

cPa DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL

DISTRICT RE-4

SPRINGFIELD, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2020

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS  
June 30, 2020

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BACA COUNTY SCHOOL DISTRICT RE-4  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2020

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BOARD OF EDUCATION

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

SCHOOL OFFICIALS

Richard Hargrove	Superintendent
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FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District Number RE-4, 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**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District Number RE-4, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post employment benefits trend data on pages i through ix and 39 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Baca County School District Number RE-4's basic financial statements. The combining and individual fund financial statements, other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Arthur, Waller & Co., Inc.*

Trinidad, Colorado  
November 20, 2020

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## SPRINGFIELD SCHOOL DISTRICT RE-4

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

This Management's Discussion and Analysis (MD&A) of Springfield School District RE-4 is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this report is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the District's financial statements following this section.

The District to implement GASB 68 in 2015. The District has a net pension liability of \$4,962,621 at June 30, 2020. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District.

The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$244,012. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the district. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

### FINANCIAL HIGHLIGHTS

The District's total combined assets were \$5,695,038 as of June 30, 2020. The District's total liabilities were \$5,915,916 which included a total net pension liability of \$4,962,621 (due to GASB 68 required reporting). The District's Net Investment in Capital Assets as of June 30, 2020, was \$1,874,890.

The total cost of the Districts' programs increased from last year as the District started the Safety & Security capital construction project. The District also changed our meal service program due to COVID restrictions.

The General Fund reported a fund balance of \$2,933,568 at the close of the fiscal year 2019 – 2020 which was \$448,536 higher than the previous year. It should be noted this balance included CARES Act funds that were not previously budgeted. The district strives to limit the spending of their reserves; which will eventually deplete the reserves. The district through these efforts has increased the reserves for the last five consecutive years.

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

**OVERVIEW OF FINANCIAL STATEMENTS**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is normally provided in this document. Since this is the first presentation of management's discussion and analysis, no comparison data is provided. The School Districts' basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

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

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

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

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

*Business-type activities:* The District charges fees to help cover the costs of certain services it provides. The District has no business-type activities at this time.

**FUND FINANCIAL STATEMENTS**

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

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

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

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

As noted earlier, net position may serve over time as an indicator of the District's financial position. The Districts' total net position on June 30, 2020 was (\$2,932,039). Of the District's \$5,695,238 in assets, 33% reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment).

**SPRINGFIELD SCHOOL DISTRICT RE-4**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

Table 1:

NET POSITION	2020			2019		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>						
Current and Other Assets	3,820,348	-	3,820,348	3,104,001	-	3,104,001
Capital Assets	1,874,890	-	1,874,890	1,829,276	-	1,829,276
Total Assets	5,695,238	-	5,695,238	4,933,277	-	4,933,277
<b>DEFERRED OUTFLOW OF RESOURCES</b>						
	1,156,213	-	1,156,213	2,299,078	-	2,299,078
<b>LIABILITIES</b>						
Current and Other Liabilities	689,802	-	689,802	374,539	-	374,539
Long Term Liabilities	19,481	-	19,481	16,856	-	16,856
Net Pension Obligation	5,206,633	-	5,206,633	6,173,713	-	6,173,713
Total Liabilities	5,915,916	-	5,915,916	6,565,108	-	6,565,108
<b>DEFERRED INFLOW OF RESOURCES</b>						
	3,867,574	-	3,867,574	4,896,419	-	4,896,419
<b>NET POSITION</b>						
Net Investment in Capital Assets	1,874,890	-	1,874,890	1,829,276	-	1,829,276
Restricted for:						
Labor Reserve	116,000	-	116,000	107,000	-	107,000
Multi Year Obligations	-	-	-	-	-	-
Preschool	28,516	-	28,516	40,445	-	40,445
Insurance	-	-	-	-	-	-
Food Service	63,081	-	63,081	44,890	-	44,890
Unrestricted	(5,014,526)	-	(5,014,526)	(6,250,783)	-	(6,250,783)
	(2,932,039)	-	(2,932,039)	(4,229,172)	-	(4,229,172)

**SPRINGFIELD SCHOOL DISTRICT RE-4**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2020**

Table 2:  
**Changes In Net Position**

	2020			2019		
	Governmental	Business Type	Total	Governmental	Business Type	Total
	Activities	Activities		Activities	Activities	
<b>Revenues</b>						
Charges for Services	101,008	-	101,008	107,537	-	107,537
Operating Grants and Contributions	799,127	-	799,127	605,702	-	605,702
Capital Grants and Contributions	29,171	-	29,171	138,771	-	138,771
Property taxes	807,865	-	807,865	762,370	-	762,370
Specific Ownership Taxes	97,879	-	97,879	91,510	-	91,510
Equalization	2,313,782	-	2,313,782	2,225,629	-	2,225,629
Earnings on investments	42,942	-	42,942	53,360	-	53,360
Other Revenues	34,830	-	34,830	38,799	-	38,799
Transfers	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>4,226,604</b>	<b>-</b>	<b>4,226,604</b>	<b>4,023,678</b>	<b>-</b>	<b>4,023,678</b>
<b>Expenses</b>						
Instructional services	2,120,849	-	2,120,849	2,143,824	-	2,143,824
Students	320,208	-	320,208	205,669	-	205,669
Instructional staff	70,056	-	70,056	61,056	-	61,056
District administration	203,767	-	203,767	203,700	-	203,700
School administration	156,408	-	156,408	150,007	-	150,007
Business	71,010	-	71,010	69,063	-	69,063
Operation and maintenance of facilities	398,982	-	398,982	401,739	-	401,739
Transportation	178,743	-	178,743	178,142	-	178,142
Central	35,585	-	35,585	7,610	-	7,610
Capital outlay	61,625	-	61,625	-	-	-
Interest	-	-	-	-	-	-
Pension and OPEB	(853,060)	-	(853,060)	(714,738)	-	(714,738)
Older Post Employment Benefits	-	-	-	-	-	-
Food Service	203,986	-	203,986	183,586	-	183,586
<b>TOTAL EXPENSES</b>	<b>2,968,159</b>	<b>-</b>	<b>2,968,159</b>	<b>2,889,658</b>	<b>-</b>	<b>2,889,658</b>
<b>Increase ( Decrease) in Net Position</b>	<b>1,258,445</b>	<b>-</b>	<b>1,258,445</b>	<b>1,134,020</b>	<b>-</b>	<b>1,134,020</b>

The Districts' total revenues were \$4,226,604. A significant portion (55%) of the revenue comes from state aid (equalization) while (20%) comes from federal sources, other state aid and charges for services, (19%) from local property taxes and the remaining (6%) from other sources. The total cost of all programs and services \$2,968,159. The bulk of these expenses (85%) were spent on instruction and supporting services. (Total cost and percentages vary from 2018-19 due to new GASB pension costs calculations.)

SPRINGFIELD SCHOOL DISTRICT RE-4  
 Management's Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2020

**GOVERNMENTAL ACTIVITIES**

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

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

**Table - 3 Governmental Activities by Major Function**

	2019		2019	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	2,120,849	1,559,469	2,143,824	1,626,058
Students	320,208	216,207	205,669	205,669
Instructional staff	70,056	70,056	61,056	61,056
District administration	203,767	203,767	203,700	203,700
School administration	156,408	156,408	150,007	150,007
Business	71,010	71,010	69,063	69,063
Operation and maintenance of facilities	398,982	398,982	401,739	396,638
Transportation	178,743	155,945	178,142	152,332
Central	35,585	35,585	7,610	7,610
Capital outlay	61,625	32,454	-	(138,771)
Interest	-	-	-	-
Pension and OPEB	(853,060)	(853,060)	(714,738)	(714,738)
Food Service	203,986	(7,970)	183,586	19,024
Total	2,968,159	2,038,853	2,889,658	2,037,648

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

SPECIAL REVENUE ACTIVITIES

The food service fund is a special revenue fund. This program had revenues of \$212,171 and expenses of \$201,432. The District's lunch program is a recipient of federal food commodities and is greatly impacted when these commodities are not available to the district. The Food Service Fund was subsidized in part by General Fund money from seconds and staff duty reimbursements in 2019 - 2020. Revenues were impacted when the district was allowed to provide meals following SFSP funding guidelines as a result of COVID-19. The district participates in the National School Lunch Program and receives reimbursement for the meals that are served. In 2004-2005 the district implemented a breakfast program that is also included in the National School Lunch Program. The district participated in a Fresh Fruits & Vegetables Program for the 2019 – 2020 school year. This program was funded by the district and local donations.

FINANCIAL ANALYSIS OF THE DISTRICTS' FUNDS

State funding (equalization) for the General Fund and Colorado Preschool Project Fund is based on pupil count. Equalized funding (the per pupil amount set by Colorado Department of Education funded with local property tax and state aid) increased for 2019-2020. The District receives full per pupil funding for preschool students who qualify for the Colorado Preschool Project program. In 2019-2020, Kindergarten students were fully funded based on #HB 19-1262 of the Colorado School Finance bill. All other students enrolled in the district are funded at 100% of the per pupil rate. There were 309 students enrolled in Springfield School District RE-4 on October 1, 2019.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the District did not do a supplemental budget. Actual expenditures (\$3,347,670) were below the budgeted amounts. Actual revenues (\$3,886,028) were less than the budgeted amount. Because of COVID-19 the District received grant money from the CARES Act as well as the ESSER funds. This revenue was restricted to COVID related expenses to be expended by 12/30/2020 (FY 2020-21). The district continues to maintain frugal spending habits in an effort to spend only the money that is collected in a year.

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$1,874,890.

Table 4:

Capital Assets ( Net of Depreciation )	2020			2019		
	Governmental	Business Type	Total	Governmental	Business Type	Total
Land & Sites	-	-	-	-	-	-
Buildings & Improvements	1,326,063	-	1,326,063	1,396,872	-	1,396,872
Equipment & Vehicles	548,827	-	548,827	432,404	-	432,404
Other	-	-	-	-	-	-
<b>Total Capital Assets</b>	<b>1,874,890</b>	<b>-</b>	<b>1,874,890</b>	<b>1,829,276</b>	<b>-</b>	<b>1,829,276</b>

LONG-TERM DEBT

The District is responsible for future compensated absences (sick leave, vacation allowances, etc.). The amount due as of June 30, 2019 was \$19,481, which is 16% higher than the prior year.

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

The budget for 2020-2021 will be impacted by a decrease in enrollment, increase in minimum wage, utility costs and the rising percentage that the District pays to the Public Employees Retirement Account (PERA). The budget will also be impacted by statewide budget cuts due to COVID-19. The budget stabilization factor will continue to lower the per pupil factor. The District is committed to keeping the base salary for certified employees to a level equal to or above the other districts in the area in order to obtain quality instructors. The District's goal is to monitor spending in the district to eliminate future years of spending more than the district receives. The District was awarded a BEST Grant for new construction and renovation in the amount of \$40,144,782. The District cost will be \$5,990,000 which the district will collect through a 20 year bond.

SPRINGFIELD SCHOOL DISTRICT RE-4  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

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

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

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

BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF NET POSITION  
June 30, 2020

	<u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	358,150	358,150
Investments	3,302,941	3,302,941
Accounts Receivable	23,748	23,748
Accrued Revenue	10,526	10,526
Property Taxes Receivable	68,132	68,132
Inventories	6,851	6,851
Prepaid Assets	50,000	50,000
Capital Assets	5,128,180	5,128,180
Accumulated Depreciation	<u>(3,253,290)</u>	<u>(3,253,290)</u>
<u>Total Assets</u>	<u>5,695,238</u>	<u>5,695,238</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	1,133,936	1,133,936
Other Post Employment Benefits	<u>22,277</u>	<u>22,277</u>
<u>Total Deferred Outflows</u>	<u>1,156,213</u>	<u>1,156,213</u>
 <u>LIABILITIES</u>		
Accounts Payable	-	-
Accrued Salaries and Benefits	316,483	316,483
Other Liabilities	2,987	2,987
Grant Amounts Received in Advance	370,332	370,332
Compensated Absences	19,481	19,481
Net Pension Liability	4,962,621	4,962,621
Net Other Post Employment Benefits Liability	<u>244,012</u>	<u>244,012</u>
<u>Total Liabilities</u>	<u>5,915,916</u>	<u>5,915,916</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	3,817,262	3,817,262
Other Post Employment Benefits	<u>50,312</u>	<u>50,312</u>
<u>Total Deferred Inflows</u>	<u>3,867,574</u>	<u>3,867,574</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	1,874,890	1,874,890
Restricted for:		
TABOR Reserve	116,000	116,000
Preschool	28,516	28,516
Food Service	63,081	63,081
Unrestricted	<u>(5,014,526)</u>	<u>(5,014,526)</u>
<u>TOTAL NET POSITION</u>	<u>(2,932,039)</u>	<u>(2,932,039)</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

	Net (Expenses) Revenue and Changes in Net Position			
	Primary Government			Total
	Expenses	Charges for Services	Program Revenues Operating Grants & Contributions	
<b>FUNCTIONS</b>				
Instructional Services	2,120,849	61,967	499,413	-
Supporting Services:				
Students	320,208	-	104,001	-
Instructional Staff	70,056	-	-	-
District Administration	203,767	-	-	-
School Administration	156,408	-	-	-
Business	71,010	-	-	-
Operation & Maintenance of Facilities	398,982	-	-	-
Transportation	178,743	-	22,798	-
Central	35,585	-	-	-
Community	-	-	-	-
Food Service	203,986	39,041	172,915	-
Capital Outlay	61,625	-	-	29,171
<b>Total Governmental Activities</b>	<u>3,821,219</u>	<u>101,008</u>	<u>799,127</u>	<u>29,171</u>
<b>Total School District</b>	<u>3,821,219</u>	<u>101,008</u>	<u>799,127</u>	<u>29,171</u>
<b>General Revenues</b>				
Property Taxes Levied for General Purposes		807,865		807,865
Specific Ownership Taxes		97,879		97,879
Equalization		2,313,782		2,313,782
Earnings on Investments		42,942		42,942
Pension and OPEB changes		853,060		853,060
Other Revenues		34,830		34,830
<b>Total General Revenues and Transfers</b>		<u>4,150,358</u>		<u>4,150,358</u>
<b>Change in Net Position</b>		<u>1,258,445</u>		<u>1,258,445</u>
<b>Net Position, Beginning, as Restated</b>		<u>(4,190,484)</u>		<u>(4,190,484)</u>
<b>Net Position, Ending</b>		<u>(2,932,039)</u>		<u>(2,932,039)</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>			
Cash	221,256	136,894	358,150
Investments	3,302,941	-	3,302,941
Accounts Receivable	-	23,748	23,748
Accrued Revenue	10,526	-	10,526
Due from Other Funds	-	-	-
Property Taxes Receivable	68,132	-	68,132
Prepays	50,000	-	50,000
Inventories	-	6,851	6,851
<u>Total Assets</u>	<u>3,652,855</u>	<u>167,493</u>	<u>3,820,348</u>
<u>LIABILITIES:</u>			
Accounts Payable	-	-	-
Accrued Salaries and Benefits	298,165	18,318	316,483
Due to Other Funds	-	-	-
Grant Amounts Received in Advance	370,332	-	370,332
Other Liabilities	-	2,987	2,987
<u>Total Liabilities</u>	<u>668,497</u>	<u>21,305</u>	<u>689,802</u>
<u>DEFERRED INFLOW OF RESOURCES:</u>			
Property Tax	50,790	-	50,790
<u>FUND BALANCES:</u>			
Nonspendable			
Inventories and Prepays	50,000	6,851	56,851
Restricted:			
Emergency Reserve	116,000	-	116,000
Food Service	-	63,081	63,081
Preschool	28,516	-	28,516
Committed:			
Insurance	72,618	-	72,618
Capital Outlay	-	10,110	10,110
Assigned:			
Student Activities	-	66,146	66,146
Unassigned	2,666,434	-	2,666,434
<u>Total Fund Balances</u>	<u>2,933,568</u>	<u>146,188</u>	<u>3,079,756</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>			
	<u>3,652,855</u>	<u>167,493</u>	<u>3,820,348</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2020

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

<u>Total Fund Balance – Governmental Funds</u>	3,079,756
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$5,128,180 and the accumulated depreciation is \$3,253,290.	1,874,890
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” None of the deferred property tax revenue is available in the funds.	50,790
Compensated absences are not reported as a liability in the funds.	(19,481)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(4,962,621)
Net Other Post Employment Benefits Liability	(244,012)
Deferred Outflows	1,156,213
Deferred Inflows	<u>(3,867,574)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(2,932,039)</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020

	General	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>			
Property Taxes	812,741	-	812,741
Specific Ownership Taxes	97,879	-	97,879
Earnings on Investments	42,618	324	42,942
Other Local Sources	123,000	143,041	266,041
State Aid	2,627,476	32,656	2,660,132
Federal Aid	182,314	169,431	351,745
<u>Total Revenues</u>	<u>3,886,028</u>	<u>345,452</u>	<u>4,231,480</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	2,024,940	-	2,024,940
Supporting Services:			
Students	243,665	76,543	320,208
Instructional Staff	70,056	-	70,056
District Administration	203,767	-	203,767
School Administration	156,408	-	156,408
Business	71,010	-	71,010
Operation & Maintenance of Facilities	395,710	-	395,710
Transportation	146,529	-	146,529
Food Service	-	201,432	201,432
Central	35,585	-	35,585
Debt Service:			
Principal	-	-	-
Interest	-	-	-
Capital Outlay	-	238,563	238,563
<u>Total Expenditures</u>	<u>3,347,670</u>	<u>516,538</u>	<u>3,864,208</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>538,358</u>	<u>(171,086)</u>	<u>367,272</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	(89,822)	89,822	-
<u>Total Other Financing Sources (Uses)</u>	<u>(89,822)</u>	<u>89,822</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>448,536</u>	<u>(81,264)</u>	<u>367,272</u>
<u>FUND BALANCES – BEGINNING (as Restated)</u>	<u>2,485,032</u>	<u>227,452</u>	<u>2,712,484</u>
<u>FUND BALANCES – ENDING</u>	<u>2,933,568</u>	<u>146,188</u>	<u>3,079,756</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2020

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

Net Change in Fund Balances – Total Governmental Funds 367,272

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	176,938	
Depreciation Expense	(131,324)	45,614

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities. (4,876)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. (2,625)

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

Pension	849,082	
Other Post Employment Benefits	<u>3,978</u>	<u>853,060</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 1,258,445

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

NOTES TO BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Baca County School District RE-4 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Baca County School District RE-4. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.      Fund Accounting

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

- Major Governmental Funds

- General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

E.      Cash and Investments

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

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

F.      Receivables

Property taxes levied in 2019 but uncollected in 2020 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2020 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

G.    Inventories

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

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

H.    Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I.    Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J.    Long-Term Obligations

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

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

K.    Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing Baca County School District RE-4 to collect, retain and expend (during 1996 and beyond) all revenues from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending. As of June 30, 2020 the District reserved \$116,000 for this purpose.

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.    Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2019 property tax calendar for Baca County was as follows:

Levy Date	December 15, 2019
Lien Date	January 1, 2020
Tax Bills Mailed	January 1, 2020
First Installment Due	February 28, 2020
Second Installment Due	June 15, 2020
If Paid in Full, Due	April 30, 2020
Tax Sale – 2018 Delinquent Property Taxes	October 25, 2019

M.    Accumulated Sick Leave

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

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2020, the District has recorded an estimated liability of \$19,841 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Accumulated Sick Leave	<u>16,856</u>	<u>625</u>	<u>-</u>	<u>19,481</u>

N.    Use of Estimates

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

O.    Interest Expense

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

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.    GASB Statement No. 54

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

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

1. Nonspendable such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.    GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Student Activity Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventories and Prepaids	50,000	6,851	-	-	56,851
<u>Restricted:</u>					
Emergencies	116,000	-	-	-	116,000
Preschool	28,516	-	-	-	28,516
Food Service	-	63,081	-	-	63,081
<u>Committed:</u>					
Insurance	72,618	-	-	-	72,618
Capital Outlay	-	-	10,110	-	10,110
<u>Assigned:</u>					
Student Activities	-	-	-	66,146	66,146
<u>Unassigned</u>	<u>2,666,434</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,666,434</u>
<u>Total Fund Balances</u>	<u>2,933,568</u>	<u>69,932</u>	<u>10,110</u>	<u>66,146</u>	<u>3,079,756</u>

NOTE 2    RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Items Eliminated

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	89,822
Food Service Fund	9,201	-
Capital Reserve- Capital Project Fund	<u>80,621</u>	-
	<u>89,822</u>	<u>89,822</u>

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 3      BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General, Special Revenue and Capital Project Funds.
6. Budgets for the General, Special Revenue and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 4      CASH AND INVESTMENTS (Continued)

At June 30, 2020, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	120,844	86,249
Cash with County Treasurer	12,694	-
Cash on Hand	-	-
<u>Total Cash and Deposits</u>	<u>358,150</u>	<u>336,249</u>

As presented above, deposits with a bank balance of \$86,249 and a carrying balance of \$120,844 as of June 30, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2020, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	External Investment Pool	Under 60 Day Average	\$ 3,302,941

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

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

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

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

The District has no recurring fair value measurements as of June 30, 2020:

- ColoTrust Investment Pool

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2020</u>
<u>Total Non-Depreciable Assets</u>	-	-	-	-
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	3,608,573	-	-	3,608,573
Vehicles	590,033	-	-	590,033
Equipment	<u>752,636</u>	<u>176,938</u>	-	<u>929,574</u>
<u>Total Depreciable Assets</u>	<u>4,951,242</u>	<u>176,938</u>	-	<u>5,128,180</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	2,211,701	70,809	-	2,282,510
Vehicles	337,755	30,088	-	367,843
Equipment	<u>572,510</u>	<u>30,427</u>	-	<u>602,937</u>
<u>Total Accumulated Depreciation</u>	<u>3,121,966</u>	<u>131,324</u>	-	<u>3,253,290</u>
<u>Total Capital Assets, Net</u>	<u>1,829,276</u>	<u>45,614</u>	-	<u>1,874,890</u>

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

Governmental Activities:

Instruction	93,284
Food Service	2,554
Operations and Maintenance	3,272
Transportation	<u>32,214</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>131,324</u>

NOTE 6      INTERFUND ACTIVITY

<u>Fund</u>	<u>Transfer From Other Funds</u>	<u>Transfer To Other Funds</u>
General	-	89,822
Food Service	9,201	-
Capital Project	<u>80,621</u>	-
	<u>89,822</u>	<u>89,822</u>

Transfers were made to support operations in the year ended June 30, 2020. Due To Other Funds will be paid in the upcoming period.

NOTE 7      ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine or ten months. The salaries and benefits earned, but unpaid at June 30, 2020, are estimated to be \$316,483. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 8

PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Baca County School District RE-4 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position 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 Baca County School District RE-4 are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available, comprehensive annual financial report (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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 8 , PENSION PLAN (Continued)

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

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

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

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

As of December 31, 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 lesser of an annual increase of 1.25 percent or the average 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.

*Contribution provisions as of June 30, 2020:* Eligible employees, Baca County School District RE-4 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 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.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 8      PENSION PLAN (Continued)

	July 1, 2019 Through 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, HB20-1379 *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 Baca County School District RE-4 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District RE-4 were \$380,689 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 Baca County School District RE-4 proportion of the net pension liability was based on Baca County School District RE-4 contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 8      PENSION PLAN (Continued)

At June 30, 2020, the Baca County School District RE-4 reported a liability of \$4,962,621 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 Baca County School District RE-4 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Baca County School District RE-4 were as follows:

Baca County School District RE-4 proportionate share of the net pension liability	\$ 4,962,621
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Baca County School District RE-4	\$ 629,444
Total	\$ 5,592,065

At December 31, 2019, the Baca County School District RE-4 proportion was 0.033 percent, which was an increase of 0.00001 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Baca County School District RE-4 recognized pension income of \$849,082 and revenue of \$47,674 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Baca County School District RE-4 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	270,466	-
Changes of assumptions or other inputs	141,675	(2,250,998)
Net difference between projected and actual earnings on pension plan investments	529,417	(1,117,289)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,726	(448,975)
Contributions subsequent to the measurement date	190,652	N/A
Total	1,133,936	(3,817,262)

\$190,652 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	(1,592,579)
2022	(1,092,461)
2023	11,039
2024	(199,977)
2025	-
Thereafter	-

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 8**      PENSION PLAN (Continued)

*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)*	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)*	Financed by the Annual Increase Reserve

\*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.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

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:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 8      PENSION PLAN (Continued)

- 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 Baca County School District RE-4 proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	6,581,498	4,962,621	3,603,433

*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 Baca County School District RE-4 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$13,054 to the Voluntary Investment Program.

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

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

**Summary of Significant Accounting Policies**

*OPEB.* Baca County School District RE-4 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position 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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Baca County School District RE-4 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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 Baca County School District RE-4 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District RE-4 were \$20,036 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 Baca County School District RE-4 reported a liability of \$244,012 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 Baca County School District RE-4 proportion of the net OPEB liability was based on Baca County School District RE-4 contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

At December 31, 2019, the Baca County School District RE-4 proportion was 0.022 percent, which was an increase of 0.0001 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Baca County School District RE-4 recognized OPEB income of \$3,978. At June 30, 2020, the Baca County School District RE-4 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	810	(41,003)
Changes of assumptions or other inputs	2,024	-
Net difference between projected and actual earnings on OPEB plan investments	3,929	(8,002)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	5,480	(1,307)
Contributions subsequent to the measurement date	10,034	N/A
Total	22,277	(50,312)

\$10,034 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:

Year ended June 30, 2020	
2021	(7,792)
2022	(7,792)
2023	(6,612)
2024	(7,776)
2025	(7,632)
Thereafter	(465)

*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	3.50 percent in aggregate
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, gradually decreasing to 4.50 percent in 2029

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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, valuations 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:

Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	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:

Medicare Plan	Cost for Members Without Medicare Part A
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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2020

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
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%
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.

BACA COUNTY SCHOOL DISTRICT RE-4  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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:

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
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 Baca County School District RE-4 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	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	238,216	244,012	250,710

*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.

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 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 Baca County School District RE-4 proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	275,905	244,012	216,737

*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).

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 10     JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2019, the latest year for which audited information is available, is as follows:

Assets	1,257,932
Deferred Outflows	1,226,205
Liabilities	3,677,101
Deferred Inflows	<u>2,671,516</u>
Net Position	<u>(3,864,480)</u>
Revenues	2,852,503
Expenses	<u>2,412,894</u>
Change in Net Position	<u>439,609</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. An audited financial statement is filed annually with the office of the Colorado State Auditor.

NOTE 11     RISK MANAGEMENT

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

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

NOTE 12     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 12      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2020.

An audited summary of the Colorado School District's Pool financial information at June 30, 2019 and for the year then ended (latest information available) follows:

Total Assets	<u>48,583,211</u>
Total Liabilities	<u>26,773,438</u>
Total Equity	<u>21,809,773</u>
Revenue	19,817,153
Underwriting Expenses	<u>26,652,902</u>
Underwriting Gain (Loss)	(6,835,749)
Net Investment Income	865,849
Other Income	<u>-</u>
Net Income (Loss) Before Dividend	(5,969,900)
Dividend	<u>-</u>
Net Income	(5,969,900)
Change in Non Admitted Assets	<u>156,358</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u>21,809,773</u>

NOTE 13      CHANGE IN ACCOUNTING FOR STUDENT ACTIVITY FUND

In prior years, the Student Activity Fund had been recorded as a Fiduciary Fund. Beginning July 1, 2019, the District accounts for student activities in a Special Revenue Fund. The beginning fund balance for the Student Activity Special Revenue Fund at July 1, 2019, was \$38,688. That amount is the reclassified equity of the Student Activity Agency Fund at June 30, 2019. The beginning net position of governmental activities has been increased by that same amount.

	Net <u>Position</u>	Fund Balance- <u>Governmental Funds</u>
Balance at June 30, 2019	(4,229,172)	2,673,796
Change for Student Activity	<u>38,688</u>	<u>38,688</u>
Beginning Balance, as Restated	<u>(4,190,484)</u>	<u>2,712,484</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

## GENERAL AND MAJOR SPECIAL REVENUE FUNDS

### General Fund

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance-</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable</u>
<u>Local Sources</u>				<u>(Unfavorable)</u>
Property Taxes	788,058	808,992	812,741	3,749
Specific Ownership Taxes	89,166	91,510	97,879	6,369
Earnings on Investments	53,745	50,780	42,618	(8,162)
Delinquent Taxes & Interest	3,500	4,000	5,451	1,451
Other	166,760	97,450	117,549	20,099
<u>State Sources</u>				
Equalization	2,388,005	2,313,786	2,313,782	(4)
Transportation	25,212	21,956	22,798	842
Vocational Education	14,529	17,112	34,224	17,112
Special Education	38,925	35,625	33,750	(1,875)
Other	194,432	209,383	222,922	13,539
<u>Federal Sources</u>				
Designated Purpose Grants	168,256	166,842	182,314	15,472
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>3,930,588</u>	<u>3,817,436</u>	<u>3,886,028</u>	<u>68,592</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	1,443,720	1,447,607	1,387,604	60,003
Employee Benefits	456,142	396,788	398,551	(1,763)
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	47,080	47,080	34,880	12,200
Purchased Services - Other	102,577	97,858	81,282	16,576
Supplies and Materials	145,325	151,926	100,239	51,687
Property	57,613	48,559	19,131	29,428
Other Objects	9,920	7,920	3,253	4,667
<u>Total Instruction</u>	<u>2,262,377</u>	<u>2,197,738</u>	<u>2,024,940</u>	<u>172,798</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	91,672	111,765	112,974	(1,209)
Employee Benefits	23,839	19,998	22,050	(2,052)
Purchased Services - Professional	74,062	47,132	48,417	(1,285)
Purchased Services - Property	1,300	1,300	500	800
Purchased Services - Other	13,693	13,693	7,079	6,614
Supplies and Materials	34,936	34,936	25,672	9,264
Property	24,420	30,420	26,973	3,447
Other Objects	1,700	700	-	700
<u>Total Student Services</u>	<u>265,622</u>	<u>259,944</u>	<u>243,665</u>	<u>16,279</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	50,219	50,183	46,833	3,350
Employee Benefits	18,690	14,952	14,989	(37)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	100	100	-	100
Purchased Services – Other	-	-	-	-
Supplies and Materials	9,900	10,750	7,350	3,400
Property	400	550	480	70
Other Objects	<u>2,000</u>	<u>2,000</u>	<u>404</u>	<u>1,596</u>
<u>Total Instructional Staff</u>	<u>81,309</u>	<u>78,535</u>	<u>70,056</u>	<u>8,479</u>
<u>General Administration</u>				
Salaries	135,591	135,555	135,016	539
Employee Benefits	40,880	41,185	44,205	(3,020)
Purchased Services – Professional	16,499	14,500	13,316	1,184
Purchased Services – Other	1,300	1,300	657	643
Supplies and Materials	6,900	6,900	2,422	4,478
Property	250	250	62	188
Other Objects	<u>7,500</u>	<u>8,450</u>	<u>8,089</u>	<u>361</u>
<u>Total General Administration</u>	<u>208,920</u>	<u>208,140</u>	<u>203,767</u>	<u>4,373</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	109,449	108,612	107,241	1,371
Employee Benefits	37,539	37,703	34,929	2,774
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	1,650	1,650	1,684	(34)
Purchased Services – Other	16,700	10,700	7,433	3,267
Supplies and Materials	7,050	7,050	4,658	2,392
Property	900	900	200	700
Other Objects	<u>700</u>	<u>700</u>	<u>263</u>	<u>437</u>
<u>Total School Administration</u>	<u>173,988</u>	<u>167,315</u>	<u>156,408</u>	<u>10,907</u>
<u>Business Services</u>				
Salaries	44,550	44,550	43,507	1,043
Employee Benefits	13,752	13,752	12,977	775
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	11,000	11,000	10,830	170
Purchased Services – Other	2,250	2,250	1,938	312
Supplies and Materials	2,000	2,000	1,189	811
Property	500	500	332	168
Other Objects	<u>400</u>	<u>400</u>	<u>237</u>	<u>163</u>
<u>Total Business Services</u>	<u>74,452</u>	<u>74,452</u>	<u>71,010</u>	<u>3,442</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Operations and Maintenance</u>				
Salaries	140,595	140,595	133,544	7,051
Employee Benefits	30,859	30,859	32,199	(1,340)
Purchased Services – Professional	20,000	20,000	160	19,840
Purchased Services – Property	52,800	52,800	30,448	22,352
Purchased Services – Other	96,052	96,052	91,213	4,839
Supplies and Materials	112,000	112,000	95,811	16,189
Property	24,000	24,000	12,335	11,665
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>476,306</u>	<u>476,306</u>	<u>395,710</u>	<u>80,596</u>
<u>Student Transportation</u>				
Salaries	80,150	89,168	90,891	(1,723)
Employee Benefits	21,346	19,391	21,835	(2,444)
Purchased Services – Professional	2,050	2,050	1,593	457
Purchased Services – Property	20,213	10,000	3,547	6,453
Purchased Services – Other	1,900	1,900	1,074	826
Supplies and Materials	33,500	33,500	27,589	5,911
Property	10,943	70,177	-	70,177
<u>Total Student Transportation</u>	<u>170,102</u>	<u>226,186</u>	<u>146,529</u>	<u>79,657</u>
<u>Central Support</u>				
Purchased Services – Other	96,637	25,759	25,044	715
Property	-	-	10,541	(10,541)
Other	-	-	-	-
<u>Total Central Support</u>	<u>96,637</u>	<u>25,759</u>	<u>35,585</u>	<u>(9,826)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,547,336</u>	<u>1,516,637</u>	<u>1,322,730</u>	<u>193,907</u>
<u>Appropriated Reserves</u>	<u>1,874,824</u>	<u>2,010,322</u>	<u>-</u>	<u>2,010,322</u>
<u>TOTAL EXPENDITURES</u>	<u>5,684,537</u>	<u>5,724,697</u>	<u>3,347,670</u>	<u>2,377,027</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(1,753,949)</u>	<u>(1,907,261)</u>	<u>538,358</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(549,771)	(577,771)	(89,822)	487,949
<u>Total Other Financing Sources (Uses)</u>	<u>(549,771)</u>	<u>(577,771)</u>	<u>(89,822)</u>	<u>487,949</u>
<u>Revenues and Sources Over (Under) Expenditures and Uses</u>	<u>(2,303,720)</u>	<u>(2,485,032)</u>	<u>448,536</u>	
<u>FUND BALANCE, July 1</u>	<u>2,303,720</u>	<u>2,485,032</u>	<u>2,485,032</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,933,568</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net pension liability (asset)	0.0332%	0.0332%	0.0372%	0.0375%	0.0380%	0.0405%	0.0309%	-	-	-
District's proportionate share of the net pension liability (asset)	\$4,962,621	\$5,880,041	\$12,019,643	\$11,166,973	\$5,811,557	\$5,491,966	\$4,978,810	-	-	-
State's proportionate share of the net pension liability associated with the District**	\$629,444	\$804,014	-	-	-	-	-	-	-	-
District's covered payroll	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	253%	307%	688%	658%	352%	329%	301%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 380,689	\$ 366,261	\$ 329,940	\$ 311,778	\$ 293,216	\$ 281,895	\$ 265,134	\$ 235,516	-	-
Contributions in relation to the contractually required contributions	<u>\$ (380,689)</u>	<u>\$ (366,261)</u>	<u>\$ (329,940)</u>	<u>\$ (311,778)</u>	<u>\$ (293,216)</u>	<u>\$ (281,895)</u>	<u>\$ (265,134)</u>	<u>\$ (235,516)</u>	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
District's covered payroll	\$1,964,388	\$1,914,588	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	\$1,561,542	-	-
Contributions as a percentage of covered payroll	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	16.01%	15.08%	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net OPEB liability (asset)	0.217%	0.0215%	0.0211%	0.0213%	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$244,012	\$293,672	\$274,478	\$276,406	-	-	-	-	-	-
District's covered payroll	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.42%	15.34%	15.71%	16.30%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.71%	-	-	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 20,036	\$ 19,528	\$ 17,823	\$ 17,302	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (20,036)</u>	<u>\$ (19,528)</u>	<u>\$ (17,823)</u>	<u>\$ (17,302)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered payroll	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

AND

OTHER SCHEDULES

### SPECIAL REVENUE FUND

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

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

### CAPITAL PROJECT FUND

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-4  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2020

	<u>Special Revenue</u>		<u>Capital Project</u>	<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Capital Reserve</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Activity</u>	<u>Capital Project</u>	<u>Funds</u>
<b><u>ASSETS</u></b>				
Cash	60,638	66,146	10,110	136,894
Investments	-	-	-	-
Accounts Receivable	23,748	-	-	23,748
Accrued Revenue	-	-	-	-
Due from Other Funds	-	-	-	-
Inventories	<u>6,851</u>	-	-	<u>6,851</u>
<b>Total Assets</b>	<u>91,237</u>	<u>66,146</u>	<u>10,110</u>	<u>167,493</u>
 <b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b><u>Liabilities</u></b>				
Accounts Payable	-	-	-	-
Accrued Salaries	18,318	-	-	18,318
Due to Other Funds	-	-	-	-
Other Liabilities – Meal Deposits	<u>2,987</u>	-	-	<u>2,987</u>
<b>Total Liabilities</b>	<u>21,305</u>	-	-	<u>21,305</u>
 <b><u>Fund Balances</u></b>				
Nonspendable:				
Inventories	6,851	-	-	6,851
Restricted:				
Food Service	63,081	-	-	63,081
Committed:				
Capital Outlay	-	-	10,110	10,110
Assigned:				
Student Activities	-	<u>66,146</u>	-	<u>66,146</u>
<b>Total Fund Balances</b>	<u>69,932</u>	<u>66,146</u>	<u>10,110</u>	<u>146,188</u>
<b>TOTAL LIABILITIES &amp; FUND BALANCES</b>	<u>91,237</u>	<u>66,146</u>	<u>10,110</u>	<u>167,493</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2020

	<u>Special Revenue</u>		<u>Capital Project</u>	<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Capital Reserve</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Activity</u>	<u>Capital Project</u>	<u>Funds</u>
<u>REVENUES</u>				
Earnings on Investments	215	-	109	324
Other Local Sources	39,040	104,001	-	143,041
State Aid	3,485	-	29,171	32,656
Federal Aid	<u>169,431</u>	<u>-</u>	<u>-</u>	<u>169,431</u>
<u>Total Revenues</u>	<u>212,171</u>	<u>104,001</u>	<u>29,280</u>	<u>345,452</u>
 <u>EXPENDITURES</u>				
Current:				
Instructional Services	-	-	-	-
Supporting Services:				
Students	-	76,543	-	76,543
Food Service	201,432	-	-	201,432
Capital Outlay	<u>-</u>	<u>-</u>	<u>238,563</u>	<u>238,563</u>
<u>Total Expenditures</u>	<u>201,432</u>	<u>76,543</u>	<u>238,563</u>	<u>516,538</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	10,739	27,458	(209,283)	(171,086)
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>9,201</u>	<u>-</u>	<u>80,621</u>	<u>89,822</u>
 <u>NET CHANGE IN FUND BALANCES</u>	19,940	27,458	(128,662)	(81,264)
 <u>FUND BALANCE, Beginning (as Restated)</u>	<u>49,992</u>	<u>38,688</u>	<u>138,772</u>	<u>227,452</u>
 <u>FUND BALANCE, Ending</u>	<u>69,932</u>	<u>66,146</u>	<u>10,110</u>	<u>146,188</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOOD SERVICE – SPECIAL REVENUE FUND  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	46,725	35,883	(10,842)
Earnings on Investments	150	215	65
Other	1,200	3,158	1,958
<u>State Sources</u>			
School Lunches and Breakfast	2,940	3,484	544
<u>Federal Sources</u>			
School Lunches and Breakfast	97,000	160,622	63,622
Commodities	<u>1,000</u>	<u>8,809</u>	<u>7,809</u>
<u>Total Revenues</u>	<u>149,015</u>	<u>212,171</u>	<u>63,156</u>
 <u>EXPENDITURES</u>			
Salaries	78,048	77,564	484
Employee Benefits	22,331	21,338	993
Purchased Services – Professional	-	-	-
Purchased Services – Property	1,500	1,181	319
Purchased Services - Other	1,300	997	303
Food Purchases	83,000	86,812	(3,812)
Capital Outlay	11,500	959	10,541
Commodities	500	8,809	(8,309)
Non-Food Supplies	5,050	3,772	1,278
Appropriated Reserves	<u>10,778</u>	<u>-</u>	<u>10,778</u>
<u>Total Expenditures</u>	<u>214,007</u>	<u>201,432</u>	<u>12,575</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(64,992)	10,739	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>15,000</u>	<u>9,201</u>	<u>(5,799)</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>			
	(49,992)	19,940	
<u>FUND BALANCE, July 1</u>	<u>49,992</u>	<u>49,992</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>69,932</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
STUDENT ACTIVITY FUND – SPECIAL REVENUE FUND  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local	<u>270,211</u>	<u>104,001</u>	<u>(166,210)</u>
Total Revenues	<u>270,211</u>	<u>104,001</u>	<u>(166,210)</u>
 <u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	<u>270,211</u>	<u>76,543</u>	<u>193,668</u>
Total Expenditures	<u>270,211</u>	<u>76,543</u>	<u>193,668</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	27,458	
 <u>TRANSFERS</u>	-	-	-
 <u>FUND BALANCE, July 1 (as Restated)</u>	-	<u>38,688</u>	
 <u>FUND BALANCE, June 30</u>	-	<u>66,146</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
CAPITAL RESERVE CAPITAL PROJECT FUND  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	100	109	9
Other - Local Revenue	-	-	-
State Sources	<u>530,015</u>	<u>29,171</u>	<u>(500,844)</u>
<u>Total Revenues</u>	<u>530,115</u>	<u>29,280</u>	<u>(500,835)</u>
<u>EXPENDITURES</u>			
Land and Sites	-	-	-
Building and Improvements	883,515	94,292	789,223
Transportation Equipment	-	-	-
Equipment	150,271	144,271	6,000
Debt Service	-	-	-
Appropriated Reserves	<u>41,101</u>	<u>-</u>	<u>41,101</u>
<u>Total Expenditures</u>	<u>1,074,887</u>	<u>238,563</u>	<u>836,324</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(544,772)	(209,283)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>534,771</u>	<u>80,621</u>	<u>(454,150)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(10,001)	(128,662)	
<u>FUND BALANCE, July 1</u>	<u>10,001</u>	<u>138,772</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>10,110</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet

**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0250 - Springfield RE-4  
 Fiscal Year 2019-20  
 Colorado School District/BOCES



**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>							
10 General Fund	2,353,350		3,632,594		3,153,620		2,832,495
18 Risk Mgmt Sub-Fund of General Fund	91,036		80,193		96,612		75,618
19 Colorado Preschool Program Fund	40,416		83,509		95,438		28,516
<b>Sub-Total</b>	<b>2,485,032</b>		<b>3,796,306</b>		<b>3,247,670</b>		<b>2,933,568</b>
11 Charter School Fund	0		0		0		0
20,21-29 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	49,992		221,275		201,432		69,933
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	38,688		104,001		76,544		66,146
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	136,772		109,901		238,563		10,110
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
<b>Totals</b>	<b>2,717,464</b>		<b>4,231,411</b>		<b>3,564,026</b>		<b>3,079,757</b>
<b>Proprietary</b>							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>

FINAL



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 0250 - Springfield RE-4  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

	Governmental							Proprietary					Fiduciary			Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-28	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds	Foundations Fund 85	
<b>ASSETS</b>																
Cash and Investments (8100-8104,8111)	3,464,733	0	46,769	66,146	0	0	60,638	0	10,110	0	0	0	0	0	0	3,648,397
Cash with Fiscal Agent (8105)	12,694	0	0	0	0	0	0	0	0	0	0	0	0	0	0	12,694
Taxes Receivable (8121,8122)	68,132	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68,132
Interfund Loans Receivable (8131,8132)	4,490	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,490
Grants Accounts Receivable (8142)	10,527	0	0	0	0	0	21,704	0	0	0	0	0	0	0	0	32,231
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	2,044	0	0	0	0	0	0	0	0	2,044
Inventories (8171,8172,8173)	0	0	0	0	0	0	6,851	0	0	0	0	0	0	0	0	6,851
Prepaid Expenses: 8181,8182)	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,000
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>3,610,576</b>	<b>0</b>	<b>46,769</b>	<b>66,146</b>	<b>0</b>	<b>0</b>	<b>91,237</b>	<b>0</b>	<b>10,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,824,839</b>

	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>																
<b>LIABILITIES</b>																
Interfund Payables (7401,7402)	0	0	4,490	0	0	0	0	0	0	0	0	0	0	0	0	4,490
Other Payables (7421-7423)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	284,402	0	13,763	0	0	0	18,318	0	0	0	0	0	0	0	0	316,483
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	370,332	0	0	0	0	0	0	0	0	0	0	0	0	0	0	370,332
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	2,987	0	0	0	0	0	0	0	0	2,987
Deferred Inflow (7800)	50,790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,790
<b>Total Liabilities</b>	<b>705,524</b>	<b>0</b>	<b>18,253</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,305</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>745,082</b>

Fiduciary

Proprietary

Governmental

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	50,000	0	0	0	0	0	6,851	0	0	0	0	0	0	0	0	56,851
Restricted Fund Balance 6720	0	0	0	0	0	0	63,082	0	0	0	0	0	0	0	0	63,082
TABOR 3% Emergency Reserve 6721	116,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	116,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	28,516	0	0	0	0	0	0	0	0	0	0	0	0	28,516
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	72,618	0	0	0	0	0	0	0	10,110	0	0	0	0	0	0	82,728
Assigned Fund Balance 6760	0	0	0	66,146	0	0	0	0	0	0	0	0	0	0	0	66,146
Unassigned Fund Balance 6770	2,666,435	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,666,435
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>2,905,052</b>	<b>0</b>	<b>28,516</b>	<b>66,146</b>	<b>0</b>	<b>0</b>	<b>69,933</b>	<b>0</b>	<b>10,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,079,757</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>Total Liabilities &amp; Fund Equity</b>	<b>3,610,576</b>	<b>0</b>	<b>46,769</b>	<b>66,146</b>	<b>0</b>	<b>0</b>	<b>91,237</b>	<b>0</b>	<b>10,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,824,839</b>

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85
<b>Total Liabilities &amp; Fund Equity</b>	<b>3,610,576</b>	<b>0</b>	<b>46,769</b>	<b>66,146</b>	<b>0</b>	<b>0</b>	<b>91,237</b>	<b>0</b>	<b>10,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
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