                      |                           |
| Charges for svcs.-govt              | 88,175               | 75,374               | -12,801                   |
| Charges for svcs.-food              | 40,538               | 34,360               | -6,178                    |
| Operating grant -food               | 26,590               | 23,966               | -2,624                    |
| Operating grant-inst.               | 200,675              | 135,512              | -65,163                   |
| Operating grant-transp.             | 30,798               | 27,053               | -3,745                    |
| Capital grant/contrib.              | <u>0</u>             | <u>0</u>             | <u>0</u>                  |
| Total Revenues                      | <u>\$ 3,639,251</u>  | <u>\$ 3,727,632</u>  | <u>\$ 88,381</u>          |
| <br>                                |                      |                      |                           |
| <b>Expenses:</b>                    |                      |                      |                           |
| Instruction                         | \$ 1,650,001         | \$ 3,013,328         | 1,363,327                 |
| Pupil/Instructional                 | 456,639              | 687,093              | 230,454                   |
| Administration/Business             | 337,290              | 726,492              | 389,139                   |
| Operations/Maintenance              | 330,096              | 461,163              | 131,067                   |
| Transportation                      | 158,463              | 165,174              | 6,711                     |
| Other                               | 130,992              | 82,383               | (48,609)                  |
| Facility Acquisitions               | 56,513               | 10,750               | (45,763)                  |
| Debt Service -Interest              | 68,409               | 65,322               | (3,087)                   |
| Food services                       | 95,328               | 153,919              | 58,591                    |
| Total Expenses                      | <u>\$ 3,152,739</u>  | <u>\$ 5,283,241</u>  | <u>\$ 2,130,502</u>       |
| Change in Net Position              | 486,512              | (1,555,609)          |                           |
| Net Position begin of year          | <u>12,163,891</u>    | <u>12,650,403</u>    |                           |
| Net Position end of year            | <u>\$ 12,650,403</u> | <u>\$ 11,094,794</u> |                           |

## **Financial Analysis of the Government's Funds**

Elbert School District #200 uses fund accounting to ensure and demonstrate compliance with finance-related legal, federal, and state requirements.

The General Fund is the primary major governmental fund (General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Capital Projects Fund and Bond Redemption Fund) for Elbert School District #200. The ending fund balance for the General Fund 2019-20 is \$2,176,355. Tabor reserves of \$90,000 are set aside. The fund balance is an increase from 18-19 of \$168,647.

The Special Revenue funds (Food Service Fund, Pupil Activity and Designated Purpose Grants Fund), Building Fund, Capital Projects Fund and the Bond Redemption Fund are the remaining funds that make up the major governmental fund.

The Designated Purpose Grants Fund is for our Title programs and the REAP grant.

The Pupil Activity Fund balance was increased by \$8,140. The end of the year fund balance was \$78,370.

The Capital Project Fund balance was increased by \$23,309. This increase was from a fewer amount of purchases.

The Food Service fund is funded by the sale of lunches and monies from the federal lunch program. The fund balance increased by \$2,542.

## **General Fund Budgetary Highlights**

The District budget is prepared according to Colorado law. The most significant budgeted fund is the General Fund.

Elbert School District #200 began budget development for the 2019-20 budgets in February of 2019. In February all teaching staff and department heads are given budget request for their input into the needs of the District.

A mid-year analysis for 2018-19 is completed in early March and enrollment projections and revenues estimated to begin a preliminary budget, which is submitted in first draft form to the Board of Education. The Accountability Committee, representing students, staff and citizens of the community review budget prior to a Budget Workshop held in May. The Board has budget discussion on the draft proposed budget in April, May and June. Adoption of the 2019-20 District budget occurred in June of 2019.

A budget appropriation was made in January during the fiscal year to the General Fund, to accommodate the Insurance Fund 64 for its mid-year creation budget. A final appropriation at year end was to recognize Coronavirus Relief Funds received in May in the amount of \$249,280.38, and to adjust the Grant Fund with additional REAP grant dollars received in the amount of \$21,585 from the \$17,000 originally budgeted. A

federal grant was received from the CARES ACT, ESSER for the Spring Semester Special Education Department which helped pay for additional remote help to resource students by the paraprofessional staff all going on line and working with our students.

The 2019-20 Budget included the following:

- Received Rural Education Achievement Program grant of \$27,952.00 which allowed for enhancing teacher/staff development, enhanced educational programs through the use of technology, i.e., supplementing the Title I Program, summer school, educational information technology between staff and students. Other uses of these funds have been used for innovative programs.
- A lease purchase of 6 years was entered into in the 14-15 school year to upgrade two buses with newer low mileage buses. The district purchased two route buses. A payment in 19-20 now has the lease paid off. A lease on the Small White Bus, that was started in 2018 has now had two payments made and a payoff scheduled in August of 2022.
- The school website was updated and enhanced for student, staff and community contact. The State passed the Public School Financial Transparency Act, Article 44 of Title 22, C.R.S. Part 3 which has various reports, statements and document on the school website for public viewing.
- At the High School level a CTE program for agricultural sciences was started in 16-17 which also includes a Future Farmers of America Program. This is the fourth year for FFA and the fourth year for growing the agricultural curriculum to the point that there is a 4 year range of classes for high school students.
- Since the building has been opened for six complete years, some maintenance is starting to take place. In April 2019, we entered into an annual maintenance program for the HVAC system with MTech, hopefully this will help this system work like it should and never has to date. After the first year of the maintenance plan the HVAC System is working well.
- All Staff received a stipend from a Rural School initiative that allowed for each staff member to receive an extra duty stipend for excess jobs assigned in growing student count times in the fall of 2019-2020. An inflationary 3-5% raise was added to all salary schedules for 2019-2020 also so all staff received a percentage increase.

## **Capital Assets and Debt Administration**

The District's investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$18,405,045. Additional information on the District's capital assets and capital lease payable can be found in the notes of the Basic Financial Statements of this

report. The Matching Bonds payable balance at June 30, 2020 is \$1,922,911 with \$131,494 due in the 2019/2020 fiscal year end.

## **Economic Factors and Next Year's Budgets**

The ever-changing financial crisis of the school funding in Colorado has caused the Elbert School District 200 Board of Education to be very conservative with all funding and expenditures.

According to the Education Act of 2009 (SB09-163), the State issues Performance Framework ratings for every public school in the state. The PF ratings gives each school a performance grade based on the state of Colorado Measures of Academics (CMAS) given to all students third through eleventh grades. School receiving an unsatisfactory grade for two or more years will be turned into a charter school under state law. Elbert School District #200 continues to be accredited.

The student population at the school has been relatively stable. No surges in growth have occurred in any given year except in the year, 2003-04 when the funded pupil count increased by 16 students. The 2004-05 budget year student count decreased by 5 students. The 2005-06 year funded population was 269.5. The 2006-07 year saw another year of declining enrollment in which the October 1 funded pupil count was 238. The 2007-08 funded pupil count was 235.5 which was a decrease of 2.5 students from the year prior. The 2008-09 funded pupil count was 252.5 which was an increase of 17 from 07-08. The 2009-10 funded pupil count was 223 which is a decrease of 29.5 from 08-09. The 2010-11 funded pupil count was 233.9 which is an increase of 10.9 from 09-10. The 2011-12 funded pupil count was 222.4 which is a decrease of 11.5 from 10-11. The 2012-13 funded pupil count was 214.3 which is a decrease of 8.1 from 2011-12. The enrollment for 2013-14 of the funded pupil count was 200.4. The enrollment for the 2014-15 of the funded pupil count was 209.6. Enrollment for 2015-16 of the funded pupil count was 205.1. Enrollment for 2016-2017 of the funded pupil count was 203.3. Enrollment for 2017-2018 determined by the funded pupil count was 206.5. Enrollment for 2018-2019 determined by the funded pupil count was 211.5. Enrollment for 2019-20 determined by the funded pupil count was 227.5.

## **Contacting the District's Financial Management**

This report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives and expends. If you have questions about this report or need additional financial information, contact the Business Management Office, Elbert School District #200, 24489 Main St., Elbert, CO 80106.

**BASIC FINANCIAL  
STATEMENTS**

**Elbert County School District No. 200**  
**Statement of Net Position**  
**June 30, 2020**

|   | <b>Primary<br/>Government<br/>Governmental<br/>Activities</b> |
|---|---|
| <b>Assets</b>                                     |   |
| Current assets:                                   |   |
| Cash and cash equivalents                         | \$ 1,722,182  |
| Cash with county treasurer                        | 5,364   |
| Investments                                       | 1,258,582   |
| Property taxes receivable                         | 3,160   |
| Accounts receivable other governments             | -   |
| Grants receivable                                 | 17,421  |
| Inventories - food service                        | 2,688   |
| Inventories - USDA commodities                    | 1,347   |
| Total current assets                              | 3,010,744   |
| Capital assets:                                   |   |
| Land and construction in progress                 | 335,215   |
| Depreciable assets                                | 21,658,677  |
| Accumulated depreciation                          | (3,585,847)   |
| Capital assets, net of depreciation               | 18,408,045  |
| <b>Total assets</b>                               | <b>21,418,789</b>   |
| <b>Deferred outflows of resources: See note 6</b> | 1,887,415   |
| <b>Deferred outflows of resources: See note 7</b> | 28,953  |
| <b>Liabilities</b>                                |   |
| Current liabilities:                              |   |
| Accounts payable                                  | 460   |
| Unearned grant revenue                            | 245,164   |
| Accrued salaries and benefits                     | 107,414   |
| Capital lease payable - current                   | 8,777   |
| Matching bonds payable - current                  | 131,494   |
| Total current liabilities                         | 493,309   |
| Noncurrent liabilities:                           |   |
| Capital lease payable                             | 18,825  |
| Net pension liability                             | 4,457,376   |
| Net OPEB liability                                | 219,046   |
| Matching bonds payable                            | 1,922,911   |
| Total noncurrent liabilities                      | 6,618,158   |
| <b>Total liabilities</b>                          | <b>7,111,467</b>  |
| <b>Deferred inflows of resources: See note 6</b>  | 5,079,889   |
| <b>Deferred inflows of resources: See note 7</b>  | 49,007  |
| <b>Net position</b>                               |   |
| Invested in capital assets, net of related debt   | 16,326,038  |
| Restricted for:                                   |   |
| TABOR   | 90,000  |
| Inventories                                       | 4,035   |
| Debt service                                      | 201,321   |
| Unrestricted (deficit)                            | (5,526,600)   |
| <b>Total net position</b>                         | <b>\$ 11,094,794</b>  |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Statement of Activities**  
**Fiscal year ended June 30, 2020**

| Functions/Programs                   | Program Revenues |                      |                                    |                                  | Net (Expenses) Revenue and Changes in Net Position |
|--------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|--|
|                                      | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |  |
| Governmental activities:             |                  |                      |                                    |                                  |  |
| Regular instruction                  | \$ 3,013,328     | \$ 10,685            | \$ 122,880                         | \$ -                             | \$ (2,879,763)                                     |
| Cocurricular activities              | 239,983          | 64,689               | -                                  | -                                | (175,294)  |
| Student services                     | 52,861           | -                    | 428                                | -                                | (52,433)   |
| Instructional staff                  | 223,288          | -                    | 2,141                              | -                                | (221,147)  |
| General administration               | 243,044          | -                    | 2,569                              | -                                | (240,475)  |
| School administration                | 364,334          | -                    | 4,282                              | -                                | (360,052)  |
| Support services - business          | 119,114          | -                    | 1,285                              | -                                | (117,829)  |
| Operations and maintenance           | 461,163          | -                    | 1,927                              | -                                | (459,236)  |
| Student transportation               | 165,174          | -                    | 27,053                             | -                                | (138,121)  |
| Support services - central           | 112,092          | -                    | -                                  | -                                | (112,092)  |
| Food service operations              | 153,919          | 34,360               | 23,966                             | -                                | (95,593)   |
| Pike Peak BOCES                      | 58,869           | -                    | -                                  | -                                | (58,869)   |
| District-wide facility acquisitions  | 10,750           | -                    | -                                  | -                                | (10,750)   |
| Debt service - interest, unallocated | 65,322           | -                    | -                                  | -                                | (65,322)   |
| Total primary government             | \$ 5,283,241     | \$ 109,734           | \$ 186,531                         | \$ -                             | \$ (4,986,976)                                     |

| General revenues              |               |
|-------------------------------|---------------|
| Taxes:                        |               |
| Local property taxes          | \$ 705,289    |
| Specific ownership taxes      | 125,299       |
| State equalization            | 2,476,998     |
| Other local and state sources | 143,967       |
| Interest on investments       | 22,799        |
| Transfer (out)                | (42,985)      |
| Total general revenues        | 3,431,367     |
| Change in net position        | (1,555,609)   |
| Net position July 1, 2019     | 12,650,403    |
| Net position June 30, 2020    | \$ 11,094,794 |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

|                                    | General Fund        | Designated Purpose Grants Fund | Pupil Activity Fund | Food Service Fund | Capital Projects Fund | Bond Redemption Fund | Total Governmental Funds |
|------------------------------------|---------------------|--------------------------------|---------------------|-------------------|-----------------------|----------------------|--------------------------|
| <b>Assets</b>                      |                     |                                |                     |                   |                       |                      |                          |
| Cash and cash equivalents          | \$ 1,365,103        | \$ -                           | \$ 58,908           | \$ 19,522         | \$ 78,803             | \$ 199,846           | \$ 1,722,182             |
| Cash with county treasurer         | 3,889               | -                              | -                   | -                 | -                     | 1,475                | 5,364                    |
| Investments                        | 1,139,800           | -                              | -                   | -                 | 118,782               | -                    | 1,258,582                |
| Receivables from other governments | -                   | -                              | -                   | -                 | -                     | -                    | -                        |
| Property taxes receivable          | 3,160               | -                              | -                   | -                 | -                     | -                    | 3,160                    |
| Due from other funds               | -                   | -                              | 19,462              | -                 | -                     | -                    | 19,462                   |
| Inventories                        | -                   | -                              | -                   | 4,035             | -                     | -                    | 4,035                    |
| Grants receivable                  | 17,421              | -                              | -                   | -                 | -                     | -                    | 17,421                   |
| <b>Total Assets</b>                | <b>\$ 2,529,373</b> | <b>\$ -</b>                    | <b>\$ 78,370</b>    | <b>\$ 23,557</b>  | <b>\$ 197,585</b>     | <b>\$ 201,321</b>    | <b>\$ 3,030,206</b>      |

|                                      |                   |             |             |             |                  |             |                   |
|--------------------------------------|-------------------|-------------|-------------|-------------|------------------|-------------|-------------------|
| <b>Liabilities and Fund Balances</b> |                   |             |             |             |                  |             |                   |
| <b>Liabilities:</b>                  |                   |             |             |             |                  |             |                   |
| Accounts payable                     | \$ 460            | \$ -        | \$ -        | \$ -        | \$ -             | \$ -        | \$ 460            |
| Unearned grants revenue              | 245,164           | -           | -           | -           | -                | -           | 245,164           |
| Accrued salaries and benefits        | 107,414           | -           | -           | -           | -                | -           | 107,414           |
| Due to other funds                   | -                 | -           | -           | -           | 19,462           | -           | 19,462            |
| <b>Total liabilities</b>             | <b>\$ 353,038</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 19,462</b> | <b>\$ -</b> | <b>\$ 372,500</b> |

|  |                     |             |                  |                  |                   |                   |                     |
|--|---------------------|-------------|------------------|------------------|-------------------|-------------------|---------------------|
| Fund Balances - spendable, reported in:    |                     |             |                  |                  |                   |                   |                     |
| Restricted fund balance:                   |                     |             |                  |                  |                   |                   |                     |
| Inventories                                | -                   | -           | -                | 4,035            | -                 | -                 | 4,035               |
| Debt service                               | -                   | -           | -                | -                | -                 | 201,321           | 201,321             |
| TABOR                                      | 90,000              | -           | -                | -                | -                 | -                 | 90,000              |
| Committed fund balance, reported in:       |                     |             |                  |                  |                   |                   |                     |
| Special revenue funds                      | -                   | -           | 78,370           | 19,522           | -                 | -                 | 97,892              |
| Capital projects fund                      | -                   | -           | -                | -                | 178,123           | -                 | 178,123             |
| Unassigned fund balance:                   |                     |             |                  |                  |                   |                   |                     |
| General fund                               | 2,086,335           | -           | -                | 23,557           | -                 | -                 | 2,086,335           |
| <b>Total fund balances</b>                 | <b>\$ 2,176,335</b> | <b>\$ -</b> | <b>\$ 78,370</b> | <b>\$ 23,557</b> | <b>\$ 178,123</b> | <b>\$ 201,321</b> | <b>\$ 2,657,706</b> |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 2,529,373</b> | <b>\$ -</b> | <b>\$ 78,370</b> | <b>\$ 23,557</b> | <b>\$ 197,585</b> | <b>\$ 201,321</b> | <b>\$ 3,030,206</b> |

See accompanying notes to basic financial statements



**Elbert County School District No. 200**  
**Reconciliation of Governmental Funds Balance Sheet to**  
**Statement of Net Position**  
**June 30, 2020**

|  |  |               |
|--|--|---------------|
| Governmental funds total fund balances   |  | \$ 2,657,706  |
| <b>Add:</b>  |  |               |
| Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds |  | 21,993,892    |
| Deferred outflows of resources - pension   |  | 1,887,415     |
| Deferred outflows of resources - OPEB  |  | 28,953        |
| <b>Deduct:</b>   |  |               |
| Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition                  |  | (3,585,847)   |
| Deferred inflows of resources - pension  |  | (5,079,889)   |
| Deferred inflows of resources - OPEB   |  | (49,007)      |
| Net pension liability  |  | (4,457,376)   |
| Net OPEB liability   |  | (219,046)     |
| Matching bonds payable   |  | (2,054,405)   |
| Capital lease payable  |  | (27,602)      |
| Governmental activities net position   |  | \$ 11,094,794 |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Statement of Revenues, Expenditures and Changes**  
**in Fund Balances - Governmental Funds**  
**Fiscal Year Ended June 30, 2020**

|   | General Fund        | Designated Purpose Grants Fund | Pupil Activity Fund | Food Service Fund | Capital Projects Fund | Bond Redemption Fund | Total Governmental Funds |
|---|---------------------|--------------------------------|---------------------|-------------------|-----------------------|----------------------|--------------------------|
| <b>Revenues</b>                                   |                     |                                |                     |                   |                       |                      |                          |
| Local sources                                     | \$ 736,374          | \$ -                           | \$ 64,689           | \$ 34,360         | \$ 2,303              | \$ 197,336           | \$ 1,035,062             |
| State sources                                     | 2,628,501           | 2,546                          | -                   | 647               | -                     | -                    | 2,631,694                |
| Federal sources                                   | 21,537              | 59,005                         | -                   | 28,115            | -                     | -                    | 108,657                  |
| Total revenues                                    | <u>3,386,412</u>    | <u>61,551</u>                  | <u>64,689</u>       | <u>63,122</u>     | <u>2,303</u>          | <u>197,336</u>       | <u>3,775,413</u>         |
| <b>Expenditures</b>                               |                     |                                |                     |                   |                       |                      |                          |
| Current:  |                     |                                |                     |                   |                       |                      |                          |
| Regular instruction                               | 1,551,260           | 61,551                         | -                   | -                 | -                     | -                    | 1,612,811                |
| Curricular activities                             | 126,940             | -                              | 56,549              | -                 | -                     | -                    | 183,489                  |
| Student services                                  | 37,813              | -                              | -                   | -                 | -                     | -                    | 37,813                   |
| Instructional staff                               | 162,196             | -                              | -                   | -                 | -                     | -                    | 162,196                  |
| General administration                            | 164,785             | -                              | -                   | -                 | -                     | -                    | 164,785                  |
| School administration                             | 231,991             | -                              | -                   | -                 | -                     | -                    | 231,991                  |
| Support services - business                       | 76,260              | -                              | -                   | -                 | -                     | -                    | 76,260                   |
| Operations and maintenance                        | 379,550             | -                              | -                   | -                 | -                     | -                    | 379,550                  |
| Student transportation                            | 118,261             | -                              | -                   | -                 | 23,950                | -                    | 142,211                  |
| Support services - central                        | 111,342             | -                              | -                   | -                 | -                     | 750                  | 112,092                  |
| Food service operations                           | -                   | -                              | -                   | 113,343           | -                     | -                    | 113,343                  |
| Pikes Peak BOCES                                  | 58,869              | -                              | -                   | -                 | -                     | -                    | 58,869                   |
| District-wide facility acquisitions               | -                   | -                              | -                   | -                 | 32,858                | -                    | 32,858                   |
| Debt service:                                     |                     |                                |                     |                   |                       |                      |                          |
| Principal retirements                             | -                   | -                              | -                   | -                 | 23,286                | 127,657              | 150,943                  |
| Interest and fiscal charges                       | -                   | -                              | -                   | -                 | 1,650                 | 63,672               | 65,322                   |
| Total expenditures                                | <u>3,019,267</u>    | <u>61,551</u>                  | <u>56,549</u>       | <u>113,343</u>    | <u>81,744</u>         | <u>192,079</u>       | <u>3,524,533</u>         |
| <b>Excess(deficiency) of revenues over(under)</b> |                     |                                |                     |                   |                       |                      |                          |
| Expenditures                                      | 367,145             | -                              | 8,140               | (50,221)          | (79,441)              | 5,257                | 250,880                  |
| Other financing sources (uses)                    | -                   | -                              | -                   | -                 | -                     | -                    | -                        |
| Proceeds from issuance of capital leases          | -                   | -                              | -                   | 52,763            | 102,750               | -                    | 155,513                  |
| Transfer in                                       | (198,498)           | -                              | -                   | -                 | -                     | -                    | (198,498)                |
| Transfer (out)                                    | (198,498)           | -                              | -                   | 52,763            | 102,750               | -                    | (42,985)                 |
| Total other financing sources (uses)              |                     |                                |                     |                   |                       |                      |                          |
| <b>Net change in fund balances</b>                | 168,647             | -                              | 8,140               | 2,542             | 23,309                | 5,257                | 207,895                  |
| <b>Fund balances at beginning of year</b>         | 2,007,688           | -                              | 70,230              | 21,015            | 154,814               | 196,064              | 2,449,811                |
| <b>Fund balances at end of year</b>               | <u>\$ 2,176,335</u> | <u>\$ -</u>                    | <u>\$ 78,370</u>    | <u>\$ 23,557</u>  | <u>\$ 178,123</u>     | <u>\$ 201,321</u>    | <u>\$ 2,657,706</u>      |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Reconciliation of Revenues, Expenditures and Changes in Fund Balances of**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2020**

|  |           |                    |
|--|-----------|--------------------|
| Governmental funds changes in fund balances  | \$        | 207,895            |
| <p>Government funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.</p> |           |                    |
|  |           | 46,058             |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>  |           |                    |
|  |           | (540,689)          |
| <p>Governmental funds report pension expenses as expenditures when paid. Pension obligations in the statement of activities is allocated and expensed for future pension costs.</p>  |           |                    |
|  |           | (1,426,107)        |
| <p>Governmental funds report pension expenses as expenditures when paid. OPEB obligations in the statement of activities is allocated and expensed for future pension costs.</p>   |           |                    |
|  |           | 6,291              |
| <p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level:</p>  |           |                    |
| Proceeds from capital lease  |           | -                  |
| Principal payments on general obligation bonds payable   |           | 127,657            |
| Principal payments on capital lease  |           | 23,286             |
| Change in net position of governmental activities  | <u>\$</u> | <u>(1,555,609)</u> |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2020**

|   | <u><b>Governmental<br/>Activities -<br/>Internal Service<br/>Fund</b></u> |
|---|---|
| <b>Assets</b>                               |   |
| Current assets:                             |   |
| Cash and cash equivalents                   | \$ 54,224   |
| Other assets                                | -   |
| Total current assets                        | <u>54,224</u>   |
| <b>Total assets</b>                         | <u><u>\$ 54,224</u></u>   |
| <br><b>Liabilities</b>                      |   |
| Current liabilities:                        |   |
| Estimated liability for premiums and claims | \$ -  |
| Unearned grant revenue                      | -   |
| Total current liabilities                   | <u>-</u>  |
| <b>Total liabilities</b>                    | <u>-</u>  |
| <br><b>Net position</b>                     |   |
| Restricted for:                             |   |
| Unrestricted (deficit)                      | <u>54,224</u>   |
| <b>Total liabilities and net position</b>   | <u><u>\$ 54,224</u></u>   |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**Fiscal year ended June 30, 2020**

|  | <b>Governmental<br/>Activities -<br/>Internal Service<br/>Fund</b> |
|--|--|
| <b>Operating Revenues:</b>                     |  |
| Employee benefit premiums                      | \$ 147,881   |
| Other income                                   | -  |
| Total operating revenues                       | 147,881  |
| <b>Operating Expenses:</b>                     |  |
| Claims   | 29,279   |
| Insurance premiums                             | 107,386  |
| Total operating expenses                       | 136,665  |
| Income (loss) from operations before transfers | 11,216   |
| Non-operating revenues (expenses):             |  |
| Interest income                                | 24   |
| Transfer in from general fund                  | 42,984   |
| Change in net position                         | 54,224   |
| Total net position July 1, 2019                | -  |
| <b>Total net position June 30, 2020</b>        | <b>\$ 54,224</b>   |

See accompanying notes to basic financial statements

**Elbert County School District No. 200**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**Fiscal year ended June 30, 2020**

|   | <b>Governmental<br/>Activities -<br/>Internal Service<br/>Fund</b> |
|---|--|
| <b>Cash flows from operating activities:</b>  |  |
| Receipts from employees   | \$ 147,881   |
| Payments to vendors   | (136,665)  |
| Net cash provided by (used for) operating activities  | 11,216   |
| <b>Cash flows from noncapital financing activities:</b>   |  |
| Transfer received - general fund  | 42,984   |
| Net cash provided (used) by noncapital financing activities   | 42,984   |
| <b>Cash flows from investing activities:</b>  |  |
| Interest received   | 24   |
| Net cash provided by investing activities   | 24   |
| Net increase (decrease) in cash and cash equivalents  | 54,224   |
| Cash and cash equivalents - July 1, 2019  | -  |
| <b>Cash and cash equivalents - June 30, 2020</b>  | <b>\$ 54,224</b>   |
| Reconciliation of cash flows from operating activities:   |  |
| <b>Operating Income (Loss)</b>  | <b>\$ 11,216</b>   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |  |
| Depreciation  | -  |
| Decrease (increase) in estimated liability for premiums and claims  | -  |
| Net cash provided by (used for) operating activities  | <b>\$ 11,216</b>   |

See accompanying notes to basic financial statements

**ELBERT COUNTY SCHOOL DISTRICT NO. 200**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

Note 1 - **Summary of Significant Accounting Policies**

The Elbert County School District No. 200 (the District) was formed in 1880 encompassing approximately 141 square miles of southern Elbert County, Colorado. The District operates under an elected Board of Education with five members and provides educational services to approximately 250 students.

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

**Reporting Entity**

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

The District is not included in any other governmental "reporting entity" as defined in GASB No. 14. As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units. The District's reporting entity reflects no component units.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues.

The statement of activities of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and others sources not described above.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Food Service Fund, Pupil Activity Fund, Bond Redemption Fund, Building Fund and Capital Projects Fund) are reported as separated columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

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

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

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

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

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

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

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

Expenditures are recorded when the related fund liability is incurred with the exceptions of general obligation and capital lease debt service which is recognized



when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

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

### **Fund Accounting**

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

- **Major Governmental Funds**
  1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund. Fund balance is unassigned except for Tabor, which is restricted.
  2. Food Service Fund (Special Revenue Fund) – this fund accounts for all financial activities associated with the District’s school breakfast and lunch programs. Fund balance is committed.
  3. Designated Purpose Grants Fund (Special Revenue Fund) – used to account for revenues and expenditures associated with federal grants.
  4. Pupil Activity (Special Revenue Fund) – used to account for the resources to be used in various student athletic and co-curricular organizations. Fund balance is committed.
  5. Capital Projects Fund – used to account for the resources that are restricted or committed to be used for the acquisition or construction of building improvements. Fund balance is committed.
  6. Bond Redemption Fund – This fund accounts for the collection of property taxes and payments of principal and interest of general obligation bonds.
- **Internal Service Fund** – This fund accounts for the self-insurance of employee benefits.

### **Cash and Cash Equivalents**

Cash of some funds are pooled into common pooled accounts in order to maximize investment opportunities. An individual fund’s pooled Cash and Cash Investments are available upon demand and are considered to be “cash equivalents”. Negative balances incurred in pooled cash at year-end are treated as a liability of that fund.

### **Investments**

The District’s investments consist of short-term maturities with Colotrust where the carrying value approximates fair market value.

**Inventories**

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

**Capital Assets**

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

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

The monetary threshold for capitalization of assets is \$3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used by the proprietary fund is charged as an expense against their operations. Estimate useful lives are:

|                                   |                |
|-----------------------------------|----------------|
| Vehicles                          | 8 years        |
| Furniture, fixtures and equipment | 5 to 20 years  |
| Buildings and improvements        | 20 to 50 years |

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period and so will not be recognized as an outflow of the resources (expenditure) until that time. In addition to liabilities, the statement of financial position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenues) until that time.

**Liabilities**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

**Compensated Absences**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability

of the governmental fund that will pay it. Vested or accumulated vacation leave of proprietary funds is recorded as expense and liability of these funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. During the current year, the District recorded no liability, as the amount is immaterial.

### **Fund Equity**

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position are either shown as invested in capital assets net of related debt, with these assets essentially being nonexpendable; restricted when constraints placed on the net assets are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

Fund balance should be reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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, should be reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

### **Net Position**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements in those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

### **Accounting Estimates**

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

### **Budgets and Budgeting Accounting**

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

1. Prior to April 1, the District submits to the Board a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of an ordinance.
4. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Food Service Fund, Designated Purpose Grants Fund, Pupil Activity Fund, Bond Redemption Fund, and Capital Projects Fund.
6. Budgets for the General Fund, Special Revenue Funds, Bond Redemption Fund, Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

### Note 2 - **Deposits and Investments**

#### **Deposits**

The District's investment policies are approved by the Board of Education and governed by Colorado statute. The Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District is authorized by Colorado State statutes to invest in the following:

- Obligations of the United States government and certain government agencies securities
- Certain international agency securities
- General obligation and revenue bonds of governmental entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Guaranteed investment contracts
- Checking with interest savings accounts

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end the District’s bank balance was \$1,826,311. Of the bank balance, \$449,846 was covered by FDIC insurance, and \$1,376,465 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institution through PDPA. The District’s carrying balance as of June 30, 2020 was \$1,722,182. The difference between the District’s bank balance and carrying balance is outstanding checks.

**Investments**

The District had invested \$1,258,582 (fair value) in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission’s Rule 2a-7 as promulgated under the Investment Company Act of 1940, as amended. Colotrust is rated AAAM by Standard and Poor’s. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

Interest Rate Risk – State statutes limits investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

Credit Risk – State law limits investments to those with specified ratings, as provided by nationally recognized statistical rating organizations, depending on the investment type.

Note 3 -

**Property Tax**

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on November 15 and are payable in full by April 30 or in two equal installments due February 28 and June 15 of the following year. Elbert County Treasurer bills and collects the District’s property tax. District property tax revenues are accounted for in the General Fund. Property taxes at the fund level are recorded as receivable and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles have been recognized as revenue.

Note 4 -

**Capital Assets**

A summary of changes in capital assets follows:

Governmental Activities

|                              | <u>Balance</u><br><u>July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|------------------------------|---------------------------------------|------------------|------------------|--|
| Non-depreciable assets:      |                                       |                  |                  |  |
| Land                         | \$ 335,215                            | \$ -             | \$ -             | \$ 335,215                             |
| Construction in Prog.        | -                                     | -                | -                | -                                      |
| <b>Total Non-depreciable</b> | <u>\$ 335,215</u>                     | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 335,215</u>                      |

|                                     | <u>Balance</u><br><u>July 1, 2019</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u><br><u>June 30, 2020</u> |
|-------------------------------------|---------------------------------------|------------------|------------------|--|
| Depreciable Assets:                 |                                       |                  |                  |  |
| Buildings & Sites                   | \$ 19,408,180                         | \$ -             | \$ -             | \$ 19,408,180                          |
| Equipment Furniture<br>And Fixtures | 1,683,423                             | 22,108           | -                | 1,705,531                              |
| Vehicles                            | 521,016                               | 23,950           | -                | 544,966                                |
| <b>Total Depreciable Assets</b>     | <u>\$ 21,612,619</u>                  | <u>\$ 46,058</u> | <u>\$ -</u>      | <u>\$ 21,658,677</u>                   |

Less accumulated depreciation for:

|                                       |                       |                     |             |                       |
|---------------------------------------|-----------------------|---------------------|-------------|-----------------------|
| Buildings & Sites                     | \$ (1,974,775)        | \$ (400,490)        | \$ -        | \$ (2,375,265)        |
| Equipment Furniture<br>And Fixtures   | (630,404)             | (119,506)           | -           | (749,910)             |
| Vehicles                              | (439,979)             | (20,693)            | -           | (460,672)             |
| <b>Total Accumulated Depreciation</b> | <u>\$ (3,045,158)</u> | <u>\$ (540,689)</u> | <u>\$ -</u> | <u>\$ (3,585,847)</u> |
| <b>Total Capital Assets, Net</b>      | <u>\$ 18,902,676</u>  | <u>\$ (494,631)</u> | <u>\$ -</u> | <u>\$ 18,408,045</u>  |

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

Governmental activities:

Regular instruction \$ 540,689

Note 5 -

**Long Term Debt**

Following is a summary of long-term debt for the year ended June 30, 2020:

| <u>Governmental Activities</u> | <u>Balances</u><br><u>7/01/2019</u> | <u>Additions</u> | <u>Deletions</u>  | <u>Balances</u><br><u>6/30/2020</u> |
|--------------------------------|-------------------------------------|------------------|-------------------|-------------------------------------|
| Matching Money Bonds           | \$ 2,182,062                        | \$ -             | \$ 127,657        | \$ 2,054,405                        |
| Capital Leases                 | 50,888                              | -                | 23,286            | 27,602                              |
| <b>Total</b>                   | <u>\$ 2,232,950</u>                 | <u>\$ -</u>      | <u>\$ 150,943</u> | <u>\$ 2,082,007</u>                 |

Total amount of matching money bonds due within one year is \$131,494.

In November of 2012, the District authorized issuance of its General Obligation Bond Series 2012 (Matching Money Bonds) to the State of Colorado in the aggregate principal amount of \$ 2,874,635. Interest payments are due semi-annually on June 1 and December 1, commencing on June 1, 2013 at a rate of 3.0059%. Principal payments are due annually on December 1, with a final payment due on December 1, 2032.

| <u>Fiscal Year</u><br><u>Ended June 30,</u> | <u>Principal</u>   | <u>Interest</u>   | <u>Total</u>       |
|---|--------------------|-------------------|--------------------|
| 2021  | \$ 131,494         | \$ 59,777         | \$ 191,271         |
| 2022  | 135,447            | 55,765            | 191,212            |
| 2023  | 139,518            | 51,632            | 191,150            |
| 2024  | 143,712            | 47,376            | 191,088            |
| 2025  | 148,032            | 42,991            | 191,023            |
| 2026-2028                                   | 471,333            | 101,326           | 572,659            |
| 2029-2032                                   | <u>884,869</u>     | <u>68,069</u>     | <u>952,938</u>     |
| Total                                       | <u>\$2,054,405</u> | <u>\$ 426,936</u> | <u>\$2,481,341</u> |

In 2018, the District entered into a capital lease agreement with Mercedes-Benz Financial Services LLC for the acquisition of a 14 passenger school bus. The agreement requires annual lease payments of \$10,042 beginning in August of 2018 and ending in August 2022. Capital lease amount due within one year is \$8,777.

Minimum lease payments, to maturity, are as follows:

| <u>Year Ended June 30,</u>         |                  |
|------------------------------------|------------------|
| 2021                               | \$ 10,042        |
| 2022                               | 10,042           |
| 2023                               | <u>10,042</u>    |
| Total payments under capital lease | 30,126           |
| Less: Interest portion of payments | <u>(2,524)</u>   |
| Net obligation under capital lease | <u>\$ 27,602</u> |

Note 6 -

#### **Defined Benefit Pension Plan**

##### **Summary of Significant Accounting Policies**

*Pensions.* 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 and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2020.

### **General Information about the Pension Plan**

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

*Benefits provided as of December 31, 2019.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50



percent or 100 percent on eligible amounts depending on when contributions were remitted to PERA, the date employment was terminated, whether 5 years of service credit has been obtained and the benefit structure under which contributions were made.

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contributions provisions as of June 30, 2020:* 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 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

|  | July 1, 2019<br>Through<br>June 30, 2020 |
|--|--|
| Employer contribution rate   | 10.40%                                   |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) | (1.02)%                                  |
| Amount apportioned to the SCHDTF   | 9.38%                                    |
| Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411                                    | 4.50%                                    |
| Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411                      | 5.50%                                    |
| <b>Total employer contribution rate to the SCHDTF</b>  | <b>19.38%</b>                            |

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

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 \$343,374 for the year ended June 30, 2020.

**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, 2019, and the total pension liability used to calculate the net pension liability was

determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District proportion of the net pension liability was based on the Districts contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity .

At June 30, 2020, the District reported a liability of \$4,457,376 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

|  |             |
|--|-------------|
|  |             |
| The District proportionate share of the net pension liability  | \$4,457,376 |
| The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | \$501,723   |
| Total  | \$4,959,099 |

At December 31, 2019, the District proportion was .0298356161 percent, which was an increase of .00015231302 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$1,426,107 and revenue of \$17,893 for support from the State as a nonemployer contributing entity. At June 30, 202, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Difference between expected and actual experience   | \$ 384,474                            | \$4,036,143                          |
| Changes of assumptions or other inputs  | \$1,012,218                           | -                                    |
| Net difference between projected and actual earnings on pension plan investments                                | \$ 297,333                            | \$ 727,815                           |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | \$ 35,057                             | \$ 315,931                           |
| Contributions subsequent to the measurement date  | \$ 158,333                            | N/A                                  |
| Total   | \$1,887,415                           | \$5,079,889                          |

\$158,333 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30, 2020: |                |
|---------------------------|----------------|
| 2021                      | \$ (1,469,141) |
| 2022                      | \$ (1,402,824) |
| 2023                      | \$ (346,837)   |
| 2024                      | \$ (132,005)   |
| 2025                      | \$ -           |
| Thereafter                | \$ -           |

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

|   |   |
|---|---|
| Actuarial cost method   | Entry age                               |
| Price inflation   | 2.40 percent                            |
| Real wage growth  | 1.10 percent                            |
| Wage inflation  | 3.50 percent                            |
| Salary increases, including wage inflation  | 3.50 – 9.70 percent                     |
| Long-term investment rate of return, net of pension plan investment expenses, including price inflation | 7.25 percent                            |
| Discount rate   | 7.25 percent                            |
| Post-retirement benefit increases:  |   |
| PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) <sup>1</sup>        | 1.25 percent annually                   |
| PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) <sup>1</sup>              | Financed by the Annual Increase Reserve |

<sup>1</sup> For 2019, the annual increase was 0.00 percent.

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

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

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

percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

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

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

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 percent.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.

- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates 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 rate determination does not use the municipal bond 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 proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

|  | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|--|---------------------|-------------------------------|---------------------|
| Proportionate share of the net pension liability | \$5,928,310         | \$4,457,376                   | \$3,253,884         |

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

**Defined Contribution Pension Plan**  
**Voluntary Investment Program**

*Plan Description* - Employees of the 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 which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer

contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$14,332 the Voluntary Investment Program.

Note 7 -

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

**Summary of Significant Accounting Policies**

*OPEB* The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position 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.

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan



under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid. 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 basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

*DPS Benefit Structure*

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

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

*Contributions.* Pursuant to Title 24, Article 51, Section 208(1) (f) of the C.R.S., as amended, certain contributions are apportioned to the HCTF. PERA-affiliated employers of the State, School, Local Government, and Judicial Divisions are

required to contribute at a rate of 1.02 percent of PERA-includable salary into the HCTF.

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 \$18,277 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$219,046 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District proportion of the net OPEB liability was based on the District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF .

At December 31, 2019, the District proportion was 0.0194881179 percent, which was an increase of 0.0001936999 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense/(credit) of \$(6,291). At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---------------------------------------|--------------------------------------|
| Difference between expected and actual experience   | \$ 2,160                              | \$37,130                             |
| Changes of assumptions or other inputs  | \$ 2,774                              | -                                    |
| Net difference between projected and actual earnings on OPEB plan investments                                   | \$ 1,133                              | \$ 5,599                             |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | \$14,553                              | \$ 6,278                             |
| Contributions subsequent to the measurement date  | \$ 8,333                              | N/A                                  |
| Total   | \$28,953                              | \$49,007                             |

\$8,333 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <b>Year ended June 30, 2020:</b> |            |
|----------------------------------|------------|
| 2021                             | \$ (6,286) |
| 2022                             | \$ (6,285) |
| 2023                             | \$ (5,312) |
| 2024                             | \$ (4,038) |
| 2025                             | \$ (6,082) |
| Thereafter                       | \$ (384)   |

*Actuarial assumptions.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

|  |                      |
|--|----------------------|
| Actuarial cost method  | Entry age            |
| Price inflation  | 2.40 percent         |
| Real wage growth   | 1.10 percent         |
| Wage inflation   | 3.50 percent         |
| Salary increases, including wage inflation aggregate   | 3.50 percent in      |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25 percent         |
| Discount rate  | 7.25 percent         |
| Health care cost trend rates   |                      |
| PERA benefit structure:  |                      |
| Service-based premium subsidy  | 0.00 percent         |
| PERACare Medicare plans  | 5.60 percent in 2019 |

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.

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

| <b>Medicare Plan</b>                         | <b>Cost for Members Without Medicare Part A</b> | <b>Premiums for Members Without Medicare Part A</b> |
|--|---|---|
| Medicare Advantage/Self-Insured Prescription | \$601   | \$240   |
| Kaiser Permanente Medicare                   | 605   | 237   |

The 2019 Medicare Part A premium is \$437 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

| <b>Medicare Plan</b>                         | <b>Cost for Members Without Medicare Part A</b> |
|--|---|
| Medicare Advantage/Self-Insured Prescription | \$562   |
| Kaiser Permanente Medicare Advantage HMO     | 571   |

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

| <b>Year</b> | <b>PERACare Medicare Plans</b> | <b>Medicare Part A Premiums</b> |
|-------------|--------------------------------|---------------------------------|
| 2019        | 5.60%                          | 3.50%                           |
| 2020        | 8.60%                          | 3.50%                           |
| 2021        | 7.30%                          | 3.50%                           |
| 2022        | 6.00%                          | 3.75%                           |
| 2023        | 5.70%                          | 3.75%                           |

| Year  | PERACare Medicare Plans | Medicare Part A Premiums |
|-------|-------------------------|--------------------------|
| 2024  | 5.50%                   | 3.75%                    |
| 2025  | 5.30%                   | 4.00%                    |
| 2026  | 5.10%                   | 4.00%                    |
| 2027  | 4.90%                   | 4.25%                    |
| 2028  | 4.70%                   | 4.25%                    |
| 2029+ | 4.50%                   | 4.50%                    |

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

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

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

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

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

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

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
  - The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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 percent.

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

|                                       | 1% Decrease in Trend Rates | Current Trend Rates | 1% Increase in Trend Rates |
|---------------------------------------|----------------------------|---------------------|----------------------------|
| Initial PERACare Medicare trend rate  | 4.60%                      | 5.60%               | 6.60%                      |
| Ultimate PERACare Medicare trend rate | 3.50%                      | 4.50%               | 5.50%                      |
| Initial Medicare Part A trend rate    | 2.50%                      | 3.50%               | 4.50%                      |
| Ultimate Medicare Part A trend rate   | 3.50%                      | 4.50%               | 5.50%                      |
| Net OPEB Liability                    | \$216,856                  | \$219,046           | \$221,236                  |

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, 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 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

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

|   | 1%<br>Decrease<br>(6.25%) | Current<br>Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
|---|---------------------------|-------------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$247,522                 | \$219,046                           | \$194,951              |

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

**Note 8 - Joint Ventures**

The District participates in with the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2020 contribution amounted to \$58,869.

The District's share of annual contributions to the joint venture was approximately 8% for the year ended June 30, 2020.

Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

**Note 9 - Auditor's Integrity Report**

The Colorado Department of Education requires the inclusion of the Auditor's Integrity Report as a supplemental schedule to the audited financial statements. The Report is based on a prescribed basis of accounting that demonstrates compliance with the financial policies and procedures of the Colorado Department of Education.

**Note 10- Risk Management**

The District participates in Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statute and the Colorado Constitution. In 1985, the District Board approved a resolution that authorized the District to participate in the pool. The District has participated each year since then.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability or loss to the limit of the financial resources of the Pool.

It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable cost. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members.



The Pool is a separate legal entity and the District does not approve budgets nor does it have the ability to significantly affect the operations of the unit.

The District is exposed to various risks of loss related to torts, thefts of damage to, or destruction of assets; errors or omissions; injuries to volunteers; or acts of God. The District maintains commercial insurance coverage for general liability, workers compensation, property, vehicle damage and liability, umbrella, management liability and public official bond. The District did not have any claim settlements in excess of coverage for the last three years. Complete financial statements for the Pool can be obtained at their offices.

Note 11 - **Accrued Teachers' Salaries and Employee Benefits**

Teacher contracts are for a nine or ten-month period; but are paid in twelve equal payments. At the end of the fiscal year an accrual exists for the difference between the amounts due on the contract and the amounts paid.

Note 12 - **Interfund Transactions**

The following identifies amounts due to the Pupil Activity Fund at June 30, 2020:

| <u>Fund</u>         | <u>Due To</u> | <u>Due From</u> |
|---------------------|---------------|-----------------|
| Pupil Activity Fund | \$ 19,462     |                 |
| Building Fund       |               | \$ 19,462       |

Due To/Due From other funds are recorded at the fund level and are generally eliminated at the government-wide level. During the year District's General Fund transferred \$52,763 to the Food Service Fund, \$102,750 to the Capital Reserve Projects Fund and \$42,985 to the Internal Service Fund.

Note 13 - **Commitments and Contingencies**

Claims and Judgments - The District participates in a number of federal and state programs that are fully or partially funded by grants received from other government entities. 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. At June 30, 2020, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabors Amendment - In November 1992, the voters of Colorado approved Amendment I, 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 local governments, including school districts. The District's financial activity provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenues in excess of the District's "spending limit" must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

On November 6, 2001, the voters of the district approved a referendum for Elbert County School District No. 200. The voters authorized the district to collect, retain and expend all revenues and other funds collected during 2002 and each subsequent year from any source notwithstanding the limitations of Article X, section 20 of the Colorado constitution, effective January 1, 2002, provided however, that no property tax mill levy shall be increased at any time nor shall any new tax be imposed without the prior approval of the voters of Elbert County School District No. 200.

The Tabor Amendment requires the District to establish a reserve for emergencies. At June 30, 2020, the District's reserve of \$90,000 was recorded as a reservation of Government Activities Net Position.

Note 14-

**Evaluation of Subsequent Events**

The District's management has evaluated subsequent events through September 10, 2020 (the date of the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

**Elbert County School District No. 200**  
**General Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2020**

|  | <u>Budgeted Amounts</u> |                    | <u>Actual Amounts</u> | <u>Variance with</u> |
|--|-------------------------|--------------------|-----------------------|----------------------|
|  | <u>Original</u>         | <u>Final</u>       |                       | <u>Final Budget</u>  |
|  |                         |                    |                       | <u>Positive</u>      |
|  |                         |                    |                       | <u>(Negative)</u>    |
| Revenues   |                         |                    |                       |                      |
| Local sources  |                         |                    |                       |                      |
| Property taxes   | \$ 500,000              | \$ 500,000         | \$ 510,436            | \$ 10,436            |
| Specific ownership taxes   | 87,000                  | 87,000             | 125,299               | 38,299               |
| Delinquent taxes and interest  | 1,000                   | 1,000              | 931                   | (69)                 |
| Tuition  | 11,000                  | 11,000             | 10,685                | (315)                |
| Other local sources  | 85,735                  | 85,735             | 71,010                | (14,725)             |
| Interest on investments  | 21,000                  | 21,000             | 18,013                | (2,987)              |
| Total local sources  | <u>705,735</u>          | <u>705,735</u>     | <u>736,374</u>        | <u>30,639</u>        |
| State sources  |                         |                    |                       |                      |
| State equalization   | 2,441,708               | 2,441,708          | 2,476,998             | 35,290               |
| Transportation   | 28,500                  | 28,500             | 25,125                | (3,375)              |
| Other state sources  | 72,490                  | 72,490             | 126,378               | 53,888               |
| Total state sources  | <u>2,542,698</u>        | <u>2,542,698</u>   | <u>2,628,501</u>      | <u>85,803</u>        |
| Federal sources  |                         |                    |                       |                      |
| Other federal sources  | -                       | 249,280            | 21,537                | (227,743)            |
| Total federal sources  | <u>-</u>                | <u>249,280</u>     | <u>21,537</u>         | <u>(227,743)</u>     |
| Total revenues   | <u>3,248,433</u>        | <u>3,497,713</u>   | <u>3,386,412</u>      | <u>(111,301)</u>     |
| Expenditures   |                         |                    |                       |                      |
| Instruction and supporting services  |                         |                    |                       |                      |
| Regular instruction  | 1,492,205               | 1,492,205          | 1,551,260             | (59,055)             |
| Cocurricular activities  | 140,948                 | 140,948            | 126,940               | 14,008               |
| Student services   | 39,124                  | 39,124             | 37,813                | 1,311                |
| Instructional staff  | 150,598                 | 150,598            | 162,196               | (11,598)             |
| General administration   | 189,282                 | 189,282            | 164,785               | 24,497               |
| School administration  | 217,145                 | 217,145            | 231,991               | (14,846)             |
| Support services - business  | 71,052                  | 71,052             | 76,260                | (5,208)              |
| Operations and maintenance   | 348,852                 | 348,852            | 379,550               | (30,698)             |
| Student transportation   | 150,907                 | 150,907            | 118,261               | 32,646               |
| Support services - central   | 113,000                 | 113,000            | 111,342               | 1,658                |
| Pikes Peak BOCES   | 65,957                  | 65,957             | 58,869                | 7,088                |
| Debt service   | -                       | -                  | -                     | -                    |
| Contingency  | 1,904,363               | 2,153,643          | -                     | 2,153,643            |
| Total instruction and supporting services                                  | <u>4,883,433</u>        | <u>5,132,713</u>   | <u>3,019,267</u>      | <u>2,113,446</u>     |
| Excess(deficiency) of revenues over expenditures                           | <u>(1,635,000)</u>      | <u>(1,635,000)</u> | <u>367,145</u>        | <u>2,002,145</u>     |
| Other financing sources (uses)   |                         |                    |                       |                      |
| Proceeds from issuance of capital leases                                   | -                       | -                  | -                     | -                    |
| Transfer in  | -                       | -                  | -                     | -                    |
| Transfer out   | (155,000)               | (155,000)          | (198,498)             | (43,498)             |
| Total other financing sources (uses)                                       | <u>(155,000)</u>        | <u>(155,000)</u>   | <u>(198,498)</u>      | <u>(43,498)</u>      |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>(1,790,000)</u>      | <u>(1,790,000)</u> | <u>168,647</u>        | <u>1,958,647</u>     |
| Fund balances at beginning of year   | <u>1,790,000</u>        | <u>1,790,000</u>   | <u>2,007,688</u>      | <u>217,688</u>       |
| Fund balances at end of year   | <u>\$ -</u>             | <u>\$ -</u>        | <u>\$ 2,176,335</u>   | <u>\$ 2,176,335</u>  |

See the accompanying independent auditors' report

**Elbert County School District No. 200**  
**Designated Purpose Grants Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2020**

|   | <u>Budgeted Amounts</u> |               | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|---|-------------------------|---------------|---------------------------|---|
|   | <u>Original</u>         | <u>Final</u>  |                           |   |
| Revenues  |                         |               |                           |   |
| Federal sources   |                         |               |                           |   |
| REAP grant  | \$ 17,900               | \$ 21,996     | \$ 21,585                 | \$ (411)  |
| Title I & IV A grant  | 31,607                  | 31,607        | 31,592                    | (15)  |
| Title II grant  | 5,648                   | 5,648         | 5,828                     | 180   |
| Total federal sources   | <u>55,155</u>           | <u>59,251</u> | <u>59,005</u>             | <u>(246)</u>  |
| State sources   |                         |               |                           |   |
| Gifted and talented   | 2,300                   | 2,300         | 2,546                     | 246   |
| Other state sources   | -                       | -             | -                         | -   |
| Total state sources   | <u>2,300</u>            | <u>2,300</u>  | <u>2,546</u>              | <u>246</u>  |
| Total revenues  | <u>57,455</u>           | <u>61,551</u> | <u>61,551</u>             | <u>-</u>  |
| Expenditures  |                         |               |                           |   |
| Instruction and supporting services   |                         |               |                           |   |
| Regular instruction   | 57,455                  | 61,551        | 61,551                    | -   |
| Supporting services   | -                       | -             | -                         | -   |
| Total instructional and supporting services                                   | <u>57,455</u>           | <u>61,551</u> | <u>61,551</u>             | <u>-</u>  |
| Excess(deficiency) of revenues over expenditures                              | <u>-</u>                | <u>-</u>      | <u>-</u>                  | <u>-</u>  |
| Other financing sources (uses)  |                         |               |                           |   |
| Transfers in  | -                       | -             | -                         | -   |
| Transfer out  | -                       | -             | -                         | -   |
| Total other financing sources (uses)  | <u>-</u>                | <u>-</u>      | <u>-</u>                  | <u>-</u>  |
| Excess (deficiency) of revenues over<br>expenditures and other sources (uses) | <u>-</u>                | <u>-</u>      | <u>-</u>                  | <u>-</u>  |
| Fund balances at beginning of year  | -                       | -             | -                         | -   |
| Fund balances at end of year  | <u>\$ -</u>             | <u>\$ -</u>   | <u>\$ -</u>               | <u>\$ -</u>   |

See the accompanying independent auditors' report

**Elbert County School District No. 200**  
**Pupil Activity Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2020**

|  | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|----------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>   |                           |   |
| Revenues   |                         |                |                           |   |
| Local sources  |                         |                |                           |   |
| Student activities   | \$ 140,000              | \$ 140,000     | \$ 64,689                 | \$ (75,311)   |
| Interest on investments  | 200                     | 200            | -                         | (200)   |
| Total local sources  | <u>140,200</u>          | <u>140,200</u> | <u>64,689</u>             | <u>(75,511)</u>   |
| Expenditures   |                         |                |                           |   |
| Current:   |                         |                |                           |   |
| Cocurricular activities  | 135,000                 | 135,000        | 56,549                    | 78,451  |
| District-wide  | -                       | -              | -                         | -   |
| Contingency  | 15,000                  | 15,000         | -                         | 15,000  |
| Total expenditures   | <u>150,000</u>          | <u>150,000</u> | <u>56,549</u>             | <u>93,451</u>   |
| Excess(deficiency) of revenues over expenditures                           | <u>(9,800)</u>          | <u>(9,800)</u> | <u>8,140</u>              | <u>17,940</u>   |
| Other financing sources (uses)   |                         |                |                           |   |
| Transfer in  | -                       | -              | -                         | -   |
| Transfer out   | -                       | -              | -                         | -   |
| Total other financing sources (uses)                                       | <u>-</u>                | <u>-</u>       | <u>-</u>                  | <u>-</u>  |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>(9,800)</u>          | <u>(9,800)</u> | <u>8,140</u>              | <u>17,940</u>   |
| Fund balances at beginning of year   | 9,800                   | 9,800          | 70,230                    | 60,430  |
| Fund balances at end of year   | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 78,370</u>          | <u>\$ 78,370</u>  |

See the accompanying independent auditors' report

**Elbert County School District No. 200**  
**Food Service Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2020**

|   | Budgeted Amounts |           | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|-----------|-------------------|---|
|   | Original         | Final     |                   |   |
| Revenues  |                  |           |                   |   |
| Local sources   | \$ 46,882        | \$ 46,882 | \$ 34,360         | \$ (12,522)   |
| State sources   | 530              | 530       | 647               | 117   |
| Federal sources   | 23,600           | 23,600    | 28,115            | 4,515   |
| Total sources   | 71,012           | 71,012    | 63,122            | (7,890)   |
| Expenditures  |                  |           |                   |   |
| Food service operations   | 130,512          | 130,512   | 113,343           | 17,169  |
| Total Food service operations   | 130,512          | 130,512   | 113,343           | 17,169  |
| Excess(deficiency) of revenues over expenditures                              | (59,500)         | (59,500)  | (50,221)          | 9,279   |
| Other financing sources (uses)  |                  |           |                   |   |
| Transfers in  | 55,000           | 55,000    | 52,763            | (2,237)   |
| Transfer out  | -                | -         | -                 | -   |
| Total other financing sources (uses)  | 55,000           | 55,000    | 52,763            | (2,237)   |
| Excess (deficiency) of revenues over<br>expenditures and other sources (uses) | (4,500)          | (4,500)   | 2,542             | 7,042   |
| Fund balances at beginning of year  | 4,500            | 4,500     | 21,015            | 16,515  |
| Fund balances at end of year  | \$ -             | \$ -      | \$ 23,557         | \$ 23,557   |

See the accompanying independent auditors' report

**Elbert County School District No. 200**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years**

|  | 2019          | 2018          | 2017          | 2016          | 2015          | 2014          |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| District' proportion (percentage) of the collective net pension liability                          | 0.0298356161% | 0.0296834859% | 0.0314665163% | 0.0331335511% | 0.0338258712% | 0.0332677658% |
| District's proportionate share of the collective pension liability                                 | 4,457,376     | 5,256,071     | 10,175,153    | 9,865,139     | 5,173,428     | 4,508,900     |
| Covered payroll  | 1,752,290     | 1,631,859     | 1,451,513     | 1,469,264     | 1,497,960     | 1,427,922     |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 39.31%        | 31.05%        | 14.27%        | 14.89%        | 28.95%        | 31.67%        |
| Plan fiduciary net pension as a percentage of the total pension liability                          | 64.52%        | 57.01%        | 43.96%        | 43.10%        | 59.20%        | 62.80%        |

The amounts presented for each fiscal year were determined as of December 31.

See the accompanying Independent Auditors' Report



**Elbert School District No. 200**  
**Schedule of Contributions and Related Ratios - Pensions**  
**Last 10 Fiscal Years**

| As of June 30,   | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Statorily required contributions                                     | \$ 343,374  | \$ 317,662  | \$ 283,581  | \$ 264,286  | \$ 264,138  | \$ 246,288  |
| Contributions in relation to the statorily<br>required contributions | 343,374     | 317,662     | 283,581     | 264,286     | 264,138     | 246,288     |
| Contribution deficiency (excess)                                     | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll  | 1,772,787   | 1,661,206   | 1,501,903   | 1,438,059   | 1,489,733   | 1,373,694   |
| Contribution as a percentage of<br>covered payroll                   | 19.37%      | 19.12%      | 18.88%      | 18.38%      | 17.73%      | 17.93%      |

See the accompanying Independent Auditors' Report

**Elbert County School District No. 200**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability**  
**Last 10 Fiscal Years**

|  | <u>2019</u>   | <u>2018</u>   | <u>2017</u>   |
|--|---------------|---------------|---------------|
| District' proportion (percentage) of the collective net OPEB liability                             | 0.0194881179% | 0.0192944180% | 0.0178791489% |
| District's proportionate share of the collective OPEB liability                                    | 219,046       | 262,509       | 232,357       |
| Covered payroll  | 1,752,290     | 1,631,859     | 1,451,513     |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 799.96%       | 621.64%       | 624.69%       |
| Plan fiduciary net OPEB as a percentage of the total OPEB liability                                | 24.49%        | 17.03%        | 17.53%        |

The amounts presented for each fiscal year were determined as of December 31.

See the accompanying Independent Auditors' Report

**Elbert School District No. 200**  
**Schedule of Contributions and Related Ratios (OPEB)**  
**Last 10 Fiscal Years**

| As of June 30,   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
|--|---------------|---------------|---------------|
| Statutorily required contributions                                     | \$ 18,082     | \$ 16,945     | \$ 15,392     |
| Contributions in relation to the statutorily<br>required contributions | <u>18,082</u> | <u>16,945</u> | <u>15,392</u> |
| Contribution deficiency (excess)                                       | <u>\$ -</u>   | <u>\$ -</u>   | <u>\$ -</u>   |
| Covered payroll  | 1,772,787     | 1,661,206     | 1,501,903     |
| Contribution as a percentage of<br>covered payroll                     | 1.02%         | 1.02%         | 1.02%         |

See the accompanying Independent Auditors' Report

**OTHER  
SUPPLEMENTARY  
INFORMATION**

**Elbert County School District No. 200**  
**Capital Projects Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2020**

|  | <u>Budgeted Amounts</u> |                  | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|------------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>     |                           |   |
| Revenues   |                         |                  |                           |   |
| Local sources  |                         |                  |                           |   |
| Other local sources  | \$ -                    | \$ -             | \$ -                      | -   |
| Interest on investments  | 2,500                   | 2,500            | 2,303                     | (197)   |
| Total local sources  | <u>2,500</u>            | <u>2,500</u>     | <u>2,303</u>              | <u>(197)</u>  |
| Expenditures   |                         |                  |                           |   |
| Current:   |                         |                  |                           |   |
| Supporting services  | 89,895                  | 89,895           | 23,950                    | 65,945  |
| District-wide facility acquisitions  | -                       | -                | 32,858                    | (32,858)  |
| Debt service   | -                       | -                | 24,936                    | (24,936)  |
| Contingency  | 210,954                 | 210,954          | -                         | 210,954   |
| Total expenditures   | <u>300,849</u>          | <u>300,849</u>   | <u>81,744</u>             | <u>219,105</u>  |
| Excess(deficiency) of revenues over expenditures                           | <u>(298,349)</u>        | <u>(298,349)</u> | <u>(79,441)</u>           | <u>218,908</u>  |
| Other financing sources (uses)   |                         |                  |                           |   |
| Proceeds from issuance of capital leases                                   | -                       | -                | -                         | -   |
| Transfer in  | 100,000                 | 100,000          | 102,750                   | 2,750   |
| Transfer (out)   | -                       | -                | -                         | -   |
| Total other financing sources (uses)                                       | <u>100,000</u>          | <u>100,000</u>   | <u>102,750</u>            | <u>2,750</u>  |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>(198,349)</u>        | <u>(198,349)</u> | <u>23,309</u>             | <u>221,658</u>  |
| Fund balances at beginning of year   | <u>198,349</u>          | <u>198,349</u>   | <u>154,814</u>            | <u>(43,535)</u>   |
| Fund balances at end of year   | <u>\$ -</u>             | <u>\$ -</u>      | <u>\$ 178,123</u>         | <u>\$ 178,123</u>   |

See the accompanying independent auditors' report

**Elbert County School District No. 200**  
**Bond Redemption Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**Fiscal Year Ended June 30, 2020**

|  | <u>Budgeted Amounts</u> |                | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-------------------------|----------------|---------------------------|---|
|  | <u>Original</u>         | <u>Final</u>   |                           |   |
| Revenues   |                         |                |                           |   |
| Local sources  |                         |                |                           |   |
| Property taxes   | \$ 199,000              | \$ 199,000     | \$ 194,853                | \$ (4,147)  |
| Interest on investments  | -                       | -              | 2,483                     | 2,483   |
| Total local sources  | <u>199,000</u>          | <u>199,000</u> | <u>197,336</u>            | <u>(1,664)</u>  |
| Expenditures   |                         |                |                           |   |
| Current:   |                         |                |                           |   |
| Supporting services  | 750                     | 750            | 750                       | -   |
| Debt service   |                         |                |                           |   |
| Principal  | 127,657                 | 127,657        | 127,657                   | -   |
| Interest   | 63,672                  | 63,672         | 63,672                    | -   |
| Contingency  | 6,921                   | 6,921          | -                         | 6,921   |
| Total expenditures   | <u>199,000</u>          | <u>199,000</u> | <u>192,079</u>            | <u>6,921</u>  |
| Excess(deficiency) of revenues over expenditures                           | <u>-</u>                | <u>-</u>       | <u>5,257</u>              | <u>5,257</u>  |
| Other financing sources (uses)   |                         |                |                           |   |
| Proceeds from issuance of bonds  | -                       | -              | -                         | -   |
| Transfer in  | -                       | -              | -                         | -   |
| Transfer (out)   | -                       | -              | -                         | -   |
| Total other financing sources (uses)                                       | <u>-</u>                | <u>-</u>       | <u>-</u>                  | <u>-</u>  |
| Excess (deficiency) of revenues over expenditures and other sources (uses) | <u>-</u>                | <u>-</u>       | <u>5,257</u>              | <u>5,257</u>  |
| Fund balances at beginning of year   | -                       | -              | 196,064                   | 196,064   |
| Fund balances at end of year   | <u>\$ -</u>             | <u>\$ -</u>    | <u>\$ 201,321</u>         | <u>\$ 201,321</u>   |

See the accompanying independent auditors' report

**COLORADO DEPARTMENT OF EDUCATION**  
**AUDITOR'S INTEGRITY REPORT**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0950 - Elbert 200  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

| Fund Type & Number                                      | Beg Fund Balance & Prior Per Adj (6880*) | + | 1000 - 5999 Total Revenues & Other Sources | - | 0001-0999 Total Expenditures & Other Uses | = | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|---|--|---|--|---|---|---|---|
| <b>Governmental</b>                                     |  |   |  |   |   |   |   |
| 10 General Fund   | 2,007,688                                |   | 3,187,914                                  |   | 3,019,267                                 |   | 2,176,335   |
| 18 Risk Mgmt Sub-Fund of General Fund                   | 0  |   | 0  |   | 0   |   | 0   |
| 19 Colorado Preschool Program Fund                      | 0  |   | 0  |   | 0   |   | 0   |
| Sub- Total  | 2,007,688                                |   | 3,187,914                                  |   | 3,019,267                                 |   | 2,176,335   |
| 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                       | 21,015                                   |   | 115,886                                    |   | 113,343                                   |   | 23,557  |
| 22 Govt Designated-Purpose Grants Fund                  | 0  |   | 61,551                                     |   | 61,551                                    |   | 0   |
| 23 Pupil Activity Special Revenue Fund                  | 70,230                                   |   | 64,689                                     |   | 56,549                                    |   | 78,370  |
| 24 Full Day Kindergarten Mill Levy Override             | 0  |   | 0  |   | 0   |   | 0   |
| 25 Transportation Fund                                  | 0  |   | 0  |   | 0   |   | 0   |
| 31 Bond Redemption Fund                                 | 196,064                                  |   | 197,336                                    |   | 192,079                                   |   | 201,322   |
| 39 Certificate of Participation (COP) Debt Service Fund | 0  |   | 0  |   | 0   |   | 0   |
| 41 Building Fund  | 0  |   | 0  |   | 0   |   | 0   |
| 42 Special Building Fund                                | 0  |   | 0  |   | 0   |   | 0   |
| 43 Capital Reserve Capital Projects Fund                | 154,814                                  |   | 105,053                                    |   | 81,744                                    |   | 178,123   |
| 46 Supplemental Cap Const, Tech, Main Fund              | 0  |   | 0  |   | 0   |   | 0   |
| <b>Totals</b>   | <b>2,449,811</b>                         |   | <b>3,732,430</b>                           |   | <b>3,524,534</b>                          |   | <b>2,657,707</b>                                      |
| <b>Proprietary</b>                                      |  |   |  |   |   |   |   |
| 50 Other Enterprise Funds                               | 0  |   | 0  |   | 0   |   | 0   |
| 64 (63) Risk-Related Activity Fund                      | 0  |   | 43,009                                     |   | -11,216                                   |   | 54,224  |
| 60,65-69 Other Internal Service Funds                   | 0  |   | 0  |   | 0   |   | 0   |
| <b>Totals</b>   | <b>0</b>                                 |   | <b>43,009</b>                              |   | <b>-11,216</b>                            |   | <b>54,224</b>   |
| <b>Fiduciary</b>  |  |   |  |   |   |   |   |
| 70 Other Trust and Agency Funds                         | 0  |   | 0  |   | 0   |   | 0   |
| 72 Private Purpose Trust Fund                           | 0  |   | 0  |   | 0   |   | 0   |
| 73 Agency Fund  | 0  |   | 0  |   | 0   |   | 0   |
| 74 Pupil Activity Agency Fund                           | 0  |   | 0  |   | 0   |   | 0   |
| 79 GASB 34/Permanent Fund                               | 0  |   | 0  |   | 0   |   | 0   |
| 85 Foundations  | 0  |   | 0  |   | 0   |   | 0   |
| <b>Totals</b>   | <b>0</b>                                 |   | <b>0</b>                                   |   | <b>0</b>                                  |   | <b>0</b>  |

FINAL