

cPa DIXON, WALLER & CO., INC.

CROWLEY COUNTY SCHOOL DISTRICT

NUMBER RE-1-J

FINANCIAL STATEMENTS

JUNE 30, 2020

DIXON, WALLER & CO., INC.

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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J

FINANCIAL STATEMENTS

JUNE 30, 2020

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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
ROSTER OF SCHOOL OFFICIALS
June 30, 2020

BOARD OF EDUCATION

Jerry Davis	President
Chris Tuma	Vice-President
Jennifer Morgan	Secretary
Leif Berg	Treasurer
Lisa Torgler	Member
Carl Acord	Member
Jim Trainor	Member

SCHOOL OFFICIALS

Scott Cuckow	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
Crowley County School District Number RE-1-J
Ordway, Colorado 81063

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Crowley County School District Number RE-1-J, 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 Crowley County School District Number RE-1-J as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through x and 40 through 47 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 Crowley County School District Number RE-1-J's basic financial statements. The combining and individual fund statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Diya, Waller & Co. Inc.

November 24, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Management of Crowley County School District RE 1-J offers readers the basic financial statements. This narrative is an overview and analysis of the financial activities of the District for the year ended June 30, 2020. The focus of the information is on the primary government (general) fund. Most of the expenditures and revenue for the district reside in the general fund.

The District has adopted the financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments, the District is not required to restate prior periods for the purposes of providing comparative information. A comparative analysis of the government-wide information is presented.

Financial Highlights

- In governmental activities, The District's liabilities and flows exceeded its assets and flows at the close of the fiscal year by \$1,797,197. This is due to Governmental Accounting Standard Board (GASB) Statement No. 67 and 68 which affects the financial statements of all Colorado Public Employee Retirement Association (PERA)-affiliated employers. In these statements, PERA-affiliated employers are required to state their employee's retirement liability which was \$5,675,331 for the District as of June 30, 2020. Without the PERA liability, our assets would have exceeded its liabilities by \$7,349,422.
- At the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$3,679,000 which was an increase of \$962,980 from the previous year.
- The long-term debt obligation of the District has decreased over the last two fiscal years. Several obligations were paid off the last lease the District added was to purchase a new bus in 2015, this will mature in 2020. A note for the matching portion of the Building Excellent Schools Today (BEST) grant will mature in 2023. The total annual principal and interest payment for both current debt obligations are approximately \$38,915.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Overview of the Financial Statements

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

District-Wide Financial Statements

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

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

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

Governmental activities:

Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance Act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities. This information is comprised of all of the following designated purpose grant funds and capital reserve.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Fund Financial Statements

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

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

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

Notes to the Financial Statements

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

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

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

Financial Analysis of the District as a Whole

The District had total net assets on June 30, 2020 of (\$1,797,197). The negative net asset is again due to the new GASB 68 rules. Of the District's \$8,751,015 in assets approximately 47 percent (or \$4,073,617) were reflected as investments in capital assets (including land, sites, buildings, vehicles, infrastructure, and machinery/equipment).

Below, is the first table which reflects the changes in the net position for the district.

Condensed Statement of Net Position

	Governmental Activities 2018-2019	Governmental Activities 2019-2020
Current and Other Assets	\$ 3,168,211	\$ 4,677,448
Capital Assets	4,333,215	4,073,617
Total Assets	<u>7,501,426</u>	<u>8,751,065</u>
Deferred Outflow of Resources	2,746,230	1,311,730
Current Liabilities	7,909,807	7,020,090
Long-Term Liabilities	93,239	56,834
Total Liabilities	<u>8,003,046</u>	<u>7,076,924</u>
Deferred Inflow of Resources	<u>6,079,896</u>	<u>4,783,068</u>
Net Investment in Capital Assets	4,204,594	3,980,378
Restricted for:		
Tabor Reserve	142,000	156,000
Multi Year Obligations	92,577	74,911
Food Service	6,558	27,154
Unrestricted	(8,281,015)	(6,035,640)
Total Net Position	<u>\$ (3,835,286)</u>	<u>\$ (1,797,197)</u>

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

In November 2017, the district received a voter-approved mill levy override for 6 mills, with a sunset of ten years. This has helped with the districts costs to purchase textbooks, vehicles, technology equipment and to maintain a competitive salary structure. Even with the mill levy override, the District continues to try and manage costs in the areas of instruction for students. The District has undergone major student enrollment declines over the past budget years. The following charts illustrate the impact on revenue and expenses during the two recent fiscal years.

Condensed Statement of Activities

	Governmental Activities 2018-2019	Governmental Activities 2019-2020
Program Revenues:		
Charges for Services	\$23,122	\$122,987
Operating Grants and Contributions	920,239	938,210
Capital Grants and Contributions	-	-
Total Program Revenues	<u>943,361</u>	<u>1,061,197</u>
General Revenues:		
Taxes	1,054,909	1,257,296
State Equalization	3,266,053	3,435,779
Earnings on Investments	15,515	28,121
Insurance Proceeds	9,098	-
Other Revenues	7,729	73,193
Total General Revenues	<u>4,353,304</u>	<u>4,794,389</u>
Total Revenues	5,296,665	5,855,586
Expenses:		
Instructional Staff	2,842,741	2,789,838
<i>Supporting Services:</i>		
Students	206,194	338,617
Instructional Staff	59,236	62,675
District Administration	251,265	257,861
School Administration	298,842	297,397
Business	72,609	127,087
Operations & Maintenance	534,766	644,362
Transportation	196,109	128,086
Central	199,533	226,448
Food Services	303,780	350,480
Capital Outlay	7,000	-
Interest on Long-Term Liabilities	4,029	2,692
Pension Amortization	(1,053,830)	(1,275,735)
Post Employment Benefit Activity	4,371	(8,014)
Total Expenses	<u>3,926,645</u>	<u>3,941,794</u>
Change in Net Position	<u>1,370,020</u>	<u>1,913,792</u>
Beginning Net Position	<u>(5,205,306)</u>	<u>(3,710,989)</u>
Net Position - Ending	\$ (3,835,286)	\$ (1,797,197)

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Governmental Activities by Major Function

	2018-2019		2019-2020	
	Total Cost of Service	Net (Cost) Revenue of Service	Total Cost of Service	Net (Cost) Revenue of Service
Instructional Services	\$ 2,842,741	\$ (2,227,683)	\$ 2,789,838	\$ (2,238,725)
Students	\$ 206,194	\$ (206,194)	\$ 338,617	\$ (230,144)
Instructional Staff	\$ 59,236	\$ (59,236)	\$ 62,675	\$ (62,675)
District Administration	\$ 251,265	\$ (251,265)	\$ 257,861	\$ (257,861)
School Administration	\$ 298,842	\$ (298,842)	\$ 297,397	\$ (297,397)
Business	\$ 72,609	\$ (72,609)	\$ 127,087	\$ (127,087)
Operation and Maintenance of Facilities	\$ 534,766	\$ (534,766)	\$ 644,362	\$ (642,362)
Transportation	\$ 196,109	\$ (162,482)	\$ 128,086	\$ (101,078)
Central	\$ 199,533	\$ (199,533)	\$ 226,448	\$ (226,448)
Food Service	\$ 303,780	\$ (9,104)	\$ 350,480	\$ 22,123
Capital Outlay	\$ 7,000	\$ (7,000)	\$ -	\$ -
Interest on Long Term Liabilities	\$ 4,029	\$ (4,029)	\$ 2,692	\$ (2,692)
Pension Expense	\$ (1,053,830)	\$ 1,053,830	\$ (1,275,735)	\$ 1,275,735
Post Employment Benefit Activity	\$ (4,371)	\$ (4,371)	\$ (8,014)	\$ 8,014
Total	\$ 3,917,903	\$ (2,983,284)	\$ 3,941,794	\$ (2,880,597)

In the two tables above, some of the more significant changes are illustrated as:

- The cost of instructional and supporting services this year was \$4,872,371 which is a decrease of \$92,704.
- Some of the costs of the District are financed by users of district facilities and programs and that amounted to \$122,987 which increased significantly over the immediate prior fiscal year.
- The federal and state governments subsidized certain programs with grants and contributions in the amount of \$938,210. All of the Title programs are funded from the federal level administered by the State.
- Most of the Districts costs however, are financed by the District and State taxpayers. This portion of governmental activities was financed with \$3,435,779 in State Equalization revenue from the School Finance Act (1994). The local share of funding was \$1,257,296, of this amount approximately \$292,844 received from the voter-approved mill levy override of November 2017.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Financial Analysis of the District's Funds

The District's budget is prepared according to Colorado law and it's based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.

- The District continues to attempt to make strides towards a balanced budget and reflecting the changing demographics of the school district. Th District has operated in trying to utilize our staff in a more efficient matter and allow for little duplication of services to our students yet providing a quality, academically enriched atmosphere for them.
- The District must maintain a 3 percent emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2020, the districts tabor reserve were set at \$156,000, an increase of \$14,000 from the previous year.
- Starting in the 2008-2009 school year and beyond the district has embarked on a series of positive facility upgrades and improvements. Chief among these are: 1) New windows for the high school and elementary windows that were at least twenty-five to fifty years old; 2) ongoing efforts to renovate the interior lighting for all classrooms in the district; 3) an ambitious asbestos removal project to insure that our facilities are safe for staff and students; 4) district-wide security enhancements; 5) addition of lighting and concession/restroom facilities to the Crowley County Baseball fields in cooperation with Crowley County; 6) a re-roof project over the Elementary and High School; 7) an exterior lighting upgrade around all buildings and major parking areas; 8) a new hardwood gym floor.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Capital Assets and Debt Administration

The Districts investment in capital assets for its governmental activities as of June 30, 2020 amounts to \$4,557,101

Governmental Activities	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Capital Assets Not Being Depreciated				
Land and Sites	\$ 222,797	\$ -	\$ -	\$ 222,797
Total Assets Not Being Depreciated	222,797	-	-	222,797
Capital Assets Being Depreciated				
Buildings and Site Improvements	9,055,977	-	-	9,055,977
Equipment and Vehicles	1,196,983	55,027	-	1,252,010
Food Service Equipment	117,409	-	-	117,409
Construction In Progress	-	-	-	-
Total Assets Being Depreciated	10,370,369	55,027	-	10,425,396
Less Accumulated Depreciation for:				
Buildings and Site Improvements	5,121,137	269,739	-	5,390,876
Equipment and Vehicles	1,048,754	41,847	-	1,090,601
Food Service Equipment	90,060	3,039	-	93,099
Total Accumulated Depreciation	6,259,951	314,625	-	6,574,576
Net Capital Assets	4,333,215	(259,598)	-	4,073,617

Long-Term Debt

At the end of the fiscal year (June 30, 2019) the District had the following schedule in long-term obligations:

	Matures	Balance June 30, 2020
Unused Sick Leave		\$ 87,137
2013 Capital Projects Note	2023	74,911
2015 Bus Lease	2020	18,328
Total Long Term Debt Obligations		\$ 180,376

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Economic Factors Bearing on the District's Future

The factors that will affect next year's budget are the same items that have impacted Crowley County School District for the past fiscal years: special education costs, declining student enrollment, aging buildings, increased transportation costs and increased state and federal mandates.

The largest impact to the school district remains declining student enrollment. This is a problem that impacts all surrounding school districts and is not indigenous to Crowley County alone. In 1996 Crowley County School District had a fall student count of 642 students, in 2007 the fall count was 500.5 and in 2019 the fall count was 452. The years have seen a steady decline in the number of students. This can be attributed to several factors; however, chief among them would be the stagnant economy and the issue to non completers. Many of our fixed costs remain the same or escalate and with the declining student enrollment and resulting decline in state equalization dollars, it makes budgeting and allocations even more challenging.

One item that affects the district is the rising number of special education students. We have had an increase in therapeutic foster homes in the county. Many of these placements require specialized assistance from the district with no resulting funds that follow those requirements. Several of these placements need services for emotionally disturbed youth and require intense one on one service. We have been able to handle the special transportation and rearrange our busing schedules to accommodate this.

The cost of transporting our students is economically straining the district. At this time, over fifty percent of our students are eligible for transportation services. The increased costs of fuel, salaries, and equipment make this a problem for the district. The state transportation revenue has not kept pace with costs the district faces in meeting this expense.

The District has not been able to pass any bond issues to help in repairing and renovating the aging buildings. All of the major renovations have been paid by outside foundations or grants obtained by the district. The need for a debt service bond issue is severe and the board has expressed serious consideration to approach the voters to help alleviate the continued drain on program area development to finance the needed improvements to facilities. The assessed valuation of Crowley County School District could never meet the bonding capacity to construct a modernized school. The choices at this point are to continue to improve our existing facilities. If the district makes the needed payments for the energy upgrade and the existing refinanced debt that would "free" up needed revenue to help maintain and expand program development for our student body.

**Crowley County School District RE-1J
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

Contacting the District's Financial Management

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

Scott Cuckow
Superintendent of Schools
Crowley County School District RE-1J
1001 Main Street
Ordway, CO 81063

BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Investments	4,245,390	4,245,390
Accounts Receivable	106,722	106,722
Grants Receivable	230,693	230,693
Property Taxes Receivable	83,900	83,900
Other Receivables	-	-
Inventories	10,693	10,693
Capital Assets	10,648,193	10,648,193
Accumulated Depreciation	<u>(6,574,576)</u>	<u>(6,574,576)</u>
<u>Total Assets</u>	<u>8,751,015</u>	<u>8,751,015</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	1,286,421	1,286,421
Other Post Employment Benefits	<u>25,309</u>	<u>25,309</u>
<u>Total Deferred Outflow of Resources</u>	<u>1,311,730</u>	<u>1,311,730</u>
<u>LIABILITIES</u>		
Accounts Payable	148,286	148,286
Accrued Salaries	346,084	346,084
Accrued Interest	1,990	1,990
Unearned Revenue	445,778	445,778
Compensated Absences	87,137	87,137
Net Pension Liability	5,675,331	5,675,331
Net OPEB Liability	279,079	279,079
Debt Payable – Current	36,405	36,405
Debt Payable – Long Term	<u>56,834</u>	<u>56,834</u>
<u>Total Liabilities</u>	<u>7,076,924</u>	<u>7,076,924</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	4,707,503	4,707,503
Other Post Employment Benefits	<u>75,565</u>	<u>75,565</u>
<u>Total Deferred Inflow of Resources</u>	<u>4,783,068</u>	<u>4,783,068</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,980,378	3,980,378
Restricted for:		
TABOR Reserve	156,000	156,000
Multi-Year Obligations	74,911	74,911
Food Service	27,154	27,154
Capital Outlay	-	-
Unrestricted	<u>(6,035,640)</u>	<u>(6,035,640)</u>
<u>TOTAL NET POSITION</u>	<u>(1,797,197)</u>	<u>(1,797,197)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

	<u>Net (Expenses) Revenue and Changes in Net Position</u>			
	<u>Primary Government</u>			<u>Total</u>
	<u>Charges for Services</u>	<u>Program Revenues Operating Grants & Contributions</u>	<u>Capital Grants and Contributions</u>	
<u>FUNCTIONS</u>	<u>Expenses</u>			
Instructional Services	2,789,838	551,113	-	(2,238,725)
Supporting Services:				
Students	338,617	-	-	(230,144)
Instructional Staff	62,675	-	-	(62,675)
District Administration	257,861	-	-	(257,861)
School Administration	297,397	-	-	(297,397)
Business	127,087	-	-	(127,087)
Operation & Maintenance of Facilities	644,362	-	-	(642,362)
Transportation	128,086	27,008	-	(101,078)
Central	226,448	-	-	(226,448)
Facilities	-	-	-	-
Food Service	350,480	360,089	-	22,123
Capital Outlay	-	-	-	-
Interest on Long Term Liabilities	2,692	-	-	(2,692)
Net Pension Change	(1,275,735)	-	-	1,275,735
Net OPEB Change	(8,014)	-	-	8,014
Total Governmental Activities	3,941,794	938,210	-	(2,880,597)
Total School District	3,941,794	938,210	-	(2,880,597)
	<u>General Revenues</u>			
	Property Taxes Levied for General Purposes			1,134,221
	Specific Ownership Taxes			123,075
	Equalization			3,435,779
	Earnings on Investments			28,121
	Other Revenues			73,193
	Total General Revenues and Transfers			4,794,389
	Change in Net Position			1,913,792
	Net Position, Beginning (as Restated)			(3,710,989)
	Net Position, Ending			(1,797,197)

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2020

	General	Capital Reserve Capital Projects	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and Investments	3,465,840	632,712	146,838	4,245,390
Accounts Receivable	39,702	-	67,070	106,772
Accrued Revenue	230,693	-	-	230,693
Due From Other Funds	-	-	-	-
Property Taxes Receivable	83,900	-	-	83,900
Inventories	-	-	10,693	10,693
Deposits	-	-	-	-
<u>Total Assets</u>	<u>3,820,135</u>	<u>632,712</u>	<u>224,601</u>	<u>4,677,448</u>
<u>Liabilities</u>				
Accounts Payable	86,360	-	61,926	148,286
Accrued Salaries	346,084	-	-	346,084
Unearned Revenue	445,778	-	-	445,778
Due To Other Funds	-	-	-	-
Grant Amounts Received in Advance	-	-	-	-
<u>Total Liabilities</u>	<u>878,222</u>	<u>-</u>	<u>61,926</u>	<u>940,148</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	<u>58,300</u>	<u>-</u>	<u>-</u>	<u>58,300</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	10,693	10,693
Restricted for:				
Emergencies	156,000	-	-	156,000
Multi-Year Obligations	74,911	-	-	74,911
Capital Outlay	-	-	-	-
Preschool	-	-	-	-
Food Service	-	-	27,154	27,154
Committed for:				
Capital Outlay	-	632,712	-	632,712
Assigned for:				
Pupil Activities	-	-	124,828	124,828
Unassigned	<u>2,652,702</u>	<u>-</u>	<u>-</u>	<u>2,652,702</u>
<u>Total Fund Balances</u>	<u>2,883,613</u>	<u>632,712</u>	<u>162,675</u>	<u>3,679,000</u>
<u>TOTAL LIABILITIES, DEFERRED</u>				
<u>INFLOWS AND FUND BALANCES</u>	<u>3,820,135</u>	<u>632,712</u>	<u>224,601</u>	<u>4,677,448</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE 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>	3,679,000
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$10,648,193 and the accumulated depreciation is \$6,574,576.	4,073,617
Property tax revenue is recognized when earned (claim to resources established) rather than when “available”. All of the deferred property tax revenue is not available in the funds statements.	58,300
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(93,239)
Accrued interest payable is not reported as a liability in the funds.	(1,990)
Compensated absences are not reported as a liability in the funds.	(87,137)
The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(5,675,331)
The District’s portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(279,079)
Deferred flows for contributions made toward the net pension liability from December 31, 2019 until June 30, 2020 is not reported in the funds.	209,640
Deferred flows for contributions made toward the OPEB liability from December 31, 2019 until June 30, 2020 is not reported in the funds.	11,034
Net deferred pension flows – Plan Level	(2,775,246)
Net deferred pension flows – Employer Level	(855,476)
Net deferred OPEB flows – Plan Level	(48,314)
Net deferred OPEB flows – Employer Level	<u>(12,976)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>(1,797,197)</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	<u>General</u>	<u>Capital Reserve Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	1,110,821	-	-	1,110,821
Specific Ownership Taxes	123,075	-	-	123,075
Earnings on Investments	22,908	5,084	208	28,200
Other Local Sources	81,693	-	124,522	206,215
State Aid	3,697,160	-	1,994	3,699,154
Federal Aid	310,240	-	354,481	664,721
<u>Total Revenues</u>	<u>5,345,897</u>	<u>5,084</u>	<u>481,205</u>	<u>5,832,186</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	2,500,071	-	-	2,500,071
Supporting Services:				
Students	230,546	-	108,071	338,617
Instructional Staff	62,675	-	-	62,675
District Administration	257,861	-	-	257,861
School Administration	297,397	-	-	297,397
Business	127,087	-	-	127,087
Operation & Maintenance	650,515	-	-	650,515
Transportation	146,479	-	-	146,479
Central	226,448	-	-	226,448
Facilities	-	-	-	-
Food Service	-	-	347,441	347,441
Debt Service:				
Principal Retirement	35,382	-	-	35,382
Interest and Fiscal Charges	3,530	-	-	3,530
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>4,537,991</u>	<u>-</u>	<u>455,512</u>	<u>4,993,503</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>807,906</u>	<u>5,084</u>	<u>25,693</u>	<u>838,683</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(200,000)	200,000	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>607,906</u>	<u>205,084</u>	<u>25,693</u>	<u>838,683</u>
<u>FUND BALANCES, Beginning (as Restated)</u>	<u>2,275,707</u>	<u>427,628</u>	<u>136,982</u>	<u>2,840,317</u>
<u>FUND BALANCES, Ending</u>	<u>2,883,613</u>	<u>632,712</u>	<u>162,675</u>	<u>3,679,000</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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>	838,683
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	55,027	
Depreciation Expense	(314,625)	(259,598)

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year.	23,400
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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.	(8,662)
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The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of issue cost and premiums are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. 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:

Debt Proceeds	-	
Debt Payments	35,382	
Accrued Interest	838	

The statement of activities reports net pension and OPEB obligations which are not reported in the fund financial statements.

Change in Net Pension Obligation	1,349,645	
Change in Net OPEB Obligation	71,776	
Deferred Flows from Net Pension Obligations	(73,910)	
Deferred Flows from Net OPEB Obligations	<u>(63,762)</u>	

<u>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</u>	<u>1,913,792</u>
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The accompanying notes are an integral part of these financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Crowley County School District Number RE-1-J (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Crowley County School District Number RE-1-J. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 and proprietary funds. Major individual governmental funds (General Fund and Capital Projects Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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)

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

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

Property and automotive ownership taxes are reported as receivables and deferred 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.

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

- Major Governmental Funds

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

Capital Reserve-Capital Projects Fund – this fund is used to fund ongoing capital needs such as site acquisition, building additions and equipment purchases.

E. Cash and Investments

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

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

F. Receivables

Property taxes levied in 2019 but uncollected in 2020 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2020 are recorded as deferred inflows, 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

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

H. Capital Assets

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

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

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

I. Long-Term Obligations

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (continued)

On November 7, 1995 the registered voters approved a ballot resolution authorizing Crowley County School District Number RE-1-J to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2020 the District reserved \$156,000 for this purpose.

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

K. Property Taxes

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

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

L. Accumulated Staff 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 \$87,137 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>78,475</u>	<u>8,662</u>	<u>-</u>	<u>87,137</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. GASB Statement No. 54

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

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

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Education (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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification Policies and Procedures (Continued)

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Pupil Activities</u>	<u>Food Service</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	-	10,693	10,693
<u>Restricted:</u>					
Emergencies	156,000	-	-	-	156,000
Multi-Year Obligations	74,911	-	-	-	74,911
Food Service	-	-	-	27,154	27,154
<u>Committed:</u>					
Capital Outlay	-	632,712	-	-	632,712
<u>Assigned:</u>					
Pupil Activities	-	-	124,828	-	124,828
<u>Unassigned</u>	<u>2,652,702</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,652,702</u>
<u>Total Fund Balances</u>	<u>2,883,613</u>	<u>632,712</u>	<u>124,828</u>	<u>37,847</u>	<u>3,679,000</u>

O. Deferred Outflows / Inflows of Resources (Continued)

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

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.

	Items Eliminated	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	200,000	-
Capital Projects Fund	<u>-</u>	<u>200,000</u>
	<u>200,000</u>	<u>200,000</u>

NOTE 3 BUDGETARY INFORMATION

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

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CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	3,804,470	3,842,891
Cash with County Treasurer	89,813	-
Cash with Colo Trust	100,907	-
Cash on Hand	200	-
<u>Total Cash and Deposits</u>	<u>4,245,390</u>	<u>4,092,891</u>

As presented above, deposits with a bank balance of \$3,842,891 and a carrying balance of \$3,804,470 as of June 30, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

None

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Governmental Activities</u>				
<u>Capital Assets Not Being Depreciated:</u>				
Land & Sites	<u>222,797</u>	<u>-</u>	<u>-</u>	<u>222,797</u>
<u>Capital Assets Being Depreciated:</u>				
Buildings & Site Improvements	9,055,977	-	-	9,055,977
Equipment & Vehicles	1,196,983	55,027	-	1,252,010
Food Service Equipment	117,409	-	-	117,409
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Capital Assets Being</u> <u>Depreciated</u>	<u>10,370,369</u>	<u>55,027</u>	<u>-</u>	<u>10,425,396</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	5,121,137	269,739	-	5,390,876
Equipment & Vehicles	1,048,754	41,847	-	1,090,601
Food Service Equipment	<u>90,060</u>	<u>3,039</u>	<u>-</u>	<u>93,099</u>
<u>Total Accumulated Depreciation</u>	<u>6,259,951</u>	<u>314,625</u>	<u>-</u>	<u>6,574,576</u>
<u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>4,333,215</u>	<u>(259,598)</u>	<u>-</u>	<u>4,073,617</u>

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

<u>Governmental Activities:</u>	
Regular Programs - Instruction	281,105
Operations and Maintenance	5,904
Transportation	24,577
Food Service	<u>3,039</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>314,625</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6

PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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, Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Crowley County School District Number RE-1-J were \$424,181 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 Crowley County School District Number RE-1-J proportion of the net pension liability was based on Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 6 PENSION PLAN (Continued)

At June 30, 2020, the Crowley County School District Number RE-1-J reported a liability of \$5,675,331 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 Crowley County School District Number RE-1-J 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 Crowley County School District Number RE-1-J were as follows:

Crowley County School District Number RE-1-J proportionate share of the net pension liability	\$ 5,675,331
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Crowley County School District Number RE-1-J	\$ 719,843
Total	\$ 6,395,174

At December 31, 2019, the Crowley County School District Number RE-1-J proportion was 0.0380 percent, which was a decrease of 0.0017 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Crowley County School District Number RE-1-J recognized pension income of \$1,275,735, and revenue of \$54,521 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Crowley County School District Number RE-1-J 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	309,309	-
Changes of assumptions or other inputs	162,022	(2,574,277)
Net difference between projected and actual earnings on pension plan investments	605,450	(1,277,750)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	(855,476)
Contributions subsequent to the measurement date	209,640	N/A
Total	1,286,421	(4,707,503)

\$209,640 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2020	
2021	(1,998,514)
2022	(1,360,319)
2023	(43,191)
2024	(228,698)
2025	-
Thereafter	-

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J 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:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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	7,526,705	5,675,311	4,120,942

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 Crowley County School District Number RE-1-J 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 and investment earnings. For the year ended June 30, 2020, program members contributed \$6,754.

NOTE 7 **OTHER POST EMPLOYMENT BENEFITS**

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J 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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Crowley County School District Number RE-1-J were \$22,325 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 Crowley County School District Number RE-1-J reported a liability of \$279,079 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 Crowley County School District Number RE-1-J proportion of the net OPEB liability was based on Crowley County School District Number RE-1-J contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 7

OTHER POST EMPLOYMENT BENEFITS (Continued)

At December 31, 2019, the Crowley County School District Number RE-1-J proportion was 0.025 percent, which was a decrease of 0.001 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Crowley County School District Number RE-1-J recognized OPEB income of \$8,014. At June 30, 2020, the Crowley County School District Number RE-1-J 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	926	(46,896)
Changes of assumptions or other inputs	2,315	-
Net difference between projected and actual earnings on OPEB plan investments	4,493	(9,152)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	6,541	(19,517)
Contributions subsequent to the measurement date	11,034	N/A
Total	25,309	(75,565)

\$11,034 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2020	
2021	(13,246)
2022	(13,246)
2023	(11,897)
2024	(11,080)
2025	(11,146)
Thereafter	(675)

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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:

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J 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	272,450	279,079	286,740

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Crowley County School District Number RE-1-J 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	315,556	279,079	247,885

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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 Education is composed of eight persons; seven of whom are appointed by the Board of Education of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Education. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 10 FOOD SERVICE INVENTORIES

Food Service Fund inventories at June 30, 2020, consisted of USDA, purchased, and non-food amounting to \$10,693. 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 LONG-TERM DEBT

The District had changes in its long-term obligations as follows:

	<u>Balance</u> <u>7-1-2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6-30-2020</u>	<u>Current</u> <u>Portion</u>
Note with FNB – Capital Projects	92,577	-	17,666	74,911	18,077
Bus Lease – 2015/2016	<u>36,044</u>	<u>-</u>	<u>17,716</u>	<u>18,328</u>	<u>18,328</u>
<u>Total</u>	<u>128,621</u>	<u>-</u>	<u>35,382</u>	<u>93,239</u>	<u>36,405</u>

CAPITAL LEASES

Lease Purchase - Bus

During the fiscal year ended June 30, 2016 the District executed a lease purchase agreement of \$85,485 to purchase a bus. The lease purchase agreement is for a period of 5 years with interest at a rate of 3.75% per annum and yearly payments of \$19,070.

Annual debt service requirements to maturity for the lease purchase agreements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual</u> <u>Payment</u>
2021	<u>18,328</u>	<u>742</u>	<u>19,070</u>
			19,070
Less amount representing interest			<u>(742)</u>
Net Present Value of Minimum Lease Payments			<u>18,328</u>

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 11 LONG-TERM DEBT (Continued)

NOTES PAYABLE

First National Bank Note – Capital Projects

The District entered into a loan agreement with the First National Bank of Las Animas in the amount of \$175,000. The note will be paid over a ten year period beginning August 21, 2014 at an annual interest rate of 2.35%. This note was obtained for necessary building repairs. The note is considered a multi-year obligation and accordingly the District has restricted fund balance to comply with the TABOR law requirements.

Listed below is a schedule of the debt to maturity.

<u>Fiscal Year</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	2.35%	18,077	1,765	19,842
2022	2.35%	18,506	1,336	19,842
2023	2.35%	18,941	901	19,842
2024	2.35%	<u>19,387</u>	<u>455</u>	<u>19,842</u>
Total		<u>74,911</u>	<u>4,457</u>	<u>79,368</u>

NOTE 12 LITIGATION

None.

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

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

NOTE 14 JOINT VENTURES (Continued)

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 and Deferred Outflows	4,793,274
Liabilities and Deferred Inflows	<u>13,437,640</u>
Net Position	<u>(8,644,366)</u>
Revenues	3,408,328
Expenditures	<u>2,431,441</u>
Excess (Deficiency)	<u>976,887</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.

NOTE 15 INTERFUND BALANCES

	<u>Transfer To Other Funds</u>	<u>Transfer From Other Funds</u>
General Fund	200,000	-
Capital Projects Fund	<u>-</u>	<u>200,000</u>
	<u>200,000</u>	<u>200,000</u>

Transfers were made in the normal course of operations to support funding needs.

NOTE 16 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 all student activities in a Special Revenue Fund. The beginning fund balance for the Student Activity Special Revenue Fund at July 1, 2019, was \$124,297. 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	(3,835,286)	2,716,020
Change for Student Activity	<u>124,297</u>	<u>124,297</u>
Beginning Balance, as Restated	<u>(3,710,989)</u>	<u>2,840,317</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OPEB 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.

Pension Trend Data

Other Post Employment Benefits (OPEB) Trend Data

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	1,057,454	1,057,454	1,110,821	53,367
Specific Ownership Taxes	75,951	75,951	123,075	47,124
Earnings on Investments	5,000	5,000	22,908	17,908
Delinquent Taxes & Interest	2,000	2,000	1,437	(563)
Other	36,050	36,050	80,256	44,206
<u>State Sources</u>				
Equalization	3,435,784	3,435,784	3,435,779	(5)
Transportation	26,000	26,000	27,008	1,008
Vocational Education	21,000	21,000	16,744	(4,256)
Grants	217,998	217,998	162,091	(55,907)
Other	-	-	55,538	55,538
<u>Federal Sources</u>				
Other	318,768	318,768	310,240	(8,528)
<u>TOTAL REVENUES</u>	<u>5,196,005</u>	<u>5,196,005</u>	<u>5,345,897</u>	<u>149,892</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	1,571,108	1,571,108	1,484,071	87,037
Employee Benefits	511,140	511,140	484,778	26,362
Purchased Services - Professional	286,335	286,335	291,402	(5,067)
Purchased Services – Property	400	400	-	400
Purchased Services – Other	165,500	165,500	123,976	41,524
Supplies and Materials	167,415	167,415	89,578	77,837
Property	17,500	17,500	23,339	(5,839)
Other Objects	3,550	3,550	2,927	623
<u>Total Instruction</u>	<u>2,722,948</u>	<u>2,722,948</u>	<u>2,500,071</u>	<u>222,877</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
<u>SUPPORTING SERVICES</u>	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>Student Supporting Services</u>				
Salaries	122,270	122,270	120,434	1,836
Employee Benefits	33,605	33,605	36,737	(3,132)
Purchased Services – Professional	3,000	3,000	10,447	(7,447)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,950	3,950	3,347	603
Supplies and Materials	25,030	25,030	19,339	5,691
Property	31,325	31,325	40,242	(8,917)
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>219,180</u>	<u>219,180</u>	<u>230,546</u>	<u>(11,366)</u>
<u>Instructional Staff</u>				
Salaries	36,430	36,430	38,133	(1,703)
Employee Benefits	8,190	8,190	9,002	(812)
Purchased Services – Professional	5,000	5,000	3,893	1,107
Purchased Services – Property	-	-	-	-
Purchased Services – Other	400	400	177	223
Supplies and Materials	8,500	8,500	10,192	(1,692)
Property	300	300	1,278	(978)
Other Objects	-	-	-	-
<u>Total Instruction Staff</u>	<u>58,820</u>	<u>58,820</u>	<u>62,675</u>	<u>(3,855)</u>
<u>General Administration</u>				
Salaries	127,580	127,580	127,580	-
Employee Benefits	57,460	57,460	58,307	(847)
Purchased Services – Professional	8,600	8,600	6,119	2,481
Purchased Services – Property	-	-	-	-
Purchased Services – Other	30,550	30,550	25,448	5,102
Supplies and Materials	10,500	10,500	17,716	(7,216)
Property	-	-	617	(617)
Other Objects	14,200	14,200	22,074	(7,874)
<u>Total General Administration</u>	<u>248,890</u>	<u>248,890</u>	<u>257,861</u>	<u>(8,971)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	196,180	196,180	191,761	4,419
Employee Benefits	90,482	90,482	88,345	2,137
Purchased Services – Professional	300	300	1,350	(1,050)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	3,100	3,100	2,487	613
Supplies and Materials	10,000	10,000	11,082	(1,082)
Property	1,300	1,300	1,160	140
Other Objects	1,680	1,680	1,212	468
<u>Total School Administration</u>	<u>303,042</u>	<u>303,042</u>	<u>297,397</u>	<u>5,645</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
<u>SUPPORTING SERVICES (Continued)</u>	<u>Original</u>	<u>Final</u>		
<u>Business Services</u>				
Salaries	48,300	48,300	48,300	-
Employee Benefits	16,685	16,685	16,008	677
Purchased Services – Professional	18,200	18,200	20,557	(2,357)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	109	(109)
Supplies and Materials	1,500	1,500	1,825	(325)
Property	150	150	69	81
Other Objects	-	-	40,219	(40,219)
<u>Total Business Services</u>	<u>84,835</u>	<u>84,835</u>	<u>127,087</u>	<u>(42,252)</u>
<u>Operations and Maintenance</u>				
Salaries	205,350	205,350	177,822	27,528
Employee Benefits	54,245	54,245	53,462	783
Purchased Services – Professional	83,483	83,483	87,108	(3,625)
Purchased Services – Property	66,920	66,920	44,978	21,942
Purchased Services – Other	28,000	28,000	7,254	20,746
Supplies and Materials	235,000	235,000	203,064	31,936
Property	66,000	66,000	62,482	3,518
Other Objects	100,500	100,500	14,345	86,155
<u>Total Operations and Maintenance</u>	<u>839,498</u>	<u>839,498</u>	<u>650,515</u>	<u>188,983</u>
<u>Student Transportation</u>				
Salaries	68,000	68,000	62,206	5,794
Employee Benefits	17,210	17,210	16,566	644
Purchased Services – Professional	6,200	6,200	5,631	569
Purchased Services – Property	55,000	55,000	32,131	22,869
Purchased Services – Other	5,100	5,100	1,550	3,550
Supplies and Materials	34,500	34,500	27,586	6,914
Property	60,000	60,000	-	60,000
Other Objects	500	500	809	(309)
<u>Total Student Transportation</u>	<u>246,510</u>	<u>246,510</u>	<u>146,479</u>	<u>100,031</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	45,600	45,600	62,721	(17,121)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	115,920	115,920	103,253	12,667
Supplies and Materials	19,000	19,000	13,796	5,204
Property	65,000	65,000	46,678	18,322
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>245,520</u>	<u>245,520</u>	<u>226,448</u>	<u>19,072</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

SUPPORTING SERVICES (Continued)	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,246,295</u>	<u>2,246,295</u>	<u>1,999,008</u>	<u>247,287</u>
<u>Debt Service</u>	<u>38,915</u>	<u>38,915</u>	<u>38,912</u>	<u>3</u>
<u>Appropriated Reserves</u>	<u>2,233,554</u>	<u>2,233,554</u>	<u>-</u>	<u>2,233,554</u>
<u>TOTAL EXPENDITURES</u>	<u>7,241,712</u>	<u>7,241,712</u>	<u>4,537,991</u>	<u>2,703,721</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(2,045,707)</u>	<u>(2,045,707)</u>	<u>807,906</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(230,000)</u>	<u>(230,000)</u>	<u>(200,000)</u>	<u>30,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(230,000)</u>	<u>(230,000)</u>	<u>(200,000)</u>	<u>30,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(2,275,707)</u>	<u>(2,275,707)</u>	<u>607,906</u>	
<u>FUND BALANCE, July 1</u>	<u>2,275,707</u>	<u>2,275,707</u>	<u>2,275,707</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,883,613</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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)	0.0380%	0.0397%	0.0441%	0.0464%	0.0488%	0.0508%	0.0512%	-	-	-
District's proportionate share of the net pension liability (asset)	\$5,675,331	\$7,024,976	\$14,252,929	\$13,818,173	\$7,466,484	\$6,892,973	\$6,534,641	-	-	-
State's proportionate share of the net pension liability associated with the District**	\$719,843	\$960,570	-	-	-	-	-	-	-	-
District's covered payroll	\$2,188,758	\$2,239,841	\$2,081,209	\$2,056,027	\$2,105,710	\$2,110,101	\$2,139,765	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	259%	313%	685%	672%	355%	327%	305%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.1%	59.2%	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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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	\$ 424,181	\$ 428,482	\$ 393,063	\$ 377,851	\$ 373,285	\$ 356,297	\$ 342,098	\$ 304,592	-	-
Contributions in relation to the contractually required contributions	<u>\$ (424,181)</u>	<u>\$ (428,482)</u>	<u>\$ (393,063)</u>	<u>\$ (377,851)</u>	<u>\$ (373,285)</u>	<u>\$ (356,297)</u>	<u>\$ (342,098)</u>	<u>\$ (304,592)</u>	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
District's covered payroll	\$2,188,758	\$2,239,841	\$2,081,209	\$2,056,027	\$2,105,710	\$2,110,101	\$2,139,765	\$2,005,921	-	-
Contributions as a percentage of covered payroll	19.38%	19.13%	18.89%	18.38%	17.73%	16.89%	15.99%	15.18%	-	-

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net OPEB liability (asset)	0.0248%	0.0258%	0.0250%	0.0263%	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$279,079	\$350,855	\$325,476	\$342,029	-	-	-	-	-	-
District's covered payroll	\$2,188,758	\$2,239,841	\$2,081,209	\$2,056,027	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.75%	15.66%	15.64%	16.64%	-	-	-	-	-	-
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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
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	\$ 22,325	\$ 22,846	\$ 21,228	\$ 20,971	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>~~\$(22,325)~~</u>	<u>~~\$(22,846)~~</u>	<u>~~\$(21,228)~~</u>	<u>~~\$(20,971)~~</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered payroll	\$2,188,758	\$2,239,841	\$2,081,209	\$2,056,027	-	-	-	-	-	-
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

Capital Project Funds

Capital Reserve – Capital Project Fund - Major Fund -- This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

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.

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2020

	<u>Food Service</u>	<u>Pupil Activities</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>			
Cash and Investments	22,010	124,828	146,838
Accounts Receivable	67,070	-	67,070
Accrued Revenue	-	-	-
Due From Other Funds	-	-	-
Inventories	<u>10,693</u>	<u>-</u>	<u>10,693</u>
<u>Total Assets</u>	<u>99,773</u>	<u>124,828</u>	<u>224,601</u>
<u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	61,926	-	61,926
Accrued Salaries	-	-	-
Due To Other Funds	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>61,926</u>	<u>-</u>	<u>61,926</u>
<u>Fund Balances:</u>			
Nonspendable:			
Inventories	10,693	-	10,693
Restricted:			
Food Service	27,154	-	27,154
Assigned:			
Pupil Activities	-	124,828	124,828
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>37,847</u>	<u>124,828</u>	<u>162,675</u>
<u>Total Liabilities & Fund Balances</u>	<u>99,773</u>	<u>124,828</u>	<u>224,601</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
 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>Pupil Activities</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenue</u>			
Earnings on Investments	79	129	208
Other Local Sources	16,049	108,473	124,522
State Aid	1,994	-	1,994
Federal Aid	<u>354,481</u>	<u>-</u>	<u>354,481</u>
<u>Total Revenues</u>	<u>372,603</u>	<u>108,602</u>	<u>481,205</u>
<u>Expenditures</u>			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	-	108,071	108,071
Food Service	<u>347,441</u>	<u>-</u>	<u>347,441</u>
<u>Total Expenditures</u>	<u>347,441</u>	<u>108,071</u>	<u>455,512</u>
<u>Excess (Deficiency) of Revenues</u>			
<u>Over (Under) Expenditures</u>	<u>25,162</u>	<u>531</u>	<u>25,693</u>
<u>Other Financing Sources (Uses)</u>			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Net Change in Fund Balances</u>	25,162	531	25,693
<u>Fund Balances – Beginning (as Restated)</u>	<u>12,685</u>	<u>124,297</u>	<u>136,982</u>
<u>Fund Balances – Ending</u>	<u>37,847</u>	<u>124,828</u>	<u>162,675</u>

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
MAJOR CAPITAL RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	Budget			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
<u>Revenues</u>				
Earnings on Investments	4,000	4,000	5,084	1,084
Other Local Sources	-	-	-	-
State Sources	-	-	-	-
<u>Total Revenue</u>	<u>4,000</u>	<u>4,000</u>	<u>5,084</u>	<u>1,084</u>
<u>Expenditures</u>				
Land and Land Sites	-	-	-	-
Equipment	-	-	-	-
Vehicle - Other	-	-	-	-
Buildings & Improvements	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Contingency Reserves	<u>431,628</u>	<u>431,628</u>	-	<u>431,628</u>
<u>Total Expenditures</u>	<u>431,628</u>	<u>431,628</u>	-	<u>431,628</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(427,628)</u>	<u>(427,628)</u>	<u>5,084</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	-	-	<u>200,000</u>	<u>200,000</u>
<u>Total Other Financing Sources (Uses)</u>	-	-	<u>200,000</u>	<u>200,000</u>
<u>Net Change in Fund Balances</u>	<u>(427,628)</u>	<u>(427,628)</u>	<u>205,084</u>	
<u>FUND BALANCE, July 1</u>	<u>427,628</u>	<u>427,628</u>	<u>427,628</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>632,712</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
FOOD SERVICES – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	10,500	15,085	4,585
Earnings on Investments	50	79	29
Other	1,350	964	(386)
<u>State Sources</u>			
School Lunches	11,000	1,994	(9,006)
<u>Federal Sources</u>			
School Lunches	349,000	341,388	(7,612)
Commodities	<u>15,000</u>	<u>13,093</u>	<u>(1,907)</u>
<u>Total Revenues</u>	<u>386,900</u>	<u>372,603</u>	<u>(14,297)</u>
<u>EXPENDITURES</u>			
Salaries	-	-	-
Employee Benefits	-	-	-
Purchased Services – Professional	-	-	-
Purchased Services – Property	3,700	4,346	(646)
Purchased Services - Other	425,885	329,926	95,959
Supplies and Materials	-	76	(76)
Capital Outlay	-	-	-
Other	-	-	-
Commodities	<u>-</u>	<u>13,093</u>	<u>(13,093)</u>
<u>Total Expenditures</u>	<u>429,585</u>	<u>347,441</u>	<u>82,144</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(42,685)	25,162	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(12,685)	25,162	
<u>FUND BALANCE, Beginning</u>	<u>12,685</u>	<u>12,685</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>37,847</u>	

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

CROWLEY COUNTY SCHOOL DISTRICT NUMBER RE-1-J
PUPIL ACTIVITY – 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>			
Local Sources	165,000	108,602	(56,398)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Revenues</u>	<u>165,000</u>	<u>108,602</u>	<u>(56,398)</u>
<u>EXPENDITURES:</u>			
Student Activities	<u>289,298</u>	<u>108,071</u>	<u>181,227</u>
<u>Total Expenditures</u>	<u>289,298</u>	<u>108,071</u>	<u>181,227</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(124,298)</u>	<u>531</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(124,298)</u>	<u>531</u>	
<u>FUND BALANCE – JULY 1 (as Restated)</u>	<u>124,298</u>	<u>124,297</u>	
<u>FUND BALANCE – JUNE 30</u>	<u>-</u>	<u>124,828</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
District 0770 - Crowley County RE-1-J
Fiscal Year 2019-20
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	2,275,708	4,918,773	4,310,868	2,883,613
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	227,124	227,124	0
Sub-Total	2,275,708	5,145,897	4,537,992	2,883,613
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	12,685	372,602	347,440	37,847
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	124,137	108,602	108,071	124,628
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	427,628	205,084	0	632,712
45 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,275,708	5,145,897	4,537,992	2,883,613
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0
FINAL	2,275,708	5,145,897	4,537,992	2,883,613



Colorado Department of Education
Bolded Balance Sheet Report
District: 0770 - Crowley County RE-1-j
Fiscal Year 2019-20
Colorado School District/BOCES

Page: 1

	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
ASSETS																
Cash and Investments (8100-8104,8111)	3,376,027	0	0	124,828	0	0	22,010	0	632,712	0	0	0	0	0	0	4,155,577
Cash with Fiscal Agent (8105)	89,813	0	0	0	0	0	0	0	0	0	0	0	0	0	0	89,813
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes Receivable (8121,8122)	83,900	0	0	0	0	0	0	0	0	0	0	0	0	0	0	83,900
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	230,693	0	0	0	0	0	0	0	0	0	0	0	0	0	0	230,693
Other Receivables (8151-8154,8161)	39,702	0	0	0	0	0	67,070	0	0	0	0	0	0	0	0	106,772
Inventories (8171,8172,8173)	0	0	0	0	0	0	10,693	0	0	0	0	0	0	0	0	10,693
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	3,820,135	0	0	124,828	0	0	99,772	0	632,712	0	0	0	0	0	0	4,577,447

	Governmental							Proprietary				Fiduciary				
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	86,360	0	0	0	0	0	61,926	0	0	0	0	0	0	0	0	148,286
Accrued Expenses (7461)	346,084	0	0	0	0	0	0	0	0	0	0	0	0	0	0	346,084
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	445,778	0	0	0	0	0	0	0	0	0	0	0	0	0	0	445,778
Deferred Inflow (7800)	58,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	58,300
Total Liabilities	936,522	0	0	0	0	0	61,926	0	0	0	0	0	0	0	0	998,447

Governmental

Proprietary

Fiduciary

FUND EQUITY

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	10,693	0	0	0	0	0	0	0	10,693
Restricted Fund Balance 6720	0	0	0	0	0	0	27,154	0	0	0	0	0	0	0	27,154
TABOR 3% Emergency Reserve 6721	156,000	0	0	0	0	0	0	0	0	0	0	0	0	0	156,000
TABOR Multi-Year 6722	74,911	0	0	0	0	0	0	0	0	0	0	0	0	0	74,911
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	632,712	0	0	0	0	0	632,712
Assigned Fund Balance 6760	0	0	0	124,828	0	0	0	0	0	0	0	0	0	0	124,828
Unassigned Fund Balance 6770	2,652,702	0	0	0	0	0	0	0	0	0	0	0	0	0	2,652,702
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,883,613	0	0	124,828	0	0	37,847	0	632,712	0	0	0	0	0	3,679,000

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,820,135	0	0	124,828	0	0	99,773	0	632,712	0	0	0	0	0	4,677,448

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,820,135	0	0	124,828	0	0	99,773	0	632,712	0	0	0	0	0	4,677,448

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