

cPa DIXON, WALLER & CO., INC.

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BYERS SCHOOL DISTRICT

NUMBER 32J

BYERS, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2020

**DIXON, WALLER & CO., INC.**

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FINANCIAL STATEMENTS

JUNE 30, 2020

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BYERS SCHOOL DISTRICT NUMBER 32J  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2020

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BOARD OF EDUCATION

Donna Sauer	President
Eve Pugh	Vice President
Matt Eymann	Secretary
Jay Bauer	Treasurer
Dennis Messer	Member
Rodney Brockelman	Member
Allison Harris	Member

SCHOOL OFFICIAL

Tom Turrell	Superintendent
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(719) 846-9241 FAX (719) 846-3352

**INDEPENDENT AUDITOR'S REPORT**

**Board of Education  
Byers School District  
Number 32J  
Byers, Colorado 80103**

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Byers School District Number 32J, 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 did not audit the financial statements of Colorado Education Solutions which represents 19.55 percent, -9.35 percent, and 64.79 percent, respectively, of the assets, net position, and revenues of the governmental activities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Colorado Education Solutions is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Byers School District Number 32J, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through ix, and 43 through 51 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 Byers School District Number 32J's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2021, on our consideration of Byers School District Number 32J's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Byers School District Number 32J's internal control over financial reporting and compliance.



February 4, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

Management of Byers School District 32-J offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. The focus of the information is on the primary government.

### **Financial Highlights**

- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$2,550,731.
- The District's long-term general obligation debt (QZAB loan) decreased by \$72,913.
- The District had adequate resources available for all appropriations.

The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$394,247. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Upon implementation of GASB 75, the beginning net position of governmental activities decreased \$630,0324 to \$(8,119,545) from \$(8,749,869) at the end of the previous fiscal year.

The District has also implemented GASB 68 resulting in a net pension liability of \$8,018,915. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. At implementation, beginning equity is restated and deferred inflows, outflows and net pension liability are reported. Beginning net position of governmental activities decreased as a result of this change.

## Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is also provided in this document. The Byers School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

### *District-Wide Financial Statements*

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets 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.

The two district-wide statements report the District's net assets and how they have changed. Net assets, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position. The difference between assets and liabilities is reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

### *Fund Financial Statements*

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

All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

*Proprietary Funds:* Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District's *enterprise fund* (one type of proprietary fund) is the same as its business-type activities but provide more detail and additional information such as cash flows. *Internal service funds* (the other kind of proprietary funds) are used to report activities that provide supplies and services for its other programs and activities. The District uses an enterprise fund to account for its food service operation. The district does not have any internal service funds.

*Fiduciary Funds:* The District is the agent, or *fiduciary*, for assets that belong to others. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District uses fiduciary funds to account for its endowment fund.

***Notes to the Financial Statements***

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

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

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

**Financial Analysis of the District as a Whole**

The District's total net position on June 30, 2020 was \$(6,775,481). Of the District's 7,559,265 in assets, \$4,302,478 (56%) reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

Table 1 provides a summary of the District's net assets for 2020 compared to 2019.

	<u>2020</u>	<u>2018</u>	Total Percentage Change
<b>Assets</b>			
Current and other assets	\$ 3,256,787	\$ 2,813,666	13.61%
Capital assets	<u>4,302,478</u>	<u>4,525,758</u>	-5.19%
<b>Total Assets</b>	\$ 7,559,265	\$ 7,339,424	2.91%
Deferred Outflow of Resources	1,993,728	4,237,524	-63.06%
<b>Liabilities</b>			
Current Liabilities	\$ 1,217,460	\$ 1,179,648	3.11%
Net Pension Obligation	8,018,915	9,762,617	-21.74%
Long-Term Liabilities	<u>555,850</u>	<u>628,763</u>	-13.12%
<b>Total Liabilities</b>	\$ 9,792,225	\$ 11,571,028	-18.17%
Deferred Inflow of Resources	6,536,249	8,125,465	-24.31%
<b>Net Position</b>			
Net Investment in capital assets	\$ 0	\$ 0	0.00%
Restricted for:			
Debt Service	0	0	0.00%
Food Service	98,034	55,648	43.24%
Transportation	260,893	259,119	0.68%
Preschool	0	2	
Multi-Year Obligations	229,877	223,763	2.66%
Tabor Reserve	165,000	185,000	-12.12%
Unrestricted	<u>(7,529,285)</u>	<u>(8,843,077)</u>	-17.45%
<b>Total Net Position</b>	\$ (6,775,481)	\$ (8,119,545)	19.84%

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

Table 2 shows the changes in net assets for fiscal year 2020 compared to 2019.

	<u>2020</u>	Total <u>2019</u>
<b>Revenues</b>		
Program revenues:		
Charges For Services	\$ 772,179	\$ 880,482
Operating Grants & Contributions	2,316,270	1,754,969
Capital Grants and Contributions	34,905	0
General Revenues:		
Property Taxes	1,808,750	1,699,117
Specific Ownership Taxes	130,380	135,972
State Equalization	15,773,136	19,767,771
Earnings on Investments	6,252	5,300
Other Revenues	78,694	60,790
Charter Per Pupil Revenue	<u>(12,972,318)</u>	<u>(17,450,639)</u>
<b>Total Revenues</b>	<b>\$ 7,948,248</b>	<b>\$ 6,853,762</b>
<b>Expenses</b>		
Instructional Services	\$ 4,661,910	\$ 3,977,908
Supporting Services:		
Students	341,725	220,775
Instructional Staff	129,591	153,207
District Administration	764,818	696,646
School Administration	327,517	312,106
Business	224,196	217,182
Operations & Maintenance	612,540	555,595
Transportation	404,930	365,623
Central	76,131	101,103
Community Services	8,516	0
Facilities	0	0
Food Service	231,226	329,326
Capital Outlay	0	76,575
Interest on Long-Term Liabilities	3,542	3,747
Pension Amortization	<u>(1,182,458)</u>	<u>( 786,355)</u>
<b>Total Expenses</b>	<b>\$ 6,604,184</b>	<b>\$ 6,223,438</b>
Increase (decrease) in net assets	\$ 1,344,064	\$ 630,324

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

***Governmental Activities***

The following table shows the District's major functions. It also shows the net costs (total cost less revenues generated by activities).

Table 3  
Governmental Activities  
(Net of Depreciation)

	Total Cost of Services		Net Cost of Services	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instructional Services	\$ 3,977,908	\$ 3,977,908	\$ 1,713,556	\$ 1,713,556
Supporting Services:				
Students	220,775	220,775	220,775	220,775
Instruction Staff	153,207	153,207	153,207	153,207
District Administration	696,646	696,646	696,646	696,646
School Administration	312,106	312,106	312,106	312,106
Business	217,182	217,182	217,182	217,182
Operation & Maintenance	555,595	555,595	499,620	499,620
Transportation	365,623	365,623	301,965	301,965
Central	101,103	101,103	101,103	101,103
Community Services	0	0	0	0
Facilities	0	0	0	0
Food Service	329,326	329,326	77,860	77,860
Capital Outlay	76,575	76,575	76,575	76,575
Interest on Long-Term Liabilities	3,747	3,747	3,747	3,747
Pension Expense	<u>(786,355)</u>	<u>(786,355)</u>	<u>(786,355)</u>	<u>(786,355)</u>
<b>Total</b>	<b>\$ 6,223,438</b>	<b>\$ 6,223,438</b>	<b>\$ 3,587,987</b>	<b>\$ 3,587,987</b>

- The cost of all district activities this year was \$6,604,184.
- Some of the cost was financed by the users of the District's programs: \$772,179.
- The federal and state government subsidized certain programs with grants and contributions totaling \$2,316,270.
- Most of the District's costs, however, were finance by District and State taxpayers. This portion of governmental activities was financed with \$15,773,136 in state equalization from the School Finance Act (of which \$12,972,318 was allocated to the District Online Charter Schools), \$1,939,130 in property tax and \$84,946 in investment earnings and other miscellaneous revenue.

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

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

### ***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.

- Actual revenues in the General Fund were \$40,692 higher than anticipated.
- Total expenditures of the General Fund were \$1,391,471 under budget.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2020, District's TABOR reserve amounted to \$165,000.
- The beginning fund balance was increased from \$1,787,666 to \$2,110,611. The fund balance reflects the fund balances of the General fund, Capital Reserve fund, Rental fund, Childcare fund, and Preschool fund. The fund balance for the General fund alone increased from \$1,544,451 to 1,800,541.

BYERS SCHOOL DISTRICT 32-J  
 Management Discussion and Analysis  
 For the Fiscal Year Ended June 30, 2020

## Capital Assets and Debt Administration

### *Capital Assets*

The District's investment in capital assets as of June 30, 2020 amounts to \$4,302,478.

Table 4  
 Byers School District  
 Capital Assets  
 (Net of Depreciation)

	Total		Total Percentage Change
	2020	2019	2020-2019
Land & Sites	\$ 173,215	\$ 173,215	0.00%
Buildings & Improvements	3,851,982	4,104,425	-6.55%
Equipment & Vehicles	253,281	187,015	26.16%
Construction in Progress	24,000	61,103	-154.60%
 Total Capital Assets	 \$ 4,302,478	 \$ 4,525,758	 -5.19%

### *Long-Term Debt*

At year-end, the District's long-term debt was \$626,439, which was due to their QZAB Loan.

Table 5  
 Byers School District  
 Long-Term Debt  
 Governmental Activities

	2020	2019
2005 Refinanced Bonds	\$ 0	\$ 0
Deferred Refunding	0	0
QZAB Loan	626,439	699,352
 <b>Total</b>	 <b>\$ 626,439</b>	 <b>\$ 699,352</b>

BYERS SCHOOL DISTRICT 32-J  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020

## **Economic Factors Bearing on the District's Future**

Each year Byers School District 32J prepares a budget plan with the focus on utilizing available resources to best support educational success. The budget plan encompasses instruction at each school, transportation, food services, maintenance, administration and more.

The district follows a multi-step budgeting process which includes input and values from staff, parents and community members. The District leadership prepares a budget plan that balances priorities of the community with federal, state and local mandates. The budget plan for fiscal year 2019-2020 supports the educational commitments of student learning, professional practice, and collective responsibility.

Due to the economic downturn and Colorado's associated budget crisis, the School Finance Act implemented a Budget stabilization factor for program funding in fiscal year 2010-11. The impact of the budget stabilization factor for Byers 32J School District has been substantial and has resulted in more than \$16,417,555 decreased funding over the past ten years

After a number of years of reduced funding resulting in budget reductions for school districts across the state, the State of Colorado restored some funding for public education that had previously been cut. The budget stabilization factor for fiscal year 2019-2020 decreased from 8.7% to 8.1%, estimated to be \$1.7 million less in funding for the Byers 32J School District.

For fiscal year 2019-2020, the statewide base per pupil funding was increased for inflation by 2.7%. The statewide average per pupil base funding for fiscal year 2019-2020 is \$6,952; the Byers 32J School District per pupil revenue is \$9416.43, which equates to an increase of \$ 225.31 per pupil over fiscal year 2018-2019. The increase in state funding enabled investments for programs and services with high priority needs.

Effective for fiscal year 2019-2020, HB 19-1262 provides funding for full-day kindergarten for districts that choose to offer it. Byers 32J School District has provided full-day kindergarten for over 20 years at no cost to the community. The 2019-2020 revenue budget accounts for an additional .42 full-time equivalent funding per enrolled pupil in lieu of the costs of providing full-time services. In addition to this funding, HB 191055 provides a one-time formula-based grant to district that implement the full-day kindergarten program. The purpose of this grant is to cover facility expenditures necessary to conduct full-day kindergarten in all school locations.

Planned budgetary expenditure increases for fiscal year 2019-2020 consist of compensation increases of 3.0% to all district staff, 4% increases in health insurance, 13% increase in property insurance and 0.25% increase required contributions to the state's retirement plan.

Transportation Mill-Levy Override is in its final year of a five-year annual \$150,000 override. The district purchased a 77-passenger 2019 integrated CE school bus for \$98,615 and a 2019 Ford Transit small vehicle for \$46,662.

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

This financial report is designed to provide a general overview of the Byers School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Superintendent of Schools  
Byers School District  
444 E. Front Street  
Byers, Colorado 80103

BASIC FINANCIAL STATEMENTS

BYERS SCHOOL DISTRICT NUMBER 32J  
STATEMENT OF NET POSITION  
June 30, 2020

	Governmental Activities	Total	Component Units Charter Schools
<u>ASSETS</u>			
Cash and Investments	3,105,765	3,105,765	1,813,247
Accounts Receivable	27,553	27,553	-
Grants Receivable	-	-	-
Property Taxes Receivable	115,700	115,700	-
Prepaid Expenses	-	-	14,086
Other Assets	-	-	9,661
Inventories	7,769	7,769	-
Capital Assets	13,030,525	13,030,525	-
Accumulated Depreciation	<u>(8,728,047)</u>	<u>(8,728,047)</u>	-
<u>TOTAL ASSETS</u>	<u>7,559,265</u>	<u>7,559,265</u>	<u>1,836,994</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pensions	1,948,062	1,948,062	-
Other Post Employment Benefits	<u>45,666</u>	<u>45,666</u>	-
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,993,728</u>	<u>1,993,728</u>	-
<u>LIABILITIES</u>			
Accounts Payable	35,565	35,565	1,257,914
Accrued Salaries	533,366	533,366	-
Accrued Interest	-	-	-
Unearned Revenue	81,425	81,425	-
Compensated Absences	102,268	102,268	-
Net Pension Obligation	8,018,915	8,018,915	-
Net OPEB Obligation	394,247	394,247	-
Debt Payable – Current	70,589	70,589	-
Debt Payable – Long Term	<u>555,850</u>	<u>555,850</u>	-
<u>TOTAL LIABILITIES</u>	<u>9,792,225</u>	<u>9,792,225</u>	<u>1,257,914</u>
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pensions	6,448,545	6,448,545	-
Other Post Employment Benefits	<u>87,704</u>	<u>87,704</u>	-
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>6,536,249</u>	<u>6,536,249</u>	-
<u>NET POSITION</u>			
Net Investment in Capital Assets	-	-	-
Restricted for:			
Tabor Reserve	190,000	190,000	401,357
Multi Year Obligation	229,877	226,877	-
Food Service	98,034	98,034	-
Transportation	260,893	260,893	-
Preschool	-	-	-
Special Education	-	-	50,000
Unrestricted	<u>(7,554,285)</u>	<u>(7,554,285)</u>	<u>127,723</u>
<u>TOTAL NET POSITION</u>	<u>(6,775,481)</u>	<u>(6,775,481)</u>	<u>579,080</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

	Net (Expenses) Revenue and Changes in Net Position					Component Units	
	Primary Government						Charter Schools
	Expenses	Program Revenues		Governmental Activities	Total		
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions				
<b>FUNCTIONS</b>							
Instructional Services	4,661,910	534,015	2,047,705	-	(2,080,190)	(9,163,474)	
Supporting Services:							
Students	341,725	105,994	-	-	(235,731)	(1,156,502)	
Instructional Staff	129,591	-	-	-	(129,591)	-	
District Administration	764,818	-	-	-	(764,818)	(546,254)	
School Administration	327,517	-	-	-	(327,517)	(1,097,256)	
Business	224,196	-	-	-	(224,196)	(260,650)	
Operation & Maintenance of Facilities	612,540	59,392	-	34,905	(518,243)	(300,122)	
Transportation	404,930	-	73,745	-	(331,185)	-	
Central	76,131	-	-	-	(76,131)	(246,440)	
Community Services	8,516	-	-	-	(8,516)	-	
Facilities	-	-	-	-	-	-	
Food Service	231,226	72,778	194,820	-	36,372	-	
Capital Outlay	-	-	-	-	-	-	
Interest on Long-Term Debt	3,542	-	-	-	(3,542)	-	
Pension and OPEB Expense	(1,182,458)	-	-	-	1,182,458	-	
<u>Total Governmental Activities</u>	<u>6,604,184</u>	<u>772,179</u>	<u>2,316,270</u>	<u>34,905</u>	<u>(3,480,830)</u>	<u>(12,770,698)</u>	
<u>Total School District</u>	<u>6,604,184</u>	<u>772,179</u>	<u>2,316,270</u>	<u>34,905</u>	<u>(3,480,830)</u>	<u>(12,770,698)</u>	
<b>General Revenues</b>							
Property Taxes Levied for General Purposes					1,808,750	-	
Specific Ownership Taxes					130,380	-	
Equalization					15,773,136	-	
Earnings on Investments					6,252	-	
Other Revenues					78,694	111,687	
Intergovernmental					-	12,659,011	
Charter Per Pupil Revenue					(12,972,318)	-	
<u>Total General Revenues and Transfers</u>					<u>4,824,894</u>	<u>12,770,698</u>	
<u>Change in Net Position</u>					<u>1,344,064</u>	<u>-</u>	
<u>Net Position, Beginning</u>					<u>(8,119,545)</u>	<u>579,080</u>	
<u>Net Position, Ending</u>					<u>(6,775,481)</u>	<u>579,080</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020

	<u>General Fund</u>	<u>Designated Purpose Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	2,862,374	50,885	192,506	3,105,765
Accounts Receivable	27,553	-	-	27,553
Accrued Revenue	-	-	-	-
Due From Other Funds	39,354	-	261,011	300,365
Property Taxes Receivable	115,700	-	-	115,700
Inventories	-	-	7,769	7,769
<u>Total Assets</u>	<u>3,044,981</u>	<u>50,885</u>	<u>461,286</u>	<u>3,557,152</u>
<u>LIABILITIES:</u>				
Accounts Payable	35,565	-	-	35,565
Accrued Salaries	505,801	11,676	15,889	533,366
Due To Other Funds	261,011	39,209	145	300,365
Unearned Revenue	76,293	-	5,132	81,425
<u>Grant Amounts Received in Advance</u>	<u>878,670</u>	<u>50,885</u>	<u>21,166</u>	<u>950,721</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Deferred Property Tax	55,700	-	-	55,700
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	7,769	7,769
Restricted for:				
Emergencies	190,000	-	-	190,000
Multi-Year Obligations	229,877	-	-	229,877
Preschool	-	-	-	-
Food Service	-	-	98,034	98,034
Transportation	-	-	260,893	260,893
Committed for:				
Capital Outlay	185,913	-	-	185,913
Rental Properties	30,188	-	-	30,188
Day Care	93,969	-	-	93,969
Assigned for:				
Pupil Activities	-	-	73,424	73,424
Unassigned	1,380,664	-	-	1,380,664
<u>Total Fund Balances</u>	<u>2,110,611</u>	<u>-</u>	<u>440,120</u>	<u>2,550,731</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>3,044,981</u>	<u>50,885</u>	<u>461,286</u>	<u>3,557,152</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2020

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

<u>Total Fund Balance – Governmental Funds</u>	2,550,731
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$13,030,525 and the accumulated depreciation is \$8,728,047.	4,302,478
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	55,700
Compensated absences are not reported as a liability in the funds.	(102,268)
Debt is not recorded as a liability in the funds:	
QZAB Lease Payable	(626,439)
The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(8,018,915)
The District’s portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(394,247)
Deferred flows for contributions made toward the net pension obligation from December 31, 2019 until June 30, 2020 is not reported in the funds.	306,667
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2019 until June 30, 2020 is not reported in the funds.	16,140
Net Deferred Pension Flows – Plan Level	(3,921,260)
Net Deferred Pension Flows – Employer Level	(885,890)
Net Deferred OPEB Flows – Plan Level	(68,249)
Net Deferred OPEB Flows – Employer Level	<u>10,071</u>
 <u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	 <u>(6,775,481)</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020

	<u>General Fund</u>	<u>Designated Purpose Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	1,646,999	-	147,051	1,794,050
Specific Ownership Taxes	130,380	-	-	130,380
Earnings on Investments	6,195	-	57	6,252
Other Local Sources	705,642	-	180,136	885,778
State Aid	16,414,573	67,850	81,402	16,563,825
Federal Aid	908,490	429,928	187,163	1,525,581
Allocated Revenue-Charter Schools	(12,972,318)	-	-	(12,972,318)
<u>Total Revenues</u>	<u>6,839,961</u>	<u>497,778</u>	<u>595,809</u>	<u>7,933,548</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	3,857,875	497,778	-	4,355,653
Supporting Services:				
Students	216,092	-	111,030	327,122
Instructional Staff	129,262	-	-	129,262
District Administration	770,135	-	-	770,135
School Administration	326,716	-	-	326,716
Business	200,810	-	-	200,810
Operation & Maintenance of Facilities	652,784	-	-	652,784
Transportation	210,955	-	219,022	429,977
Central	75,932	-	-	75,932
Food Service	-	-	225,535	225,535
Debt Service:				
Principal Retirement	72,913	-	-	72,913
Interest and Fiscal Charges	3,542	-	-	3,542
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>6,517,016</u>	<u>497,778</u>	<u>555,587</u>	<u>7,570,381</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>322,945</u>	<u>-</u>	<u>40,222</u>	<u>363,167</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>322,945</u>	<u>-</u>	<u>40,222</u>	<u>363,167</u>
<u>FUND BALANCES – Beginning</u>	<u>1,787,666</u>	<u>-</u>	<u>399,898</u>	<u>2,187,564</u>
<u>FUND BALANCES – Ending</u>	<u>2,110,611</u>	<u>-</u>	<u>440,120</u>	<u>2,550,731</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2020

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	363,167												
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.</p>													
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Capital Outlays More Than \$5,000</td> <td style="text-align: right;">221,080</td> <td></td> </tr> <tr> <td>Depreciation Expense</td> <td style="text-align: right;"><u>(444,360)</u></td> <td style="text-align: right;">(223,280)</td> </tr> </table>	Capital Outlays More Than \$5,000	221,080		Depreciation Expense	<u>(444,360)</u>	(223,280)							
Capital Outlays More Than \$5,000	221,080												
Depreciation Expense	<u>(444,360)</u>	(223,280)											
<p>Property tax revenues received prior to the year for which they are being levied or are not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues changed this year.</p>													
	14,700												
<p>In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount.</p>													
	(65,894)												
<p>The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure.</p>													
	72,913												
<p>The statement of activities reports net pension and OPEB obligations which is not reported in the fund financial statements.</p>													
<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="padding-right: 20px;">Change in Net Pension Obligation</td> <td style="text-align: right;">1,743,702</td> <td></td> </tr> <tr> <td>Change in Net OPEB Obligation</td> <td style="text-align: right;">93,336</td> <td></td> </tr> <tr> <td>Deferred Flows from Net Pension Obligation</td> <td style="text-align: right;">(565,123)</td> <td></td> </tr> <tr> <td>Deferred Flows from Net OPEB Obligation</td> <td style="text-align: right;"><u>(89,457)</u></td> <td></td> </tr> </table>	Change in Net Pension Obligation	1,743,702		Change in Net OPEB Obligation	93,336		Deferred Flows from Net Pension Obligation	(565,123)		Deferred Flows from Net OPEB Obligation	<u>(89,457)</u>		
Change in Net Pension Obligation	1,743,702												
Change in Net OPEB Obligation	93,336												
Deferred Flows from Net Pension Obligation	(565,123)												
Deferred Flows from Net OPEB Obligation	<u>(89,457)</u>												
<u>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	<u>1,344,064</u>												

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

BYERS SCHOOL DISTRICT NUMBER 32J  
STATEMENT OF FIDUCIARY NET POSITION  
ENDOWMENT FIDUCIARY FUND  
June 30, 2020

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	<u>Endowment Fund</u>
<u>ASSETS</u>	
Cash and Investments	2,040
<u>Total Assets</u>	<u>2,040</u>
<u>LIABILITIES</u>	
Other	-
<u>Total Liabilities</u>	<u>-</u>
<u>NET POSITION</u>	
Restricted	<u>2,040</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 For the Year Ended June 30, 2020

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	<u>Endowment Fund</u>
<u>ADDITIONS</u>	
Earnings on Investments	-
Donations	-
<u>Total Additions</u>	<u>-</u>
 <u>DEDUCTIONS</u>	
Other Expense	<u>20</u>
 <u>NET INCREASE (DECREASE)</u>	 (20)
 <u>NET POSITION – Beginning of Year</u>	 <u>2,060</u>
 <u>NET POSITION – End of Year</u>	 <u>2,040</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Byers School District Number 32J (the District) conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Byers School District Number 32J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.      Reporting Entity

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

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

Discretely Presented Component Unit – Charter School

The Legislature of the State of Colorado enacted the "Charter School Act – Colorado Revised Statutes (CRS) Section 22-30.5-10" in 1993. This Act permits the District to contract with individuals and organizations for the operation of schools within the District. The statutes define these contracted schools as "Charter Schools." Charter Schools are financed from a portion of the District's School Finance Act revenues and from revenues generated by the charter schools, within the limits established by the Charter School Act. Charter Schools have separate governing boards; however, the Byers School District's Board of Education must approve all Charter School applications and budgets. The District currently has eight charter schools in operation, Colorado Virtual Academy Elementary School, Colorado Virtual Academy Middle School, Colorado Virtual Academy High School, Astravo Online Elementary School, Astravo Online Middle School, Astravo Online High School, Astravo Academy Middle School and Astravo Academy High school, which are reported as a network of schools within Colorado Education Solutions. The Charter Schools are a discretely presented component unit because of the significance of their financial relationship with the District. The Charter Schools have an affiliated finance corporation that was formed to support and assist the Charter Schools in the leasing of its facilities separately from the District.

The Charter Schools have issued separate financial statements for the fiscal year ended June 30, 2020. Complete financial statements may be obtained at the school's administrative offices: 165 S. Union Blvd. Suite 777, Lakewood, CO 80228.

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund and Designated Purpose Grants) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D.    Fund Accounting

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

- Major Governmental Funds
  1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
  2. Designated Purpose Grants – Special Revenue Fund – used to account for restricted state and federal grants including, but not limited to, Every Student Succeeds Act programs which must be expended as designated by the grantor.

Additionally, the District reports on the following fund type:

The Endowment Fund – this fund is used to account for donations to the District that are to be used for specific purposes. These funds are held in a fiduciary capacity by the District.

E.    Cash and Investments

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.      Receivables

Property taxes levied in 2019 but uncollected in 2020 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2020 are recorded as deferred inflow of resources. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.      Inventories

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

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

H.      Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

I.      Long-Term Obligations

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Long-Term Obligations (Continued)

Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J.      Constitutional Amendment

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

In November 4, 1997 the registered voters approved a ballot resolution authorizing Byers School District Number 32J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2020 the District reserved \$190,000 for this purpose.

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

K.      Property Taxes

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.      Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave and vacation leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2020, the District has recorded an estimated liability of \$102,268 related to accrued sick and vacation leave payable for governmental activities.

A summary of changes in compensated absences is as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2020</u>
Accumulated Leave	<u>36,374</u>	<u>69,657</u>	<u>3,763</u>	<u>102,268</u>

M.      Use of Estimates

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

N.      GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

BYERS SCHOOL DISTRICT NUMBER 32J

NOTES TO FINANCIAL STATEMENTS

June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Pupil Activity Fund</u>	<u>Food Service Fund</u>	<u>Transportation Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	7,769	-	7,769
<u>Restricted:</u>					
Emergencies	190,000	-	-	-	190,000
Multi Year Obligations	229,877	-	-	-	229,877
Preschool	-	-	-	-	-
Food Service	-	-	98,034	-	98,034
Transportation	-	-	-	260,893	260,893
<u>Committed:</u>					
Capital Outlay	185,913	-	-	-	185,913
Rental Properties	30,188	-	-	-	30,188
Day Care	93,969	-	-	-	93,969
<u>Assigned:</u>					
Pupil Activities	-	73,424	-	-	73,424
<u>Unassigned</u>	<u>1,380,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,380,664</u>
<u>Total Fund Balances</u>	<u>2,110,611</u>	<u>73,424</u>	<u>105,803</u>	<u>260,893</u>	<u>2,550,731</u>

O. Deferred Outflows / Inflows of Resources

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O.        Deferred Outflows / Inflows of Resources (Continued)

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

NOTE 2    RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements.

However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

	<u>Items Eliminated</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	39,354	261,011
Pupil Activity	-	145
Designated Purpose Grants	-	39,209
Transportation	260,893	-
Food Service	<u>118</u>	<u>-</u>
	<u>300,365</u>	<u>300,365</u>

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 3      BUDGETARY INFORMATION

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 4      CASH AND EQUIVALENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	2,795,807	2,850,286
Cash with County Treasurer	20,359	-
Cash Equivalent - ColoTrust	<u>41,639</u>	<u>-</u>
 <u>Total Cash and Deposits</u>	 <u>3,107,805</u>	 <u>3,100,286</u>

As presented above, deposits with a bank balance of \$2,850,286 and a carrying balance of \$2,795,807 as of June 30, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Capital Assets Not Being Depreciated:</u>				
Land	173,215	-	-	173,215
Construction in Progress	<u>9,000</u>	<u>15,000</u>	<u>-</u>	<u>24,000</u>
<u>Total Capital Assets Not Being Depreciated</u>	<u>182,215</u>	<u>15,000</u>	<u>-</u>	<u>197,215</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	10,385,580	49,684	-	10,435,264
Equipment & Vehicles	<u>2,341,750</u>	<u>156,396</u>	<u>100,100</u>	<u>2,398,046</u>
<u>Total Capital Assets Being Depreciated</u>	<u>12,727,330</u>	<u>206,080</u>	<u>100,100</u>	<u>12,833,310</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	6,281,155	302,127	-	6,583,282
Equipment & Vehicles	<u>2,102,632</u>	<u>142,233</u>	<u>100,100</u>	<u>2,144,765</u>
<u>Total Accumulated Depreciation</u>	<u>8,383,787</u>	<u>444,360</u>	<u>100,100</u>	<u>8,728,047</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>4,343,543</u>	<u>(238,280)</u>	<u>-</u>	<u>4,105,263</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>4,525,758</u>	<u>(223,280)</u>	<u>-</u>	<u>4,302,478</u>

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

Governmental Activities:

Regular Programs	240,363
Student Support	14,603
Instructional Support	329
General Administration Support	13
School Administration Support	801
Business Services Support	23,386
Operations & Maintenance	24,440
Student Transportation Services	120,230
Central Support	199
Community Services	8,516
Food Services	<u>11,480</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>444,360</u>

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 6**      **PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Byers School District Number 32J 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 Byers School District Number 32J are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 6      PENSION PLAN (Continued)

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

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

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

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

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

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

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

*Contribution provisions as of June 30, 2020:* Eligible employees, Byers School District Number 32J 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.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 6      PENSION PLAN (Continued)

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

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

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

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Byers School District Number 32J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Byers School District Number 32J were \$618,769 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 Byers School District Number 32J proportion of the net pension liability was based on Byers School District Number 32J 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.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 6      PENSION PLAN (Continued)

At June 30, 2020, the Byers School District Number 32J reported a liability of \$8,018,915 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 Byers School District Number 32J 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 Byers School District Number 32J were as follows:

Byers School District Number 32J proportionate share of the net pension liability	\$ 8,018,915
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Byers School District Number 32J	\$ 1,017,096
Total	\$ 9,036,011

At December 31, 2019, the Byers School District Number 32J proportion was 0.054 percent, which was a decrease of 0.0015 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Byers School District Number 32J recognized pension income of \$1,178,579 and revenue of \$77,035 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Byers School District Number 32J reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	437,036	-
Changes of assumptions or other inputs	228,928	(3,637,304)
Net difference between projected and actual earnings on pension plan investments	855,466	(1,805,386)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	119,965	(1,005,855)
Contributions subsequent to the measurement date	306,667	N/A
Total	1,948,062	(6,448,545)

\$306,667 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2020	
2021	(2,567,509)
2022	(1,885,808)
2023	(30,698)
2024	(323,135)
2025	-
Thereafter	-

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 6      PENSION PLAN (Continued)

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

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

\*For 2019, the annual increase was 0.00 percent.

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 6**      **PENSION PLAN (Continued)**

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 6      PENSION PLAN (Continued)

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

*Sensitivity of the Byers School District Number 32J 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:

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 6**      PENSION PLAN (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	10,634,798	8,018,915	5,822,653

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

**Defined Contribution Pension Plan**

Voluntary Investment Program

*Plan Description* – Employees of the Byers School District Number 32J that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$48,156.

**NOTE 7**      OTHER POST EMPLOYMENT BENEFITS

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

**Summary of Significant Accounting Policies**

*OPEB.* Byers School District Number 32J 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.

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Byers School District Number 32J are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

*PERA Benefit Structure*

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Byers School District Number 32J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Byers School District Number 32J were \$32,567 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 Byers School District Number 32J reported a liability of \$394,247 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 Byers School District Number 32J proportion of the net OPEB liability was based on Byers School District Number 32J contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

At December 31, 2019, the Byers School District Number 32J proportion was 0.035 percent, which was a decrease of 0.0008 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Byers School District Number 32J recognized OPEB income of \$3,879. At June 30, 2020, the Byers School District Number 32J reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,308	(66,248)
Changes of assumptions or other inputs	3,271	-
Net difference between projected and actual earnings on OPEB plan investments	6,348	(12,928)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	18,599	(8,528)
Contributions subsequent to the measurement date	16,140	N/A
Total	45,666	(87,704)

\$16,140 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2020	
2021	(10,056)
2022	(10,055)
2023	(8,150)
2024	(14,572)
2025	(14,474)
Thereafter	(871)

*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

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Medicare Part A premiums 3.50 percent in 2019, gradually increasing to 4.50 percent in 2029  
 DPS benefit structure:

Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

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

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

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

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

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

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

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

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

*Sensitivity of the Byers School District Number 32J 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	384,885	394,247	405,069

*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.

BYERS SCHOOL DISTRICT NUMBER 32J  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

*Sensitivity of the Byers School District Number 32J proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	445,776	394,247	350,179

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

NOTE 8      RISK MANAGEMENT

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

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

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NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB.

The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

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

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

NOTE 10      LITIGATION

None.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 11     SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county 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 by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

NOTE 12     JOINT VENTURES

East Central Board of Cooperative Educational Services

Not reflected in the accompanying financial statements is the District's participation in the East Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable from current information, but is estimated to be less than 2% at June 30, 2020. The joint venture summary audited financial information as of June 30, 2019, the latest date available is as follows:

East Central Board of Cooperative Educational Services

Assets	2,817,258
Deferred Outflow of Resources	<u>3,890,515</u>
Total Assets and Deferred Outflow of Resources	<u>6,707,773</u>
Liabilities	10,152,864
Deferred Inflow of Resources	7,530,203
Net Position (Deficit)	<u>(10,975,294)</u>
Total Liabilities, Deferred Outflow of Resources and Net Position	<u>6,707,773</u>
Revenues	9,816,686
Expenditures	<u>8,740,533</u>
Change in Net Position	<u>1,076,153</u>
Net Position (Deficit) at the Beginning of the Year	<u>(12,051,447)</u>
Net Position (Deficit) at the End of the Year	<u>(10,975,294)</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES.

The BOCES is audited annually and files an audit report with the Office of the Colorado State Auditor.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 13     INVENTORIES

Food service fund inventories as of June 30, 2020, consisted of purchased food, non-food and donated commodities amounting to \$7,769. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 14     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, at June 30, 2020, are estimated to be \$533,366. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Special Revenue Funds.

NOTE 15     LONG TERM DEBT

Changes in Long-term debt:

Following is a summary of long-term debt transactions during the fiscal year 2019.

	<u>Balance</u> <u>7-1-2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>6-30-2020</u>	<u>Current</u> <u>Portion</u>
QZAB Loan	<u>699,352</u>	-	<u>72,913</u>	<u>626,439</u>	<u>70,589</u>
Total	<u>699,352</u>	<u>-</u>	<u>72,913</u>	<u>626,439</u>	<u>70,589</u>

QZAB BONDS

During the year ended June 30, 2012, the District issued \$1,200,000 in Qualified Zone Academy Bonds (QZABs). These bonds were created by Section 226 (a) of the Taxpayer Relief Act of 1997. The act allowed the issuance of debt by public schools within empowerment enterprise zones to be interest free. There must be an education program designed in cooperation with the businesses and receive a private business contribution that is not less than 10% of the net present value of the bond proceeds. Payments are made annually to advance fund the required payments in June 2029 of \$1,200,000. The original agreement allowed for debt payments to be interest free, however, in 2014, the federal subsidy payments were reduced by an annual sequestration rate which required the District to assist with the interest payments. That rate for 2019-20 is 6.05% which required the District to pay an additional amount of \$3,543 into the sinking fund to be applied toward the interest portion of the debt. The Districts current portion of the interest will be at a rate of 0.29%.

BYERS SCHOOL DISTRICT NUMBER 32J  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 15    LONG TERM DEBT (Continued)

QZAB BONDS (Continued)

Below is a payment schedule by fiscal year.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	70,589	3,543	74,132
2022	70,589	3,543	74,132
2023	70,589	3,543	74,132
2024	70,589	3,543	74,132
2025	70,589	3,543	74,132
2026	70,589	3,543	74,132
2027	70,589	3,543	74,132
2028	70,589	3,543	74,132
2029	<u>61,727</u>	<u>3,543</u>	<u>65,270</u>
	<u>626,439</u>	<u>31,887</u>	<u>658,326</u>

NOTE 16    INTERFUND BALANCES AND TRANSFERS

	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Due From</u>	<u>Due To</u>
General Fund	-	-	39,354	261,011
Pupil Activity	-	-	-	145
Designated Purpose Grants	-	-	-	39,209
Food Service	-	-	118	-
Transportation	<u>-</u>	<u>-</u>	<u>260,893</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>300,365</u>	<u>300,365</u>

Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be repaid within the year.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS

### General Fund

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

### Designated Purpose Grant Fund

This fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

### Pension Trend Data

### Other Post Employment Benefits

BYERS SCHOOL DISTRICT NUMBER 32J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	1,648,120	1,655,580	1,646,999	(8,581)
Specific Ownership Taxes	156,852	156,852	130,380	(26,472)
Earnings on Investments	1,550	3,100	6,195	3,095
Online Authorizer Fee	583,438	427,959	452,729	24,770
Other	166,891	206,422	218,008	11,586
<u>State Sources</u>				
Equalization	20,617,859	15,741,374	15,773,136	31,762
Transportation	65,000	108,043	-	(108,043)
Vocational Education	25,000	25,000	20,248	(4,752)
Special Education	256,411	56,630	56,326	(304)
Other	761,327	478,270	599,768	121,498
<u>Federal Sources</u>				
Other	-	238,047	908,490	670,443
<u>Allocation to Charter Schools</u>	<u>(18,345,032)</u>	<u>(12,968,453)</u>	<u>(12,972,318)</u>	<u>(3,865)</u>
<u>TOTAL REVENUES</u>	<u>5,937,416</u>	<u>6,128,824</u>	<u>6,839,961</u>	<u>711,137</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	2,032,384	2,029,121	2,037,870	(8,749)
Employee Benefits	689,479	683,120	758,264	(75,144)
Purchased Services - Professional	14,650	14,650	13,873	777
Purchased Services – Property	2,195	2,195	3,008	(813)
Purchased Services – Other	250,550	250,550	948,309	(697,759)
Supplies and Materials	141,585	145,769	89,023	56,746
Property	6,975	6,975	2,531	4,444
Other Objects	7,480	108,997	4,997	104,000
<u>Total Instruction</u>	<u>3,145,298</u>	<u>3,241,377</u>	<u>3,857,875</u>	<u>(616,498)</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance-
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Student Supporting Services</u>				
Salaries	152,149	135,971	111,122	24,849
Employee Benefits	46,627	41,294	38,673	2,621
Purchased Services – Professional	131,155	131,155	534	130,621
Purchased Services – Property	-	-	-	-
Purchased Services – Other	200	200	62,654	(62,454)
Supplies and Materials	7,100	2,100	1,533	567
Property	900	900	75	825
Other Objects	1,900	1,900	1,501	399
<u>Total Student Services</u>	<u>340,031</u>	<u>313,520</u>	<u>216,092</u>	<u>97,428</u>
<u>Instructional Staff</u>				
Salaries	88,406	88,406	59,848	28,558
Employee Benefits	35,019	35,019	26,092	8,927
Purchased Services – Professional	21,370	18,870	18,531	339
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	5,550	12,050	10,491	1,559
Property	13,300	13,300	14,300	(1000)
Other Objects	50	50	-	50
<u>Total Instructional Staff</u>	<u>163,695</u>	<u>167,695</u>	<u>129,262</u>	<u>38,433</u>
<u>General Administration</u>				
Salaries	141,871	128,871	136,099	(7,228)
Employee Benefits	50,661	50,661	68,437	(17,776)
Purchased Services – Professional	54,120	55,000	59,134	(4,134)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	165,700	195,700	201,810	(6,110)
Supplies and Materials	464,200	89,700	140,677	(50,977)
Property	500	360,500	152,902	207,598
Other Objects	7,300	8,800	11,076	(2,276)
<u>Total General Administration</u>	<u>884,352</u>	<u>889,232</u>	<u>770,135</u>	<u>119,097</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	223,923	223,923	227,565	(3,642)
Employee Benefits	84,691	84,691	88,221	(3,530)
Purchased Services – Professional	3,400	3,400	1,088	2,312
Purchased Services – Property	300	300	-	300
Purchased Services – Other	900	900	-	900
Supplies and Materials	11,900	11,900	7,110	4,790
Property	1,350	1,350	-	1,350
Other Objects	3,500	4,300	2,732	1,568
<u>Total School Administration</u>	<u>329,964</u>	<u>330,764</u>	<u>326,716</u>	<u>4,048</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Business Services</u>				
Salaries	98,125	98,125	102,507	(4,382)
Employee Benefits	41,064	41,064	43,544	(2,480)
Purchased Services – Professional	9,500	9,500	5,864	3,636
Purchased Services – Property	-	-	-	-
Purchased Services – Other	9,300	9,300	26,125	(16,825)
Supplies and Materials	2,500	2,500	2,328	172
Property	167,296	167,296	20,442	146,854
Other Objects	250	250	-	250
<u>Total Business Services</u>	<u>328,035</u>	<u>328,035</u>	<u>200,810</u>	<u>127,225</u>
<u>Operations and Maintenance</u>				
Salaries	186,871	192,570	206,604	(14,034)
Employee Benefits	63,617	65,000	64,039	961
Purchased Services – Professional	2,000	2,000	7,695	(5,695)
Purchased Services – Property	117,000	120,000	105,076	14,924
Purchased Services – Other	8,000	8,000	5,193	2,807
Supplies and Materials	134,000	134,000	121,344	12,656
Property	4,000	4,000	142,639	(138,639)
Other Objects	300	26,564	194	26,370
<u>Total Operations and Maintenance</u>	<u>515,788</u>	<u>552,134</u>	<u>652,784</u>	<u>(100,650)</u>
<u>Student Transportation</u>				
Salaries	160,190	160,190	165,305	(5,115)
Employee Benefits	57,153	57,153	45,650	11,503
Purchased Services – Professional	2,000	2,000	-	2,000
Purchased Services – Property	40,000	40,000	-	40,000
Purchased Services – Other	1,050	1,050	-	1,050
Supplies and Materials	47,500	47,500	-	47,500
Property	-	-	-	-
Other Objects	1,200	1,200	-	1,200
<u>Total Student Transportation</u>	<u>309,093</u>	<u>309,093</u>	<u>210,955</u>	<u>98,138</u>
<u>Central Support</u>				
Salaries	36,595	36,595	36,595	-
Employee Benefits	8,362	8,362	8,809	(447)
Purchased Services – Professional	10,000	10,000	9,767	233
Purchased Services – Property	7,500	7,500	8,313	(813)
Purchased Services – Other	1,000	1,000	-	1,000
Supplies and Materials	500	500	3,064	(2,564)
Property	20,000	20,000	9,384	10,616
Other Objects	500	500	-	500
<u>Total Central Support</u>	<u>84,457</u>	<u>84,457</u>	<u>75,932</u>	<u>8,525</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Facilities</u>				
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Facilities</u>	-	-	-	-
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,955,415</u>	<u>2,974,930</u>	<u>2,582,686</u>	<u>392,244</u>
<u>Debt Service</u>				
Principal Retirement	75,684	72,913	72,913	-
Interest and Fiscal Charges	-	2,771	3,542	(771)
<u>Total Debt Service</u>	<u>75,684</u>	<u>75,684</u>	<u>76,455</u>	<u>(771)</u>
<u>Appropriated Reserves/Contingency</u>	<u>1,435,266</u>	<u>1,616,496</u>	-	<u>1,616,496</u>
<u>TOTAL EXPENDITURES</u>	<u>7,611,633</u>	<u>7,908,487</u>	<u>6,517,016</u>	<u>1,391,471</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(1,674,247)</u>	<u>(1,779,663)</u>	<u>322,945</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(166,327)	(8,000)	-	8,000
Proceeds From Lease	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(166,327)</u>	<u>(8,000)</u>	<u>-</u>	<u>8,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,840,574)</u>	<u>(1,787,663)</u>	<u>322,945</u>	
<u>FUND BALANCE, July 1</u>	<u>1,840,574</u>	<u>1,787,663</u>	<u>1,787,666</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,110,611</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J  
DESIGNATED PURPOSE GRANTS – NONMAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Revenues</u>				
Local Sources	-	-	-	-
State Sources	-	67,850	67,850	-
Federal Sources	<u>459,743</u>	<u>430,479</u>	<u>429,928</u>	<u>(551)</u>
<u>Total Revenues</u>	<u>459,743</u>	<u>498,329</u>	<u>497,778</u>	<u>(551)</u>
<u>Expenditures</u>				
Salaries	82,563	111,382	162,535	(51,153)
Employee Benefits	22,210	45,967	47,765	(1,798)
Purchased Services - Professional	6,000	18,000	14,138	3,862
Purchased Services - Property	-	-	-	-
Purchased Services – Other	285,002	226,259	207,676	18,583
Supplies and Materials	26,095	62,565	45,994	16,571
Property	-	-	-	-
Other Objects	<u>37,873</u>	<u>34,156</u>	<u>19,670</u>	<u>14,486</u>
<u>Total Expenditures</u>	<u>459,743</u>	<u>498,329</u>	<u>497,778</u>	<u>551</u>
<u>Revenues Over (Under) Expenditures</u>	-	-	-	
<u>FUND BALANCE, July 1</u>	-	-	-	
<u>FUND BALANCE, June 30</u>	-	-	-	

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net pension liability (asset)	0.0537%	0.0551%	0.0620%	0.0386%	0.0599%	0.0607%	0.0591%	-	-	-
District's proportionate share of the net pension liability (asset)	\$8,018,915	\$9,762,617	\$20,051,126	\$17,464,365	\$9,162,041	\$8,229,174	\$7,543,600	-	-	-
State's proportionate share of the net pension liability associated with the District**	\$1,017,096	\$1,334,905	-	-	-	-	-	-	-	-
District's covered payroll	\$3,192,823	\$3,109,927	\$2,903,805	\$2,804,717	\$2,661,386	\$2,592,928	\$2,434,209	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	251%	314%	691%	623%	344%	317%	310%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%	-	-	-

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

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

BYERS SCHOOL DISTRICT NUMBER 32J  
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 618,769	\$ 594,929	\$ 548,301	\$ 515,602	\$ 471,903	\$ 437,581	\$ 388,784	\$ 354,852	-	-
Contributions in relation to the contractually required contributions	<u>\$ (618,769)</u>	<u>\$ (594,929)</u>	<u>\$ (548,301)</u>	<u>\$ (515,602)</u>	<u>\$ (471,903)</u>	<u>\$ (437,581)</u>	<u>\$ (388,784)</u>	<u>\$ (354,852)</u>	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
District's covered payroll	\$3,192,823	\$3,109,927	\$2,903,805	\$2,804,717	\$2,661,386	\$2,592,928	\$2,434,209	\$2,352,094	-	-
Contributions as a percentage of covered payroll	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	15.97%	15.09%	-	-

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net OPEB liability (asset)	0.0351%	0.0358%	0.0352%	0.0332%	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$394,247	\$487,583	\$457,932	\$430,616	-	-	-	-	-	-
District's covered payroll	\$3,192,823	\$3,109,927	\$2,903,805	\$2,804,717	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.35%	15.68%	15.77%	15.35%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-	-

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contributions	\$ 32,567	\$ 31,721	\$ 29,619	\$ 28,608	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (32,567)</u>	<u>\$ (31,721)</u>	<u>\$ (29,619)</u>	<u>\$ (28,608)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered payroll	\$3,192,823	\$3,109,927	\$2,903,805	\$2,804,717	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Pupil Activity Fund – This fund accounts for financial transactions of all schools in the District through individual school activity accounts.

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

Transportation Fund – This fund accounts for the tax proceeds from a transportation mill levy override. State Transportation Funds are also recorded here. The costs associated with student transportation are recorded in this fund.

## FIDUCIARY FUND TYPES

### Endowment Fund

This fund accounts for revenues and expenditures associated with various special projects not reported in other funds. Revenues are provided through alumni donations and fund raisers.

BYERS SCHOOL DISTRICT NUMBER 32J  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2020

	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Transportation</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	73,569	118,937	-	192,506
Accounts Receivable	-	-	-	-
Accrued Revenue	-	-	-	-
Due From Other Funds	-	118	260,893	261,011
Property Taxes Receivable	-	-	-	-
Inventories	-	7,769	-	7,769
<u>Total Assets</u>	<u>73,569</u>	<u>126,824</u>	<u>260,893</u>	<u>461,286</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	-	-	-	-
Accrued Salaries	-	15,889	-	15,889
Due To Other Funds	145	-	-	145
Unearned Revenue	-	5,132	-	5,132
<u>Total Liabilities</u>	<u>145</u>	<u>21,021</u>	<u>-</u>	<u>21,166</u>
 <u>Fund Balances:</u>				
Nonspendable:				
Inventory	-	7,769	-	7,769
Restricted:				
Food Service	-	98,034	-	98,034
Transportation	-	-	260,893	260,893
Assigned:				
Pupil Activities	73,424	-	-	73,424
<u>Total Fund Balances</u>	<u>73,424</u>	<u>105,803</u>	<u>260,893</u>	<u>440,120</u>
 <u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	 <u>73,569</u>	 <u>126,824</u>	 <u>260,893</u>	 <u>461,286</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2020

	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Transportation</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	-	-	147,051	147,051
Specific Ownership Taxes	-	-	-	-
Earnings on Investments	-	57	-	57
Other Local Sources	105,994	74,142	-	180,136
State Aid	-	7,657	73,745	81,402
Federal Aid	-	<u>187,163</u>	-	<u>187,163</u>
<u>Total Revenues</u>	<u>105,994</u>	<u>269,019</u>	<u>220,796</u>	<u>595,809</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	-	-	-	-
Supporting Services:				
Students	111,030	-	-	111,030
Instructional Staff	-	-	-	-
District Administration	-	-	-	-
School Administration	-	-	-	-
Business	-	-	-	-
Operation and Maintenance of Facilities	-	-	-	-
Transportation	-	-	219,022	219,022
Central	-	-	-	-
Food Service	-	225,535	-	225,535
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>111,030</u>	<u>225,535</u>	<u>219,022</u>	<u>555,587</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(5,036)	43,484	1,774	40,222
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-	-
<u>NET CHANGE IN FUND BALANCES</u>				
	(5,036)	43,484	1,774	40,222
<u>FUND BALANCES – Beginning</u>				
	<u>78,460</u>	<u>62,319</u>	<u>259,119</u>	<u>399,898</u>
<u>FUND BALANCES – Ending</u>				
	<u>73,424</u>	<u>105,803</u>	<u>260,893</u>	<u>440,120</u>

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

BYERS SCHOOL DISTRICT NUMBER 32J  
PUPIL ACTIVITY FUND – NONMAJOR SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Revenues</u>			
Local Sources	216,000	105,994	(110,006)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Revenues</u>	<u>216,000</u>	<u>105,994</u>	<u>(110,006)</u>
 <u>Expenditures</u>			
Student Activities	294,460	111,030	183,430
<u>Total Expenditures</u>	<u>294,460</u>	<u>111,030</u>	<u>183,430</u>
 <u>Revenues Over (Under) Expenditures</u>	<u>(78,460)</u>	<u>(5,036)</u>	
 <u>Other Financing Sources (Uses):</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	<u>(78,460)</u>	<u>(5,036)</u>	
 <u>FUND BALANCE, July 1</u>	<u>78,460</u>	<u>78,460</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>73,424</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J  
FOOD SERVICES – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>OPERATING REVENUES</u>			
<u>Local Sources</u>			
Food Sales	81,300	72,778	(8,522)
Earnings on Investments	50	57	7
Other	1,300	1,364	64
<u>State Sources</u>			
School Lunches	5,900	7,657	1,757
<u>Federal Sources</u>			
School Lunches	170,000	174,471	4,471
Commodities	<u>14,000</u>	<u>12,692</u>	<u>(1,308)</u>
<u>Total Revenues</u>	<u>272,550</u>	<u>269,019</u>	<u>(3,531)</u>
 <u>OPERATING EXPENDITURES</u>			
Salaries	104,422	71,192	33,230
Employee Benefits	35,953	27,234	8,719
Purchased Services – Professional	1,500	933	567
Purchased Services – Property	3,000	-	3,000
Purchased Services - Other	1,500	15	1,485
Supplies and Materials	134,100	105,999	28,101
Capital Outlay	14,000	6,579	7,421
Other	38,393	891	37,502
Commodities	-	<u>12,692</u>	<u>(12,692)</u>
<u>Total Expenditures</u>	<u>332,868</u>	<u>225,535</u>	<u>107,333</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (60,318)	 43,484	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (52,318)	 43,484	
 <u>FUND BALANCE, Beginning</u>	 <u>52,318</u>	 <u>62,319</u>	
 <u>FUND BALANCE, Ending</u>	 <u>-</u>	 <u>105,803</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J  
TRANSPORTATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>Revenues</u>			
Local Sources	275,000	147,051	(127,949)
State Sources	71,000	73,745	2,745
Federal Sources	-	-	-
<u>Total Revenues</u>	<u>346,000</u>	<u>220,796</u>	<u>(125,204)</u>
 <u>Expenditures</u>			
Transportation	605,119	219,022	386,097
<u>Total Expenditures</u>	<u>605,119</u>	<u>219,022</u>	<u>386,097</u>
 <u>Revenues Over (Under) Expenditures</u>	<u>(259,119)</u>	<u>1,774</u>	
 <u>Other Financing Sources (Uses):</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>NET CHANGE IN FUND BALANCES</u>	<u>(259,119)</u>	<u>1,774</u>	
 <u>FUND BALANCE, July 1</u>	<u>259,119</u>	<u>259,119</u>	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>260,893</u>	

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

BYERS SCHOOL DISTRICT NUMBER 32J  
 ENDOWMENT – FIDUCIARY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN NET POSITION – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

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	<u>Budget</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
<u>ADDITIONS</u>			
Earnings on Investments	-	-	-
Other Local Sources	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<u>Total Additions</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
<u>DEDUCTIONS</u>			
Other Expenditures	3,060	20	3,040
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Deductions</u>	<u>3,060</u>	<u>20</u>	<u>3,040</u>
Net Increase (Decrease) In Deposits Held for Others	(2,060)	(20)	
NET POSITION – Beginning of Year	<u>2,060</u>	<u>2,060</u>	
NET POSITION – End of Year	<u>-</u>	<u>2,040</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0190 - Byers 32J  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

Fund Type & Number	Res Fund Balance & Prior Per. Adj (6880*)	1000-5999 Total Revenues & Other Sources	0000-6999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	1,787,662	6,757,460	6,434,512	2,110,611
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	82,500	82,503	0
<b>Sub-Total</b>	<b>1,787,665</b>	<b>6,839,961</b>	<b>6,517,015</b>	<b>2,110,611</b>
11 Charter School Fund	579,080	14,626,282	14,626,282	579,080
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	62,318	269,019	235,535	105,802
22 Govt Designated-Purpose Grants Fund	0	497,778	497,778	0
23 Pupil Activity Special Revenue Fund	78,461	105,994	111,030	73,424
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	259,119	220,796	219,022	260,883
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
<b>Total</b>	<b>2,766,643</b>	<b>21,552,830</b>	<b>22,195,642</b>	<b>3,129,810</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk Related Activity Fund	0	0	0	0
6065-69 Other Internal Service Funds	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	2,040	0	20	2,040
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Total</b>	<b>2,040</b>	<b>0</b>	<b>20</b>	<b>2,040</b>
<b>FINAL</b>				



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 0190 - Byers 32J  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Enterprise Funds 50	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,836,151	1,813,247	5,864	124,455	0	0	118,937	0	0	0	0	0	0	2,040	0	4,900,693
Cash with Fiscal Agent (8105)	20,359	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,359
Taxes Receivable (8121,8122)	115,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	115,700
Interfund Loans Receivable (8131,8132)	53,692	0	0	260,893	0	0	118	0	0	0	0	0	0	0	0	314,703
Grants Accounts Receivable (8142)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Receivables (8151-8154,8161)	27,552	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,552
Inventories (8171,8172,8173)	0	0	0	0	0	0	7,769	0	0	0	0	0	0	0	0	7,769
Prepaid Expenses (8181,8182)	0	14,086	0	0	0	0	0	0	0	0	0	0	0	0	0	14,086
Other Current Assets (8191-8194,8199)	0	9,661	0	0	0	0	0	0	0	0	0	0	0	0	0	9,661
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>3,053,454</b>	<b>1,836,994</b>	<b>5,864</b>	<b>385,348</b>	<b>0</b>	<b>0</b>	<b>126,824</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,040</b>	<b>0</b>	<b>5,410,523</b>

	Governmental							Proprietary					Fiduciary		
	General Funds 10.12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50 52-59	Risk- Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401,7402)	269,484	0	5,864	39,354	0	0	0	0	0	0	0	0	0	0	314,703
Other Payables (7421-7423)	35,564	961,358	0	0	0	0	0	0	0	0	0	0	0	0	996,922
Accrued Expenses (7461)	505,801	0	0	11,676	0	0	15,889	0	0	0	0	0	0	0	533,367
Unearned Revenue (7481)	0	0	0	0	0	0	5,133	0	0	0	0	0	0	0	5,133
Grants Deferred Revenue (7482)	76,293	0	0	0	0	0	0	0	0	0	0	0	0	0	76,293
Other Current Liabilities (7491,7492,7499)	0	296,557	0	0	0	0	0	0	0	0	0	0	0	0	296,557
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	55,700	0	0	0	0	0	0	0	0	0	0	0	0	0	55,700
<b>Total Liabilities</b>	<b>947,844</b>	<b>1,257,914</b>	<b>5,864</b>	<b>51,031</b>	<b>0</b>	<b>0</b>	<b>21,022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,278,674</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Non-spendable Fund Balance 6710	0	0	0	0	0	0	7,769	0	0	0	0	0	0	0	0	7,769		
Restricted Fund Balance 6720	0	50,000	0	260,893	0	0	98,033	0	0	0	0	0	2,040	0	0	410,966		
TABOR 3% Emergency Reserve 6721	165,000	401,357	0	0	0	0	0	0	0	0	0	0	0	0	0	566,357		
TABOR Multi-Year 6722	229,877	0	0	0	0	0	0	0	0	0	0	0	0	0	0	229,877		
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Committed Fund Balance 6730	310,070	0	0	0	0	0	0	0	0	0	0	0	0	0	0	310,070		
Assigned Fund Balance 6760	0	0	0	73,424	0	0	0	0	0	0	0	0	0	0	0	73,424		
Unassigned Fund Balance 6770	1,405,664	127,724	0	0	0	0	0	0	0	0	0	0	0	0	0	1,533,388		
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Fund Equity</b>	<b>2,110,611</b>	<b>579,080</b>	<b>0</b>	<b>314,317</b>	<b>0</b>	<b>0</b>	<b>105,802</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,040</b>	<b>0</b>	<b>0</b>	<b>3,131,850</b>		

Total Liabilities & Fund Equity	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
	3,053,454	1,836,994	5,864	385,348	0	0	126,824	0	0	0	0	0	2,040	0	0	5,410,524		

Do Assets=Liability+Fund Equity	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

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

SINGLE AUDIT SECTION

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

**Board of Education  
Byers School District Number 32J  
Byers, CO 80103**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Byers School District Number 32J as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Byers School District Number 32J's basic financial statements, and have issued our report thereon dated February 4, 2021. Our report includes a reference to other auditors who audited the financial statements of Colorado Education Solutions as described in our report on the District's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Byers School District Number 32J's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Byers School District Number 32J's internal control. Accordingly, we do not express an opinion on the effectiveness of the Byers School District Number 32J's internal control.

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

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Byers School District Number 32J's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

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



February 4, 2021

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

**Board of Education  
Byers School District Number 32J  
Byers, Colorado 80103**

**Report on Compliance for Each Major Federal Program**

We have audited Byers School District Number 32J's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Byers School District Number 32J's major federal programs for the year ended June 30, 2020. Byers School District Number 32J's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Byers School District Number 32J's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Byers School District Number 32J's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Byers School District Number 32J's compliance.

## Opinion on Each Major Federal Program

In our opinion, Byers School District Number 32J complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management of Byers School District Number 32J is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Byers School District Number 32J's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Byers School District Number 32J's internal control over compliance.

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

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

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



February 4, 2021

BYERS SCHOOL DISTRICT NUMBER 32J  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020

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SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of Byers School District Number 32J.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of Byers School District Number 32J were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified report has been issued on Byers School District Number 32J compliance for major programs.

Audit Findings

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

Major Programs

Coronavirus Relief Fund

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as low-risk auditee

The District does not qualify as a low-risk auditee for fiscal year 2019/2020.

BYERS SCHOOL DISTRICT NUMBER 32J  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2020

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(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

BYERS SCHOOL DISTRICT NUMBER 32J  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2020

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None

BYERS SCHOOL DISTRICT NUMBER 32J  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020

<u>Federal Grantor/Pass Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>State Code</u>	<u>Provided to Subrecipient</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>				
<u>Child Nutrition Cluster - Cluster</u>				
(Passed through Colorado Department of Education)				
National School Breakfast Program	10.553	4553	-	31,656
National School Lunch Program	10.555	4555	-	142,815
(Passed through Colorado Department of Human Services)				
Food Distribution (Food Donations Program)	10.555	4555	-	12,692
<u>Total Child Nutrition Cluster - Cluster</u>			-	<u>187,163</u>
<u>Total U.S. Department of Agriculture</u>				<u>187,163</u>
 <u>U.S. Department of Education</u>				
(Passed through Colorado Department of Education)				
Title I, ECEA Education Handicapped Children	84.010	4010	-	375,721
English Language Acquisition State Grants	84.365	4365	-	24,028
Title IV A	84.424	4424	-	28,619
(Passed through East Central BOCES)				
Title II Part A – Professional Development	84.367	4367	-	450
Allocated Vocational Education	84.048	4048	-	1,110
<u>Total U.S. Department of Education</u>			-	<u>429,928</u>
 <u>U.S. Department of Treasury</u>				
(Passed through Colorado Department of Education)				
Coronavirus Relief Fund	21.019	4013	-	908,490
<u>Total U.S. Department of Treasury</u>			-	<u>908,490</u>
 <u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>			 -	 <u>1,525,581</u>

The accompanying notes are an integral part of this schedule.

BYERS SCHOOL DISTRICT NUMBER 32J  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2020

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NOTE 1    Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Byers School District Number 32J and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2    INDIRECT COST RATES

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

NOTE 3    Food Distribution

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

NOTE 4    SUBRECIPIENT PAYMENTS

No amounts of federal financial assistance were passed through to subrecipients in the year ended June 30, 2020.