

**BUENA VISTA SCHOOL DISTRICT NO. R-31
BUENA VISTA, COLORADO**

FINANCIAL STATEMENTS

June 30, 2020

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Education
Buena Vista School District No. R-31
Buena Vista, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buena Vista School District No. R-31, 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 Buena Vista School District No. R-31, 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, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 45-52 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 District's basic financial statements. The combining and individual fund schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated in all material respects in relation to the financial statements as a whole.

John Cutler & Associates, LLC

December 2, 2020

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

The discussion and analysis of Buena Vista School District R-31's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

FINANCIAL HIGHLIGHTS

- In total, the net position of the District increased by \$19,281,243. The assets of the Buena Vista School District R-31 exceeded its liabilities at the close of the most recent fiscal year by \$11,300,386. Fiscal year 2020 saw a decrease in the Net Pension Liability of \$3,727,292 resulting in a balance in Net Pension Liability of \$16,964,003 as compared to a Net Pension Liability of \$20,691,295 at the close of fiscal year 2019. The District also incurred a decrease in the Net OPEB Liability of \$199,334 resulting in a balance at the close of 2020 of \$834,070 as compared to \$1,033,404 in 2019.

- General Revenues on the Statement of Activities accounted for \$14,777,242 in revenue or 48 percent of all governmental revenues. The decrease in General Fund Revenues as a percent of total Revenue over the fiscal year 2020, was caused by a significant increase in other forms of revenue surrounding a large capital construction project supported with a state level Building Excellent Schools Grant (BEST). The BEST project provided \$13,823,392 in revenue to construct the new middle and high school. The District did experience an increase in Specific Ownership Tax, Property Tax collections and State Equalization dollars. The Property Tax increases and the Specific Ownership Tax increases made up most if the increase in the General Fund. The State Equalization dollars and the property tax collections are part of the State Funding Formula and the increase is due to an increase in funded student count over the prior year. Specific revenues in the form of charges for services, grants and contributions accounted for \$16,211,410 or 52 percent of total governmental revenues on the Statement of Activities of \$30,986,652.

The District incurred \$49,770,800 in expenses related to total governmental funds. The District received revenue including other sources of \$31,951,036. The excess of expenditures over revenue in the amount of \$17,819,764, was caused primarily by an increase in expenditures in the Capital Projects and Bond Redemption fund for the new middle and high school under construction at the close of fiscal year 2020. The Bond fund had payments to bond holders of \$2,428,839. The capital construction payments amounted to \$32,359,797 at the close of the fiscal year.

Revenue also increased in 2020 as compared to 2019 primarily due to the Bond Redemption and Capital Projects Funds. Local revenue sources which are primarily made up of property tax collections, increased to \$10,888,391 for 2020 as compared to \$9,479,677 in 2019. The increase of \$1,408,714 over fiscal year 2019 was located primarily in the Bond Redemption fund for the collection of property taxes to support the payments to bond holders. The Capital projects revenue that was recognized in fiscal year 2020, was used to construct the second phase of the new schools, including a new food service area, gymnasiums and middle and high school art rooms. The District also had an increase in revenue over the prior year because student activities were moved to a special revenue fund from a fiduciary fund. This caused additional revenue for comparison in the Statement of Activities as well as the Statement of Revenues, Expenditures and Changes in Fund Balances.

- The Food Service Fund has been included in with Other Governmental Funds on the Statement of Revenues, Expenditures and Changes in Fund Balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management’s Discussion and Analysis, the basic financial statements, required supplementary information, and supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District’s overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District’s operations in more detail than the district-wide statements.
- The government funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District’s budget for the year. The supplementary information contains combining statements for non-major governmental funds, as well as budgetary comparisons for all other funds.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District’s assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

**Buena Vista School District R-31
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

The two district-wide statements report the District’s net position and how they have changed. Net position (the difference between the District’s assets and liabilities) are one way to measure the District’s financial position. Over time, increases or decreases in the District’s net position are an indicator of whether its financial position is improving or deteriorating. To assess the District’s overall health, you need to consider additional non-financial factors such as changes in the District’s property tax base and the condition of school facilities.

- **Governmental activities-** Most of the District’s basic services are included here, such as instruction, transportation, maintenances and operation, and administration. These activities are financed mainly through property taxes and state equalization funds. Because of the change in classification, the Food Service fund is also reported under governmental activities as a special revenue fund. The Food Service fund receives much of its revenue from federal reimbursements with the balance of revenue from charging students and staff and transfers from the General fund.

Fund Financial Statements

The fund financial statements provide more detailed information about the District’s funds, focusing on its most significant or “major” funds, not the District as a whole. Funds are accounting devices the District used to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District maintains six separate Governmental funds and one Agency Fund which encompasses the student activities at the school level:

Governmental funds- Most of the District’s basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District’s general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional reconciliations of the governmental funds statements to the district-wide statements explain the relationships (or differences) between them.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position is used to serve as a potential indicator of a government's financial position. However, with the new requirement under GASB 68, the District has incurred a proportional share of net unfunded PERA liability of \$16,964,003 for fiscal year end 2020. This has resulted in assets including deferred inflows exceeding liabilities and deferred outflows by \$11,300,386. Under GASB 75, the District has also incurred a Net OPEB Liability of \$834,070. The District also recognized \$43,865,767 for additional new capital assets as part of the new buildings for the middle and high school campus that is also included in the 2020 Current Assets.

Table 1

Condensed Statement of Net Position

Assets and Deferred Outflows:	<u>2019</u>	<u>2020</u>	<u>Net Difference</u>
Current Assets	\$ 36,668,167	\$ 23,370,120	\$ (13,298,047)
Capital Assets	24,874,958	57,408,114	32,533,156
Deferred Outflow	6,372,833	2,133,913	(4,238,920)
Total Assets and Deferred Outflows:	<u>\$67,915,958</u>	<u>\$82,912,147</u>	<u>\$ 14,996,189</u>
Liabilities and Deferred Inflows			
Current Liabilities	4,958,116	9,852,053	4,893,937
Long Term Liabilities	31,919,580	31,079,474	(840,106)
Pension Liability	20,691,295	16,964,003	(3,727,292)
OPEB Liability	1,033,404	834,070	(199,334)
Deferred Outflow Related to Pensions	17,277,647	12,696,725	(4,580,922)
Deferred Outflow Related to OPEB	16,773	183,436	168,663
Total Liabilities and Deferred Inflows	<u>\$ 75,896,815</u>	<u>\$ 71,611,761</u>	<u>\$ (4,285,054)</u>
Net Position			
Invested in Capital Assets	(8,188,220)	25,012,437	33,200,657
Restricted	27,691,723	9,541,646	(18,150,077)
Unrestricted	(27,484,360)	(23,253,697)	4,230,663
Total Net Position	<u>\$(7,980,857)</u>	<u>11,300,386</u>	<u>\$ 19,281,243</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$67,915,958</u>	<u>\$ 82,912,147</u>	<u>\$ 14,996,189</u>

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

The largest portion of the District's assets are Capital Assets. This is the result of the construction of the addition of the elementary school wing. The balance of Current Assets are primarily cash and investments. At the close of the fiscal year, the District reported a Positive net position due to construction of the new schools and a reduction in the Net Pension Liability. The District also moved revenue from a fiduciary fund which is accounted for elsewhere in the audit to a special revenue fund to comply with GASB statement number 84.

Table 2

Buena Vista School District Change in Net Position

	<u>2019</u>	<u>2020</u>	<u>Net Difference</u>
Program Revenues			
Charges for services	\$ 286,826	\$ 673,571	\$ 386,745
Operating Grants and Contributions	1,834,683	1,714,447	(120,236)
Capital Grants and Contributions	3,819,545	13,823,392	10,003,847
General Revenues			
Property taxes	7,840,803	8,473,331	632,538
Specific Ownership taxes	893,562	1,035,594	142,032
State Equalization	4,757,833	4,832,669	74,836
Other Revenues	393,275	331,178	(62,097)
Investment Earnings	126,635	104,470	(22,165)
Special Item	-	-	-
Total Revenues	<u>\$ 19,953,162</u>	<u>\$ 30,988,652</u>	<u>\$ 11,035,490</u>
Expenses			
Instruction	\$ 5,727,837,	5,010,253	,,, (717,584)
Supporting Services	5,016,109	5,596,195	580,086
Interest on long-term debt	647,439	1,307,803	660,364
Total Expenses	<u>\$ 11,391,385</u>	<u>\$ 11,914,251</u>	<u>\$ 522,866</u>
change in net position	8,561,777	19,074,401	10,512,624
Net position -beginning -Restated	<u>(16,542,634)</u>	<u>(7,774,015)</u>	<u>8,768,619</u>
Net-position-ending	<u><u>\$ (7,980,857)</u></u>	<u><u>\$ 11,300,386</u></u>	<u><u>\$ 19,281,243</u></u>

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Governmental Activities

A large part of the District's revenue comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$8,561 per funded student for the close of 2019. In fiscal year 2020, the funded pupil count was 1,035.5 The General Fund also receives operating grants from both federal and state sources that are outside of the (SFA). The District receives local support in the form of mil levy override income. For Fiscal year end 2020, the District received mil levy override income for general operations of \$2,335,348. The Food Service program is included in with other Governmental funds. The General Fund did transfer to the Food Service fund \$120,000. Although the transfer amount increased over the previous year, the District has a receivable from the state at year end in the amount of \$31,214. The District also had a higher ending cash balance in the Food Service fund at the close of the fiscal year. The District participated for the first time in the Federal Summer Feeding Program to provide meals to families during the economic burden of Covid -19 which resulted in higher revenue and expenses as compared to fiscal year end 2019. In addition, the Food Service fund received federal and state revenue of \$332,378 which includes commodity contributions of \$29,702. Food Service has a cash balance of \$44,646 at the close of the fiscal year. It is important to note that the Food Service fund is the only fund other than the General fund that has payroll and benefits being deducted from the cash balance. The District carries a generous benefit plan for full time employees which has decreased the cash balance in the Food Service fund since federal reimbursements and paid students have not kept pace with rising medical insurance costs.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$15,171,751 a decrease of \$17,819,764 in comparison with the prior year. The decrease in Fund Balance was primarily due to an increase in the expenses incurred for the new schools. The expected completion of both schools is November of 2020. The Fund Balance in the Capital Projects Fund decreased by \$18,519,005.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Of the total fund balance, approximately 13 percent or \$2,000,000 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending because it has already been committed to comply with emergency reserve statutory requirements \$425,000, pay debt service of \$3,618,380 and to set aside funding for the District's insurance and capital projects totaling \$5,211,665. The District also has non-spendable reserves of \$35,125. The General Fund is the chief operating fund for the District. At the end of the current fiscal year, Unassigned Fund Balance of the General Fund was \$2,000,000 or up \$138,217 from the previous year. The increase was the result of an increase in the Specific Ownership Taxes over fiscal 2019. The Specific Ownership taxes increased \$142,032 for total of \$1,035,594. Total General Fund balance increased to \$6,057,348 or an increase of \$531,245. The total increase was caused by the receipt of Covid relief dollars totaling \$541,555 of which \$48,692 were expensed with the balance being deferred until fiscal 2021.

As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and Total Fund Balance to Total Fund Expenditures. Unassigned Fund Balance represents 14.24 percent of total General Fund Expenditures, while Total Fund Balance represents 43 percent of that same amount.

The Debt Service fund has a Total Fund Balance of \$3,618,380 which is an increase of \$67,462 due to a mil certification in December to cover payments in the fiscal year of \$2,428,839. It is recommended that the District hold additional reserves in the Bond Fund to cover unforeseen economic downturns to prevent any default to the bond holders. The sale of the bonds occurred in December of 2018.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. However, in terms of dollars for the close of the fiscal year 2020, the capital projects fund is significant for the construction of the new middle and high schools.

Actual expenditures were under budget, primarily because the District did not use all the reserve request.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

CAPITAL ASSET ADMINISTRATION

By the end of 2020, the District has invested \$57,408,114 in to capital assets. This compares to \$24,874,958 in 2019 or an increase of \$ 32,533,156. The large increase was due to construction of the middle and high school. The Capital Asset totals also include land, buildings and equipment (including vehicles), which are from governmental activities. Additional information on the District's capital assets can be found in Footnote 4 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the District had total bonded debt outstanding of \$31,568,459.

State statutes limit the amount of general obligation debt a governmental entity may issue to the largest of twenty percent of its assessed value or six percent of its market value. The current debt limitation for the District using the assessed value approach is \$45,506,272 which is significantly in excess of the District's outstanding general obligation debt. Under the actual value approach, the District's debt limit is \$128,835,815.

Additional information on the District's long-term debt can be found in Note 6 of the audited report.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is not aware of any existing circumstances that could significantly affect its financial health in the future.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Buena Vista School District R-31, P.O. Box 2027, Buena Vista, Colorado 81211.

BASIC FINANCIAL STATEMENTS

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	
	2020	2019
ASSETS		
Cash and Investments	\$ 11,545,455	\$ 9,952,733
Restricted Cash and Investments	8,480,938	24,800,102
Cash with Fiscal Agent	154,337	112,312
Taxes Receivable	570,384	498,077
Accounts Receivable	2,583,881	1,274,465
Prepaid Items	21,439	21,439
Inventories	13,686	9,039
Capital Assets, Not Depreciated	43,865,767	11,205,970
Capital Assets, Depreciated, Net of Accumulated Depreciation	13,542,347	13,668,988
TOTAL ASSETS	80,778,234	61,543,125
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	2,087,526	6,321,113
Related to OPEB	46,387	51,720
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,133,913	6,372,833
LIABILITIES		
Accounts Payable	4,387,573	1,810,259
Retainage Payable	1,779,201	317,188
Accrued Salaries and Benefits	1,300,102	1,248,544
Unearned Revenues	576,775	9,805
Accrued Interest	102,719	-
Noncurrent Liabilities		
Due Within One Year	1,500,683	1,572,320
Due in More Than One Year	31,284,474	31,919,580
Net Pension Liability	16,964,003	20,691,295
Net OPEB Liability	834,070	1,033,404
TOTAL LIABILITIES	58,729,600	58,602,395
DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	12,696,725	17,277,647
Related to OPEB	185,436	16,773
TOTAL DEFERRED INFLOWS OF RESOURCES	12,882,161	17,294,420
NET POSITION		
Net Investment in Capital Assets	25,012,437	(8,188,220)
Restricted for Debt Service	3,618,380	3,550,918
Restricted for Capital Projects	5,189,103	23,708,108
Restricted for Emergencies	425,000	425,000
Restricted for Insurance	22,562	7,697
Unrestricted	(22,967,096)	(27,484,360)
TOTAL NET POSITION	\$ 11,300,386	\$ (7,980,857)

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Capital Grants and Contributions	Operating Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 5,010,253	\$ -	\$ -	\$ 1,287,701
Supporting Services	5,596,195	673,571	13,823,392	426,746
Interest and Fiscal Charges	1,307,803	-	-	-
Total Governmental Activities	11,914,251	673,571	13,823,392	1,714,447

GENERAL REVENUES

Local Property Taxes
Specific Ownership Taxes
State Equalization
Other Revenues
Earnings on Investments
Unrestricted State Aid

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

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

Net (Expense) Revenue and
Changes in Net Position
Governmental Activities

2020	2019
\$ (3,722,552)	\$ (4,238,937)
9,327,514	(563,955)
(1,307,803)	(647,439)
4,297,159	(5,450,331)
8,473,331	7,840,803
1,035,594	893,562
4,832,669	4,757,833
258,445	378,740
104,470	126,635
72,733	14,535
14,777,242	14,012,108
19,074,401	8,561,777
(7,774,015)	(16,542,634)
\$ 11,300,386	\$ (7,980,857)

BUENA VISTA SCHOOL DISTRICT NO. R-31

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Bond Redemption	Capital Projects	Other Governmental Funds	Total Governmental Funds	
					2020	2019
ASSETS						
Cash and Investments	\$ 7,552,404	\$ 3,452,965	\$ 208,104	\$ 331,982	\$ 11,545,455	\$ 10,159,575
Restricted Cash and Investments	-	-	8,480,938	-	8,480,938	24,800,102
Cash with Fiscal Agent	109,490	44,847	-	-	154,337	112,312
Taxes Receivable	405,220	165,164	-	-	570,384	498,077
Grants Receivable	18,228	-	2,534,439	31,214	2,583,881	1,274,465
Inventory	-	-	-	13,686	13,686	9,039
Prepaid Expenses	21,439	-	-	-	21,439	21,439
TOTAL ASSETS	\$ 8,106,781	\$ 3,662,976	\$ 11,223,481	\$ 376,882	\$ 23,370,120	\$ 36,875,009
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ 132,396	\$ -	\$ 4,255,177	\$ -	\$ 4,387,573	\$ 1,810,259
Retainage Payable	-	-	1,779,201	-	1,779,201	317,188
Accrued Salaries and Benefits	1,256,276	-	-	43,826	1,300,102	1,248,544
Unearned Revenues	660,761	44,596	-	26,136	731,493	507,503
TOTAL LIABILITIES	2,049,433	44,596	6,034,378	69,962	8,198,369	3,883,494
FUND BALANCES						
Nonspendable	21,439	-	-	13,686	35,125	30,478
Restricted for Emergencies	425,000	-	-	-	425,000	425,000
Restricted for Insurance	22,562	-	-	-	22,562	7,697
Restricted for Debt Service	-	3,618,380	-	-	3,618,380	3,550,918
Restricted for Capital Projects	-	-	5,189,103	-	5,189,103	23,708,108
Assigned	3,588,347	-	-	293,234	3,881,581	3,407,531
Unassigned	2,000,000	-	-	-	2,000,000	1,861,783
TOTAL FUND BALANCES	6,057,348	3,618,380	5,189,103	306,920	15,171,751	32,991,515
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,106,781	\$ 3,662,976	\$ 11,223,481	\$ 376,882		

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

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	57,408,114	24,874,958
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.	154,718	497,698
Long-term liabilities and related deferred outflows, including bonds payable (\$31,658,618), accrued interest (\$102,719), capital leases payable (\$737,059), early retirement (\$171,169), and compensated absences (\$218,311) are not and payable in the current period and are not reported in the funds.	(32,887,876)	(33,491,900)
Long-term liabilities and assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$16,964,003), net OPEB liability (\$834,070), deferred outflows related to pensions and OPEB \$2,133,913, and deferred inflows related to pensions and OPEB (\$12,882,161)	(28,546,321)	(32,646,286)
Net position of governmental activities	\$ 11,300,386	\$ (7,774,015)

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2020

	General	Bond Redemption	Capital Projects	Other Governmental Funds	Total Governmental Funds	
					2020	2019
REVENUES						
Local Sources	\$ 7,784,761	\$ 2,496,301	\$ 17,400	\$ 589,929	\$ 10,888,391	\$ 9,479,677
State Sources	5,720,383	-	13,823,392	5,955	19,549,730	9,363,140
Federal Sources	494,355	-	-	326,423	820,778	698,921
TOTAL REVENUES	13,999,499	2,496,301	13,840,792	922,307	31,258,899	19,541,738
EXPENDITURES						
Current						
Instruction	7,126,745	-	-	-	7,126,745	6,725,382
Supporting Services	6,453,551	-	-	941,773	7,395,324	5,514,079
Capital Outlay	460,095	-	32,359,797	-	32,819,892	10,282,671
Debt Service						
Principal	-	1,216,541	-	-	1,216,541	283,466
Interest and Fiscal Charges	-	1,212,298	-	-	1,212,298	647,438
TOTAL EXPENDITURES	14,040,391	2,428,839	32,359,797	941,773	49,770,800	23,453,036
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(40,892)	67,462	(18,519,005)	(19,466)	(18,511,901)	(3,911,298)
OTHER FINANCING SOURCES (USES)						
Proceeds from Capital Lease	692,137	-	-	-	692,137	207,940
Proceeds from Issuance of Debt	-	-	-	-	-	29,500,000
Transfer Out	(120,000)	-	-	-	(120,000)	(70,000)
Transfer In	-	-	-	120,000	120,000	70,000
TOTAL OTHER FINANCING SOURCES (USES)	572,137	-	-	120,000	692,137	29,707,940
NET CHANGE IN FUND BALANCES	531,245	67,462	(18,519,005)	100,534	(17,819,764)	25,796,642
FUND BALANCES, Beginning	5,526,103	3,550,918	23,708,108	206,386	32,991,515	6,988,031
FUND BALANCES, Ending	<u>\$ 6,057,348</u>	<u>\$ 3,618,380</u>	<u>\$ 5,189,103</u>	<u>\$ 306,920</u>	<u>\$ 15,171,751</u>	<u>\$ 32,784,673</u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$ (17,819,764)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlay \$33,131,559 exceeded depreciation expense (\$598,403), in the current period.	32,533,156
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements. These include deferred property tax revenues \$7,020 and grant revenues (\$350,000).	(342,980)
Debt proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not effect the statement of activities. These include capital lease proceeds (\$692,137).	(692,137)
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds. These include bond principal payments \$1,216,541, capital lease payments \$135,883, decrease in early retirement \$68,694, increase in compensated absences (\$29,452), increase in accrued interest (\$102,719), and amortization of bond premium \$7,214.	1,296,161
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.	<u>4,099,965</u>
Change in net position of governmental activities	<u><u>\$ 19,074,401</u></u>

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Buena Vista School District No. R-31 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of these criteria, no additional organizations are includable within the District’s reporting entity.

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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the District's government-wide financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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. Fiduciary funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

In the fund financial statements, the District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *Bond Redemption Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations of the District's governmental funds.

The *Capital Projects Fund* accounts for resources accumulated for, and payments made on, long-term debt obligations related to the District's Best grant project.

Deferred Outflows/Inflows of Resources

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – For purposes of the statement of cash flows, the District considers cash and cash equivalents to be all demand deposits as well as short- term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Inventories – Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Land Improvements	20 years
Buildings and Improvements	50 years
Equipment	5 to 20 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. These compensated absences are recognized as current salary costs when accrued in the proprietary fund types and when paid in the governmental fund types. A long-term liability has been recorded in the government-wide financial statements for the accrued compensated absences.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Employees earn 10 – 20 days of vacation leave annually based on the length of service. District policy allows employees to carryover two years of unused vacation leave into the next year. All outstanding vacation leave is payable upon resignation, termination, retirement, or death.

Employees also earn sick leave and can accumulate up to 90 days. Accumulated sick leave is payable only upon retirement at 100% of the daily substitute teachers' per diem rates as specified in the District's policy. Upon resignation, termination, or death, any outstanding sick leave is forfeited.

Long-Term Debt – 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 governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Net Position— The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third party limitation on their use. While District management may have categorized and segmented portion for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District considers prepaid expenses and inventories as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The District has also classified amounts held for insurance, capital projects, and amounts held for debt service as restricted as required by the Colorado Department of Education and the bond trustee.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2020.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The District has classified portions of the fund balances of the General Fund, Food Service Fund, and Capital Reserve Fund as assigned because their use has been designated for a specific purpose by the Finance Director.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned fund balance.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (except for the Enterprise Fund which budgets on a Non-GAAP basis). Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of the District submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.
- Encumbrances represent a commitment for the estimated amount of expenditures which could ultimately result from the fulfillment of uncompleted purchase orders and contracts. Encumbrances lapse at the end of each fiscal year (June 30). Lapsed encumbrances are then reviewed by department heads to determine those which will remain canceled and those which will be reinstated and paid from appropriations for the following year. Encumbrances are therefore not considered expenditures until an actual liability is incurred. Encumbrances are not shown as a reservation of fund equity at fiscal yearend because they have lapsed and are pending reinstatement.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 3: CASH AND INVESTMENTS

A reconciliation of the cash and investment components on the balance sheet to the cash and investments categories in this footnote are as follows:

Deposits	\$ 3,910,298
Colorado State Treasury Pool	8,480,938
Investments	<u>7,635,157</u>
Total Cash and Investments	<u>\$ 20,026,393</u>

Cash and investments are reported in the financial statements as follows:

Governmental Activities - Unrestricted	\$ 11,545,455
Governmental Activities - Restricted	<u>8,480,938</u>
Total	<u>\$ 20,026,393</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At June 30, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2020, the District had deposits with financial institutions with a carrying amount of \$3,910,298. The bank balances with the financial institutions were \$3,974,509. Of these balances, \$254,412 was covered by federal depository insurance and \$3,720,097 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3: CASH AND INVESTMENTS (Continued)

Deposits (Continued)

Colorado State Treasury Pool

The District held deposits in the Colorado State Treasury Pool (Pool). The State Treasurer pools these deposits and invests them in securities authorized by State Statute. Money deposited in the Treasury is invested until cash is needed. As of June 30, 2020, the District reported restricted deposits in the Pool in the amount of \$8,480,938. These deposits are restricted as unspent proceeds of the Series 2019 Bonds to be used for capital construction projects.

Investments

As of June 30, 2020, the District has the following investments:

	<u>Fair Value</u>	<u>Investment Maturity (Years)</u>	
		<u>Less than One Year</u>	<u>1 to 5 Years</u>
Governmental Agency Securities	\$ 482,323	\$ -	\$ 482,323
Money Markets	187,844	187,844	-
Local Government Investment Pool	<u>6,964,990</u>	<u>6,964,990</u>	<u>-</u>
Total	<u>\$ 7,635,157</u>	<u>\$ 7,152,834</u>	<u>\$ 482,323</u>

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The Government Agency Securities above are authorized for all funds and fund types used by Colorado school districts and have a credit rating of AA+ and Aaa by Standard and Poor's and Moody's, respectively.

Local Government Investment Pool

The District had invested \$6,964,990 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

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 observable inputs.

At June 30, 2020, the District held investments in U.S. Agency Securities in the amount of \$482,323 with maturity dates of less than one and four years. Given the low risk of this type of investment, the District has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

The District invested \$187,844 in a Money Market Mutual Fund. The Fund invests primarily in U.S. Treasury bills, notes, and other U.S. government issued obligations and is rated Aaa-mf by Moody's and AAAM by Standard and Poor's.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Portfolio investments are assigned a level based upon the observability of the inputs which are significant to the overall valuation. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. The fair value of investments in money market funds is based on the published net asset values per share of those funds. Money market securities are valued using amortized cost, in accordance with Rule 2a-7 under the 1940 Act. Generally, amortized cost approximates the current fair value of a security, but since the value is not obtained from a quoted price in an active market, such securities held by Prime Series and Government Series are categorized as Level 2.

NOTE 4: CAPITAL ASSETS

	<u>Balances</u> <u>6/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>6/30/2020</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,701,260	\$ 300,000	\$ -	\$ 2,001,260
Construction in Progress	<u>9,504,710</u>	<u>32,359,797</u>	<u>-</u>	<u>41,864,507</u>
Total Capital Assets, not being				
Depreciated	<u>11,205,970</u>	<u>32,659,797</u>	<u>-</u>	<u>43,865,767</u>
Capital Assets, depreciated				
Land Improvements	2,600,314	-	-	2,600,314
Buildings and Improvements	20,273,654	391,262	-	20,664,916
Equipment	<u>1,699,898</u>	<u>80,500</u>	<u>-</u>	<u>1,780,398</u>
Total Capital Assets, depreciated	<u>24,573,866</u>	<u>471,762</u>	<u>-</u>	<u>25,045,628</u>
Less Accumulated Depreciation				
Land Improvements	962,785	103,962	-	1,066,747
Buildings and Improvements	8,766,970	413,877	-	9,180,847
Equipment	<u>1,175,123</u>	<u>80,864</u>	<u>-</u>	<u>1,255,687</u>
Total Accumulated Depreciation	<u>10,904,878</u>	<u>598,403</u>	<u>-</u>	<u>11,503,281</u>
Total Capital Assets, depreciated, Net	<u>13,668,988</u>	<u>(126,641)</u>	<u>-</u>	<u>13,542,347</u>
Governmental Activities, Capital Assets, Net	<u>\$ 24,874,958</u>	<u>\$ 32,533,156</u>	<u>\$ -</u>	<u>\$ 57,408,114</u>

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

Governmental Activities	
Instruction	\$ 538,563
Supporting Services	<u>59,840</u>
Total	<u>\$ 598,403</u>

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 5: 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 to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2020, were \$1,256,276 and \$43,826 in the General and Food Service Funds, respectively.

NOTE 6: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2020:

	Balance <u>6/30/2019</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>6/30/2020</u>	Due In <u>One Year</u>
2013 G.O. Bonds	\$ 3,285,000	\$ -	\$ 200,000	\$ 3,085,000	\$ 205,000
Series 2013 Premium	97,372	-	7,213	90,159	-
2018 G.O. Bonds	29,500,000	-	1,016,541	28,483,459	1,040,165
Capital Leases	180,806	692,137	135,884	737,059	187,429
Early Retirement	239,863	10,136	78,830	171,169	68,089
Compensated Absences	<u>188,859</u>	<u>29,452</u>	<u>-</u>	<u>218,311</u>	<u>-</u>
Total	<u>\$ 33,491,900</u>	<u>\$ 731,725</u>	<u>\$ 1,438,468</u>	<u>\$ 32,785,157</u>	<u>\$ 1,500,683</u>

Compensated absences and early retirement are expected to be liquidated with revenues of the General Fund.

2013 General Obligation Bonds

On February 20, 2013, the District issued General Obligation Bonds Series 2013, in the amount of \$4,460,000. Proceeds were used to finance costs of acquisition, construction, and equipment improvements at District facilities. These bonds bear interest ranging from 2.0% to 3.0%. Interest only payments are due annually on June 1 and payments of principal and interest are due annually on December 1 through 2033. As of June 30, 2020, \$3,085,000 was outstanding on these bonds.

2018 General Obligation Bonds

On December 6, 2018, the District issued Building Excellent Schools Today (BEST) Matching Money General Obligation Bonds Series 2018, in the amount of \$29,500,000. Proceeds of the bond issuance will be used to provide the matching funds under the terms of the BEST grant award to finance cost of construction, renovation and equipment improvements of the Middle/High School on the current campus site of the District. These bonds bear interest at a rate of 3.893 percent. Interest only payments are due annually on June 1 and payments of principal and interest are due annually on December 1 through 2038.

NOTE 6: LONG-TERM DEBT (Continued)

Capital Lease

In July 2017, The District has entered into a capital lease agreement to purchase technology equipment which will be paid from revenues of the General Fund. The lease carries an interest rate of 2.7% and requires annual lease payments of \$29,310 through August 2019.

On July 31, 2018, the District entered into a capital lease agreement in the amount of \$103,970 for the purchase of a new school bus. The lease carries an interest rate of 4.68 percent. Annual lease payments in the amount of \$27,802 are due through July 2021.

On December 20, 2018, the District entered into a capital lease agreement in the amount of \$103,970 for the purchase of a new school bus. The lease carries an interest rate of 4.87 percent. Annual lease payments in the amount of \$27,875 are due through December 2021.

On January 31, 2020, the District entered into a capital lease agreement in the amount of \$560,372 to purchase furniture equipment which will be paid from revenues of the General Fund. The lease carries an interest rate of 4.75 percent. Annual lease payments in the amount of \$125,633 are due through December June 2025.

On February 29, 2020, the District entered into a capital lease agreement in the amount of \$131,765 to purchase technology equipment which will be paid from revenues of the General Fund. The lease carries an interest rate of 2.10 percent. Annual lease payments in the amount of \$34,368 are due through December June 2024.

Early Retirement

The District has an early retirement plan available for qualified employees. Benefits under the plan are based on a multiple of the difference between the retiring person's salary and an entry level person's salary. Payment schedules are negotiated with management by the retiring employee of the District and usually are spread over five years. Early retirement payments are reviewed annually by the Board of Education and are subject to annual appropriation by the Board.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 6: LONG-TERM DEBT (Continued)

Debt Service requirements to maturity for the bonds are as follows:

<u>Year Ended</u> <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,245,165	\$ 1,166,752	\$ 2,411,917
2022	1,285,659	1,121,320	2,406,979
2023	1,337,729	1,074,181	2,411,910
2024	1,386,436	1,025,272	2,411,708
2025	1,436,846	974,248	2,411,094
2026-2030	8,009,708	4,019,306	12,029,014
2031-2035	9,046,466	2,385,391	11,431,857
2036-2039	<u>7,820,450</u>	<u>623,428</u>	<u>8,443,878</u>
Total	<u>\$ 31,568,459</u>	<u>\$ 12,389,898</u>	<u>\$ 43,958,357</u>

Following is a schedule of the future minimum lease payments required under the lease obligations at June 30, 2020:

<u>Year Ended June 30,</u>	
2021	\$ 215,678
2022	215,678
2023	160,001
2024	142,446
2025	<u>74,644</u>
Total Minimum Lease Payments	808,447
Less: Interest	<u>(71,388)</u>
Present Value of Minimum Lease Payments	<u>\$ 737,059</u>

NOTE 7: JOINTLY GOVERNED ORGANIZATIONS

BOCES

The District, in conjunction with other surrounding districts, created the Mountain Board of Cooperative Educational Services (the "BOCES"). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The BOCES financial statements can be obtained at their office located at 1713 Mount Lincoln Drive West, Leadville, Colorado 80461. The District paid \$113,423 to the BOCES during the year, and no amount was owed as of June 30, 2020.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

General Information about the Pension Plan

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

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:

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413.

Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

Contributions provisions as of June 30, 2020: Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

	July 1, 2019 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%
Total employer contribution rate to the SCHDTF	19.38%

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.

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,334,228 for the year ended June 30, 2020.

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

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

At June 30, 2020, the District reported a liability of \$16,964,003 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 16,964,003
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District.	\$ 2,725,305
Total	\$ 19,689,308

At December 31, 2019, the District's proportion was 0.11355 percent, which was a decrease of 0.00330 percent from its proportion measured as of December 31, 2018.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

For the year ended June 30, 2020, the District recognized pension income of \$2,740,399 and income of \$72,733 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 924,549	N/A
Changes of assumptions or other inputs	\$ 484,296	\$ 7,694,711
Net difference between projected and actual earnings on pension plan investments	N/A	\$ 2,009,555
Changes in proportion and differences between contributions recognized and proportionate share of contributions	N/A	\$ 2,992,459
Contributions subsequent to the measurement date	\$ 678,681	N/A
Total	\$ 2,087,526	\$ 12,696,725

\$678,681 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,	
2021	(\$ 6,318,604)
2022	(\$ 4,241,580)
2023	(\$ 44,104)
2024	(\$ 683,592)

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve

¹ 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.

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

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

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

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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%
Total	100.00%	

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

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

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

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

There was no change in the discount rate from the prior measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 22,497,900	\$ 16,964,003	\$ 12,317,814

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.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

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

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

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$70,222 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$834,070, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

At December 31, 2019, the District's proportion was 0.07421 percent, which was a decrease of 0.00175% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$44,884. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,768	\$ 140,154
Changes of assumptions or other inputs	\$ 6,920	N/A
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$ 13,922
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 979	\$ 31,360
Contributions subsequent to the measurement date	\$ 35,720	N/A
Total	\$ 46,387	\$ 185,436

\$35,720 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,	
2021	(\$ 36,993)
2022	(\$ 36,991)
2023	(\$ 32,961)
2024	(\$ 34,868)
2025	(\$ 31,087)
Thereafter	(\$ 1,869)

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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
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.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators.

In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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.

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

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

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

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

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

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

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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:

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (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%
Total	100.00%	

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or 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	\$ 814,257	\$ 834,070	\$ 856,965

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 943,084	\$ 834,070	\$ 740,840

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.

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss, including boiler and machinery coverage. Settled claims resulting from these risks have not exceeded commercial or District coverage amounts in any of the past three years.

NOTE 11: COMMITMENTS AND CONTINGENCIES

BEST Grant

In December 2018, the District received Building Excellent Schools Today (BEST) grant in the amount of \$21,362,048. This grant will be used in conjunction with the 2018 G.O. Bond proceeds to finance cost of construction, renovation and equipment improvements of the Middle/High School on the current campus site of the District.

For the years ended June 30, 2020 and 2019, the District expended \$13,823,392 and \$3,467,699, from the BEST Grant, respectively. Total Middle/High School project expenditures for the year ended June 30, 2020 were \$32,359,797. As of June 30, 2020, the balance of the unspent bond proceeds totaled \$8,480,938 and is reported as restricted cash and investments.

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Intergovernmental Agreement

On July 11, 2017, the District entered into an Intergovernmental Agreement with the Town of Buena Vista for the River Park baseball field construction, joint use, and maintenance. Pursuant to the agreement, the Town has completed construction of a baseball field on the property during the year ended June 30, 2018. Upon completion of the construction and conveyance of the property to the District, the District assumed full maintenance responsibilities of the property. For the year ended June 30, 2018, the District reported a capital contribution from the Town in the amount of \$629,000 as a special item in the government wide statement of activities.

The District has priority use of the property and the Town may use the property subject to payment of District fees. The District also agreed to grant the Town a license to install a disc golf course on the property for public use. For the year ended June 30, 2020, no fees were charged to the Town under the terms of the agreement.

Claims and Judgments

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1999, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1997-98 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A restriction of fund balance in the General Fund in the amount of \$425,000 has been recorded as an emergency reserve in accordance with the Amendment.

NOTE 12: SUBSEQUENT EVENT

COVID-19

As a result of the coronavirus pandemic (COVID-19), economic uncertainties may have economic implications on the financial position, results of operations and cash flows of the District. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

BUENA VISTA SCHOOL DISTRICT NO. R-31

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Property Taxes	\$ 5,402,060	\$ 5,989,696	\$ 6,018,620	\$ 28,924	\$ 5,375,687
Specific Ownership Taxes	650,000	750,000	1,035,594	285,594	893,562
Tuition	65,880	80,000	85,685	5,685	89,068
Earnings on Investments	30,000	30,000	55,760	25,760	73,520
All Other Local Revenue Codes	450,260	437,360	589,102	151,742	372,406
Total Local Sources	<u>6,598,200</u>	<u>7,287,056</u>	<u>7,784,761</u>	<u>497,705</u>	<u>6,804,243</u>
State Sources					
State Equalization	5,056,548	4,832,680	4,832,669	(11)	4,757,833
Exceptional Children's Education Act	239,798	239,798	287,173	47,375	260,334
Transportation	80,000	90,859	94,368	3,509	99,647
All Other State Revenue	184,885	451,152	506,173	55,021	765,605
Total State Sources	<u>5,561,231</u>	<u>5,614,489</u>	<u>5,720,383</u>	<u>105,894</u>	<u>5,883,419</u>
Federal Sources					
Title I	161,425	161,963	164,465	2,502	168,538
Title II	29,682	29,863	30,072	209	29,323
Medicaid	75,000	65,000	68,564	3,564	68,084
Child Find	148,296	165,270	165,270	-	169,747
Other Federal Sources	16,593	17,289	65,984	48,695	27,269
Total Federal Sources	<u>430,996</u>	<u>439,385</u>	<u>494,355</u>	<u>54,970</u>	<u>462,961</u>
TOTAL REVENUES	<u>12,590,427</u>	<u>13,340,930</u>	<u>13,999,499</u>	<u>658,569</u>	<u>13,150,623</u>
EXPENDITURES					
Instruction					
Salaries	4,841,968	4,988,779	4,826,406	162,373	4,670,418
Employee Benefits	1,653,575	1,715,575	1,732,240	(16,665)	1,636,157
Purchased Services	147,585	243,585	160,663	82,922	65,794
Supplies and Materials	385,378	395,738	345,573	50,165	335,471
Property	76,800	21,800	30,532	(8,732)	560,896
Other Objects and Uses	69,595	73,578	61,863	11,715	17,542
Total Instruction	<u>7,174,901</u>	<u>7,439,055</u>	<u>7,157,277</u>	<u>281,778</u>	<u>7,286,278</u>

(Continued)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
EXPENDITURES (Continued)					
Supporting Services					
Students					
Salaries	262,444	282,708	326,014	(43,306)	352,012
Employee Benefits	154,205	123,604	120,485	3,119	119,130
Purchased Services	180,757	197,282	192,350	4,932	143,992
Supplies and Materials	37,370	42,370	31,915	10,455	21,139
Property	-	-	352	(352)	-
Total Students	<u>634,776</u>	<u>645,964</u>	<u>671,116</u>	<u>(25,152)</u>	<u>636,273</u>
Instructional Staff					
Salaries	428,159	440,257	425,073	15,184	423,203
Employee Benefits	147,454	329,511	317,463	12,048	318,959
Purchased Services	294,832	129,882	139,779	(9,897)	125,471
Supplies and Materials	227,793	105,794	102,573	3,221	108,112
Property	358,343	214,343	206,362	7,981	65,432
Other Objects and Uses	-	136,272	-	136,272	-
Total Instructional Staff	<u>1,456,581</u>	<u>1,356,059</u>	<u>1,191,250</u>	<u>164,809</u>	<u>1,041,177</u>
General Administration					
Salaries	240,800	242,118	241,226	892	238,114
Employee Benefits	88,173	79,557	74,290	5,267	79,342
Purchased Services	82,600	55,200	65,146	(9,946)	90,105
Supplies and Materials	85,000	118,000	158,426	(40,426)	115,473
Other Objects and Uses	15,000	15,000	8,962	6,038	15,735
Total General Administration	<u>511,573</u>	<u>509,875</u>	<u>548,050</u>	<u>(38,175)</u>	<u>538,769</u>
School Administration					
Salaries	428,421	398,690	460,279	(61,589)	518,511
Employee Benefits	181,858	174,627	150,139	24,488	171,197
Purchased Services	9,000	21,000	15,497	5,503	19,724
Supplies and Materials	39,576	16,630	4,902	11,728	38,491
Total School Administration	<u>658,855</u>	<u>610,947</u>	<u>630,817</u>	<u>(19,870)</u>	<u>747,923</u>

(Continued)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	145,602	157,158	151,441	5,717	135,382
Employee Benefits	48,253	43,181	42,958	223	38,415
Purchased Services	21,100	18,100	15,305	2,795	8,515
Total Business Services	<u>214,955</u>	<u>218,439</u>	<u>209,704</u>	<u>8,735</u>	<u>182,312</u>
Operations and Maintenance					
Salaries	402,731	411,747	436,845	(25,098)	383,769
Employee Benefits	135,642	152,524	165,708	(13,184)	153,254
Purchased Services	639,383	618,383	515,483	102,900	452,260
Supplies and Materials	90,300	97,800	72,352	25,448	96,840
Property	24,710	10,710	-	10,710	-
Total Operations and Maintenance	<u>1,292,766</u>	<u>1,291,164</u>	<u>1,190,388</u>	<u>100,776</u>	<u>1,086,123</u>
Student Transportation					
Salaries	193,398	255,512	249,724	5,788	227,787
Employee Benefits	56,448	69,979	72,367	(2,388)	67,660
Purchased Services	89,500	105,500	105,580	(80)	92,743
Supplies and Materials	127,400	84,000	63,909	20,091	107,887
Property	30,500	238,947	223,201	15,746	208,694
Total Student Transportation	<u>497,246</u>	<u>753,938</u>	<u>714,781</u>	<u>39,157</u>	<u>704,771</u>
Central Support					
Salaries	125,000	122,000	106,340	15,660	123,285
Employee Benefits	3,731	3,731	9,712	(5,981)	13,004
Purchased Services	152,386	152,386	174,729	(22,343)	156,326
Property	-	1,313,538	744,090	569,448	-
Other Objects and Uses	-	756,840	692,137	64,703	-
Total Central Support	<u>281,117</u>	<u>2,348,495</u>	<u>1,727,008</u>	<u>621,487</u>	<u>292,615</u>

(Continued)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
Total Supporting Services	5,547,869	7,734,881	6,883,114	851,767	5,229,963
Debt Service					
Principal	-	-	-	-	83,466
Interest	-	-	-	-	1,521
Total Debt Service	-	-	-	-	84,987
RESERVES					
Contingency	250,000	250,000	-	250,000	-
Emergency Reserves	350,000	425,000	-	425,000	-
TOTAL RESERVES	600,000	675,000	-	675,000	-
TOTAL EXPENDITURES	13,322,770	15,848,936	14,040,391	1,808,545	12,601,228
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(732,343)	(2,508,006)	(40,892)	2,467,114	549,395
OTHER FINANCING SOURCES (USES)					
Proceeds from Capital Lease	-	893,112	692,137	(200,975)	207,940
Transfers In (Out)	(75,000)	(75,000)	(120,000)	(45,000)	(70,000)
TOTAL OTHER FINANCING SOURCES (USES)	(75,000)	818,112	572,137	(245,975)	137,940
CHANGE IN FUND BALANCE	(807,343)	(1,689,894)	531,245	2,221,139	687,335
FUND BALANCES, Beginning	4,276,120	4,276,120	5,526,103	1,249,983	4,838,768
FUND BALANCES, Ending	<u>\$ 3,468,777</u>	<u>\$ 2,586,226</u>	<u>\$ 6,057,348</u>	<u>\$ 3,471,122</u>	<u>\$ 5,526,103</u>

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
SCHOOL DIVISION TRUST FUND

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportionate share of the Net Pension Liability	0.1376%	0.1373%	0.1390%	0.1365%	0.1335%	0.1169%	0.1136%
District's proportionate share of the Net Pension Liability	\$ 17,556,591	\$ 18,616,976	\$ 21,263,422	\$ 40,641,589	\$ 43,162,404	\$ 20,691,295	\$ 16,964,003
State of Colorado's Proportionate Share of the Net Pension Liability associated with the District	-	-	-	-	-	2,829,247	2,725,305
Total portion of the Net Pension Liability associated with the District	\$ 17,556,591	\$ 18,616,976	\$ 21,263,422	\$ 40,641,589	\$ 43,162,404	\$ 23,520,542	\$ 19,689,308
District's covered payroll	5,550,212	5,754,421	6,058,831	6,126,405	6,157,230	6,424,056	6,672,263

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 954,090	\$ 1,063,788	\$ 1,149,204	\$ 1,184,687	\$ 1,185,076	\$ 1,146,993	\$ 1,334,228
Contributions in relation to the Statutorily required contributions	<u>954,090</u>	<u>1,063,788</u>	<u>1,149,204</u>	<u>1,184,687</u>	<u>1,185,076</u>	<u>1,146,993</u>	<u>1,334,228</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,612,829	\$ 5,940,481	\$ 6,128,996	\$ 6,106,207	\$ 6,275,429	\$ 5,995,777	\$ 6,884,552
Contributions as a percentage of covered payroll	17.00%	17.91%	18.75%	19.40%	18.88%	19.13%	19.38%

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
HEALTH CARE TRUST FUND

Years Ended December 31,

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportionate share of the Net OPEB Liability	0.0776%	0.0758%	0.0760%	0.0742%
District's proportionate share of the Net OPEB Liability	\$ 1,005,959	\$ 985,650	\$ 1,033,404	\$ 834,070
District's covered payroll	\$ 6,126,405	\$ 6,157,230	\$ 6,424,056	\$ 6,672,263
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.4%	16.0%	16.1%	12.5%
Plan fiduciary net position as a percentage of the total OPEB liability	16.72%	17.53%	17.03%	24.49%

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 62,283	\$ 64,009	\$ 61,157	\$ 70,222
Contributions in relation to the Statutorily required contributions	<u>62,283</u>	<u>64,009</u>	<u>61,157</u>	<u>70,222</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 6,106,207	\$ 6,275,429	\$ 5,995,777	\$ 6,884,552
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

BUENA VISTA SCHOOL DISTRICT NO. R-31

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2020

	Food	Pupil	Capital	TOTALS	
	Service Fund	Activity Fund	Reserve Fund	2020	2019
ASSETS					
Cash and Investments	\$ 44,646	\$ 286,601	\$ 735	\$ 331,982	\$ 236,677
Grants Receivable	31,214	-	-	31,214	-
Inventory	13,686	-	-	13,686	9,039
TOTAL ASSETS	<u>\$ 89,546</u>	<u>\$ 286,601</u>	<u>\$ 735</u>	<u>\$ 376,882</u>	<u>\$ 245,716</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	43,826	-	-	43,826	29,524
Unearned Revenues	26,136	-	-	26,136	9,806
TOTAL LIABILITIES	<u>69,962</u>	<u>-</u>	<u>-</u>	<u>69,962</u>	<u>39,330</u>
FUND EQUITY					
Fund Balance					
Nonspendable	13,686	-	-	13,686	9,039
Assigned	5,898	286,601	735	293,234	197,347
TOTAL FUND EQUITY	<u>19,584</u>	<u>286,601</u>	<u>735</u>	<u>306,920</u>	<u>206,386</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 89,546</u>	<u>\$ 286,601</u>	<u>\$ 735</u>	<u>\$ 376,882</u>	<u>\$ 245,716</u>

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 Year Ended June 30, 2020

	Food Service Fund	Pupil Activity Fund	Capital Reserve Fund	TOTALS	
				2020	2019
REVENUES					
Local Sources	\$ 160,170	\$ 429,759	\$ -	\$ 589,929	\$ 204,093
State Sources	5,955	-	-	5,955	10,176
Federal Sources	326,423	-	-	326,423	235,960
TOTAL REVENUES	492,548	429,759	-	922,307	450,229
EXPENDITURES					
Current					
Supporting Services	591,773	350,000	-	941,773	558,242
TOTAL EXPENDITURES	591,773	350,000	-	941,773	558,242
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(99,225)	79,759	-	(19,466)	(108,013)
OTHER FINANCING SOURCES (USES)					
Transfers In	120,000	-	-	120,000	70,000
TOTAL OTHER FINANCING SOURCES	120,000	-	-	120,000	70,000
NET CHANGE IN FUND BALANCES	20,775	79,759	-	100,534	(38,013)
FUND BALANCES, Beginning	(1,191)	206,842	735	206,386	37,557
FUND BALANCES, Ending	\$ 19,584	\$ 286,601	\$ 735	\$ 306,920	\$ (456)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

FOOD SERVICE FUND
 BUDGETARY COMPARISON STATEMENT
 Year Ended June 30, 2020

	2020			VARIANCE	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	
REVENUES					
Local Sources					
Charges for Services	\$ 243,563	\$ 233,564	\$ 158,127	\$ (75,437)	\$ 197,758
Other	10,000	10,000	2,043	(7,957)	6,334
State and Federal Sources					
School Lunches	160,000	145,000	139,921	(5,079)	144,884
School Breakfast	60,500	40,500	46,035	5,535	63,803
Emergency Food Program	-	-	110,765	110,765	-
Commodity Donations	35,000	35,000	29,702	(5,298)	27,273
State Match	10,000	10,000	5,955	(4,045)	10,176
TOTAL REVENUES	519,063	474,064	492,548	18,484	450,228
EXPENDITURES					
Salaries	187,500	191,817	207,252	(15,435)	187,565
Benefits	105,676	109,595	98,509	11,086	105,749
Purchased Services	1,100	1,100	427	673	473
Food	282,088	282,088	265,432	16,656	254,085
Other Supplies	17,700	17,700	20,153	(2,453)	10,370
TOTAL EXPENDITURES	594,064	602,300	591,773	10,527	558,242
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(75,001)	(128,236)	(99,225)	29,011	(108,014)
OTHER FINANCING SOURCES (USES)					
Transfers In	75,000	75,000	120,000	45,000	70,000
CHANGE IN FUND BALANCE	(1)	(53,236)	20,775	74,011	(38,014)
FUND BALANCES, Beginning	32,575	32,575	(1,191)	(33,766)	36,823
FUND BALANCES, Ending	\$ 32,574	\$ (20,661)	\$ 19,584	\$ 40,245	\$ (1,191)

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

PUPIL ACTIVITY FUND
 BUDGETARY COMPARISON STATEMENT
 Year Ended June 30, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Activity Fees	\$ 593,000	\$ 429,759	\$ (163,241)	\$ 571,481
TOTAL REVENUES	593,000	429,759	(163,241)	571,481
EXPENDITURES				
Other Objects and Uses	593,000	350,000	243,000	605,977
TOTAL EXPENDITURES	593,000	350,000	243,000	605,977
CHANGE IN FUND BALANCE	-	79,759	79,759	(34,496)
FUND BALANCE, Beginning	-	\$ 206,842	206,842	241,338
FUND BALANCE, Ending	\$ -	\$ 286,601	\$ 286,601	\$ 206,842

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BOND REDEMPTION FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Property Taxes	\$ 2,428,839	\$ 2,440,118	\$ 11,279	\$ 2,414,431
Delinquent Taxes	497	7,573	7,076	3,796
Earnings on Investments	5,000	48,610	43,610	52,994
TOTAL REVENUES	<u>2,434,336</u>	<u>2,496,301</u>	<u>61,965</u>	<u>2,471,221</u>
EXPENDITURES				
Debt Service				
Principal	1,216,541	1,216,541	-	200,000
Interest and Fiscal Charges	1,212,298	1,212,298	-	645,917
TOTAL EXPENDITURES	<u>2,428,839</u>	<u>2,428,839</u>	<u>-</u>	<u>845,917</u>
CHANGE IN FUND BALANCE	5,497	67,462	61,965	1,625,304
FUND BALANCE, Beginning	<u>2,186,514</u>	<u>3,550,918</u>	<u>1,364,404</u>	<u>1,925,614</u>
FUND BALANCE, Ending	<u>\$ 2,192,011</u>	<u>\$ 3,618,380</u>	<u>\$ 1,426,369</u>	<u>\$ 3,550,918</u>

See the accompanying independent auditors' report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended June 30, 2020

	2020		VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Local Sources				
Earnings on Investments	\$ -	\$ 100	\$ 100	\$ 120
Other	-	17,300	17,300	-
State Sources				
BEST Grant	17,050,963	13,823,392	(3,227,571)	3,467,699
Other State Grants	-	-	-	1,846
TOTAL REVENUES	<u>17,050,963</u>	<u>13,840,792</u>	<u>(3,210,171)</u>	<u>3,469,665</u>
EXPENDITURES				
Capital Outlay	46,551,063	32,359,797	14,191,266	9,413,912
Other	-	-	-	33,737
TOTAL EXPENDITURES	<u>46,551,063</u>	<u>32,359,797</u>	<u>14,191,266</u>	<u>9,447,649</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(29,500,100)</u>	<u>(18,519,005)</u>	<u>10,981,095</u>	<u>(5,977,984)</u>
OTHER FINANCING SOURCES				
Proceeds from Issuance of Debt	<u>29,500,000</u>	<u>-</u>	<u>(29,500,000)</u>	<u>29,500,000</u>
TOTAL OTHER FINANCING SOURCES	<u>29,500,000</u>	<u>-</u>	<u>-</u>	<u>29,500,000</u>
CHANGE IN FUND BALANCE	(100)	(18,519,005)	10,981,095	23,522,016
FUND BALANCE, Beginning	<u>146,437</u>	<u>23,708,108</u>	<u>23,561,671</u>	<u>186,092</u>
FUND BALANCE, Ending	<u>\$ 146,337</u>	<u>\$ 5,189,103</u>	<u>\$ 34,542,766</u>	<u>\$ 23,708,108</u>

See the accompanying independent auditors' report.

COMPLIANCE



JOHN CUTLER & ASSOCIATES

Board of Education
Buena Vista School District No. R-31
Buena Vista, Colorado

INDEPENDENT AUDITORS' REPORT ON ELECTRONIC FINANCIAL DATA INTEGRITY CHECK FIGURES

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buena Vista School District No. R-31, 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.

Other Matters

Other Information

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

John Luthr & Associates, LLC

December 2, 2020



Colorado Department of Education
Auditors Integrity Report
 District: 0490 - Buena Vista R-31
 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
Governmental	+		-	=
10 General Fund	5,496,968	14,351,636	13,835,257	6,013,347
18 Risk Mgmt Sub-Fund of General Fund	29,136	220,000	205,135	44,001
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	5,526,104	14,571,636	14,040,392	6,057,348
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	-1,190	612,549	591,774	19,584
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	206,842	429,759	350,000	286,601
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	3,550,919	2,496,300	2,428,839	3,618,380
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	23,708,108	13,840,792	32,359,798	5,189,103
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	733	1	0	734
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	32,991,516	31,951,037	49,770,803	15,171,750
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL