

**CLEAR CREEK SCHOOL DISTRICT NO. RE-1
IDAHO SPRINGS, COLORADO**

FINANCIAL STATEMENTS

June 30, 2020

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Board of Education
Clear Creek School District No. RE-1
Idaho Springs, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Clear Creek School District No. RE-1, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Clear Creek School District No. RE-1, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 48 - 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

John Luttre & Associates, LLC

December 18, 2020

Clear Creek School District RE-1

Management's Discussion and Analysis

Fiscal Year Ending June 30, 2020

As management of the Clear Creek School District RE-1 (the District), we offer readers of the District's basic financial statements this narrative and analysis of the financial activities of the Clear Creek School District RE-1 for the year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information provided by auditors in the Independent Auditor's Report.

Financial Highlights

The District's general fund balance increased to \$7,323,253 from \$6,687,808 for the year ending June 30, 2020.

The operations of the District are funded primarily by local property tax revenues and state revenues received under the State School Finance Act (the Act). Property tax revenue for the year was \$8,528,571 Specific Ownership tax revenue was \$637,894 and total State Equalization Revenue under the Act was \$1,974,433.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net assets presents information on all the District's assets and liabilities, with the difference between the two being reported as net assets. Over time, the increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The income statement presents information showing how the District's net assets changed during the year. All changes in the Fund Balance are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future periods (for example, salaries and benefits earned but unpaid as of year end).

Fund Financial Statements

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 District keeps track of these monies to ensure and demonstrate compliance with finance-related legal requirements. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The Fund tracking is reported in the auditor's report.

Notes to Financial Statements

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

Government-wide Financial Analysis

As noted previously, net assets may serve over time as a useful indicator of the District's financial position. For the year ending June 30, 2020, the District's combined assets were less than liabilities by \$2,533,903. Of this amount, \$303,423 is restricted to comply with Article X, Section 20 of the Colorado Constitution, known as the TABOR Amendment. \$1,090,971 is restricted for long-term obligations of the District, and \$8,564,664 is from the balance invested in capital assets. The balance unrestricted and available for meet the District's ongoing needs is negative \$(12,492,961), due to the recording of the District's share of the potential PERA net pension liability (see note 9).

Net Assets

	2020	2019
Assets		
Current Assets	\$ 14,857,691	9,933,667
Capital Assets, Net of Depreciation	<u>15,063,247</u>	<u>15,071,790</u>
Total Assets	29,920,938	25,005,457
Deferred Outflows of Resources		
Related to Pensions	2,165,357	5,032,339
Related to OPEB	66,153	42,374
Deferred Loss on Refunding	<u>-</u>	<u>76,896</u>
Total Deferred Outflows of Resources	<u>2,231,510</u>	<u>5,151,609</u>
Liabilities		
Current Liabilities	1,772,996	894,741
Noncurrent Liabilities		
Net Pension Liability	14,248,734	16,315,792
Net OPEB Liability	700,700	814,876
Due Within One Year	1,005,293	2,057,488
Due in More Than One year	<u>5,480,690</u>	<u>1,201,819</u>
Total Liabilities	<u>23,158,413</u>	<u>21,284,716</u>

Deferred Inflows of Resources		
Related to Pensions	11,339,143	15,766,512
Related to OPEB	<u>188,795</u>	<u>77,163</u>
Total Deferred Inflows of Resources	<u>11,527,938</u>	<u>15,843,675</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	8,564,664	11,889,379
Restricted for Debt Service	1,090,971	2,019,678
Restricted for Emergencies	303,423	297,299
Unrestricted	<u>(12,492,961)</u>	<u>(21,177,681)</u>
Total Net Assets	<u>\$ (2,533,903)</u>	<u>(6,971,325)</u>
Change in Net Assets		
	2020	2019
Revenues		
Program Revenues		
Charges for Services	\$ 241,692	259,088
Operating Grants and Contributions	1,690,144	1,747,049
General Revenues		
State Equalization	1,974,433	1,453,056
Specific Ownership Taxes	637,894	589,120
Local Property Taxes	8,528,571	8,425,383
Other Revenues	105,011	247,261
Interest Income	147,881	156,838
Unrestricted State Aid	61,091	11,461
Total Revenues	<u>13,386,717</u>	<u>12,889,256</u>
Expenses		
Instruction	4,629,037	5,138,326
Support Services	4,256,583	4,720,951
Interest and Fiscal Charges	<u>272,533</u>	<u>160,312</u>
Total Expenses	<u>8,947,686</u>	<u>10,019,589</u>
Increase (Decrease) in Net Assets	4,228,564	2,869,667
Net Assets, beginning, as restated	(6,762,467)	(9,840,992)
Net Assets, ending	<u>\$ (2,533,903)</u>	<u>(6,971,325)</u>

Financial Analysis of the District's Funds

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

As of the end of the current fiscal year the District's governmental funds reported a combined ending fund balance of \$13,076,592 compared to \$8,944,797 last year.

The general fund is the major operating fund of the District. At the end of the current fiscal year the fund balance increased by \$635,445 to \$7,323,253 from \$6,687,808 last year.

The bond redemption fund is used to collect local property tax revenues specifically raised to pay off the long-term bond debt of the District, and to make such payments as they become due. At the end of the current fiscal year the fund balance was \$1,090,971 all of which was restricted for principal and interest payments.

Proprietary-type funds. Proprietary-type funds are used to account for activities that have the characteristics of business activities. The sewer treatment plant, tuition preschools and the food service are activities of this nature. Fund balances in these funds are similar to retained earnings in business activities.

The sewer treatment plant fund was established to account for a treatment facility that is larger than is needed to service the high school, where it was built, and in anticipation of its transfer to a separate sanitation district. Currently, all of the operating costs are absorbed by the high school, its only user. The fund balance at June 30, 2020, was \$249,526 and represents the facility net of accumulated depreciation and the balance of prepaid insurance on the facility.

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. The General Fund had a net income of \$635,445. In total, the district received \$434,897 more in revenue than budgeted. \$257,620 of this funding came from Federal Forest Reserve Funds.

The district budgeted \$9,518,514 for expenditures but only spent \$9,274,470.

The board of education has made an adjustment in the FY 20-21 budget taking into account this net income.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2020, amounts to \$13,891,631 (net of related depreciation). This investment in capital assets consists of land, buildings, vehicles and equipment. The detail of this investment is in Note 5 to the financial statements.

Long-term debt.

As of June 30, 2020, the District's long-term debt consisted of \$5,247,215 in General Obligation Bonds and Retirement and Leave Obligations of approximately \$321,746. The detail of Long-term debt is in Note 7 to the financial statements.

Economic Factors and Next Year's Budget

The primary factors driving the budget for the District continue to be student enrollment and the State's economy, which continues to underfund K – 12 education. Additionally, the winding down over the next several years of the Henderson Mine, the primary taxpayer in the County, continues to have a significant impact on the District's funding.

Total enrollment for the 2018-2019 school year was 760, including preschools and the charter school. The enrollment for the 2019-2020 school year was 717, a decrease of 43. Enrollment for 2020-2021 is 682, a decrease of another 35. When a District's enrollment is declining, the State's Per-Pupil funding is based on the highest average of the current and the prior two, three or four years' full-time equivalent pupils. The funded average pupil count for 2018-2019 was 762.3 and the funded count for 2019-2020 was 752.5. The funded count for 2020-2021 is 718.2, a decrease of 34.3, even though the state now counts full-day kindergartners as 1.0 FTE. The large decrease in per pupils from 2019-2020 to 2020-2021 largely results from the covid pandemic. Further, the number of pupils attending the charter school in the District, Georgetown Community School (GCS), shifts per-pupil funding revenue from the General Fund of the District to that school.

The funded pupil count for GCS was 97.2 for 2018-2019 and the count for 2019-2020 was 89. The GCS count for 2020-2021 will be 86.0.

Because the County's total assessed valuation continues to decrease as a result of the gradual closure of the County's largest taxpayer, the Henderson Mine, the District's State Formula Funding for 2019-2020 was partially made up of State Equalization, making the District's Formula Funding subject to the so-called Negative Factor, which reduces or even zeroes out the State Equalization portion. For 2019-2020, State Equalization was \$2,492,128, and the Negative Factor, based on a percentage of total formula funding, was

\$518,628 reducing the Districts revenues by that much. Total Formula Funding will be \$7,261,673 for 2020-2021; the State Equalization portion will be \$2,553,845 and the Negative Factor will be a \$1,033,728 reduction. Further, CDE rescissions of \$2,696 and \$2,467 were deducted from State Equalization in 2019-2020 and 2020-2021.

The District is mitigating the impact of this loss of funding by budget cuts and use of Fiscal Emergency Reserve funds until the situation improves.

Requests for Information

The financial report is designed to provide a general overview of the 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:

Clear Creek School District RE-1
320 Hwy. 103
P. O. Box 3399
Idaho Springs, CO 80452

BASIC FINANCIAL STATEMENTS

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

STATEMENT OF NET POSITION

June 30, 2020

	PRIMARY GOVERNMENT			COMPONENT
	GOVERNMENTAL	BUSINESS-TYPE		UNIT
	ACTIVITIES	ACTIVITIES	TOTAL	
ASSETS				
Cash and Investments	\$ 14,049,937	\$ 136,861	\$ 14,186,798	\$ 476,949
Taxes Receivable	510,475	-	510,475	-
Grants Receivable	152,530	-	152,530	-
Accounts Receivable	-	-	-	183,719
Prepaid Items	-	3,082	3,082	3,095
Inventories	4,806	-	4,806	-
Interfund Balances	56,863	(56,863)	-	-
Capital Assets, Not Depreciated	1,238,081	-	1,238,081	-
Capital Assets, Depreciated				
Net of Accumulated Depreciation	12,653,550	1,171,616	13,825,166	84,532
TOTAL ASSETS	28,666,242	1,254,696	29,920,938	748,295
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	2,165,357	-	2,165,357	267,757
Related to OPEB	66,153	-	66,153	16,862
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,231,510	-	2,231,510	284,619
LIABILITIES				
Accounts Payable	287,108	1,181	288,289	4,666
Accrued Expenses	-	-	-	-
Accrued Salaries and Benefits	731,239	11,196	742,435	43,948
Accrued Interest Payable	12,600	-	12,600	-
Unearned Revenues	677,172	-	677,172	46,358
Security Deposits	2,500	-	2,500	-
Noncurrent Liabilities				
Net Pension Liability	14,248,734	-	14,248,734	1,771,526
Net OPEB Liability	700,700	-	700,700	87,091
Due Within One Year	1,005,293	-	1,005,293	61,713
Due in More Than One Year	4,563,668	917,022	5,480,690	-
TOTAL LIABILITIES	22,229,014	929,399	23,158,413	2,015,302
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	11,339,143	-	11,339,143	1,229,630
Related to OPEB	188,795	-	188,795	17,203
TOTAL DEFERRED INFLOWS OF RESOURCES	11,527,938	-	11,527,938	1,246,833
NET POSITION				
Net Investment in Capital Assets	8,310,070	254,594	8,564,664	84,532
Restricted for Debt Service	1,090,971	-	1,090,971	-
Restricted for Emergencies	301,694	1,729	303,423	44,341
Unrestricted	(12,561,935)	68,974	(12,492,961)	(2,358,094)
TOTAL NET POSITION	\$ (2,859,200)	\$ 325,297	\$ (2,533,903)	\$ (2,229,221)

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

STATEMENT OF ACTIVITIES

Year Ended June 30, 2020

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
Instruction	\$ 4,531,005	\$ -	\$ 703,072	\$ -
Supporting Services	4,144,148	109,912	987,072	-
Interest and Fiscal Charges	272,533	-	-	-
Total Governmental Activities	8,947,686	109,912	1,690,144	-
Business-Type Activities				
Sewer Treatment	112,435	52,106	-	-
Tuition Preschool	98,032	79,674	-	-
Total Business-Type Activities	210,467	131,780	-	-
TOTAL PRIMARY GOVERNMENT	\$ 9,158,153	\$ 241,692	\$ 1,690,144	\$ -
COMPONENT UNIT				
Charter School	\$ 1,120,748	\$ 75,948	\$ 63,252	\$ 12,525

GENERAL REVENUES

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

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning, as Restated

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND CHANGES

IN NET POSITION

PRIMARY GOVERNMENT

Governmental Activities	Business-type Activities	TOTAL	Component Unit
\$ (3,827,933)	\$ -	\$ (3,827,933)	\$ -
(3,047,164)	-	(3,047,164)	-
(272,533)	-	(272,533)	-
(7,147,630)	-	(7,147,630)	-
-	(60,329)	(60,329)	-
-	(18,358)	(18,358)	-
-	(78,687)	(78,687)	-
(7,147,630)	(78,687)	(7,226,317)	-
-	-	-	(969,023)
8,528,571	-	8,528,571	-
637,894	-	637,894	-
1,974,433	-	1,974,433	811,433
105,011	-	105,011	381,134
147,881	-	147,881	4,166
61,091	-	61,091	7,595
11,454,881	-	11,454,881	1,204,328
4,307,251	(78,687)	4,228,564	235,305
(7,166,451)	403,984	(6,762,467)	(2,464,526)
<u>\$ (2,859,200)</u>	<u>\$ 325,297</u>	<u>\$ (2,533,903)</u>	<u>\$ (2,229,221)</u>

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	GENERAL	GRANT	BOND REDEMPTION	BOND PROCEEDS FUND	NONMAJOR FUNDS
ASSETS					
Cash and Investments	8,633,226	\$ -	\$ 937,164	\$ 4,165,365	\$ 314,182
Taxes Receivable	334,471	-	176,004	-	-
Grants Receivable	-	128,541	-	-	23,989
Accounts Receivable	-	-	-	-	-
Inventories	-	-	-	-	4,806
Due from Other Funds	-	396,762	1,484	434,278	27,372
TOTAL ASSETS	<u>\$ 8,967,697</u>	<u>\$ 525,303</u>	<u>\$ 1,114,652</u>	<u>\$ 4,599,643</u>	<u>\$ 370,349</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 219,901	\$ 600	\$ -	\$ 65,930	\$ 677
Accrued Expenses	-	-	-	-	-
Accrued Salaries and Benefits	681,969	38,530	-	-	10,740
Due to Other Funds	572,756	-	-	-	230,277
Unearned Revenues	167,318	486,173	23,681	-	-
Security Deposits	2,500	-	-	-	-
TOTAL LIABILITIES	<u>1,644,444</u>	<u>525,303</u>	<u>23,681</u>	<u>65,930</u>	<u>241,694</u>
FUND BALANCES					
Nonspendable	-	-	-	-	4,806
Restricted for Emergencies	290,115	2,221	-	1,093	8,265
Restricted for Insurance	48,319	-	-	-	-
Restricted for CPP Preschool Expenses	46,105	-	-	-	-
Restricted for Debt Service	-	-	1,090,971	-	-
Restricted for Capital Projects	-	-	-	4,532,620	-
Restricted for Food Service	-	-	-	-	38,266
Committed for Operating Requirements	5,821,513	-	-	-	-
Committed for Accrued Salaries	309,441	-	-	-	-
Assigned for Capital Expenses	-	-	-	-	77,318
Unassigned	807,760	(2,221)	-	-	-
TOTAL FUND BALANCES	<u>7,323,253</u>	<u>-</u>	<u>1,090,971</u>	<u>4,533,713</u>	<u>128,655</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,967,697</u>	<u>\$ 525,303</u>	<u>\$ 1,114,652</u>	<u>\$ 4,599,643</u>	<u>\$ 370,349</u>

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

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

Long-term liabilities, including bonds payable (\$5,000,000), long-term retirement (\$74,309), compensated absences (\$247,437), bond premium net of amortization (\$247,215), and accrued interest (\$12,600), are not due and payable in the current period and are not reported in the funds.

Long-term liabilities and assets related to pensions are not due and payable in the current period and therefore, are not reported in the funds. This liability includes net pension liability (\$14,248,734), net OPEB liability (\$700,700), deferred outflows related to pensions and OPEB \$2,231,510, and deferred inflows related to pensions and OPEB (\$11,527,938).

Net position of governmental activities

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

TOTALS	
2020	2019
14,049,937	\$ 9,283,312
510,475	178,160
152,530	91,043
-	266,372
4,806	3,485
859,896	123,032
<u>\$ 15,577,644</u>	<u>\$ 9,945,404</u>

\$ 287,108	\$ 108,500
-	13,481
731,239	709,529
803,033	120,514
677,172	48,583
2,500	-
<u>2,501,052</u>	<u>1,000,607</u>

4,806	3,485
301,694	295,251
48,319	48,319
46,105	46,105
1,090,971	2,019,678
4,532,620	-
38,266	2,533
5,821,513	5,821,513
309,441	309,441
77,318	227,251
805,539	171,221
<u>13,076,592</u>	<u>8,944,797</u>

13,891,631	13,844,913
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(5,581,561)	(2,265,389)
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<u>(24,245,862)</u>	<u>(27,899,630)</u>
<u>\$ (2,859,200)</u>	<u>\$ (7,375,309)</u>

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

	GENERAL	GRANT	BOND REDEMPTION	BOND PROCEEDS FUND	NONMAJOR FUNDS
REVENUES					
Local Sources	\$ 7,126,939	\$ 4,519	\$ 1,176,668	\$ 36,422	\$ 130,045
County Sources	351,583	-	-	-	-
State Sources	2,710,393	74,020	-	-	145,188
Federal Sources	-	288,801	-	-	90,073
TOTAL REVENUES	10,188,915	367,340	1,176,668	36,422	365,306
EXPENDITURES					
Current					
Instruction	4,092,180	268,588	-	-	-
Supporting Services	5,182,290	98,752	-	-	290,147
Capital Outlay	-	-	-	682,263	462,815
Bond Issuance Costs	-	-	-	117,750	-
Debt Service					
Principal	-	-	1,990,000	-	-
Interest and Fiscal Charges	-	-	115,375	-	-
TOTAL EXPENDITURES	9,274,470	367,340	2,105,375	800,013	752,962
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	914,445	-	(928,707)	(763,591)	(387,656)
OTHER FINANCING SOURCES (USES)					
Proceeds from Debt Issuance	-	-	-	5,297,304	-
Transfers In	-	-	-	-	279,000
Transfers Out	(279,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(279,000)	-	-	5,297,304	279,000
NET CHANGE IN FUND BALANCES	635,445	-	(928,707)	4,533,713	(108,656)
FUND BALANCES, Beginning	6,687,808	-	2,019,678	-	237,311
FUND BALANCES, Ending	\$ 7,323,253	\$ -	\$ 1,090,971	\$ 4,533,713	\$ 128,655

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

TOTALS	
2020	2019
\$ 8,474,593	\$ 8,489,750
351,583	322,141
2,929,601	2,519,785
378,874	341,097
12,134,651	11,672,773
4,360,768	4,196,660
5,571,189	5,504,903
1,145,078	522,108
117,750	-
1,990,000	1,940,000
115,375	83,415
13,300,160	12,247,086
(1,165,509)	(574,313)
5,297,304	-
279,000	521,421
(279,000)	(521,421)
5,297,304	-
4,131,795	(574,313)
8,944,797	9,519,110
<u>\$ 13,076,592</u>	<u>\$ 8,944,797</u>

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

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

Net change in fund balances - total governmental funds	\$ 4,131,795
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation (\$1,123,694) exceeded capital outlay of \$961,554, in the current period.	(162,140)
Bond proceeds are reported as financing sources in the governmental funds and increase fund balance. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net assets and does not effect the statement of activities.	(5,297,304)
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds that amounts are capitalized and amortized.	3,653,768
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds. These include bond principal payments \$1,990,000, amortization of deferred loss, (\$76,896), decrease in early retirement \$37,584, increase in compensated absences (\$7,045), increase in accrued interest (\$12,600), and amortization of bond premium \$50,089.	<u>1,981,132</u>
Change in net position of governmental activities	<u>\$ 4,307,251</u>

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPES
 June 30, 2020

	SEWER TREATMENT	NONMAJOR TUITION PRESCHOOL	Totals	
			2020	2019
ASSETS				
Current Assets				
Cash and Investments	\$ -	\$ 136,861	\$ 136,861	\$ 108,783
Prepaid Items	3,082	-	3,082	2,512
Total Current Assets	3,082	136,861	139,943	111,295
Non-Current Assets				
Capital Assets, Net of Accumulated Depreciation	1,171,616	-	1,171,616	1,226,877
TOTAL ASSETS	1,174,698	136,861	1,311,559	1,338,172
LIABILITIES				
Accounts Payable	1,181	-	1,181	1,494
Accrued Salaries and Benefits	-	11,196	11,196	12,854
Due to Other Funds	6,969	49,894	56,863	2,518
Unearned Revenue	-	-	-	300
Long-Term Liabilities				
Due in More than One Year	917,022	-	917,022	917,022
TOTAL LIABILITIES	925,172	61,090	986,262	934,188
NET POSITION				
Investment in Capital Assets	254,594	-	254,594	309,855
Restricted for Emergencies	-	1,729	1,729	2,048
Unrestricted	(5,068)	74,042	68,974	92,081
TOTAL NET POSITION	\$ 249,526	\$ 75,771	\$ 325,297	\$ 403,984

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
Year Ended June 30, 2020

	SEWER TREATMENT	NONMAJOR TUITION PRESCHOOL	Totals	
			2020	2019
OPERATING REVENUES				
Charges for Services				
Other	\$ 52,106	\$ -	\$ 52,106	\$ 55,990
Tuition	-	79,674	79,674	89,837
TOTAL OPERATING REVENUES	<u>52,106</u>	<u>79,674</u>	<u>131,780</u>	<u>145,827</u>
OPERATING EXPENSES				
Salaries	-	73,854	73,854	68,142
Benefits	-	22,942	22,942	21,441
Purchased Services	31,696	-	31,696	34,867
Supplies and Materials	25,478	862	26,340	21,454
Property	-	-	-	-
Other	-	374	374	125
Depreciation	55,261	-	55,261	55,261
TOTAL OPERATING EXPENSES	<u>112,435</u>	<u>98,032</u>	<u>210,467</u>	<u>201,290</u>
OPERATING INCOME (LOSS)	<u>(60,329)</u>	<u>(18,358)</u>	<u>(78,687)</u>	<u>(55,463)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL TRANSFERS AND CAPITAL CONTRIBUTIONS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	(60,329)	(18,358)	(78,687)	(55,463)
NET POSITION, Beginning	<u>309,855</u>	<u>94,129</u>	<u>403,984</u>	<u>459,447</u>
NET POSITION, Ending	<u>\$ 249,526</u>	<u>\$ 75,771</u>	<u>\$ 325,297</u>	<u>\$ 403,984</u>

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPES
 Year Ended June 30, 2020
 Increase (Decrease) in Cash

	SEWER TREATMENT	NONMAJOR TUITION PRESCHOOL	Totals	
			2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Operations	\$ 52,106	\$ 79,674	\$ 131,780	\$ 145,827
Cash Paid to Suppliers and Employees	(52,106)	(51,596)	(103,702)	(177,703)
Net Cash Provided (Used) by Operating Activities	-	28,078	28,078	(31,876)
NET INCREASE IN CASH	-	28,078	28,078	(31,876)
CASH, Beginning	-	108,783	108,783	140,659
CASH, Ending	\$ -	\$ 136,861	\$ 136,861	\$ 108,783
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES				
Operating Loss	\$ (60,329)	\$ (18,358)	\$ (78,687)	\$ (55,463)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities				
Depreciation Expense	55,261	-	55,261	55,261
Changes in Assets and Liabilities				
Prepaid Items	(570)	-	(570)	(499)
Due from Other Funds	-	-	-	985
Accounts Payable	(313)	-	(313)	(1,504)
Accrued Salaries and Benefits	-	(1,658)	(1,658)	1,821
Unearned Revenues	-	(300)	(300)	(300)
Due to Other Funds	5,951	48,394	54,345	(32,177)
Total Adjustments	60,329	46,436	106,765	23,587
Net Cash Provided (Used) by Operating Activities	\$ -	\$ 28,078	\$ 28,078	\$ (31,876)

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
June 30, 2020

	AGENCY FUND
ASSETS	
Cash and Investments	<u>\$ 258,301</u>
LIABILITIES	
Due to Student Groups	<u><u>\$ 258,301</u></u>

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Clear Creek School District No. RE-1 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

Discretely Presented Component Unit

Georgetown Community School is a public school authorized by the State of Colorado to provide alternatives for parents, pupils, and teachers. The School has a separate governing board but is fiscally dependent on the District for a majority of funding and their exclusion would render the District’s financial statements incomplete. Separate financial statements are available at the School’s office.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of Net Position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

Program revenues include 1) charges to students or other customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. Internally dedicated resources are reported as general revenues rather than as program revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The *Grants Fund* accounts for Federal, State and local grants received by the District.

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

The *Bond Project Fund* is a capital projects fund which accounts for bond proceeds received for capital improvement projects within the District.

The *Sewer Treatment Enterprise Fund* accounts for the maintenance and operation of the sewer treatment plant at the High School.

Additionally, the District reports the following fund type:

The *Agency Fund* is used to account for resources used to support each school's student and fundraising activities. The District holds all resources in a purely custodial capacity.

Assets, Liabilities and Fund Balance/Net Position

Investments – Investments are stated at fair value.

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

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

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

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

Land Improvements	25 years
Buildings	50 years
Equipment	5 to 20 years

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

In addition to the liabilities, the statement of financial position and balance sheets 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 and fund balance that applies to a futures period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Long-Term Debt – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

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

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

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The District considers its inventories as nonspendable as of June 30, 2020.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. They have also restricted funds for insurance, CPP Preschool expenses, debt service, and food service.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. As of June 30, 2020, the District has a portion of its fund balance in the General Fund committed to reflect the amount of property taxes collected in May 2020 that will be used to pay future operating requirements. This was approved by the Board in October 2017.
- Assigned – These amounts do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. As of June 30, 2019, the District's fund balance in the Capital Reserve Fund is assigned to future capital expenditures. These amounts are assigned by the Finance Director per the financial policy established by the Board.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

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

Property Tax Revenues

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

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

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

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

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

State Compliance

For the year ended June 30, 2020, actual expenditures in the Bond Redemption Fund and the Sewer Treatment Fund exceeded budgeted amounts by \$1,241,286 and \$9,274, respectively. This may be a violation of state statute.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 3: CASH AND INVESTMENTS

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

Petty Cash	\$ 79
Deposits	448,011
Investments	<u>13,997,009</u>
Total Cash and Investments	<u>\$ 14,445,099</u>

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

Governmental Activities	\$ 14,049,937
Business - Type Activities	136,861
Fiduciary Funds	<u>258,301</u>
Total	<u>\$ 14,445,099</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations.

At June 30, 2020, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

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

At June 30, 2020, the District had deposits with financial institutions with a carrying amount of \$448,011. The bank balances with the financial institutions were \$633,914. Of these balances, \$294,803 was covered by federal depository insurance and \$339,111 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

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

	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Standard & Poor's Rating</u>
ColoTrust	\$ 35,338	N/A	AAAm
CSAFE	<u>13,961,671</u>	N/A	AAAm
Total	<u>\$ 13,997,009</u>		

Interest Rate Risk

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

Credit Risk

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

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

The above investments are authorized for all funds and fund types used by Colorado school districts.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Local Government Investment Pools

The District had invested \$13,961,671 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

The District had invested \$35,338 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

NOTE 4: INTERFUND BALANCES AND TRANSFERS

Interfund Balances at June 30, 2020 are as follows:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 572,756	\$ -
Grant Fund	-	396,762
Bond Redemption Fund	-	1,484
Bond Proceeds Fund	-	434,278
Food Service Fund	-	27,372
Capital Reserve Fund	230,277	-
Sewer Treatment Fund	6,969	-
Tuition Preschool	49,894	-
Total	<u>\$ 859,896</u>	<u>\$ 859,896</u>

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 4: INTERFUND BALANCES AND TRANSFERS (Continued)

These balances are due to cash transactions that were received or paid by the General Fund on behalf of another fund.

The District made the following transfers during the year.

<u>Transfer to</u>	<u>Transfer from</u>	<u>Amount</u>
Food Service Fund	General Fund	\$ 124,000
Capital Reserve Fund	General Fund	<u>155,000</u>
Total		<u>\$ 279,000</u>

The General Fund transferred funds to the Capital Reserve fund for capital and related expenses. The General Fund also made a transfer to the Food Service to subsidize operations.

NOTE 5: CAPITAL ASSETS

	(as Restated) Balances <u>6/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/2020</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 868,734	\$ -	\$ -	\$ 868,734
Construction in Progress	<u>-</u>	<u>369,347</u>	<u>-</u>	<u>369,347</u>
Total Capital Assets, not depreciated	<u>868,734</u>	<u>369,347</u>	<u>-</u>	<u>1,238,081</u>
Capital Assets, depreciated				
Buildings	30,658,811	249,465	-	30,908,276
Site Improvements	2,962,385	1,875	4,499	2,959,761
Equipment	<u>2,947,039</u>	<u>340,867</u>	<u>147,856</u>	<u>3,140,050</u>
Total Capital Assets, depreciated	<u>36,568,235</u>	<u>592,207</u>	<u>152,355</u>	<u>37,008,087</u>
Less Accumulated Depreciation				
Buildings	19,127,817	714,138	-	19,841,955
Site Improvements	1,996,821	144,322	4,499	2,136,644
Equipment	<u>2,258,560</u>	<u>265,234</u>	<u>147,856</u>	<u>2,375,938</u>
Total Accumulated Depreciation	<u>23,383,198</u>	<u>1,123,694</u>	<u>152,355</u>	<u>24,354,537</u>
Total Capital Assets, depreciated, Net	<u>13,185,037</u>	<u>(531,487)</u>	<u>-</u>	<u>12,653,550</u>
Governmental Activities, Capital Assets, Net	<u>\$ 14,053,771</u>	<u>\$ (162,140)</u>	<u>\$ -</u>	<u>\$ 13,891,631</u>

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 5: CAPITAL ASSETS (Continued)

	Balances <u>6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>6/30/20</u>
Business-Type Activities				
Capital Assets, depreciated				
Building	\$ 1,967,938	\$ -	\$ -	\$ 1,967,938
Equipment	<u>27,779</u>	<u>-</u>	<u>-</u>	<u>27,779</u>
Total Capital Assets, depreciated	<u>1,995,717</u>	<u>-</u>	<u>-</u>	<u>1,995,717</u>
Less Accumulated Depreciation				
Buildings	761,895	52,483	-	814,378
Equipment	<u>6,945</u>	<u>2,778</u>	<u>-</u>	<u>9,723</u>
Total Accumulated Depreciation	<u>768,840</u>	<u>55,261</u>	<u>-</u>	<u>824,101</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 1,226,877</u>	<u>\$ (55,261)</u>	<u>\$ -</u>	<u>\$ 1,171,616</u>

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

Governmental Activities

Instruction \$ 1,123,694

NOTE 6: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2020, were \$681,969, \$38,530, \$10,740, and \$11,196. These amounts are recorded in the General, Grants, Food Service and Tuition Preschool Funds, respectively.

NOTE 7: LONG-TERM DEBT

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

	Balance <u>6/30/19</u>	<u>Additions</u>	<u>Payments</u>	Balance <u>6/30/20</u>	Due In <u>One Year</u>
2011 GO Refunding Bonds	\$ 1,990,000	\$ -	\$ 1,990,000	\$ -	\$ -
2019 GO Bonds	-	5,000,000	-	5,000,000	940,000
2019 GO Bond Premium	-	297,304	50,089	247,215	-
Early Retirement	111,893	17,760	55,344	74,309	44,879
Compensated Absences	<u>240,392</u>	<u>108,335</u>	<u>101,290</u>	<u>247,437</u>	<u>20,414</u>
Total	<u>\$ 2,342,285</u>	<u>\$ 5,423,399</u>	<u>\$ 2,196,723</u>	<u>\$ 5,568,961</u>	<u>\$ 1,005,293</u>

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 7: LONG-TERM DEBT (Continued)

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

General Obligation Bonds

On December 15, 2011, the District issued General Obligation Refunding Bonds Series 2011, in the amount of \$13,390,000. Proceeds were used to advance refund a portion of the 2002 General Obligation Refunding Bonds. The bonds are due in annual installments starting on December 1, 2012 through December 1, 2019. These bonds bear interest at 0.65% to 2.9% payable annually on June and December 1.

In November 2019, the District issued General Obligation Bonds, Series 2019 in the amount of \$5,000,000. Proceeds from the bonds will be used for the purpose of improving and repairing existing District grounds and facilities and for other capital outlay expenditures approved by voters in the November 6, 2018 election. The bonds are due in annual installments starting on December 1, 2020 through December 1, 2024. These bonds bear interest at a rate of 2.00% which is payable on June 1 and December 1.

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

Year Ended <u>June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 940,000	\$ 141,800	\$ 1,081,800
2022	970,000	117,850	1,087,850
2023	1,000,000	88,300	1,088,300
2024	1,030,000	57,850	1,087,850
2025	<u>1,060,000</u>	<u>21,200</u>	<u>1,081,200</u>
Total	<u>\$ 5,000,000</u>	<u>\$ 427,000</u>	<u>\$ 5,427,000</u>

Sewer Treatment Loan (Business Type Activities)

The Sewer Treatment Fund of the District has borrowed funds in the amount of \$500,000 from Clear Creek County (the County). These funds were used to complete the construction of the Sewer Treatment Plant. In exchange for these agreements, the County and the District are entitled to a reservation of capacity in the treatment plant, and the proceeds for the subsequent sale of reserved capacity. The County is to be reimbursed solely from the sale of excess capacity in the treatment plant. This note has been classified as long term in the financial statements of the Sewer Fund.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 7: LONG-TERM DEBT (Continued)

Defeased Debt

On December 1, 2011, the District deposited \$12,635,000 of the General Obligation Refunding Bonds Series 2002 into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liability for the bonds has been removed from the District's liabilities. The outstanding balance of the defeased bonds was \$0 as of June 30, 2020.

NOTE 8: JOINTLY GOVERNED ORGANIZATIONS

BOCES

The District, in conjunction with other surrounding districts, created the Mt. Evans Board of Cooperative Educational Services (the "BOCES"). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. The BOCES financial statements can be obtained at their office located at 10595 Highway 119, Black Hawk, CO 80422.

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

General Information about the Pension Plan

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

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

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

- \$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 of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,109,273 for the year ended June 30, 2020.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

At June 30, 2020, the District reported a liability of \$14,248,734 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 14,248,734
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District.	\$ 2,289,091
Total	\$ 16,537,825

At December 31, 2019, the District's proportion was 0.09537 percent, which was an increase of 0.00323 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension income of \$2,518,173 and income of \$61,091 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 776,565	N/A
Changes of assumptions or other inputs	\$ 406,780	\$ 6,463,091
Net difference between projected and actual earnings on pension plan investments	N/A	\$ 1,687,904
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 407,783	\$ 3,188,148
Contributions subsequent to the measurement date	\$ 574,229	N/A
Total	\$ 2,165,357	\$ 11,339,143

\$574,229 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2021	(\$ 5,685,761)
2022	(\$ 3,597,746)
2023	\$ 109,667
2024	(\$ 574,175)

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

¹ For 2019, the annual increase was 0.00 percent.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 18,896,871	\$ 14,248,734	\$ 10,346,217

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.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

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

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

PERA Benefit Structure

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

General Information about the OPEB Plan (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$58,383 for the year ended June 30, 2020.

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

At June 30, 2020, the District reported a liability of \$700,700, for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

At December 31, 2019, the District's proportion was 0.06234 percent, which was an increase of 0.00245% from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$32,060. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,325	\$ 117,743
Changes of assumptions or other inputs	\$ 5,813	N/A
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$ 11,696
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$ 27,792	\$ 59,356
Contributions subsequent to the measurement date	\$ 30,223	N/A
Total	\$ 66,153	\$ 188,795

\$30,223 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended, June 30,	
2021	(\$ 35,933)
2022	(\$ 35,932)
2023	(\$ 32,545)
2024	(\$ 29,734)
2025	(\$ 17,676)
Thereafter	(\$ 1,045)

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$ 684,055	\$ 700,700	\$ 719,934

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

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

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

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

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 10: DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN
(Continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 792,282	\$ 700,700	\$ 719,934

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

NOTE 11: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund. The District is fully self insured for unemployment compensation and has a \$1,000 deductible for property insurance.

The District continues to carry commercial insurance for all other risks of loss, including boiler and machinery coverage. Settled claims resulting from these risks have not exceeded commercial or District coverage in any of the past three years.

NOTE 12: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

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

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2020

NOTE 12: COMMITMENTS AND CONTINGENCIES (Continued)

Tabor Amendment

In November 1992, Colorado voters passed the Tabor Amendment to the State Constitution which limits state and local government tax powers and imposes spending limitations. In November 1998, electors within the District authorized the District to collect, retain and expend all revenues collected or received by the District effective for the 1996-97 fiscal year and each subsequent year thereafter, notwithstanding the limitations of the Amendment. The Tabor Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. A reservation of equity in the General Fund, Food Services Fund, Grant Fund, Bond Proceeds Fund, Capital Reserve Fund, and Tuition Preschool Fund in the amounts of \$290,115, \$3,400, \$2,221, \$1,093, \$4,865, and \$1,729, respectively, has been recorded as an emergency reserve in accordance with the Amendment.

NOTE 13: RESTATEMENT OF NET POSITION

The beginning net position of the governmental activities was increased by \$208,858 to restate the beginning accumulated depreciation reported for Capital Assets.

NOTE 14: DEFICIT NET POSITION

The Net Position of the government type activities is in a deficit position of \$2,859,200 due to the District including the Net Pension and Net OPEB Liability per GASB Nos. 68 and 75

NOTE 15: SUBSEQUENT EVENTS

COVID-19

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

REQUIRED SUPPLEMENTARY INFORMATION

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Local Sources					
Property Taxes	\$ 6,987,361	\$ 7,351,638	\$ 7,370,484	\$ 18,846	\$ 6,749,596
Specific Ownership Taxes	520,153	520,153	637,894	117,741	589,120
Earnings on Investments	91,200	89,925	87,986	(1,939)	117,482
All Other Local Revenue Codes	194,775	259,569	235,699	(23,870)	243,016
Charter School Allocation	(1,194,651)	(1,173,682)	(1,205,124)	(31,442)	(1,059,195)
Total Local Sources	6,598,838	7,047,603	7,126,939	79,336	6,640,019
County Sources	3,660	83,963	351,583	267,620	322,141
State Sources					
State Equalization	2,463,855	1,973,004	1,974,433	1,429	1,453,056
Exceptional Children's Education Act	250,144	250,142	182,956	(67,186)	381,779
Transportation	210,000	197,335	200,265	2,930	213,180
Small Rural Schools	189,182	199,963	199,963	-	296,390
All Other State Revenue	2,200	2,008	152,776	150,768	135,131
Total State Sources	3,115,381	2,622,452	2,710,393	87,941	2,479,536
TOTAL REVENUES	9,717,879	9,754,018	10,188,915	434,897	9,441,696
EXPENDITURES					
Instruction					
Salaries	2,875,656	2,840,512	2,777,752	62,760	2,602,907
Employee Benefits	987,302	975,198	827,200	147,998	821,807
Purchased Services	433,725	442,624	397,026	45,598	401,215
Supplies and Materials	83,131	82,931	54,707	28,224	62,828
Property	6,368	6,368	2,301	4,067	4,498
Other Objects and Uses	31,730	32,115	33,194	(1,079)	34,817
Total Instruction	4,417,912	4,379,748	4,092,180	287,568	3,928,072
Supporting Services					
Students					
Salaries	237,384	238,347	243,070	(4,723)	221,462
Employee Benefits	85,407	85,618	85,202	416	79,570
Purchased Services	174,711	175,411	195,478	(20,067)	186,081
Supplies and Materials	5,000	5,000	4,523	477	3,366
Property	-	-	835	(835)	1,980
Other Objects and Uses	2,680	2,680	280	2,400	993
Total Students	505,182	507,056	529,388	(22,332)	493,452

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE Positive (Negative)	2019 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Instructional Staff					
Salaries	406,714	419,464	412,615	6,849	383,226
Employee Benefits	135,783	132,133	118,077	14,056	109,237
Purchased Services	196,969	202,502	209,528	(7,026)	176,140
Supplies and Materials	9,150	10,175	12,226	(2,051)	11,324
Property	-	-	1,346	(1,346)	-
Other Objects and Uses	4,175	5,775	4,273	1,502	3,661
Total Instructional Staff	<u>752,791</u>	<u>770,049</u>	<u>758,065</u>	<u>11,984</u>	<u>683,588</u>
General Administration					
Salaries	202,232	164,700	175,789	(11,089)	172,702
Employee Benefits	63,655	50,658	53,145	(2,487)	55,570
Purchased Services	62,412	64,671	97,021	(32,350)	75,047
Supplies and Materials	1,700	1,700	2,544	(844)	3,225
Property	-	-	1,377	(1,377)	-
Other Objects and Uses	9,891	10,552	10,703	(151)	9,877
Total General Administration	<u>339,890</u>	<u>292,281</u>	<u>340,579</u>	<u>(48,298)</u>	<u>316,421</u>
School Administration					
Salaries	600,359	601,514	572,762	28,752	570,779
Employee Benefits	196,053	196,305	165,749	30,556	167,041
Purchased Services	35,860	35,860	44,564	(8,704)	45,730
Supplies and Materials	10,900	10,900	6,794	4,106	9,354
Property	500	500	391	109	200
Other Objects and Uses	3,720	3,720	3,583	137	3,195
Total School Administration	<u>847,392</u>	<u>848,799</u>	<u>793,843</u>	<u>54,956</u>	<u>796,299</u>
Business Services					
Salaries	127,709	128,104	159,136	(31,032)	116,295
Employee Benefits	37,829	37,935	39,380	(1,445)	27,787
Purchased Services	21,765	24,635	12,842	11,793	18,085
Supplies and Materials	400	400	1,384	(984)	1,772
Property	-	-	386	(386)	-
Other Objects and Uses	1,570	1,570	1,614	(44)	1,553
Total Business Services	<u>189,273</u>	<u>192,644</u>	<u>214,742</u>	<u>(22,098)</u>	<u>165,492</u>

(Continued)

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2019 ACTUAL
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Operations and Maintenance					
Salaries	495,796	493,951	461,095	32,856	406,303
Employee Benefits	191,155	190,771	158,645	32,126	153,407
Purchased Services	264,339	281,958	356,532	(74,574)	362,252
Supplies and Materials	292,140	292,940	283,303	9,637	283,720
Property	-	-	4,983	(4,983)	10,985
Total Operations and Maintenance	1,243,430	1,259,620	1,264,558	(4,938)	1,216,667
Student Transportation					
Salaries	500,719	499,094	497,201	1,893	521,600
Employee Benefits	222,152	228,459	174,667	53,792	173,352
Purchased Services	65,155	64,852	58,331	6,521	63,046
Supplies and Materials	127,000	127,000	93,556	33,444	115,097
Property	2,500	2,500	362	2,138	4,190
Other Objects and Uses	(23,895)	(23,895)	(24,096)	201	(26,480)
Total Student Transportation	893,631	898,010	800,021	97,989	850,805
Central Support					
Salaries	96,942	146,519	149,046	(2,527)	92,765
Employee Benefits	31,815	45,199	182,334	(137,135)	160,747
Purchased Services	141,330	155,227	132,445	22,782	114,154
Supplies and Materials	9,725	9,725	8,471	1,254	5,370
Property	6,474	7,974	5,972	2,002	7,407
Other Objects and Uses	5,463	3,463	2,178	1,285	1,783
Total Central Support	291,749	368,107	480,446	(112,339)	382,226
Food Service					
Supplies and Materials	2,200	2,200	648	1,552	2,792
Total Food Service	2,200	2,200	648	1,552	2,792
Total Supporting Services	5,065,538	5,138,766	5,182,290	(43,524)	4,907,742
RESERVES	6,392,672	6,644,312	-	6,644,312	-
TOTAL EXPENDITURES	15,876,122	16,162,826	9,274,470	6,888,356	8,835,814

(Continued)

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,158,243)</u>	<u>(6,408,808)</u>	<u>914,445</u>	<u>7,323,253</u>	<u>605,882</u>
OTHER FINANCING (USES)					
Transfers Out	<u>(211,000)</u>	<u>(279,000)</u>	<u>(279,000)</u>	<u>-</u>	<u>(521,421)</u>
TOTAL OTHER FINANCING (USES)	<u>(211,000)</u>	<u>(279,000)</u>	<u>(279,000)</u>	<u>-</u>	<u>(521,421)</u>
CHANGE IN FUND BALANCE	<u>(6,369,243)</u>	<u>(6,687,808)</u>	<u>635,445</u>	<u>7,323,253</u>	<u>84,461</u>
FUND BALANCES, Beginning	<u>6,369,243</u>	<u>6,687,808</u>	<u>6,687,808</u>	<u>-</u>	<u>6,603,347</u>
FUND BALANCES, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,323,253</u>	<u>\$ 7,323,253</u>	<u>\$ 6,687,808</u>

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

GRANTS FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
State Sources	\$ 48,348	\$ 218,998	\$ 74,020	\$ (144,978)	\$ 36,344
Federal Sources	299,383	240,927	288,801	47,874	246,386
Local Sources	-	-	4,519	4,519	4,812
TOTAL REVENUES	347,731	459,925	367,340	(92,585)	287,542
EXPENDITURES					
Salaries	211,567	238,845	237,881	964	206,540
Benefits	71,811	79,726	74,491	5,235	61,753
Purchased Services	40,975	55,467	34,421	21,046	8,987
Supplies and Materials	13,633	76,611	16,716	59,895	3,156
Other	9,746	9,277	3,831	5,446	7,106
TOTAL EXPENDITURES	347,732	459,926	367,340	92,586	287,542
CHANGE IN FUND BALANCE	(1)	(1)	-	1	-
FUND BALANCE, Beginning	1	1	-	(1)	-
FUND BALANCE, Ending	\$ -	\$ -	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

STATEWIDE SCHOOL DIVISION TRUST FUND

Years Ended December 31,
(School Division Trust Fund Measurement Date)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportionate share of the Net Pension Liability	0.1301%	0.1216%	0.1202%	0.1202%	0.1124%	0.0921%	0.0954%
District's proportionate share of the Net Pension Liability	\$ 16,592,399	\$ 16,483,928	\$ 18,383,305	\$ 35,426,858	\$ 36,357,340	\$ 16,315,792	\$ 14,248,734
State of Colorado's Proportionate Share of the Net Pension Liability associated with the District	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,230,958</u>	<u>2,289,091</u>
Total portion of the Net Pension Liability associated with the District	\$ 16,592,399	\$ 16,483,928	\$ 18,383,305	\$ 35,426,858	\$ 36,357,340	\$ 18,546,750	\$ 16,537,825
District's covered payroll	\$ 5,206,851	\$ 5,225,935	\$ 5,238,164	\$ 5,340,321	\$ 5,189,072	\$ 5,065,598	\$ 5,605,346
District's proportionate share of the Net Pension Liability as a percentage of its covered payroll	318.66%	315.4%	350.9%	663.4%	700.7%	366.1%	295.0%
Plan fiduciary net position as a percentage of the total pension liability	64.07%	62.80%	59.16%	43.10%	43.96%	57.01%	64.52%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
STATEWIDE SCHOOL DIVISION TRUST FUND

Years Ended June 30,

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 888,053	\$ 942,152	\$ 996,366	\$ 954,630	\$ 968,596	\$1,018,187	\$1,109,273
Contributions in relation to the Statutorily required contributions	<u>888,053</u>	<u>942,152</u>	<u>996,366</u>	<u>954,630</u>	<u>968,596</u>	<u>1,018,187</u>	<u>1,109,273</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$5,220,582	\$5,259,614	\$5,309,044	\$5,192,894	\$5,130,065	\$5,322,461	\$5,723,798
Contributions as a percentage of covered payroll	17.01%	17.91%	18.77%	18.38%	18.88%	19.13%	19.38%

Notes

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

Years Ended December 31,
(Health Care Trust Fund Measurement Date)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportionate share of the Net OPEB Liability	0.0676%	0.0639%	0.0599%	0.0623%
District's proportionate share of the Net OPEB Liability	\$ 876,884	\$ 830,248	\$ 814,876	\$ 700,700
District's covered payroll	\$ 5,340,321	\$ 5,189,072	\$ 5,065,598	\$ 5,605,346
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	16.42%	16.00%	16.09%	12.50%
Plan fiduciary net position as a percentage of the total OPEB liability	16.70%	17.53%	17.03%	24.49%

Notes

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
HEALTH CARE TRUST FUND

Years Ended June 30,

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Statutorily required contributions	\$ 52,968	\$ 52,327	\$ 54,289	\$ 58,383
Contributions in relation to the Statutorily required contributions	<u>52,968</u>	<u>52,327</u>	<u>54,289</u>	<u>58,383</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 5,192,894	\$ 5,130,065	\$ 5,322,461	\$ 5,723,798
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

Notes

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

	2020			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2019 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ -	\$ (1,137,926)	\$ 1,156,087	\$ 2,294,013	\$ 1,672,372
Delinquent Taxes	-	3,414	2,000	(1,414)	3,415
Earnings on Investments	-	(21,077)	18,581	39,658	32,559
TOTAL REVENUES	-	(1,155,589)	1,176,668	2,332,257	1,708,346
EXPENDITURES					
Debt Service					
Principal	1,990,000	1,990,000	1,990,000	-	1,940,000
Interest and Fiscal Charges	28,855	115,372	115,375	(3)	83,415
Reserves	5,420	(1,241,283)	-	(1,241,283)	-
TOTAL EXPENDITURES	2,024,275	864,089	2,105,375	(1,241,286)	2,023,415
EXCESS OF REVENUES OVER EXPENDITURES	(2,024,275)	(2,019,678)	(928,707)	1,090,971	(315,069)
FUND BALANCE, Beginning	2,024,275	2,019,678	2,019,678	-	2,334,747
FUND BALANCE, Ending	\$ -	\$ -	\$ 1,090,971	\$ 1,090,971	\$ 2,019,678

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

	2020			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)
REVENUES				
Local Sources				
Earnings on Investments	\$ -	\$ 35,000	\$ 36,422	\$ 1,422
TOTAL REVENUES	-	35,000	36,422	1,422
EXPENDITURES				
Capital Outlay				
Transportation Equipment	-	2,972,843	312,916	2,659,927
Other	-	330,000	369,347	(39,347)
Bond Issuance Costs	-	120,000	117,750	2,250
Reserves	-	-	-	-
TOTAL EXPENDITURES	-	3,422,843	800,013	2,622,830
EXCESS OF REVENUES OVER EXPENDITURES	-	(3,387,843)	(763,591)	2,624,252
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt Issuance	-	5,297,304	5,297,304	-
Transfers Out	-	(1,909,461)	-	1,909,461
NET CHANGE IN FUND BALANCE	-	-	4,533,713	4,533,713
FUND BALANCE, Beginning	-	-	-	-
FUND BALANCE, Ending	\$ -	\$ -	\$ 4,533,713	\$ 4,533,713

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	SPECIAL REVENUE		Totals	
	FOOD SERVICE	CAPITAL RESERVE	2020	2019
ASSETS				
Current Assets				
Cash and Investments	\$ 1,075	\$ 313,107	\$ 314,182	\$ 118,434
Grants Receivable	23,989		23,989	8,589
Inventories	4,806	-	4,806	3,485
Due from Other Funds	27,372	-	27,372	121,548
TOTAL ASSETS	<u>\$ 57,242</u>	<u>\$ 313,107</u>	<u>\$ 370,349</u>	<u>\$ 252,056</u>
LIABILITIES				
Accounts Payable	30	647	677	15
Accrued Salaries and Benefits	10,740	-	10,740	14,730
Due to Other Funds	-	230,277	230,277	-
TOTAL LIABILITIES	<u>10,770</u>	<u>230,924</u>	<u>241,694</u>	<u>14,745</u>
FUND BALANCE				
Nonspendable	4,806	-	4,806	3,485
Restricted for Emergencies	3,400	4,865	8,265	4,042
Restricted for Food Service	38,266	-	38,266	2,533
Assigned for Capital Expenses	-	77,318	77,318	227,251
TOTAL FUND BALANCES	<u>46,472</u>	<u>82,183</u>	<u>128,655</u>	<u>237,311</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 57,242</u>	<u>\$ 313,107</u>	<u>\$ 370,349</u>	<u>\$ 252,056</u>

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

	SPECIAL REVENUE		Totals	
	FOOD SERVICE	CAPITAL RESERVE	2020	2019
REVENUES				
Local Sources				
Food Sales	\$ 109,912	\$ -	\$ 109,912	\$ 113,261
Other	-	15,241	15,241	4,245
Earnings on Investments	-	4,892	4,892	6,797
Donations	-	-	-	12,270
State Sources	3,144	142,044	145,188	3,905
Federal Sources	90,073	-	90,073	94,711
TOTAL REVENUES	203,129	162,177	365,306	235,189
EXPENDITURES				
Salaries	142,009	-	142,009	130,248
Benefits	41,001	-	41,001	39,150
Purchased Services	8,042	-	8,042	305,692
Commodities	5,638	-	5,638	11,549
Food	93,101	-	93,101	91,321
Supplies and Materials	356	-	356	247
Property	-	462,815	462,815	522,108
TOTAL EXPENDITURES	290,147	462,815	752,962	1,100,315
EXCESS OF REVENUES OVER EXPENDITURES	(87,018)	(300,638)	(387,656)	(865,126)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfers In	124,000	155,000	279,000	521,421
TOTAL OTHER FINANCING SOURCES	124,000	155,000	279,000	521,421
NET CHANGE IN FUND BALANCE	36,982	(145,638)	(108,656)	(343,705)
FUND BALANCE, Beginning	9,490	227,821	237,311	581,016
FUND BALANCE, Ending	\$ 46,472	\$ 82,183	\$ 128,655	\$ 237,311

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

	2020			VARIANCE	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	2019 ACTUAL
REVENUES					
Charges for Services					
Lunches & Breakfast	\$ 111,594	\$ 111,594	\$ 109,912	\$ (1,682)	\$ 113,261
Other	300	300	-	(300)	-
Federal Aid					
School Lunches	62,137	62,137	73,458	11,321	64,653
School Breakfast	17,860	17,860	10,977	(6,883)	18,509
Donated Commodities	15,000	15,000	5,638	(9,362)	11,549
State Match	3,850	3,850	3,144	(706)	3,905
TOTAL REVENUES	210,741	210,741	203,129	(7,612)	211,877
EXPENDITURES					
Salaries	163,481	164,638	142,009	22,629	130,248
Benefits	70,296	70,548	41,001	29,547	39,150
Purchased Services	4,650	4,650	8,042	(3,392)	4,246
Commodities	15,000	15,000	5,638	9,362	11,549
Food	81,816	88,546	93,101	(4,555)	91,321
Other Supplies	325	325	356	(31)	247
Reserves	472	524	-	524	-
TOTAL EXPENDITURES	336,040	344,231	290,147	54,084	276,761
EXCESS OF REVENUES OVER EXPENDITURES	(125,299)	(133,490)	(87,018)	46,472	(64,884)
OTHER FINANCING SOURCES (USES)					
Transfers In	116,000	124,000	124,000	-	65,000
NET CHANGE IN FUND BALANCE	(9,299)	(9,490)	36,982	46,472	116
FUND BALANCE, Beginning	9,299	9,490	9,490	-	9,374
FUND BALANCE, Ending	\$ -	\$ -	\$ 46,472	\$ 46,472	\$ 9,490

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

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

	2020			VARIANCE	2019
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Local Sources					
Earnings on Investments	\$ 19,100	\$ 18,000	\$ 4,892	\$ (13,108)	\$ 6,797
Other	-	1,856	15,241	13,385	4,245
Donations	-	-	-	-	12,270
State Sources	-	142,044	142,044	-	-
TOTAL REVENUES	19,100	161,900	162,177	277	23,312
EXPENDITURES					
Purchased Services	102,500	115,527	-	115,527	301,446
Capital Outlay					
Transportation Equipment	360,000	337,915	-	337,915	37,791
Other	1,622,800	1,795,164	462,815	1,332,349	484,317
Reserves	17,942	216,798	-	216,798	-
TOTAL EXPENDITURES	2,103,242	2,465,404	462,815	2,002,589	823,554
EXCESS OF REVENUES UNDER EXPENDITURES	(2,084,142)	(2,303,504)	(300,638)	2,002,866	(800,242)
OTHER FINANCING SOURCES					
Proceeds from Debt Issuance	2,006,644	-	-	-	-
Transfers In	95,000	2,064,461	155,000	(1,909,461)	456,421
TOTAL OTHER FINANCING SOURCES	2,101,644	2,064,461	155,000	(1,909,461)	456,421
CHANGE IN FUND BALANCE	17,502	(239,043)	(145,638)	93,405	(343,821)
FUND BALANCE, Beginning	(17,502)	227,821	227,821	-	571,642
FUND BALANCE, Ending	\$ -	\$ (11,222)	\$ 82,183	\$ 93,405	\$ 227,821

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

SEWER TREATMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2019 ACTUAL
OPERATING REVENUES				
Charges for Services	\$ 47,900	\$ 52,106	\$ 4,206	\$ 55,990
Transfers In	-	-	-	-
TOTAL REVENUES	47,900	52,106	4,206	55,990
OPERATING EXPENSES				
Purchased Services	31,400	31,696	(296)	34,867
Supplies and Materials	16,500	25,478	(8,978)	21,123
Transfers Out	-	-	-	-
TOTAL OPERATING EXPENSES	47,900	57,174	(9,274)	55,990
OPERATING INCOME (LOSS), BUDGETARY BASIS	<u>\$ -</u>	<u>\$ (5,068)</u>	<u>\$ (5,068)</u>	<u>\$ -</u>
ADJUSTMENTS TO GAAP BASIS				
Depreciation		(55,261)		(55,261)
NET LOSS, GAAP BASIS		(60,329)		(55,261)
NET POSITION, Beginning		309,855		365,116
NET POSITION, Ending		<u>\$ 249,526</u>		<u>\$ 309,855</u>

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

TUITION PRESCHOOL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2020

	2020			VARIANCE	2019
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	Positive (Negative)	ACTUAL
REVENUES					
Local Sources					
Tuition	\$ 81,762	\$ 91,650	\$ 79,674	\$ (11,976)	\$ 89,837
TOTAL REVENUES	81,762	91,650	79,674	(11,976)	89,837
EXPENDITURES					
Salaries	82,226	82,226	73,854	8,372	68,142
Benefits	34,197	34,197	22,942	11,255	21,441
Purchased Services	150	150	-	150	-
Supplies and Materials	1,900	1,200	862	338	331
Property	-	-	-	-	-
Other	-	100	374	(274)	125
Reserves	41,207	67,906	-	67,906	-
TOTAL EXPENDITURES	159,680	185,779	98,032	87,747	90,039
CHANGE IN NET POSITION	(77,918)	(94,129)	(18,358)	75,771	(202)
NET POSITION, Beginning	77,918	94,129	94,129	-	94,331
NET POSITION, Ending	\$ -	\$ -	\$ 75,771	\$ 75,771	\$ 94,129

See the accompanying independent auditors' report.

CLEAR CREEK SCHOOL DISTRICT NO. RE-1

AGENCY FUND - PUPIL ACTIVITY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
Year Ended June 30, 2020

	BALANCE JULY 1, 2019	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2020
ASSETS				
Cash	<u>\$ 218,958</u>	<u>\$ 265,869</u>	<u>\$ 226,526</u>	<u>\$ 258,301</u>
LIABILITIES				
Accounts Payable - Due to Student Groups	<u>\$ 218,958</u>	<u>\$ 265,869</u>	<u>\$ 226,526</u>	<u>\$ 258,301</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE



JOHN CUTLER & ASSOCIATES

Board of Education
Clear Creek School District No. RE-1
Idaho Springs, Colorado

INDEPENDENT AUDITORS' REPORT ON ELECTRONIC FINANCIAL DATA INTEGRITY CHECK FIGURES

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Clear Creek School District No. RE-1, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clear Creek School District No. RE-1's basic financial statements. The accompanying electronic financial data integrity check figures listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying electronic financial data integrity check figures is fairly stated in all material respects in relation to the financial statements as a whole.

John Luttrell & Associates, LLC

December 18, 2020



Colorado Department of Education
Auditors Integrity Report
District: 0540 - Clear Creek RE-1
Fiscal Year 2019-20
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	6,593,382	9,769,450	9,073,374	7,289,458
18 Risk Mgmt Sub-Fund of General Fund	48,319	74,418	122,737	0
19 Colorado Preschool Program Fund	46,105	104,266	116,576	33,795
Sub- Total	6,687,806	9,948,134	9,312,687	7,323,252
11 Charter School Fund	486,264	1,410,171	1,327,644	568,791
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	9,490	327,129	290,148	46,472
22 Govt Designated-Purpose Grants Fund	1	367,340	367,340	1
23 Pupil Activity Special Revenue Fund	0	0	0	0
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	2,019,678	1,176,668	2,105,375	1,090,972
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	5,333,726	800,012	4,533,713
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	227,821	322,788	468,425	82,183
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	9,431,061	18,885,955	14,671,632	13,645,384
Proprietary				
50 Other Enterprise Funds	403,984	79,674	158,361	325,297
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	403,984	79,674	158,361	325,297
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	218,958	265,869	226,526	258,301
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	218,958	265,869	226,526	258,301

FINAL

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