

cPa DIXON, WALLER & CO., INC.

CREEDE SCHOOL DISTRICT

CREEDE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2020

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS

JUNE 30, 2020

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CREEDE SCHOOL DISTRICT
ROSTER OF SCHOOL OFFICIALS
June 30, 2020

BOARD OF EDUCATION

David Robinson	President
Kara Brittain	Vice-President
Casey Adelman	Secretary
Tim Bachicha	Treasurer
Jennifer Harbert	Title IX Officer

SCHOOL OFFICIALS

Keith Crispell	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT

Board of Education
Creede School District
Creede, Colorado 81130

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Creede School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons, and pension and post employment benefits trend data on pages i through x and 42 through 49 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 Creede School District's basic financial statements. The other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Sharon Waller & Co., Inc.
Trinidad, Colorado
November 21, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Creede School District
Management Discussion & Analysis
For the Fiscal Year Ended June 30, 2020

The Creede School District utilizes a financial reporting model as required by the provisions of Governmental Accounting Standards Board (GASB).

Financial Highlights

Fiscal Year Ended June 30, 2019	Fiscal Year Ended June 30, 2020
The District's assets totaled over \$16.5 million. Capital assets totaled \$13.9 million following adjustment for accumulated depreciation.	The District's assets totaled over \$16.5 million. Capital assets totaled \$16.0 million following adjustment for accumulated depreciation.
Long-term debt is made up of \$3.3 thousand on compensated absences; \$6.3 million on participation bonds; and \$22.1 thousand on accrued interest.	Long-term debt is made up of \$3.3 thousand on compensated absences; \$6.0 million on participation bonds; and \$21.0 thousand on accrued interest.
Local Sources of Revenue, including property taxes received, account for approximately \$1.7 million or approximately 60 percent of all general fund revenues. State Equalization Entitlement made up approximately 19 percent of general fund revenues. The remaining general fund revenues consisted of earnings on investments, transfers, and other revenues.	Local Sources of Revenue, including property taxes received, account for approximately \$1.9 million or approximately 71 percent of all general fund revenues. State Equalization Entitlement made up approximately 17 percent of general fund revenues. The remaining general fund revenues consisted of earnings on investments, transfers, and other revenues.
The District had \$2.9 million in expenses related to governmental activities. Total revenues were not adequate to provide for these activities. Reserve monies were required to meet expenses.	The District had \$3.0 million in expenses related to governmental activities. Total revenues were adequate to provide for these activities.
State aid totaled \$877 thousand and federal aid totaled \$88 thousand for a total of \$965 thousand.	State aid totaled \$940 thousand and federal aid totaled \$78 thousand for a total of \$1,018 thousand.
Food services are now accounted for as a special revenue fund. Loss realized from charges, operating grants, contributions, and transfers approximated \$84.7 thousand. Revenue in the food service fund from charges for services and operating grants and contributions was insufficient to cover expenses in the 2019 fiscal year. The District continues to subsidize this service.	Food services are now accounted for as a special revenue fund. Loss realized from charges, operating grants, contributions, and transfers approximated \$82.9 thousand. Revenue in the food service fund from charges for services and operating grants and contributions was insufficient to cover expenses in the 2020 fiscal year. The District continues to subsidize this service.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short-and long-term financial information about the activities the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

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

District-Wide Financial Statements

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

The statement of net position presents information on all of the Creede School District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Creede School District is improving or deteriorating. To assess the District's overall health, one needs to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and accrued salaries).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, and administration. The only services accounted for as business-type activities are the District's food services.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Creede School District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and fiduciary funds.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information following governmental funds statements explains the relationship (or differences) between them.

Creede School District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the (1) general fund and (2) the capital reserve fund.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as scholarship funds and student activity funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

Notes to the Financial Statements

The notes provide additional information meaningful to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found in Figure A of this report.

Figure A Major Features of the District-Wide and Fund Financial Statements				
	<i>District-Wide Statements</i>	<i>Fund Financial Statements</i>		
		<i>Governmental Funds</i>	<i>Proprietary Funds</i>	<i>Fiduciary Funds</i>
<i>Scope</i>	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities monies
<i>Required Financial Statements</i>	• Statement of net position • Statement of activities	• Statement of revenues, expenditures, and changes in fund balances	• Statement of net position • Statement of revenues, expenses, and changes in fund net assets • Statement of cash flows	• Statement of fiduciary net assets
<i>Accounting Basis and Measurement Focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of Asset/Liability Information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
<i>Type of Inflow/Outflow Information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-Wide Financial Analysis

Table 1 provides a comparison summary of the District's net assets at June 30, 2020.

	SY 2019	SY 2020
Cash and Investments	2,462.3	2,907.5
Capital Assets, Net	13,888.7	13,126.9
Assets	16,492.6	16,511.7
Long-Term Debt Outstanding	6,023.4	5,698.3
Other Liabilities	4,167.6	3,915.9
Liabilities	10,190.9	9,614.1
Net Position		
Invested in Cap Assets, Net	7,553.3	7,403.5
Emergencies	57.0	77.0
Preschool	8.0	3.0
Debt Service	514.8	630.0
Food Service	1.4	13.7
Unrestricted	(2,550.9)	(2,254.6)
Net Position as of June 30	5,583.6	5,872.6

Table 2 provides a summary of the changes in net assets. Following Table 2 is a specific discussion related to overall revenues and expenses.

	Governmental Activities	
	SY 2019	SY 2020
Net Revenues		
Taxes		
Property Taxes Levied for General Purposes	1,537.0	1,729.1
Specific Ownership Taxes	176.8	192.7
State Equalization	543.2	473.2
Earnings on Investments	24.8	21.0
Sale of Assets	0	160.0
Other Revenues	108.6	130.6
Transfers	0	0
Total General Revenues and Transfers	2,390.5	2,706.6
Net Expenses		
Instructional Program	1,184.0	1,543.6
Support Services:		
Student	132.7	173.3
Instructional Staff	14.1	4.4
District Administration	174.4	208.1
School Administration	207.9	209.5
Business Support	76.8	124.3
Operations and Maintenance of Plant	203.6	219.5
Student Transportation	119.5	51.2
Central	165.9	183.6
Facility	20.6	0
Food Service	84.7	82.9
Capital Outlay	0	0
Interest and Fees	271.8	258.4
Pension and OPEB Amortization	-108.4	-78.3
Total Governmental Activities	2,547.6	2,450.2
Change in Net Position	-157.2	256.5
Net Position – Beginning	5,740.8	5,616.2
Net Position – Ending	5,583.6	5,872.6

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the District received \$16,778.59 per funded student for fiscal year 2019-20. The funded pupil count was 92.3. The funded pupil count was down 0.7 from the previous year. Funding for the school finance act comes from property taxes, specific ownership taxes, and state equalization.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 5 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

Table 5 Net Cost of Governmental Activities (in thousands)				
	Total Cost of Services		Net Cost of Services	
	SY 2019	SY 2020	SY 2019	SY 2020
Instructional Program	1,594.2	1,543.6	1,184.0	1,013.2
Students	132.7	173.3	132.7	173.3
Instructional Supporting Services	14.1	4.4	14.1	4.4
General Administration	174.4	208.1	174.4	208.1
School Administration	207.9	209.5	207.9	209.5
Business Supporting Services	76.8	124.3	76.8	124.3
Operations and Maintenance	203.6	219.5	203.6	219.5
Student Transportation	140.3	71.2	119.5	51.2
Central Support Services	165.9	183.6	165.9	183.6
Facility	20.6	0	20.6	0
Food Service	128.3	129.2	84.7	82.9
Capital Outlay	0	0	0	0
Interest and Fees	271.8	258.4	271.8	258.4
Pension and OPEB Amortization	-108.4	-78.3	-108.4	-78.3
Total	3,022.2	3,046.8	2,547.6	2,450.2
<i>Note: totals may not add due to rounding and adherence to auditor's financial statements</i>				

- The net cost of all governmental activities for fiscal year 2019-20 totaled \$2,450,165.
- Federal and State governments subsidized certain programs with grants and contributions amounting to \$487,399 for Year Ended June 30, 2020, compared to \$449,044 for Year Ended June 30, 2019.
- District and State taxpayers financed most of the District's costs (\$2,395,003).
- This portion of governmental activities were financed with \$1,729,132 in property taxes, \$192,668 in specific ownership taxes, \$473,203 in state aid (equalization) based on the statewide formula for per pupil funding, and \$21,024 in investment earnings and other miscellaneous revenues not pertaining specifically to a program. By comparison, for Year Ended June 30, 2019, governmental activities was financed with \$1,537,009 in

property taxes, \$176,826 in specific ownership taxes, \$543,201 in state aid and \$24,844 in investment earnings.

The District was required to implement GASB 88 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$148,830. Under GASB 88 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported. Beginning net position of governmental activities decreased as a result of this change.

Financial Analysis of the District's Funds

District's funds are accounted for using the modified accrual basis of accounting. All governmental funds, for the Year Ended June 30, 2020, had total revenues and transfers of \$2,706,640. By comparison, for the Year Ended June 30, 2019, governmental funds had total revenues and transfers of \$2,390,493. The change in the District's Net Position was an increase of \$256,475.

General Fund Budgetary Highlights

The District preapproves a budget in June based on enrollment projections for the upcoming school year.

The fund balance as of June 30, 2020 was \$2,624.8 thousand, compared to \$2,274.6 thousand as of June 30, 2019.

The budgetary basis differs from Generally Accepted Accounting Principles (GAAP) in the treatment of accrued salaries, benefits, and related liabilities. According to state statutes, the accrued salaries and related benefits do not need to be "funded" and, therefore, are not subtracted from budgetary basis fund balance.

Capital Assets

At the end of fiscal year 2020, the District had \$16,079.2 thousand in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment.

Capital Assets (Net of Depreciation)				
	Governmental	Total	Governmental	Total
	<u>2019-2020</u>	<u>2019-2020</u>	<u>2018-2019</u>	<u>2018-2019</u>
Land & Sites	319,291	319,291	319,291	319,291
Buildings & Improvements	12,777,114	12,777,114	13,105,605	13,105,605
Equipment & Vehicles	330,495	330,495	436,775	436,775
Food Service	2	2	27,000	27,000
Total Capital Assets	<u>13,426,902</u>	<u>13,426,902</u>	<u>13,888,671</u>	<u>13,888,671</u>

Long-Term Debt

At fiscal year-end, the District had \$6,026.7 thousand in long-term debt. The previous year's long-term debt totaled \$6,338.7 thousand.

CHANGES IN LONG TERM DEBT				
	Balance			Balance
	<u>7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2020</u>
2013 General Obligation Bonds	6,335,358	-	312,004	6,023,354
Compensated Absences	3,343	-	15	3,328
Totals	<u>6,338,701</u>	<u>-</u>	<u>312,019</u>	<u>6,026,682</u>

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could affect its financial health in the future.

- The funded pupil count is stable. The FTE pupil count for 2019-20 was 92.3, in 2018-19, it was 93 and the prior year 2017-18 it was 80.6.
- The District is actively engaged in pursuing grants, donations, and other fund raising activities to increase general fund revenue.
- Career and Technical Programs including: Automotive Technology, Welding, Construction Technology, Graphic Design, CAD, CADD, and others continue to be available to students. We now have a vibrant program that is engaging the students and community. This is already proving to keep our enrollment stronger in the secondary grades.
- COVID-19 has been a challenge that the District continues to address.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent or Finance Director, Creede School District, PO Box 429, Creede, Colorado 81130.

BASIC FINANCIAL STATEMENTS

CREEDE SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Investments	2,907,462	2,907,462
Accounts Receivable	5,992	5,992
Grants Receivable	21,400	21,400
Property Taxes Receivable	148,300	148,300
Inventories	1,662	1,662
Capital Assets	16,079,195	16,079,195
Accumulated Depreciation	<u>(2,652,293)</u>	<u>(2,652,293)</u>
<u>Total Assets</u>	<u>16,511,718</u>	<u>16,511,718</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	1,016,939	1,016,939
Other Post Employment Benefits	<u>42,098</u>	<u>42,098</u>
<u>Total Deferred Outflow of Resources</u>	<u>1,059,037</u>	<u>1,059,037</u>
<u>LIABILITIES</u>		
Accounts Payable	18,986	18,986
Accrued Salaries	158,445	158,445
Accrued Interest	21,020	21,020
Compensated Absences	3,328	3,328
Unearned Revenues	213,858	213,858
Net Pension Obligation	3,026,342	3,026,342
Net Other Post Employment Benefits Liability	148,830	148,830
Debt – Current	325,071	325,071
Debt – Long Term	<u>5,698,283</u>	<u>5,698,283</u>
<u>Total Liabilities</u>	<u>9,614,163</u>	<u>9,614,163</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	2,054,074	2,054,074
Other Post Employment Benefits	<u>29,889</u>	<u>29,889</u>
<u>Total Deferred Inflow of Resources</u>	<u>2,083,963</u>	<u>2,083,963</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	7,403,548	7,403,548
Restricted for:		
Emergencies	77,000	77,000
Preschool	2,949	2,949
Capital Outlay	-	-
Debt Service	630,043	630,043
Food Service	13,688	13,688
Unrestricted	<u>(2,254,599)</u>	<u>(2,254,599)</u>
<u>TOTAL NET POSITION</u>	<u>5,872,629</u>	<u>5,872,629</u>

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

CREEDE SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For The Year Ended June 30, 2020

[illegible]

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

CREEDE SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Equivalents	2,265,213	598,603	43,646	2,907,462
Accounts Receivable	4,182	-	1,810	5,992
Grants Receivable	21,400	-	-	21,400
Due From Other Funds	-	-	2,139	2,139
Property Taxes Receivable	100,400	47,900	-	148,300
Inventories	-	-	1,662	1,662
<u>Total Assets</u>	<u>2,391,195</u>	<u>646,503</u>	<u>49,257</u>	<u>3,086,955</u>
<u>LIABILITIES</u>				
Accounts Payable	18,986	-	-	18,986
Accrued Salaries	158,445	-	-	158,445
Due To Other Funds	2,139	-	-	2,139
Other Payables	-	-	-	-
<u>Total Liabilities</u>	<u>179,570</u>	<u>-</u>	<u>-</u>	<u>179,570</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Unavailable Property Tax	52,300	16,460	-	68,760
Unearned Grant Reenue	213,858	-	-	213,858
<u>Total Deferred Inflows</u>	<u>266,158</u>	<u>16,460</u>	<u>-</u>	<u>282,618</u>
<u>FUND BALANCES</u>				
Nonspendable				
Inventories	-	-	1,662	1,662
Restricted				
Emergencies	77,000	-	-	77,000
Preschool	2,949	-	-	2,949
Capital Outlay	-	-	-	-
Debt Service	-	630,043	-	630,043
Food Service	-	-	13,688	13,688
Assigned:				
Student Activities	-	-	33,907	33,907
Unassigned	1,865,518	-	-	1,865,518
<u>Total Fund Balances</u>	<u>1,945,467</u>	<u>630,043</u>	<u>49,257</u>	<u>2,624,767</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>2,391,195</u>	<u>646,503</u>	<u>49,257</u>	<u>3,086,955</u>

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

CREEDE SCHOOL DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2020

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

<u>Total Fund Balance – Governmental Funds</u>	2,624,767
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$16,079,195 and the accumulated depreciation is \$2,652,293.	13,426,902
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is shown as not available in the fund financial statements.	68,760
Compensated absences are not reported as a liability in the funds.	(3,328)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(6,023,354)
Accrued interest on long term debt is not reported in the funds.	(21,020)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(3,026,342)
Net Other Post Employment Benefits Liability	(148,830)
Deferred Outflows	1,059,037
Deferred Inflows	<u>(2,083,963)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>5,872,629</u>

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

CREEDE SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2020

	General Fund	Bond Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>				
Property Taxes	1,039,268	680,704	-	1,719,972
Specific Ownership Taxes	192,668	-	-	192,668
Earnings on Investments	16,626	4,398	-	21,024
Other Local Sources	129,743	1,662	51,508	182,913
State Aid	936,711	-	2,803	939,514
Federal Aid	57,001	-	21,028	78,029
<u>Total Revenues</u>	<u>2,372,017</u>	<u>686,764</u>	<u>75,339</u>	<u>3,134,120</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	1,099,540	-	-	1,099,540
Supporting Services:				
Students	154,842	-	18,494	173,336
Instructional Staff	4,380	-	-	4,380
District Administration	206,079	-	-	206,079
School Administration	209,508	-	-	209,508
Business	124,303	-	-	124,303
Operation & Maintenance of Facilities	257,922	-	-	257,922
Transportation	44,070	-	-	44,070
Central Facilities	183,631	-	-	183,631
Food Service	-	-	-	-
Debt Service:			102,162	102,162
Principal Retirement	-	312,004	-	312,004
Interest and Fiscal Charges	-	259,530	-	259,530
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>2,284,275</u>	<u>571,534</u>	<u>120,656</u>	<u>2,976,465</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>87,742</u>	<u>115,230</u>	<u>(45,317)</u>	<u>157,655</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(60,000)	-	60,000	-
Sale of Capital Assets	160,000	-	-	160,000
<u>Total Other Financing Sources (Uses)</u>	<u>100,000</u>	<u>-</u>	<u>60,000</u>	<u>160,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>187,742</u>	<u>115,230</u>	<u>14,683</u>	<u>317,655</u>
<u>FUND BALANCES – Beginning (as Restated)</u>	<u>1,757,725</u>	<u>514,813</u>	<u>34,574</u>	<u>2,307,112</u>
<u>FUND BALANCES – Ending</u>	<u>1,945,467</u>	<u>630,043</u>	<u>49,257</u>	<u>2,624,767</u>

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

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

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

<u>Net Change in Fund Balances – Total Governmental Funds</u>	317,655
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more the \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital outlays more than \$5,000	39,362	
Depreciation Expense	<u>(501,131)</u>	(461,769)

Property tax revenues received prior to the year for which the are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred inflows of property tax increased this year.

9,160

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

15

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

Pension Cost	84,154	
Other Post Employment Benefits Cost	<u>(5,834)</u>	78,320

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Interest Expense	1,090	
Debt Payment	<u>312,004</u>	

<u>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</u>	<u>256,475</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

D. Fund Accounting

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

- Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond Fund – used to account for the collection of taxes and payment of bond obligations.

E. Cash and Investments

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

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

G. Inventories

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

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

H. Capital Assets

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Long Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. General Obligation Bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J. Constitutional Amendment

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

On November 6, 2001 voters approved a ballot question which stated that the District is authorized to collect, retain and expend all revenues including grants and other funds collected during 2000-01 budget year and each subsequent year from any source, notwithstanding the limitations of Article x, Section 20 of the Colorado constitution, provided, however, that no property tax mill levy be increased at any time nor shall any new tax be imposed without the prior approval of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2020, the District reserved \$77,000 for this purpose.

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Property Taxes

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

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

L. Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2020, the District has recorded an estimated liability of \$3,328 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
Accumulated Sick Leave	<u>3,343</u>	<u>-</u>	<u>15</u>	<u>3,328</u>

M. Use of Estimates

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

CREEDE SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

Order of Fund Balance Spending Policy (Continued)

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Food Service</u>	<u>Pupil Activities</u>	<u>Total Governmental Funds</u>
Nonspendable:					
Inventories	-	-	1,662	-	1,662
Restricted:					
Emergencies	77,000	-	-	-	77,000
Preschool	2,949	-	-	-	2,949
Debt Service	-	630,043	-	-	630,043
Food Service	-	-	13,688	-	13,688
Assigned:					
Student Activities	-	-	-	33,907	33,907
Unassigned	<u>1,865,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,865,518</u>
Total Fund Balances	<u>1,945,467</u>	<u>630,043</u>	<u>15,350</u>	<u>33,907</u>	<u>2,624,767</u>

O. Deferred Outflows / Inflows of Resources

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

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

	<u>Items Eliminated</u>		<u>Due To</u>	<u>Due From</u>
	<u>Transfers To</u>	<u>Transfers From</u>	<u>Other Funds</u>	<u>Other Funds</u>
	<u>Other Funds</u>	<u>Other Funds</u>		
General Fund	60,000	-	2,139	-
Food Service	-	60,000	-	2,139

NOTE 3 BUDGETARY INFORMATION

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 3 BUDGETARY INFORMATION (continued)

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

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

NOTE 4 CASH

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)(SIPC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	857,451	846,079
Cash Equivalents	1,037,984	-
Cash with Fiscal Agent	493,063	-
Cash with County Treasurer	<u>268,964</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>2,907,462</u>	<u>1,096,079</u>

As presented above, deposits with a bank balance of \$846,079 and a carrying balance of \$857,451 as of June 30, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustment</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Capital Assets Not</u> <u>Being Depreciated</u>					
Land	<u>319,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,291</u>
<u>Total Capital Assets Not</u> <u>Being Depreciated</u>	<u>319,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,291</u>
<u>Capital Assets Being</u> <u>Depreciated:</u>					
Building & Site					
Improvements	14,632,440	39,362	62,084	-	14,609,718
Equipment	690,344	-	-	-	690,344
Vehicles	308,243	-	-	-	308,243
Food Service	<u>151,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>151,599</u>
<u>Total Capital Assets Being</u> <u>Depreciated</u>	<u>15,782,626</u>	<u>39,362</u>	<u>62,084</u>	<u>-</u>	<u>15,759,904</u>
<u>Less Accumulated</u> <u>Depreciation for:</u>					
Building &					
Site Improvements	1,526,835	367,853	62,084	-	1,832,604
Equipment	356,451	91,976	-	-	448,427
Vehicles	205,361	14,304	-	-	219,665
Food Service	<u>124,599</u>	<u>26,998</u>	<u>-</u>	<u>-</u>	<u>151,597</u>
<u>Total Accumulated</u> <u>Depreciation</u>	<u>2,213,246</u>	<u>501,131</u>	<u>62,084</u>	<u>-</u>	<u>2,652,293</u>
<u>Total Capital Assets Being</u> <u>Depreciated, Net</u>	<u>13,569,380</u>	<u>(461,769)</u>	<u>-</u>	<u>-</u>	<u>13,107,611</u>
<u>Governmental Activities</u> <u>Capital Assets, Net</u>	<u>13,888,671</u>	<u>(461,769)</u>	<u>-</u>	<u>-</u>	<u>13,426,902</u>

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

<u>Governmental Activities:</u>	
Instructional Programs	444,113
Instructional Support	-
General Administration Support	2,000
Operations and Maintenance	918
Student Transportation Services	27,102
Central Support	-
Food Service	<u>26,998</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>501,131</u>

NOTE 6 **PENSION PLAN**

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Creede School District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

General Information about the Pension Plan

Plan description. Eligible employees of the Creede School 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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

Contribution provisions as of June 30, 2020: Eligible employees, Creede School 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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 PENSION PLAN (Continued)

	July 1, 2019 Through June 30, 2020
Employer Contribution Rate	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
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, HB20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Creede School District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Creede School District were \$228,183 for the year ended June 30, 2020.

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

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Creede School District proportion of the net pension liability was based on Creede School District 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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6

PENSION PLAN (Continued)

At June 30, 2020, the Creede School District reported a liability of \$3,026,342 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 Creede School 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 Creede School District were as follows:

Creede School District proportionate share of the net pension liability	\$ 3,026,342
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Creede School District	\$ 383,852
Total	\$ 3,410,194

At December 31, 2019, the Creede School District proportion was 0.02 percent, which was an increase of 0.0011 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Creede School District recognized pension income of \$84,154 and revenue of \$29,073 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Creede School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	164,938	-
Changes of assumptions or other inputs	86,397	(1,372,720)
Net difference between projected and actual earnings on pension plan investments	322,853	(681,354)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	327,587	-
Contributions subsequent to the measurement date	115,164	N/A
Total	1,016,939	(2,054,074)

\$115,164 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2020	
2021	(615,967)
2022	(457,287)
2023	42,906
2024	(121,951)
2025	-
Thereafter	-

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 PENSION PLAN (Continued)

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

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

*For 2019, the annual increase was 0.00 percent.

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 **PENSION PLAN (Continued)**

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 PENSION PLAN (Continued)

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6

PENSION PLAN (Continued)

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	4,013,577	3,026,342	2,197,472

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.

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$6,998.

NOTE 7

OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Creede School 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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan

Plan description. Eligible employees of the Creede School 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.

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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Creede School District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Creede School District were \$12,010 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 Creede School District reported a liability of \$148,830 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 Creede School District proportion of the net OPEB liability was based on Creede School District contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

At December 31, 2019, the Creede School District proportion was 0.013 percent, which was an increase of 0.0008 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Creede School District recognized OPEB expense of \$5,834. At June 30, 2020, the Creede School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	494	(25,009)
Changes of assumptions or other inputs	1,235	-
Net difference between projected and actual earnings on OPEB plan investments	2,396	(4,880)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	31,912	-
Contributions subsequent to the measurement date	6,061	N/A
Total	42,098	(29,889)

\$6,061 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2020	
2021	2,571
2022	2,571
2023	3,290
2024	818
2025	(2,918)
Thereafter	(184)

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

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

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

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

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

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
U.S. Equity – Large Cap	21.20%	4.30%
U.S. Equity – Small Cap	7.42%	4.80%
Non U.S. Equity – Developed	18.55%	5.20%
Non U.S. Equity – Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
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 Creede School District proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	145,294	148,830	152,915

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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	168,282	148,830	132,194

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.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 8 RISK MANAGEMENT

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

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

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

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

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

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

NOTE 10 FOOD INVENTORIES

Food Service Fund inventories at June 30, 2020, consisted of purchased, non-food and donated commodities amounting to \$1,662. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2020 are estimated to be \$158,445. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12 LITIGATION

None.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

NOTE 14 JOINT VENTURES AND RELATED PARTIES

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

The District has one member on the Board. The Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2020. The joint venture summary audited financial information as of June 30, 2019 is as follows:

Assets	3,005,324
Deferred Outflow of Resources	3,164,181
Liabilities	10,368,395
Deferred Inflow of Resources	<u>7,318,446</u>
Net Position	<u>(11,517,336)</u>
Revenues	5,041,480
Expenditures	<u>3,623,322</u>
Change In Net Position	<u>1,418,158</u>
Net Position, Beginning	<u>(12,935,494)</u>
Net Position Ending	<u>(11,517,336)</u>

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

Creede Schools Endowment Foundation

The Creede Schools Endowment Foundation was established to supplement or fund any program or educational activity of Creede School District. This is done primarily through scholarships to the students of the school. The District has two members on the Board. The Board has final authority for all budgeting and financing of the Endowment Foundation, which is a related party and not a joint venture. Complete separate financial statements may be obtained from the Foundation. As of 6-30-2020 the Foundation had cash and investment assets of \$323,652.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 JOINT VENTURES AND RELATED PARTIES (Continued)

Whitney Newton Trust

The Whitney Newton Trust was established in 1969 to supplement or fund any program or educational activity of Creede School District. The custodian of the trust is Mineral County. As of January 1, 2020, no Mineral County Commissioners were also Creede School District Board Members. As Commissioners, they have authority over the Whitney Newton Trust Funds. Complete separate financial statements may be obtained from Mineral County. As of 6-30-2020 the Trust had cash and investment assets of \$842,741.

NOTE 15 INTERFUND BALANCES AND TRANSFERS

	<u>Due From</u>	<u>Due To</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	2,139	-	60,000
Food Service Fund	<u>2,139</u>	<u>-</u>	<u>60,000</u>	<u>-</u>
	<u>2,139</u>	<u>2,139</u>	<u>60,000</u>	<u>60,000</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations. Due To and Due From balances are the result of operating expenditures being paid on behalf of other funds. These amounts are expected to be paid within the year.

NOTE 16 LONG-TERM DEBT – GENERAL OBLIGATION BONDS

	<u>Balance</u> <u>7/1/2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2020</u>	<u>Current</u> <u>Portion</u>
G.O. Matching Money Bonds 2013	<u>6,335,358</u>	<u>-</u>	<u>312,004</u>	<u>6,023,354</u>	<u>325,071</u>

Series 2013 General Obligation Matching Money Bonds

These general obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$7,462,907 were used to match \$8,683,253 in State of Colorado – BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817%.

CREEDE SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 16 LONG-TERM DEBT – GENERAL OBLIGATION BONDS (Continued)

Below is a schedule of debt service to maturity:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	325,071	245,440	570,511
2022	338,684	231,542	570,226
2023	352,867	217,061	569,928
2024	367,645	201,975	569,620
2025	383,041	186,256	569,297
2026	399,082	169,879	568,961
2027	415,795	152,816	568,611
2028	433,208	135,039	568,247
2029	451,350	116,517	567,867
2030	470,251	97,220	567,471
2031	489,945	77,114	567,059
2032	510,463	56,166	566,629
2033	531,840	34,341	566,181
2034	<u>554,112</u>	<u>11,602</u>	<u>565,714</u>
	<u>6,023,354</u>	<u>1,932,968</u>	<u>7,956,322</u>

NOTE 17 CHANGE IN ACCOUNTING FOR STUDENT ACTIVITY FUND

In prior years, the Student Activity Fund had been recorded as a Fiduciary Fund. Beginning July 1, 2019, the District accounts for student activities in a Special Revenue Fund. The beginning fund balance for the Student Activity Special Revenue Fund at July 1, 2019, was \$32,507. That amount is the reclassified equity of the Student Activity Agency Fund at June 30, 2019. The beginning net position of governmental activities has been increased by that same amount.

	<u>Net Position</u>	<u>Fund Balance- Governmental Funds</u>
Balance at June 30, 2019	5,583,647	2,274,605
Change for Student Activity	<u>32,507</u>	<u>32,507</u>
Beginning Balance, as Restated	<u>5,616,154</u>	<u>2,307,112</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

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

CREEDE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	862,686	975,606	1,039,268	63,662
Specific Ownership Taxes	86,603	99,246	192,668	93,422
Earnings on Investments	13,000	13,000	16,626	3,626
Delinquent Taxes and Interest	2,500	2,500	2,564	64
Other	35,500	80,500	127,179	46,679
<u>State Sources</u>				
Equalization	543,202	473,814	473,203	(611)
Transportation	-	19,212	19,954	742
Vocational Education	-	25,900	45,124	19,224
Grants	347,310	318,062	344,194	26,132
Other	6,000	50,872	54,236	3,364
<u>Federal Sources</u>				
Other	105,000	33,514	57,001	23,487
<u>Allocation</u>	-	-	-	-
<u>TOTAL REVENUES</u>	<u>2,001,801</u>	<u>2,092,226</u>	<u>2,372,017</u>	<u>279,791</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	727,391	678,159	658,567	19,592
Employees Benefits	266,604	260,644	270,600	(9,956)
Purchased Services-Professional	57,754	90,226	94,492	(4,266)
Purchased Services-Property	9,000	9,000	8,478	522
Purchased Services-Other	33,320	34,365	8,918	25,447
Supplies and Materials	29,500	33,623	34,851	(1,228)
Property	24,500	28,500	21,496	7,004
Other Objects	7,479	4,650	2,138	2,512
<u>Total Instruction</u>	<u>1,155,548</u>	<u>1,139,167</u>	<u>1,099,540</u>	<u>39,627</u>

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

CREEDE SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			Variance with Final Budget- Favorable (Unfavorable)
<u>SUPPORTING SERVICES</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>Student Supporting Services</u>				
Salaries	90,780	83,974	101,575	(17,601)
Employee Benefits	32,805	33,297	32,230	1,067
Purchased Services – Professional	-	-	1,453	(1,453)
Purchased Services – Other	1,500	1,600	6,705	(5,105)
Supplies and Materials	700	700	12,879	(12,179)
Property	-	-	-	-
Other Objects	100	100	-	100
<u>Total Student Services</u>	<u>125,885</u>	<u>119,671</u>	<u>154,842</u>	<u>(35,171)</u>
<u>Instructional Staff</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	-	-	-	-
Supplies and Materials	4,450	4,450	4,380	70
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>4,450</u>	<u>4,450</u>	<u>4,380</u>	<u>70</u>
<u>General Administration</u>				
Salaries	76,900	77,500	77,775	(275)
Employee Benefits	23,399	25,315	23,592	1,723
Purchased Services-Professional	42,000	66,500	80,684	(14,184)
Purchased Services-Other	10,500	10,300	9,130	1,170
Supplies and Materials	2,100	2,100	1,769	331
Property	-	-	-	-
Other Objects	7,000	7,000	13,129	(6,129)
<u>Total General Administration</u>	<u>161,899</u>	<u>188,715</u>	<u>206,079</u>	<u>(17,364)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	110,744	123,244	128,244	(5,000)
Employee Benefits	37,227	42,896	42,469	427
Purchased Services – Professional	22,500	25,000	37,437	(12,437)
Purchased Services – Other	10,150	10,150	1,143	9,007
Supplies and Materials	1,300	1,300	215	1,085
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>181,921</u>	<u>202,590</u>	<u>209,508</u>	<u>(6,918)</u>

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

CREEDE SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2020

<u>Supporting Services (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Business Services</u>				
Salaries	90,464	88,154	83,178	4,976
Employees Benefits	33,383	34,071	31,845	2,226
Purchased Services-Professional	3,500	3,500	4,074	(574)
Purchased Services-Other	1,000	1,000	868	132
Supplies and Materials	1,500	1,500	554	946
Property	-	-	-	-
Other Objects	-	2,304	3,784	(1,480)
<u>Total Business Services</u>	<u>129,847</u>	<u>130,529</u>	<u>124,303</u>	<u>6,226</u>
<u>Operations and Maintenance</u>				
Salaries	70,125	70,125	70,125	-
Employees Benefits	29,925	31,725	31,445	280
Purchased Services-Professional	15,000	17,000	41,297	(24,297)
Purchased Services-Property	8,000	7,500	4,567	2,933
Purchased Services-Other	5,000	4,500	2,200	2,300
Supplies and Materials	73,000	68,000	107,657	(39,657)
Property	7,000	6,000	631	5,369
<u>Total Operations and Maintenance</u>	<u>208,050</u>	<u>204,850</u>	<u>257,922</u>	<u>(53,072)</u>
<u>Student Transportation</u>				
Salaries	32,350	24,975	21,026	3,949
Employee Benefits	10,340	6,601	5,186	1,415
Purchased Services-Professional	2,000	2,000	102	1,898
Purchased Services-Other	30,000	25,000	11,630	13,370
Supplies and Materials	8,000	10,000	4,629	5,371
Property	7,000	5,000	1,497	3,503
<u>Total Student Transportation</u>	<u>89,690</u>	<u>73,576</u>	<u>44,070</u>	<u>29,506</u>
<u>Central Support</u>				
Salaries	61,695	64,200	64,963	(763)
Employee Benefits	26,362	23,748	24,311	(563)
Purchased Services – Professional	-	-	52	(52)
Purchased Services – Other	88,748	88,748	91,616	(2,868)
Supplies and Materials	6,500	6,500	2,689	3,811
<u>Total Central Support</u>	<u>183,305</u>	<u>183,196</u>	<u>183,631</u>	<u>(435)</u>
<u>Facilities</u>				
Property	40,000	40,000	-	40,000
<u>Total Facilities</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,125,047</u>	<u>1,147,577</u>	<u>1,184,735</u>	<u>(37,158)</u>

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

CREEDE SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>APPROPRIATED RESERVES</u>	<u>1,512,460</u>	<u>1,525,255</u>	<u>-</u>	<u>1,525,255</u>
<u>TOTAL EXPENDITURES</u>	<u>3,793,055</u>	<u>3,811,999</u>	<u>2,284,275</u>	<u>1,527,724</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(1,791,254)</u>	<u>(1,719,773)</u>	<u>87,742</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(67,952)	(67,952)	(60,000)	7,952
Sale of Capital Assets	-	30,000	160,000	130,000
<u>Total Other Financing Sources (Uses)</u>	<u>(67,952)</u>	<u>(37,952)</u>	<u>100,000</u>	<u>137,952</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,859,206)</u>	<u>(1,757,725)</u>	<u>187,742</u>	
<u>FUND BALANCE, July 1</u>	<u>1,859,206</u>	<u>1,757,725</u>	<u>1,757,725</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,945,467</u>	

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

CREEDE SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net pension liability (asset)	0.0203%	0.0191%	0.0183%	0.0169%	0.0176%	0.0201%	0.0222%	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,026,342	\$3,391,085	\$5,929,694	\$5,044,426	\$2,690,030	\$2,724,169	\$2,837,254	-	-	-
State's proportionate share of the net pension liability associated with the District**	\$383,852	\$463,685	-	-	-	-	-	-	-	-
District's covered payroll	\$1,177,443	\$1,165,272	\$923,810	\$793,941	\$749,366	\$789,631	\$884,326	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	257%	291%	642%	635%	359%	345%	321%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%	-	-	-

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

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

CREEDE SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 228,183	\$ 222,917	\$ 174,560	\$ 145,980	\$ 132,862	\$ 133,259	\$ 141,329	\$ 134,478	-	-
Contributions in relation to the contractually required contributions	<u>\$(228,183)</u>	<u>\$(222,917)</u>	<u>\$(174,560)</u>	<u>\$(145,980)</u>	<u>\$(132,862)</u>	<u>\$(133,259)</u>	<u>\$(141,329)</u>	<u>\$(134,478)</u>	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
District's covered payroll	\$1,177,443	\$1,165,272	\$ 923,810	\$ 793,941	\$ 749,366	\$ 789,631	\$ 884,326	\$ 891,141	-	-
Contributions as a percentage of covered payroll	19.38%	19.13%	18.90%	18.39%	17.73%	16.88%	15.98%	15.09%	-	-

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

CREEDE SCHOOL DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net OPEB liability (asset)	0.0132%	0.0124%	0.0104%	0.0096%	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$148,830	\$169,364	\$135,409	\$124,860	-	-	-	-	-	-
District's covered payroll	\$1,177,443	\$1,165,272	\$923,810	\$793,941	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.64%	14.53%	14.66%	15.73%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-	-

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

CREEDE SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 12,010	\$ 11,866	\$ 9,423	\$ 8,098	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(12,010)</u>	<u>\$(11,866)</u>	<u>\$(9,423)</u>	<u>\$(8,098)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered payroll	\$1,177,443	\$1,165,272	\$923,810	\$793,941	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS

AND

OTHER SCHEDULES

CREEDE SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2020

	<u>Food Service</u>	<u>Student Activities</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and Investments	9,739	33,907	43,646
Accounts Receivable	1,810	-	1,810
Due From Other Funds	2,139	-	2,139
Property Taxes Receivable	-	-	-
Inventories	<u>1,662</u>	<u>-</u>	<u>1,662</u>
<u>Total Assets</u>	<u>15,350</u>	<u>33,907</u>	<u>49,257</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	-	-	-
Accrued Salaries	-	-	-
Due To Other Funds	-	-	-
Other Payables	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>			
Nonspendable:			
Inventories	1,662	-	1,662
Restricted:			
Food Service	13,688	-	13,688
Assigned:			
Student Activities	<u>-</u>	<u>33,907</u>	<u>33,907</u>
<u>Total Fund Balances</u>	<u>15,350</u>	<u>33,907</u>	<u>49,257</u>
<u>TOTAL LIABILITIES & FUND BALANCES</u>	<u>15,350</u>	<u>33,907</u>	<u>49,257</u>

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

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

	<u>Food Service</u>	<u>Student Activities</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>			
Other Local Sources	31,614	19,894	51,508
State Aid	2,803	-	2,803
Federal Aid	<u>21,028</u>	<u>-</u>	<u>21,028</u>
<u>Total Revenues</u>	<u>55,445</u>	<u>19,894</u>	<u>75,339</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	-	18,494	18,494
Food Service	<u>102,162</u>	<u>-</u>	<u>102,162</u>
<u>Total Expenditures</u>	<u>102,162</u>	<u>18,494</u>	<u>120,656</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(46,717)	1,400	(45,317)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>60,000</u>	<u>-</u>	<u>60,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	13,283	1,400	14,683
<u>FUND BALANCE, Beginning, as Restated</u>	<u>2,067</u>	<u>32,507</u>	<u>34,574</u>
<u>FUND BALANCE, Ending</u>	<u>15,350</u>	<u>33,907</u>	<u>49,257</u>

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

Debt Service Fund

Bond Fund

This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Food Service Fund

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

Pupil Activity Fund

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

CREEDE SCHOOL DISTRICT
 BOND REDEMPTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2020

	Budgeted Amounts			Variance- Favorable
	<u>Original</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUES</u>				
Property Taxes	575,000	575,000	680,704	105,704
Specific Ownership Taxes	-	-	-	-
Earnings on Investments	3,000	3,000	4,398	1,398
Other Local Sources	<u>1,500</u>	<u>1,500</u>	<u>1,662</u>	<u>162</u>
<u>Total Revenues</u>	<u>579,500</u>	<u>579,500</u>	<u>686,764</u>	<u>107,264</u>
<u>EXPENDITURES</u>				
Debt Service:				
Principal Retirement	312,004	312,004	312,004	-
Interest and Fiscal Charges	259,530	259,530	259,530	-
Other	-	-	-	-
Contingency	<u>522,779</u>	<u>522,779</u>	<u>-</u>	<u>522,779</u>
<u>Total Expenditures</u>	<u>1,094,313</u>	<u>1,094,313</u>	<u>571,534</u>	<u>522,779</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	(514,813)	(514,813)	115,230	
<u>FUND BALANCE, July 1</u>	<u>514,813</u>	<u>514,813</u>	<u>514,813</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>630,043</u>	

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

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

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	25,500	22,406	(3,094)
Earnings on Investments	-	-	-
Other	-	9,208	9,208
<u>State Sources</u>			
School Lunches	650	2,803	2,153
<u>Federal Sources</u>			
School Lunches	14,426	16,602	2,176
Commodities	-	2,287	2,287
Other	-	2,139	2,139
<u>Total Revenues</u>	<u>40,576</u>	<u>55,445</u>	<u>14,869</u>
<u>EXPENDITURES</u>			
Salaries	53,173	52,383	790
Employee Benefits	23,672	23,240	432
Purchased Services – Professional	1,000	498	502
Purchased Services – Property	-	-	-
Purchased Services - Other	500	-	500
Supplies and Materials	32,000	23,406	8,594
Capital Outlay	-	-	-
Other	250	348	(98)
Commodities	-	2,287	(2,287)
Depreciation	-	-	-
<u>Total Expenditures</u>	<u>110,595</u>	<u>102,162</u>	<u>8,433</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(70,019)</u>	<u>(46,717)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers from General Fund	<u>67,952</u>	<u>60,000</u>	<u>(7,952)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(2,067)</u>	<u>13,283</u>	
<u>FUND BALANCE, Beginning</u>	<u>2,067</u>	<u>2,067</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>15,350</u>	

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

CREEDE SCHOOL DISTRICT
PUPIL ACTIVITY – SPECIAL REVENUE FUND
SCHEDULE OF ACTIVITIES - BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>OPERATING REVENUES</u>			
Local Sources	47,352	19,894	(27,458)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Operating Revenues</u>	<u>47,352</u>	<u>19,894</u>	<u>(27,458)</u>
<u>OPERATING EXPENSES</u>			
Supporting Services:			
Students	47,352	18,494	28,858
<u>Total Operating Expenses</u>	<u>47,352</u>	<u>18,494</u>	<u>28,858</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	1,400	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	-	-	-
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	1,400	
<u>FUND BALANCE – Beginning, as Restated</u>	-	32,507	
<u>FUND BALANCE - Ending</u>	-	33,907	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of
Education

Auditors Integrity Report

District: 2010 - Creede School District
Fiscal Year 2019-20
Colorado School District/BOCES

Page: 1

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	10001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund				
18 Risk Mgmt Sub-Fund of General Fund	1,757,724	2,472,017	2,284,275	1,945,467
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,757,724	2,472,017	2,284,275	1,945,467
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	2,087	115,444	102,162	15,350
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	32,507	19,894	18,494	33,907
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	514,813	686,764	571,534	630,043
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,507,112	3,284,119	2,976,164	2,524,787
Proprietary				
50 Other Enterprise Funds	0	0	0	0
54 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0
FINAL	0	0	0	0

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

12/16/20

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Colorado
Department of
Education

Bolded Balance
Sheet Report

District 2010 -
Creede School
District

Fiscal Year 2019-20

Colorado School
District/BOCES

ASSETS	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Service Special Revenue Fund 21	Debt Service Funds 30- 39	Capital Projects Funds 40- 45,47-49	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,083,788	0	0	33,907	0	0	9,739	0	0	0	0	2,127,434
Cash with Fiscal Agent (8105)	181,424	0	0	0	0	0	0	598,603	0	0	0	780,027
Taxes Receivable (8121,8122)	100,400	0	0	0	0	0	0	47,900	0	0	0	148,300
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	2,139	0	0	0	0	2,139
Grants Accounts Receivable (8142)	21,400	0	0	0	0	0	0	0	0	0	0	21,400
Other Receivables (8151-8154,8161)	4,182	0	0	0	0	0	1,810	0	0	0	0	5,992
Inventories (8171,8172,8173)	0	0	0	0	0	0	1,662	0	0	0	0	1,662
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,391,194	0	0	33,907	0	0	16,350	646,503	0	0	0	3,086,854

LIABILITIES & FUND EQUITY											
LIABILITIES											
General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Capital Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	2,139	0	0	0	0	0	0	0	0	0	2,139
Other Payables (7421-7423)	18,986	0	0	0	0	0	0	0	0	0	18,986
Accrued Expenses (7461)	158,445	0	0	0	0	0	0	0	0	0	158,445
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	213,858	0	0	0	0	0	0	0	0	0	213,858
Deferred Inflow (7800)	52,300	0	0	0	0	0	16,460	0	0	0	68,760
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	445,728	0	0	0	0	0	16,460	0	0	0	462,188

