

**EL PASO COUNTY SCHOOL DISTRICT #22
ELLCOTT, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORTS**

**FOR THE YEAR ENDED
JUNE 30, 2020**

EL PASO COUNTY SCHOOL DISTRICT #22
ROSTER OF SCHOOL OFFICIALS

Year Ended June 30, 2020

BOARD OF EDUCATION

President - Jackie Chambers

Vice President – Bob McWilliams

Treasurer - Matt Amendt

Secretary – Chris Jones

Director – Becky Netelli

ADMINISTRATIVE STAFF

Chris Smith - Superintendent of Schools

Kimberly Ekberg – Business Manager

EL PASO COUNTY SCHOOL DISTRICT #22

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information - Unaudited)

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI) June 30, 2020

The management of El Paso County School District # 22 (the “District”) offers you, the readers of this Annual Financial Report, this narrative and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District’s financial performance.

Financial Highlights

- While the District’s net position is \$5,836,720, it is important to point out that the District general fund ending balance of \$3,437,875 in the general fund puts us right at the 3.5 months in the General Fund reserve. The District’s goal is to maintain a total 4.5 months in reserves for the total operating budget.
- The District had a committed fund balance for capital projects in the Capital Reserve Fund of \$410,210. The District received the BEST and SAFER school grants in Fiscal Year 2018-2019, these projects have reached 90% completion in SY 2019-2020. These grants have helped in securing our schools, building a high wind shelter for the elementary, and to help with plumbing issues at the high school.
- The board has approved a transfer from the general fund to food service in the 2019-2020 budget to ensure that food service is not reported as having a deficit. As the cost of covering the commodities liabilities increased.
- The District’s Governmental Funds fund balance increased by \$643,331 to an ending fund balance of \$4,875,183 This increase is primarily attributable to the increase in state shares and student count, valuation of property, a decrease in the PERA liability and the finishing of Capitol Construction Projects.
- The Governmental Funds reported combined unassigned fund balance of \$3,076,875 representing 24% of total governmental expenditures.

Using the Basic Financial Statements

This discussion and analysis serves as an introduction to the District’s basic financial statements. The District’s basic financial statements consist of three components:

- 1) government-wide financial statements,
- 2) fund financial statements, and
- 3) notes to the financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

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

The **statement of net position** presents information on all the District's assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the financial position of the District. Current and previous year information is presented for comparison.

The **statement of activities** presents information reporting how the District's net position changed during fiscal year 2020. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Earned but unused vacation leave and uncollected taxes are examples of these types of items.

The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business and central services, food service and transportation.

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation, food service and extracurricular activities.

A condensed summary of the District's net position is as follows:

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2020	2019
Assets:		
Current Assets	\$ 7,258,442	\$ 3,147,139
Capital Assets – Net	12,955,201	2,873,719
Deferred Outflows of Resources	3,643,036	6,219,116
Capital Assets & Deferred Outflows of Financial Resources	<u>23,856,679</u>	<u>12,239,974</u>
Liabilities:		
Current Liabilities	2,516,753	1,046,845
Non-current Liabilities	15,052,367	15,732,070
Deferred Inflows of Resources	12,588,656	12,332,997
Total Liabilities & Deferred Inflows of Financial Resources	<u>30,157,776</u>	<u>29,111,912</u>
Net Position:		
Net Invested in Capital Assets	11,274,619	2,873,719
Unrestricted Net Position	(6,695,746)	(19,745,657)
Total Net Position(Deficit)	<u>4,578,873</u>	<u>(16,871,938)</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 34,736,649</u>	<u>\$ 12,239,974</u>

A condensed summary of the District's net activities is as follows:

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2020	2019
Program Revenues:		
Charges for Services	\$ 284,901	\$ 4,626,637
Operating Grants	<u>1,747,523</u>	<u>8,267,657</u>
Total Program Revenues	2,032,424	12,894,294
General Revenues:		
Investment Earnings	79,806	41,510
Miscellaneous Revenues	<u>6,646</u>	<u>142,998</u>
Total General Revenues	<u>(9,235)</u>	<u>184,508</u>
Total Revenues	<u>2,023,189</u>	<u>13,078,802</u>
Expenses:		
Instruction	4,178,975	3,965,704
Supporting Services	<u>3,991,389</u>	<u>7,366,768</u>
Total Expenses	<u>8,170,364</u>	<u>11,332,472</u>
Change in Net Position	(6,147,175)	1,746,330
Net Position - Beginning	<u>(16,871,938)</u>	<u>(18,618,268)</u>
Net Position Ending	<u>\$ (20,835,852)</u>	<u>\$ (16,871,938)</u>

Fund Financial Statements

A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained five individual governmental funds for fiscal year 2020. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balance for:

- 1) the General Fund (including preschool operation),
- 2) the Pupil Activity Fund.
- 3) the Food Services Fund and
- 4) the Capital Projects Fund and
- 5) the Bond Redemption Debt Service Fund.

All 5 are considered *major funds*.

As of June 30, 2020, the District's governmental funds reported a combined fund balance of \$4,875,183 compared to June 30, 2019 of \$4,231,852, which is an increase of \$643,330. The following is additional information by fund which contributed to the change.

General Fund: Overall inflows exceeded outflows in the General Fund by \$794,700. The school district has been focused on budgeting conservatively. The District is trying to build reserves back up to a healthy level, the goal is 4-5 months reserve. In addition, we were able to receive some additional funding that we lost out on in prior years due to not getting the audit submitted in a timely manner. For instance, we received the high cost special education reimbursement that we lost out in prior years and therefore did not budget. In addition, unaccounted for cash differences and the issues we have been having with our bank recs and software have been identified and fixed. The finance department has worked hard on fixing bank recs in AptaFund and will be at a \$0 difference going into 2020-2021. Moving forward, the district will be sure to work with CDE to ensure that the district consolidated program is designated as a schoolwide program, the district's goal is to get to a 4 month reserve in general funds.

Capital Projects: Overall outflows exceeded inflows in the Capital Project Fund by \$280,902, decreasing the Fund Balance to \$553,810, the decrease is a benefit to the district as it is an indicator that their major projects are almost complete. Moving forward, the district will build a contingency reserve in capital projects to avoid budget violations and to help absorb any unforeseen costs.

Bond Redemption Fund: During the year, Bond Redemption Fund inflows exceeded outflows by \$11,913, leaving an ending Fund Balance of \$753,247 up from \$741,334 in 2019. Due to a steady increase in assessed valuation the district will keep looking to decrease the impact by lowering the mill levy each December. The District will continually evaluate methods to spend down the bond redemption fund while lowering mill levies until the payment levels out and the 2011 bond is paid in full.

Food Service Fund: For the year ended June 30,2020, Food Service Fund had a deficiency of \$14,692 in which the general fund was subsidized. The District will continue to monitor and budget for transfers from the general fund to cover the deficit if cost savings are not sufficient. Moving forward, the district has inputted a contingency reserve in food service to avoid budget violations and to help absorb any unforeseen costs.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available for the support of the District's own programs. The Pupil Activity Fund is an example of this type of fund.

Debt Administration

As of June 30, 2020, the District had total outstanding long-term debt as follows:

	Balance July 1 2019	Advances	Payments	Balance June 30 2020	Current Portion	Interest Expense
Series 2011 General Obligation Bonds	\$ 1,748,214	\$ -	\$ 104,362	\$ 1,643,852	\$ 108,660	\$ 69,485
PERA Net Pension Liability	16,737,634	-	2,758,724	13,978,910	-	-
OPEB Net Liability	835,943	-	148,592	687,351	-	-
Copier Capital Lease	9,277	-	2,251	7,026	2,368	413
Bus Capital Lease	-	278,225	70,162	208,063	67,331	-
Accrued Compensated Absences	17,030	45,327	-	62,357	-	-
Totals	\$ 19,348,098	\$ 323,552	\$ 3,084,091	\$ 16,587,559	\$ 178,359	\$ 69,898

During the year, the District made all of its scheduled debt payments. Additional information related to the District's debt can be found in Note 6 to the financial statements. Additional information about the District's pension plan can be found in Note 9.

Capital Assets

As of June 30, 2020, the District's Governmental Activity had capital assets of \$12,955,200 invested in a broad range of assets, including buildings remodels, furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$1,758,630 from last year. This is a result of normal depreciation of existing assets in the amount of \$479,593 from last year offset by current acquisitions. The District does not maintain separate infrastructure assets as the entire infrastructure has been included with the related capital asset.

	Restated Balance July 1 2019	Additions	Deletions	Balance June 30 2020
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 392,261	\$ -	\$ -	\$ 392,261
Construction in Progress	200,635	1,536,382	-	1,737,017
Total Capital Assets Not Being Depreciated	<u>592,896</u>	<u>1,536,382</u>	<u>-</u>	<u>2,129,278</u>
Capital Assets Being Depreciated:				
Land Improvements	1,674,538	41,582	55,238	1,660,882
Buildings and Improvements	13,717,755	84,764	-	13,802,519
Transportation Equipment	1,657,268	656,770	524,661	1,789,377
Food Service Equipment	55,979	14,412	-	70,391
Other Equipment	339,758	-	-	339,758
Total Capital Assets Being Depreciated	<u>17,445,298</u>	<u>797,528</u>	<u>579,899</u>	<u>17,662,927</u>
Less: Accumulated Depreciation				
Land and Improvements	(761,345)	(61,541)	(54,412)	(768,474)
Buildings and Improvements	(5,009,490)	(310,828)	-	(5,320,318)
Transportation Equipment	(826,641)	(82,981)	(429,800)	(479,822)
Food Service Equipment	(21,158)	(4,285)	-	(25,443)
Other Equipment	(222,990)	(19,958)	-	(242,948)
Total Accumulated Depreciation	<u>(6,841,624)</u>	<u>(479,593)</u>	<u>(484,212)</u>	<u>(6,837,005)</u>
Net Governmental Capital Assets	<u>\$ 11,196,570</u>	<u>\$ 1,854,317</u>	<u>\$ 95,687</u>	<u>\$ 12,955,200</u>

General Fund Budget

The Board of Education adopts the District's budget in June of each year. If needed, changes are then made in January based on the final October student enrollment. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional inflows are received. Program funding is based upon student enrollment on October 1st of each year. This per pupil funding is a combination of Property Tax, State Equalization, and Specific Ownership Tax. Because these factors are not known in June when the budget is adopted, the portion of inflow from each source is not known until the following January.

The District's actual General Fund revenues were \$108,978 over the revised budget amount. This is primarily due to the conservative approach of predicting student enrollment and state share per pupil funding, with the end goal in mind of building a healthy reserve back up. General Fund expenditures were \$2,215,401 under the revised budget amount.

Economic Factors and Next Year's Budget

Going into the FY 2020-2021, the Ellicott School District again budgeted conservatively. The budget was built on the estimated 1000 students at \$8,443 per student = \$8,443,000. The actual state share, as of October 1, 2020 was 1,038. funded students at \$8,361= \$8,678,718. The COVID19 pandemic caused the District to amend their budget in January to account for reduction in per pupil funding and student population, which equaled approximately a decrease of 5.5% of the state share, but the Federal Corona

Virus Relief Funds helped to minimize the impact in the short term by off-setting the loss. Although not as much as we believe is necessary, it is a step in the right direction. We continue to have faith that the legislation will do everything they can to rectify the issue of the budget stabilization factor and provide measures to protect public education in case of a predicted recession. The student population ranges from stable to increased growth, but that is over a 5 year average.

In anticipation of issues which will impact next year's budget, the following are high on that list.

- Student achievement- catching up students who have fallen behind in their growth academically due to the pandemic. Two proven strategies to increase scores is to reduce class sizes and decrease the turn-over rate in teaching staff. We will continue to struggle in increasing the teaching staff to educate the increasing at-risk student population that continues to grow. To exceed the state average in growth and achievement we have to build capacity to support these at-risk subgroups, because this is where we see the biggest achievement gaps. A constant high turnover rate has a huge impact on this. Attracting and retaining high quality educators is very competitive in the State of Colorado and our rural school district can't match the nearby bigger districts in salary and benefits.
- District growth. We continue to seek partnerships to secure grants and funding to provide resources to receive projected growth. These partnerships include but are not limited to the Ellicott Metro Athletic District, Pikes Peak BOCES, El Paso County Sheriff's Department, El Paso County and Schriever Air Force Base. Schriever Air Force Base remains a very important part of the District's growth model and proves to be a great asset to the District as a whole. The loss of Space Command to the Pikes Region will slow the growth, but by no means stop it.
- Providing opportunity for our students to compete not just locally, but nationally and world-wide is a priority. This means a higher cost to the district as students register in pre-collegiate programs and begin their post secondary steps to becoming citizens. In the rural setting the only way to provide these opportunities is to have partnerships with UCCS and PPCC for higher academics and to seek vocational opportunities with surrounding businesses.

The Colorado Legislators have to be able to find a way to address the underfunding to public education. The negative factor and unfunded PERA liability continue to have a tremendous impact on our district budget. The moving trend to charter and choice schools also implies that we must find a way to market ourselves to attract new families to us, while maintaining our relationships with our existing community and families. The expectation to provide a fine dining experience on government rations, is an enormous task.

Ellicott is one of the few rural districts in the state that has remained the same if not slightly increased in enrollment. The pandemic and its consequences are yet to be fully determined, the district leadership continues to anticipate the future with enthusiasm. We must continue to move forward toward improved student learning achievement.

Requests for Information

This financial report is designed to provide a general overview of the El Paso County School District # 22's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Chris Smith, ESD22 Superintendent or Mikaela Copeland, ESD22 Business Manager, 322 South Ellicott Highway, Ellicott, Colorado 80808.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
El Paso County School District #22
Ellicott, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the El Paso County School District #22, Colorado, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 of 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 auditors' 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 controls. 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.

Opinion

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 El Paso County School District #22, Colorado, as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the El Paso County School District #22's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

As discussed in Note 16, the District has restated the beginning fund balance in the Pupil Activity Agency Fund and the Pupil Activity Special Revenue Fund and governmental activities due to the adoption of GASB Statement No. 84 – Fiduciary Activities. Our opinion is not modified with regards to this matter.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 – M8, pension and other post-employment benefit schedules on pages 46 - 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

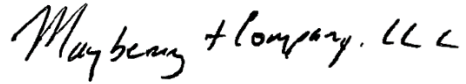
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 50 - 54 be presented to supplement the basic financial statements. Such 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. In addition, the schedules on pages 55 – 60 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports pages 61 - 64 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2020 on our consideration of the El Paso County School District #22's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Paso County School District #22's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Mayberry + Company, LLC". The signature is written in a cursive, flowing style.

Englewood, CO
December 10, 2020

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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2020.

EL PASO COUNTY SCHOOL DISTRICT #22

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 6,708,398
Cash with Fiscal Agent	15,680
Taxes Receivable	148,978
Grants Receivable	540,661
Other Accounts Receivable	9,383
Inventory	6,331
Capital and Other Assets	
BEST Grant Receivable	13,548,408
Capital Assets not Being Depreciated	2,129,278
Capital Assets Being Depreciated	17,662,928
Accumulated Depreciation	<u>(6,837,005)</u>
Total Assets	<u>33,933,040</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	3,302,155
Net OPEB Deferred Outflows	340,881
Total Deferred Outflows of Financial Resources	<u>3,643,036</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 37,576,076</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 758,883
Retainage Payable	26,114
Accrued Interest	8,893
Accrued Salaries & Benefits	941,802
Unearned Revenue	11,381
Unearned Revenue Grants	816,068
Noncurrent Liabilities	
Due Within One Year	178,359
Due In More Than One Year	<u>16,409,200</u>
Total Liabilities	<u>19,150,700</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	12,387,604
Net OPEB Deferred Inflows	<u>201,052</u>
Total Deferred Inflows of Financial Resources	<u>12,588,656</u>
Net Position	
Net Investment in Capital Assets	11,274,619
Restricted Net Position	1,257,847
Unrestricted Net Position	<u>(6,695,746)</u>
Total Net Position	<u>5,836,720</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 37,576,076</u>

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

EL PASO COUNTY SCHOOL DISTRICT #22
 Balance Sheet
 Governmental Funds
 June 30, 2020

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund
ASSETS				
Cash and Investments	\$ 5,358,419	\$ 6,757	\$ 122,312	\$ 814,086
Cash with Fiscal Agent	14,985	-	-	695
Taxes Receivable	127,198	-	-	21,780
Interfund Accounts Receivable	-	-	-	-
Grants Receivable	165,197	41,541	-	-
Other Accounts Receivable	768	8,597	-	18
Inventory	-	6,331	-	-
TOTAL ASSETS	<u>\$ 5,666,567</u>	<u>\$ 63,226</u>	<u>\$ 122,312</u>	<u>\$ 836,579</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ 165,695	\$ -	\$ -	\$ 83,332
Accounts Payable	337,136	11,897	-	-
Retainage Payable	-	-	-	-
Accrued Salaries & Benefits	909,793	32,009	-	-
Unearned Revenue	-	11,381	-	-
Unearned Revenue Grants	816,068	-	-	-
Total Liabilities	<u>2,228,692</u>	<u>55,287</u>	<u>-</u>	<u>83,332</u>
Deferred Inflows of Financial Resources				
Fund Balance				
Nonspendable Fund Balance	-	6,331	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	-	753,247
Restricted for TABOR Emergencies	361,000	-	-	-
Restricted for Colorado Preschool Program	-	-	-	-
Committed Fund Balance	-	1,608	122,312	-
Assigned Fund Balance	-	-	-	-
Unassigned Fund Balance	3,076,875	-	-	-
Total Fund Balance	<u>3,437,875</u>	<u>7,939</u>	<u>122,312</u>	<u>753,247</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 5,666,567</u>	<u>\$ 63,226</u>	<u>\$ 122,312</u>	<u>\$ 836,579</u>

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

Capital Projects		Totals	
Capital Reserve			
Project Fund	2020	2019	
\$ 406,824	\$ 6,708,398	\$ 5,457,172	
-	15,680	14,784	
-	148,978	49,747	
249,027	249,027	252,015	
333,923	540,661	111,927	
-	9,383	22,068	
-	6,331	12,325	
<u>\$ 989,774</u>	<u>\$ 7,678,458</u>	<u>\$ 5,920,038</u>	
\$ -	\$ 249,027	\$ 252,015	
409,850	758,883	279,885	
26,114	26,114	7,003	
-	941,802	968,726	
-	11,381	3,549	
-	816,068	177,008	
<u>435,964</u>	<u>2,803,275</u>	<u>1,688,186</u>	
-	6,331	12,325	
143,600	896,847	859,884	
-	361,000	323,000	
-	-	114,163	
410,210	534,130	716,469	
-	-	-	
-	3,076,875	2,206,011	
<u>553,810</u>	<u>4,875,183</u>	<u>4,231,852</u>	
<u>\$ 989,774</u>	<u>\$ 7,678,458</u>	<u>\$ 5,920,038</u>	

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EL PASO COUNTY SCHOOL DISTRICT #22

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2020**

Fund Balance - Governmental Funds		\$ 4,875,183
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 2,129,278	
Capital assets, being depreciated	17,662,928	
Accumulated depreciation	<u>(6,837,005)</u>	12,955,201
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds		
Long-Term BEST Grant Receivable		13,548,408
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
Pension Liability		
Net pension deferred outflows	3,302,155	
Net pension liability	(13,978,910)	
Net pension deferred inflows	<u>(12,387,604)</u>	(23,064,359)
OPEB Liability		
Net OPEB deferred outflows	340,881	
Net OPEB liability	(687,351)	
Net OPEB deferred inflows	<u>(201,052)</u>	(547,522)
Certain assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Internal Service operations primarily benefit Governmental Activities		
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,643,852)	
Capital leases payable	(215,089)	
Accrued interest payable	(8,893)	
Accrued compensated absences	<u>(62,357)</u>	<u>(1,930,191)</u>
Total Net Position - Governmental Activities		<u>\$ 5,836,720</u>

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

EL PASO COUNTY SCHOOL DISTRICT #22
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund
REVENUES				
Local Sources	\$ 1,231,528	\$ 102,713	\$ 91,839	\$ 186,429
Intermediate Sources	300	-	-	-
State Sources	9,422,049	12,788	-	-
Federal Sources	472,495	505,744	-	-
TOTAL REVENUES	<u>11,126,372</u>	<u>621,245</u>	<u>91,839</u>	<u>186,429</u>
EXPENDITURES				
Instruction	5,607,274	-	99,554	-
Pupil Support	223,772	-	-	-
Staff Support	260,855	-	-	-
General Administration	194,807	-	-	-
School Administration	761,003	-	-	-
Business Services	630,993	-	-	303
Operations and Maintenance	927,438	-	-	-
Transportation	1,385,146	-	-	-
Other Central Support	389,665	-	-	-
Risk Management	2,545	-	-	-
Food Service	-	635,937	-	-
Facilities	-	-	-	-
Other Uses	14,778	-	-	-
Debt Service	76,870	-	-	174,213
TOTAL EXPENDITURES	<u>10,475,146</u>	<u>635,937</u>	<u>99,554</u>	<u>174,516</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	651,226	(14,692)	(7,715)	11,913
OTHER FINANCING SOURCES (USES)				
Debt Proceeds	278,225	-	-	-
Transfers	(134,750)	10,000	17,250	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>143,475</u>	<u>10,000</u>	<u>17,250</u>	<u>-</u>
CHANGE IN FUND BALANCE	<u>794,701</u>	<u>(4,692)</u>	<u>9,535</u>	<u>11,913</u>
BEGINNING FUND BALANCE	2,643,175	12,631	-	741,334
Prior Period Adjustment	-	-	112,777	-
BEGINNING FUND BALANCE (As Restated)	<u>2,643,175</u>	<u>12,631</u>	<u>112,777</u>	<u>741,334</u>
ENDING FUND BALANCE	<u>\$ 3,437,876</u>	<u>\$ 7,939</u>	<u>\$ 122,312</u>	<u>\$ 753,247</u>

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

Capital Projects		Totals	
Capital Reserve			
Project Fund	2020	2019	
\$ 71,750	\$ 1,684,259	\$ 1,551,014	
-	300	309	
1,084,530	10,519,367	9,213,718	
-	978,239	1,104,015	
<u>1,156,280</u>	<u>13,182,165</u>	<u>11,869,056</u>	
-	5,706,828	5,893,258	
-	223,772	204,979	
-	260,855	230,604	
-	194,807	177,596	
-	761,003	742,132	
-	631,296	419,370	
8,300	935,738	932,331	
-	1,385,146	824,982	
-	389,665	341,968	
-	2,545	14,910	
-	635,937	570,952	
1,536,382	1,536,382	410,173	
-	14,778	6,730	
-	251,083	176,962	
<u>1,544,682</u>	<u>12,929,835</u>	<u>10,946,947</u>	
(388,402)	252,330	922,109	
-	278,225	-	
<u>107,500</u>	-	-	
<u>107,500</u>	<u>278,225</u>	-	
<u>(280,902)</u>	<u>530,555</u>	<u>922,109</u>	
834,712	4,231,852	3,309,743	
-	112,777	-	
<u>834,712</u>	<u>4,344,629</u>	<u>3,309,743</u>	
<u>\$ 553,810</u>	<u>\$ 4,875,184</u>	<u>\$ 4,231,852</u>	

EL PASO COUNTY SCHOOL DISTRICT #22

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2020**

Change in Fund Balance - Governmental Funds		\$	530,555
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>			
Capitalized Asset Purchases	\$	2,333,911	
Depreciation Expense		(479,593)	
Gain (Loss) on Asset Disposals		<u>(95,687)</u>	1,758,631
<p>The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant</p>			
Amortization of BEST grant receivable			(307,919)
<p>Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.</p>			
Pension Liability			
Current year change and amortization of deferred outflows - net		(4,236,901)	
Change in net pension liability		2,758,724	
Current year change and amortization of deferred inflows - net		<u>3,919,075</u>	2,440,898
OPEB Liability			
Current year change and amortization of deferred outflows - net		289,022	
Change in OPEB liability		148,592	
Current year change and amortization of deferred inflows - net		<u>(109,178)</u>	328,436
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.</p>			
Proceeds from debt issuances		(278,225)	
Principal payments on bonds payable		104,362	
Principal payments on capital leases		72,412	
Change in accrued interest payable		(3,072)	
Change in accrued compensated absences		<u>(45,327)</u>	<u>(149,850)</u>
Total Net Position - Governmental Activities		\$	<u><u>4,600,751</u></u>

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

EL PASO COUNTY SCHOOL DISTRICT #22
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Agency Fund</u>	<u>Totals</u>	
	Pupil Activity		
	<u>Agency Fund</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash and Investments	\$ -	\$ -	\$ 112,777
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Net Position			
Restricted for Scholarship	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,777</u>

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

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of El Paso County School District #22 (the District) conform to generally accepted accounting principles as applicable to governmental units. A summary of the more significant policies is described below.

Reporting Entity

In evaluating how to define the government for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Codification Section 2100 - *Defining the Financial Reporting Entity*.

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

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. the District did not have any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds would be aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds.

General Fund: This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Food Service (Special Revenue) Fund: The Food Service Fund accounts for the District's food service program.

Bond Redemption (Debt Service) Fund: This fund is used to account for the repayment of the District's general obligation indebtedness.

Capital Reserve Projects (Capital Project) Fund: This fund is used to account for the completion of major capital projects. The capital reserve activity is funded through elective transfers from the General Fund.

The District reports one fiduciary fund.

Pupil Activity (Agency) Fund: This fund is used to account for the money held in trust by the District for student organization and scholarships. This fund is custodial and does not measure the results of operations.

Measurement Focus and Basis of Accounting

Government-Wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year-end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

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

The District adheres to the procedures described below in establishing the budgetary data reflected in the financial statements.

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted by the Board of Education.
- Encumbrance accounting is not utilized.

Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position/Fund Balance

Cash and Investments

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash is pooled in interest-bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts that are legally authorized. Investments are stated at fair value.

Cash and Cash Equivalents – The government’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Receivables

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

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Inventories

Inventory is valued at the lower of cost (first-in, first-out) or market.

Capital Assets

Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds. Property and equipment with a cost of \$5,000 or greater are considered capital assets.

Property and equipment acquired for the proprietary fund is capitalized in the fund.

Property and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	10 - 75 years
Vehicles and Other Equipment	10 - 30 years

Vacation, Sick Leave, and Other Compensated Absences

District employees are entitled to certain compensated absences based on their length of employment. Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. As all employees are contracted to work a set number of days during a year; no vacation accrual accumulates.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 9 and 11.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element 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. The District reports deferred inflows related to pension and OPEB liabilities as further described in Note 9 and 11.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position/Fund Balance

In the government-wide financial statements net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance is reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as “assigned” fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues that are directly attributable to a program are shown as program revenues for the statement of activities. These revenues consist of, but are not limited to, grants, fees and other charges for services.

Property Tax Revenues

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

Under Colorado Law, all property taxes become due and payable on January 1 in the year following that in which they are levied. Property taxes are recognized as revenue when payable to the County Treasurer. Due to the nature of Colorado school district funding, uncollected property taxes levied in the current fiscal year for collection in the subsequent fiscal year are identified as property taxes receivable at June 30 and are presented net of an estimated allowance for uncollectible taxes.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS

A summary of deposits and investments at June 30, 2020 is provided below.

Government-wide		
Unrestricted:		
Cash and Deposits	\$	59,913
Investments:		
Colotrust		<u>5,711,922</u>
Total Unrestricted - Government-wide		5,771,835
Restricted:		
Investments:		
ColoTrust - Bond Redemption		<u>814,086</u>
Total Government-wide		<u>6,585,921</u>
Fiduciary		
Unrestricted:		
Demand deposits		118,442
Certificates of deposit		<u>4,035</u>
Total Fiduciary		<u>122,477</u>
Total Cash & Investments	\$	<u>6,708,398</u>

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 regulations. At June 30, 2020, State regulatory commissioners indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102 percent of the uninsured deposits. Deposits are categorized by type of credit risk: (1) Insured or collateralized with securities held by the District or by its agent in the District's name; (2) Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name; or (3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the District's name.

At June 30, 2020, the District's deposits had bank and carrying balances as follows:

	Bank Balance	Carrying Balance
FDIC Insured	\$ 250,000	\$ 182,390
PDPA Collateralized (Not held in District's name)	<u>24,304</u>	<u>-</u>
Total Cash Deposits	<u>\$ 274,304</u>	<u>\$ 182,390</u>

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

The following is a summary of the District’s investments as of June 30, 2020:

	<u>Total</u>	<u>Weighted Avg. Mat. In Yrs</u>
Local Government Investment Pools	\$ 6,526,007	-

Cash Invested

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District has invested in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of the Trusts consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the Trusts in connection with the direct investment and withdrawal functions of the Trusts. Substantially all securities owned by the Trusts are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the Trusts. These investments, as well as the investments in mutual funds, are not categorized because the underlying securities cannot be determined.

Interest Rate Risk

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

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investments policy that would further limit its investment choices. At June 30, 2020 the District’s investment in the Colorado Government Liquid Assets Trust (COLOTRUST) was rated AAAM by Standard & Poor’s. The District’s funds held for repayment of the Series 2000 Certificates of Participation are held in trust and are invested in a Fidelity Treasury Portfolio I mutual fund who’s rating could not be determined.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2020 of \$6,331 consisted of purchased and donated commodities. 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. Unused commodity inventory is reported as a deferred inflow at year end.

NOTE 4: CAPITAL ASSETS

Changes in capital assets for the year ended June 30, 2020 are shown below:

	Restated Balance July 1 2019	Additions	Deletions	Balance June 30 2020
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 392,261	\$ -	\$ -	\$ 392,261
Construction in Progress	<u>200,635</u>	<u>1,536,382</u>	-	<u>1,737,017</u>
Total Capital Assets Not Being Depreciated	<u>592,896</u>	<u>1,536,382</u>	-	<u>2,129,278</u>
Capital Assets Being Depreciated:				
Land Improvements	1,674,538	41,582	55,238	1,660,882
Buildings and Improvements	13,717,755	84,764	-	13,802,519
Transportation Equipment	1,657,268	656,770	524,661	1,789,377
Food Service Equipment	55,979	14,412	-	70,391
Other Equipment	<u>339,758</u>	-	-	<u>339,758</u>
Total Capital Assets Being Depreciated	<u>17,445,298</u>	<u>797,528</u>	<u>579,899</u>	<u>17,662,927</u>
Less: Accumulated Depreciation				
Land and Improvements	(761,345)	(61,541)	(54,412)	(768,474)
Buildings and Improvements	(5,009,490)	(310,828)	-	(5,320,318)
Transportation Equipment	(826,641)	(82,981)	(429,800)	(479,822)
Food Service Equipment	(21,158)	(4,285)	-	(25,443)
Other Equipment	<u>(222,990)</u>	<u>(19,958)</u>	-	<u>(242,948)</u>
Total Accumulated Depreciation	<u>(6,841,624)</u>	<u>(479,593)</u>	<u>(484,212)</u>	<u>(6,837,005)</u>
Net Governmental Capital Assets	<u>\$ 11,196,570</u>	<u>\$ 1,854,317</u>	<u>\$ 95,687</u>	<u>\$ 12,955,200</u>

Balances have been restated to reflect the District's contribution to the Middle School BEST capital construction project in the amount of \$2,300,539 less accumulated depreciation on that contribution of \$230,054, for a net increase in governmental capital assets and governmental activities net position of \$2,070,484.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 4: CAPITAL ASSETS (Continued)

Depreciation has been allocated to the District’s operating functions as follows:

Instruction	\$ 215,996
Supporting Services	263,597
Depreciation Allocation	<u>\$ 479,593</u>

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2020, are \$941,803. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General, Food Service.

NOTE 6: LONG-TERM DEBT

Changes in long-term debt and the current portion of each obligation are as follows:

	Balance July 1 2019			Balance June 30 2020			Current Portion	Interest Expense
	Advances	Payments	2020	2020	Portion	Expense		
Series 2011 General Obligation Bonds	\$ 1,748,214	\$ -	\$ 104,362	\$ 1,643,852	\$ 108,660	\$ 69,485		
PERA Net Pension Liability	16,737,634	-	2,758,724	13,978,910	-	-		
OPEB Net Liability	835,943	-	148,592	687,351	-	-		
Copier Capital Lease	9,277	-	2,251	7,026	2,368	413		
Bus Capital Lease	-	278,225	70,162	208,063	67,331	-		
Accrued Compensated Absences	17,030	45,327	-	62,357	-	-		
Totals	<u>\$ 19,348,098</u>	<u>\$ 323,552</u>	<u>\$ 3,084,091</u>	<u>\$ 16,587,559</u>	<u>\$ 178,359</u>	<u>\$ 69,898</u>		

General Obligation Bonds Payable

On December 11, 2011 the District issued \$2,373,694 of general obligation bonds used to help construct a middle school, pre-school, and administrative facility. The issuance bears an interest rate of 4.12 percent. Interest is payable semi-annually on June 1 and December 1 of each year. Principal is payable over a period of twenty years and is payable annually on December 1 of each year.

Principal and interest is payable on the outstanding obligations as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 108,660	\$ 65,464	\$ 174,124
2022	113,136	60,897	174,033
2023	117,795	56,142	173,937
2024	122,646	51,190	173,836
2025	127,698	46,035	173,733
2026-2030	721,845	145,103	866,948
2031-2032	332,072	13,814	345,886
Totals	<u>\$ 1,643,852</u>	<u>\$ 438,645</u>	<u>\$ 2,082,497</u>

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 6: LONG-TERM DEBT (Continued)

Capital Leases

In May 2018, the District entered into a lease agreement for \$11,765 for two copiers. Monthly payments of \$222 are due through April 2023, at an estimated interest rate of 5.0%. The District has capitalized assets of \$10,589 related to this lease. In case of default, the lease will be assigned, cancelled, or terminated. The District may also be required to immediately pay the lessor a sum equal to the present value of all unpaid lease payments, past due, due, and to become due for the remainder of the lease, plus the present value of the residual interest, discounted at 4 percent per year, plus all other amounts due under the lease. Under this scenario the District may be required to deliver the equipment to the lessor, and the lessor may exercise any other right or remedy available at law or in equity.

The future minimum capital lease payments at June 30, 2020, are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 2,664
2022	2,664
2023	<u>2,220</u>
Total minimum lease payments	7,549
Less amount representing interest at 5%	<u>(524)</u>
Present value of minimum lease payments	<u>\$ 7,025</u>

In July 2019, the District entered into a lease agreement for \$278,225 for the purchase of four school buses. Annual payments of \$74,205 are due through December 2022, at an interest rate of 3.25%. The District has capitalized assets of \$278,225 related to this lease. In case of default, the lessor may exercise any one or more of the following remedies: obtain possession of the equipment, exercise any other right, remedy, or privilege which may be available under applicable law, including the right to proceed by appropriate court action to enforce the terms of this lease, recover damages for the breach of the lease and rescind the lease as to any or all of the equipment.

The future minimum capital lease payments at June 30, 2020, are as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2021	\$ 74,205
2022	74,205
2023	<u>74,205</u>
Total minimum lease payments	222,615
Less amount representing interest at 5%	<u>(14,552)</u>
Present value of minimum lease payments	<u>\$ 208,063</u>

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 7: JOINTLY GOVERNED ORGANIZATION

The District is a participant among four Districts in a jointly governed organization to operate the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. During the year ended June 30, 2020, the District paid \$99,529 in assessments to the BOCES. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2883 South Circle Drive, Colorado Springs, CO 80906.

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to: torts; theft of; damage to; destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials.

Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2020.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District’s financial statements.

Workers Compensation

The District carries commercial insurance for worker’s compensation coverage. Risk of loss transfers to the carrier.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, 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.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

General Information about the Pension Plan

- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Plan description. Eligible employees of the District are provided with pensions through the School Division Trust Fund (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, 2018. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 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, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified 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.

Contributions provisions as of June 30, 2019: Eligible employees the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2019 Through December 31, 2019	January 1, 2020 Through June 30, 2020
Employer contribution rate	10.15%	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%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.38%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

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

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of \$225 million (in actual dollars). Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, direct distribution.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,058,768 for the year ended June 30, 2019.

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

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

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020, the District reported a liability of \$13,978,910 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (13,978,910)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (1,573,472)
Total	\$ (15,552,382)

At December 31, 2019, the District proportion was 0.09357 percent, which was a decrease of 0.00096 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$1,380,866 and revenue of \$1,573,472 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 778,720	\$ -
Changes of assumptions or other inputs	\$ 493,236	\$ (6,405,543)
Net difference between projected and actual earnings on pension plan investments	\$ 1,509,214	\$ (3,358,163)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (2,623,898)
Contributions subsequent to the measurement date	\$ 520,985	\$ -
Total	\$ 3,302,155	\$ (12,387,604)

\$520,985 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:

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2021	\$ (5,366,367)
2022	(3,680,500)
2023	3,735
2024	(563,302)
Total	\$ (9,606,434)

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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ For 2019, the AI was 0.0%

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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Healthy, post-retirement mortality assumptions reflect 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 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.

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

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

As of the November 18, 2016, 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:

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	30 Year Expected Geometric 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%.

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%.
- 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. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

- 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 .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include 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 .50 percent every year until they are zero. Additionally, estimated employer contributions included 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 of Colorado, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing 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 AI 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 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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (18,539)	\$ (13,979)	\$ (10,150)

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

NOTE 10: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

Plan Description - Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S, as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available comprehensive annual financial report for the Plan. 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. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2020 program members contributed \$16,121.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

PERA Benefit Structure

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

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

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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$56,085 for the year ended June 30, 2019.

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

At June 30, 2020, the District reported a liability of \$687,351 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District' proportion of the net OPEB liability was based on the District' contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District' proportion was 0.06115 percent, which was an increase of 0.02628 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$294,437. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 2,452	\$ (115,505)
Net difference between projected and actual earnings on pension plan investments	\$ 11,120	\$ (23,035)
Changes of assumptions or other inputs	\$ 5,725	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 294,164	\$ (62,512)
Contributions subsequent to the measurement date	\$ 27,420	\$ -
Total	\$ 340,881	\$ (201,052)

\$27,420 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:	Fiscal Year Totals
2021	\$ 16,205
2022	16,205
2023	19,776
2024	22,703
2025	35,377
2026	2,143
Total	\$ 112,409

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:

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Actuarial cost method	Entry Age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
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:

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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	\$289
Kaiser Permanente Medicare Advantage HMO	300

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.

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. 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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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.

Healthy, post-retirement 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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Healthy, post-retirement 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 2018 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.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the November 18, 2016, 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%.

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
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%
Proportionate share of the net OPEB asset (liability)	\$ (671,024)	\$ (687,351)	\$ (706,219)

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members
- assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- 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.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- 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. There was no change in the discount rate from the prior measurement date.

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

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (777,189)	\$ (687,351)	\$ (610,521)

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

NOTE 12: 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, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

TABOR Amendment

In November 1992, Colorado voters passed Article X, Section 20, (the TABOR Amendment), to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Amendment. On November 4, 1997, voters within the District authorized the District to collect, retain and expend all non-property tax revenues in the 1997-1998 fiscal year and in each fiscal year thereafter from all sources without regard to the limitations imposed by the Amendment. The Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has established an emergency reserve of \$363,000 as required by the Amendment.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 13: INTERFUND ACTIVITY

The General and Capital Reserve Project Funds transferred to the Designated Grants Fund to provide local matches for current grant programs. A summary of these transfers is as follows:

	<u>Transfers</u> <u>In (Out)</u>
<u>General Fund</u>	
Transfer to Food Service	\$ (9,678)
<u>Food Service Fund</u>	
Transfer from General Fund	<u>9,678</u>
Net Transfers	<u>\$ -</u>

The District has amounts owed between funds as of the end of the fiscal year. The majority of these balances are comprised of additional operating fund requirements for the District’s grants and a Capital Reserve match of a food service equipment grant. A summary of the interfund balances is as follows:

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 3,928	\$ 166,500
Bond Redemption	-	83,332
Capital Reserve	<u>248,087</u>	<u>2,183</u>
Balance	<u>\$ 252,015</u>	<u>\$ 252,015</u>

NOTE 14: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2013 with the District providing an upfront match payment held in escrow of \$2,373,694. The State funded their portion of this program, \$15,885,491, through Certificate of Participation issuances. The State will coordinate the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurred. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

The improvements completed by the BEST grant totaled \$17,696,456 with the building placed in service September 15, 2014. The building has a depreciated value of \$15,572,882 as of June 30, 2020. The amortized value of the State’s contribution as of June 30, 2020 was \$13,548,408, represented as a noncurrent BEST grant receivable. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil in the facilities impacted by the grant based on the annual October student count, beginning with the June 30, 2016 fiscal year. As of June 30, 2020, this reserve, for \$143,600, was restricted in the Capital Reserve Project Fund.

EL PASO COUNTY SCHOOL DISTRICT #22
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2020

NOTE 15: DEFICIT NET POSITION

The Governmental Activities has an unrestricted net position deficit of \$6,325,181 primarily due to the PERA net pension liability of \$13,978,910 as further described in Note 9 and net OPEB liability of \$687,351 as further described in Note 11. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 16: PRIOR PERIOD RESTATEMENTS

For the fiscal year, the District recorded a restatement of \$112,777 reducing beginning net position in the Pupil Activity Agency Fund and a corresponding increase in the beginning fund balance in the Pupil Activity Special Revenue Fund and governmental activities due to the adoption of GASB Statement 84 – Fiduciary Activities which requires reclassification of the District’s pupil activity presentation.

During the fiscal year, the District reported a restatement for the amount of the District’s net contribution to the Middle School BEST grant project, \$2,070,484. Total restatements resulted in a net increase of beginning governmental net position of \$2,183,261.

PENSION and OPEB SCHEDULES
(Required Supplementary Information – Unaudited)

EL PASO COUNTY SCHOOL DISTRICT #22

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)

PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total Pension liability</u>
June 30, 2014	0.098820%	\$ (12,604,416)	\$ -	\$ (12,604,416)	\$ 3,983,734	316.40%	64.07%
June 30, 2015	0.105808%	\$ (14,340,495)	\$ -	\$ (14,340,495)	\$ 4,432,583	323.52%	62.84%
June 30, 2016	0.114639%	\$ (17,533,160)	\$ -	\$ (17,533,160)	\$ 4,995,923	350.95%	59.16%
June 30, 2017	0.121490%	\$ (36,172,220)	\$ -	\$ (36,172,220)	\$ 5,393,186	670.70%	43.13%
June 30, 2018	0.115645%	\$ (37,395,586)	\$ -	\$ (37,395,586)	\$ 5,334,582	701.00%	43.96%
June 30, 2019	0.094525%	\$ (16,737,634)	\$ (2,013,342)	\$ (18,750,976)	\$ 5,196,559	322.09%	57.01%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

EL PASO COUNTY SCHOOL DISTRICT #22

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 618,674	\$ (618,674)	-	\$ 3,983,734	15.53%
June 30, 2015	728,273	(728,273)	-	\$ 4,432,583	16.43%
June 30, 2016	865,793	(865,793)	-	\$ 4,995,923	17.33%
June 30, 2017	977,785	(977,785)	-	\$ 5,393,186	18.13%
June 30, 2018	993,833	(993,833)	-	\$ 5,334,582	18.63%
June 30, 2019	994,102	(994,102)	-	\$ 5,196,559	19.13%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

EL PASO COUNTY SCHOOL DISTRICT #22

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year Ended</u>	<u>District's proportion of the net OPEB asset (liability)</u>	<u>District's proportionate share of the net OPEB asset (liability)</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
June 30, 2017	0.069506%	\$ (901,163)	\$ 5,452,647	16.53%	16.70%
June 30, 2018	0.065709%	(853,950)	\$ 5,334,540	16.01%	17.53%
June 30, 2019	0.061442%	(835,943)	\$ 5,196,559	16.09%	17.03%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

EL PASO COUNTY SCHOOL DISTRICT #22

SCHEDULE OF DISTRICT CONTRIBUTIONS

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 55,617	\$ (55,617)	\$ -	\$ 5,452,647	1.02%
June 30, 2018	54,412	(54,412)	-	5,334,540	1.02%
June 30, 2019	53,005	(53,005)	-	5,196,559	1.02%

Note: All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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Required Supplementary Information

EL PASO COUNTY SCHOOL DISTRICT #22
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 865,438	\$ 867,938	\$ 1,011,197	\$ 143,259	\$ 871,306
Specific Ownership Taxes	100,000	100,000	125,938	25,938	137,043
Delinquent Taxes	(2,000)	(2,000)	1,700	3,700	(2,129)
Investment Earnings	60,000	65,000	57,496	(7,504)	72,661
Rent Revenue	4,500	64,760	10,472	(54,288)	13,207
Donations	500	500	503	3	-
Sale of Capital Assets	-	-	-	-	434
Instructional Materials Fees	7,000	7,000	18,541	11,541	17,848
Local BOCES Passthrough	-	-	111	111	38,117
Other Local	20,000	37,500	5,570	(31,930)	32,707
Total Local Sources	<u>1,055,438</u>	<u>1,140,698</u>	<u>1,231,528</u>	<u>90,830</u>	<u>1,181,194</u>
Intermediate Sources					
Mineral Leases	50	65	65	-	57
Payment in Lieu of Taxes	-	-	235	235	253
Total Intermediate Sources	<u>50</u>	<u>65</u>	<u>300</u>	<u>235</u>	<u>310</u>
State Sources					
State Share (Equalization)	8,570,812	8,660,939	8,579,059	(81,880)	7,834,382
State Transportation	197,000	165,800	172,184	6,384	201,410
State Grants from CDE					
State ELPA Prof Dev and Student Support	26,000	54,000	29,357	(24,643)	26,373
State ELPA	16,000	-	25,002	25,002	16,295
State Share - Colorado Preschool Program (CPP)	-	-	1,627	1,627	-
Counselor Grant	80,000	80,000	73,345	(6,655)	103,536
READ Act	-	-	-	-	33,392
State Grants to Libraries	4,000	4,000	4,992	992	4,000
AP Incentive Grant	1,000	500	-	(500)	500
Small Rural Schools Additional Funding	113,000	111,168	55,311	(55,857)	208,694
Additional As- Risk Funding	7,500	7,500	16,827	9,327	7,537
Career Success Pilot Program Incentives	-	-	5,000	5,000	-
READ Act	33,000	24,900	24,929	29	-
AP Exam Fee Grant	-	-	1,855	1,855	1,240
Computer Science Education Grant	-	-	500	500	-
Retain Teachers Grant	-	107,726	107,726	-	-
State Grants from Other Agencies					
State Vocational Education	40,000	26,000	27,450	1,450	42,828
State PERA Contribution	-	150,000	134,291	(15,709)	135,930
State Grants Provided through BOCES	91,000	88,000	162,594	74,594	107,603
Total State Sources	<u>9,179,312</u>	<u>9,480,533</u>	<u>9,422,049</u>	<u>(58,484)</u>	<u>8,723,720</u>
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Prgrms Oper by Sch	178,587	178,587	178,424	(163)	180,593
Coronavirus Relief Fund	-	-	154,484	154,484	-
NCLB Title III, Part A- Eng Lang Acq	10,202	10,202	-	(10,202)	-
NCLB Title II, Part A- Teacher & Principal Trng	36,475	36,475	36,752	277	32,866
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	13,389	13,389	13,389	-	10,304
Direct Federal Revenue					
Impact Aid Revenue	150,000	150,000	79,965	(70,035)	446,823
Federal Provided through BOCES	-	-	9,481	9,481	8,000
Total Federal Sources	<u>388,653</u>	<u>388,653</u>	<u>472,495</u>	<u>83,842</u>	<u>678,586</u>
TOTAL REVENUES	<u>10,623,453</u>	<u>11,009,949</u>	<u>11,126,372</u>	<u>116,423</u>	<u>10,583,810</u>

See the accompanying Independent Auditors' Report
 (Continued)

EL PASO COUNTY SCHOOL DISTRICT #22
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Instruction					
Salaries	3,806,675	3,954,425	3,641,727	312,698	3,667,961
Benefits	1,331,526	1,527,392	1,326,108	201,284	1,322,539
PS-Professional	19,600	20,100	12,738	7,362	61,672
PS-Property	8,000	6,000	980	5,020	2,471
PS-Other	559,450	573,477	396,486	176,991	622,940
Supplies	184,300	190,050	173,600	16,450	204,023
Property	18,000	77,500	48,535	28,965	511
Other Expenses	11,150	11,200	7,100	4,100	11,141
Total Instruction	<u>5,938,701</u>	<u>6,360,144</u>	<u>5,607,274</u>	<u>752,870</u>	<u>5,893,258</u>
Supporting Services					
Pupil Support					
Salaries	161,185	166,800	164,821	1,979	138,336
Benefits	50,969	53,530	47,412	6,118	41,591
PS- Professional	3,516	1,000	968	32	4,124
PS-Other	15,000	12,940	9,429	3,511	20,514
Supplies	5,000	2,000	1,142	858	414
Total Pupil Support	<u>235,670</u>	<u>236,270</u>	<u>223,772</u>	<u>12,498</u>	<u>204,979</u>
Staff Support					
Salaries	162,980	231,020	165,599	65,421	154,158
Benefits	60,812	80,538	55,859	24,679	43,743
PS- Professional	4,300	35,380	8,691	26,689	3,789
PS- Property	300	300	-	300	-
PS-Other	500	500	422	78	1,218
Supplies	29,000	30,400	30,284	116	27,696
Other Expenses	-	3,671	-	3,671	-
Total Staff Support	<u>257,892</u>	<u>381,809</u>	<u>260,855</u>	<u>120,954</u>	<u>230,604</u>
General Administration					
Salaries	112,240	117,240	121,299	(4,059)	109,910
Benefits	33,471	35,149	35,269	(120)	33,116
PS- Professional	23,500	25,500	21,238	4,262	20,032
PS-Other	6,500	6,500	3,255	3,245	3,455
Supplies	3,000	3,500	1,948	1,552	1,765
Other Expenses	10,000	14,000	11,798	2,202	9,318
Total General Administration	<u>188,711</u>	<u>201,889</u>	<u>194,807</u>	<u>7,082</u>	<u>177,596</u>
School Administration					
Salaries	575,650	585,700	573,510	12,190	554,262
Benefits	194,990	200,207	181,180	19,027	175,289
PS-Other	6,700	6,700	2,198	4,502	3,705
Supplies	8,700	8,700	4,115	4,585	8,876
Total School Administration	<u>786,040</u>	<u>801,307</u>	<u>761,003</u>	<u>40,304</u>	<u>742,132</u>

See the accompanying Independent Auditors' Report

(Continued)

EL PASO COUNTY SCHOOL DISTRICT #22
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Services					
Salaries	188,200	192,000	190,648	1,352	185,188
Benefits	58,763	80,654	73,344	7,310	(15,253)
PS- Professional	39,000	41,300	40,157	1,143	3,754
PS- Property	1,000	1,000	-	1,000	-
PS-Other	300,500	300,700	277,281	23,419	217,231
Supplies	20,000	27,500	46,970	(19,470)	24,714
Property	1,000	1,000	960	40	953
Other Expenses	3,000	3,000	1,633	1,367	2,480
Total Business Services	<u>611,463</u>	<u>647,154</u>	<u>630,993</u>	<u>16,161</u>	<u>419,067</u>
Operations and Maintenance					
Salaries	113,000	130,000	110,972	19,028	108,510
Benefits	37,291	41,655	36,044	5,611	35,521
PS- Professional	15,000	30,000	28,874	1,126	18,108
PS- Property	365,000	370,000	329,748	40,252	373,863
PS-Other	35,000	36,000	40,037	(4,037)	43,848
Supplies	230,000	230,000	292,206	(62,206)	316,407
Property	15,000	105,000	89,557	15,443	36,074
Total Operations and Maintenance	<u>810,291</u>	<u>942,655</u>	<u>927,438</u>	<u>15,217</u>	<u>932,331</u>
Transportation					
Salaries	486,000	485,500	388,768	96,732	475,378
Benefits	169,192	159,360	124,601	34,759	134,437
PS- Professional	3,500	4,000	5,187	(1,187)	3,829
PS- Property	25,000	65,000	41,174	23,826	32,326
PS-Other	34,000	34,300	31,604	2,696	554
Supplies	170,500	159,000	128,879	30,121	145,226
Property	84,000	159,000	664,933	(505,933)	33,232
Total Transportation	<u>972,192</u>	<u>1,066,160</u>	<u>1,385,146</u>	<u>(318,986)</u>	<u>824,982</u>
Other Central Support					
Salaries	159,000	170,000	160,740	9,260	149,029
Benefits	47,342	50,595	47,155	3,440	42,512
PS- Professional	45,000	65,500	47,058	18,442	82,828
PS- Property	4,950	7,250	4,174	3,076	11,754
PS-Other	1,750	1,000	-	1,000	78
Supplies	63,900	61,900	97,429	(35,529)	7,395
Property	43,950	46,500	33,109	13,391	48,372
Total Other Central Support	<u>365,892</u>	<u>402,745</u>	<u>389,665</u>	<u>13,080</u>	<u>341,968</u>
Risk Management					
PS-Other	-	-	2,545	(2,545)	14,910
Total Supporting Services	<u>4,228,151</u>	<u>4,679,989</u>	<u>4,776,224</u>	<u>(96,235)</u>	<u>3,888,569</u>
Facilities/Capital Outlay					
Equipment	-	-	-	-	119,010

(Continued)

EL PASO COUNTY SCHOOL DISTRICT #22
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES (Continued)					
Other Uses					
Up-Front Grant Match	-	-	14,778	(14,778)	6,730
Debt Service					
Interest	-	-	4,457	(4,457)	522
Principal	-	-	72,413	(72,413)	2,142
Total Debt Service	-	-	76,870	(76,870)	2,664
Contingency	2,163,965	1,642,970	-	1,642,970	-
TOTAL EXPENDITURES	<u>12,330,817</u>	<u>12,683,103</u>	<u>10,475,146</u>	<u>2,207,957</u>	<u>9,910,231</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,707,364)	(1,673,154)	651,226	2,324,380	673,579
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	278,225	278,225	-
Transfers	(175,852)	(324,225)	(134,750)	189,475	(9,678)
CHANGE IN FUND BALANCE	(1,883,216)	(1,997,379)	794,701	2,792,080	663,901
BEGINNING FUND BALANCE	<u>1,883,216</u>	<u>1,997,379</u>	<u>2,643,175</u>	<u>645,796</u>	<u>1,979,274</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,437,876</u>	<u>\$ 3,437,876</u>	<u>\$ 2,643,175</u>

See accompanying Independent Auditors' Report.

EL PASO COUNTY SCHOOL DISTRICT #22
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Food Service Revenue	\$ 111,500	\$ 117,900	\$ 101,636	\$ (16,264)	\$ 134,843
Other Local	600	1,200	1,078	(122)	1,414
Total Local Sources	<u>112,100</u>	<u>119,100</u>	<u>102,714</u>	<u>(16,386)</u>	<u>136,257</u>
State Sources					
State Grants from CDE					
State Matching Child Nutrition	4,000	7,500	4,343	(3,157)	4,385
Start Smart Nutrition	1,700	2,200	1,928	(272)	2,185
School Lunch Protection	4,500	7,300	6,517	(783)	5,649
Total State Sources	<u>10,200</u>	<u>17,000</u>	<u>12,788</u>	<u>(4,212)</u>	<u>12,219</u>
Federal Sources					
Federal Grants from CDE					
Coronavirus Relief Fund	-	-	19,295	19,295	-
School Breakfast Program	55,000	57,000	50,004	(6,996)	64,875
National School Lunch Program	250,000	255,000	414,943	159,943	305,489
Special Milk Program for Children	1,000	200	-	(200)	-
Summer Food Service Program for Children	5,300	4,500	4,115	(385)	9,420
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	40,000	56,000	17,387	(38,613)	45,645
Total Federal Sources	<u>351,300</u>	<u>372,700</u>	<u>505,744</u>	<u>133,044</u>	<u>425,429</u>
TOTAL REVENUES	<u>473,600</u>	<u>508,800</u>	<u>621,246</u>	<u>112,446</u>	<u>573,905</u>
EXPENDITURES					
Supporting Services					
Food Service					
Salaries	173,000	187,000	170,534	16,466	159,306
Benefits	75,602	79,595	65,584	14,011	62,954
PS- Property	10,000	10,000	7,557	2,443	9,487
PS-Other	15,000	20,350	19,150	1,200	14,164
Supplies	2,500	3,000	1,414	1,586	1,621
Food	244,500	313,000	334,550	(21,550)	289,401
Commodities	-	1,200	17,941	(16,741)	33,320
Property	12,000	12,000	19,207	(7,207)	699
Total Food Service	<u>532,602</u>	<u>626,145</u>	<u>635,937</u>	<u>(9,792)</u>	<u>570,952</u>
Contingency	-	32,001	-	32,001	-
TOTAL EXPENDITURES	<u>532,602</u>	<u>658,146</u>	<u>635,937</u>	<u>22,209</u>	<u>570,952</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(59,002)	(149,346)	(14,691)	134,655	2,953
OTHER FINANCING SOURCES (USES)					
Transfers	59,002	136,715	10,000	(126,715)	9,678
CHANGE IN FUND BALANCE	-	(12,631)	(4,691)	7,940	12,631
BEGINNING FUND BALANCE	-	12,631	12,631	-	-
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,940</u>	<u>\$ 7,940</u>	<u>\$ 12,631</u>

See accompanying Independent Auditors' Report.

Special Revenue Funds

EL PASO COUNTY SCHOOL DISTRICT #22
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Pupil Activity Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ -	\$ -	\$ 347	\$ 347	\$ -
Pupil Activity Revenues	-	115,000	91,492	(23,508)	-
TOTAL REVENUES	-	115,000	91,839	(23,161)	-
EXPENDITURES					
Instruction					
Other Expenses	-	245,027	99,554	145,473	-
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURE	-	(130,027)	(7,715)	122,312	-
OTHER FINANCING SOURCES (USES)					
Transfers	-	17,250	17,250	-	-
CHANGE IN FUND BALANCE	-	(112,777)	9,535	122,312	-
BEGINNING FUND BALANCE	-	112,777	-	(112,777)	-
PRIOR PERIOD RESTATEMENT	-	-	112,777	112,777	-
BEGINNING FUND BALANCE (As Restated)	-	112,777	112,777	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ 122,312	\$ 122,312	\$ -

See accompanying Independent Auditors' Report.

Debt Service Fund

EL PASO COUNTY SCHOOL DISTRICT #22
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Property Taxes	\$ 125,000	\$ 125,000	\$ 173,153	\$ 48,153	\$ 148,753
Delinquent Taxes	(500)	(500)	302	802	(874)
Investment Earnings	10,000	10,000	12,974	2,974	18,571
TOTAL REVENUES	<u>134,500</u>	<u>134,500</u>	<u>186,429</u>	<u>51,929</u>	<u>166,450</u>
EXPENDITURES					
Supporting Services					
Business Services					
PS- Professional	300	300	303	(3)	303
Debt Service					
Interest	69,852	69,852	69,851	1	74,064
Principal	104,363	104,363	104,362	1	100,234
Total Debt Service	<u>174,215</u>	<u>174,215</u>	<u>174,213</u>	<u>2</u>	<u>174,298</u>
Contingency	684,985	684,985	-	684,985	-
TOTAL EXPENDITURES	<u>859,500</u>	<u>859,500</u>	<u>174,516</u>	<u>684,984</u>	<u>174,601</u>
CHANGE IN FUND BALANCE	(725,000)	(725,000)	11,913	736,913	(8,151)
BEGINNING FUND BALANCE	725,000	725,000	741,334	16,334	749,485
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 753,247</u>	<u>\$ 753,247</u>	<u>\$ 741,334</u>

See accompanying Independent Auditors' Report.

Capital Projects Fund

EL PASO COUNTY SCHOOL DISTRICT #22
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 6,000	\$ 11,000	\$ 8,990	\$ (2,010)	\$ 8,679
Rent Revenue	62,400	62,760	62,760	-	52,300
Insurance Proceeds	-	-	-	-	6,133
State Sources					
State Grants from CDE					
Best Capital Construction Program	2,150,500	1,500,000	1,084,530	(415,470)	-
State Grants from Other Agencies					
SAFER/School Safety Grant	-	-	-	-	477,780
Total State Sources	2,150,500	1,500,000	1,084,530	(415,470)	477,780
TOTAL REVENUES	2,218,900	1,573,760	1,156,280	(417,480)	544,892
EXPENDITURES					
Supporting Services					
Operations and Maintenance					
PS- Professional	20,000	20,000	8,300	11,700	-
Facilities/Capital Outlay					
PS- Professional	500	500	-	500	-
Buildings	2,940,500	2,290,000	1,536,382	753,618	275,739
Equipment	-	-	-	-	4,602
Non-Capitalized Equipment	3,000	3,000	-	3,000	10,822
Total Facilities/Capital Outlay	2,944,000	2,293,500	1,536,382	757,118	291,163
Contingency	354,500	209,475	-	209,475	-
TOTAL EXPENDITURES	3,318,500	2,522,975	1,544,682	978,293	291,163
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(1,099,600)	(949,215)	(388,402)	560,813	253,729
OTHER FINANCING SOURCES (USES)					
Transfers	99,600	107,500	107,500	-	-
CHANGE IN FUND BALANCE	(1,000,000)	(841,715)	(280,902)	560,813	253,729
BEGINNING FUND BALANCE	1,000,000	841,715	834,712	(7,003)	580,983
ENDING FUND BALANCE	\$ -	\$ -	\$ 553,810	\$ 553,810	\$ 834,712

See accompanying Independent Auditors' Report.

Other Supplementary Information

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FIDUCIARY FUND TYPE

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups.

The District has established an agency fund to account for various student activity groups and contributions from private organizations. The agency fund is custodial in nature and does not involve measurement of results of operations. The fund was reclassified to a special revenue fund presentation effective July 1, 2019 with the adoption of GASB Statement No. 84 – Fiduciary Activities.

EL PASO COUNTY SCHOOL DISTRICT #22
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>	<u>Totals</u>	
		<u>2020</u>	<u>2019</u>
	<u>Pupil Activity</u>		
	<u>Agency Fund</u>		
ASSETS			
Cash and Investments	\$ -	\$ -	\$ 112,777
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Net Position			
Restricted for Student Activity/Scholarship	\$ -	\$ -	\$ 112,777

See the accompanying Independent Auditors' Report

EL PASO COUNTY SCHOOL DISTRICT #22
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Agency Funds</u>	<u>Totals</u>	
	<u>Pupil Activity</u>		
	<u>Agency Fund</u>	<u>2020</u>	<u>2019</u>
ADDITIONS			
Local Sources	\$ -	\$ -	\$ 129,501
DEDUCTIONS			
Instruction	-	-	135,239
CHANGE IN FIDUCIARY NET POSITION	-	-	(5,738)
BEGINNING NET POSITION	112,777	112,777	118,515
Prior Period Adjustment	(112,777)	(112,777)	-
BEGINNING NET POSITION (As Restated)	-	-	118,515
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,777</u>

See the accompanying Independent Auditors' Report

EL PASO COUNTY SCHOOL DISTRICT #22
Statement of Changes in Fiduciary Net Position
Budget and Actual
Pupil Activity Agency Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
ADDITIONS					
Local Sources	\$ 132,250	\$ -	\$ -	\$ -	\$ 129,501
DEDUCTIONS					
Instruction	234,978	-	-	-	135,239
CHANGE IN FIDUCIARY NET POSITION	<u>(102,728)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,738)</u>
BEGINNING NET POSITION	102,728	-	112,777	112,777	118,515
Prior Period Adjustment	-	-	(112,777)	(112,777)	-
BEGINNING NET POSITION (As Restated)	<u>102,728</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,515</u>
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,777</u>

See the accompanying Independent Auditors' Report

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 1050 - Ellicott 22
 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	2,529,013	10,831,173	9,922,310	3,437,875
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	114,163	438,674	552,836	0
Sub- Total	2,643,175	11,269,847	10,475,147	3,437,875
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	12,631	631,245	635,937	7,940
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	112,777	109,089	99,554	122,312
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	741,334	186,429	174,516	753,247
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	834,712	1,263,780	1,544,682	553,810
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	4,344,629	13,460,390	12,929,835	4,875,185
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



Colorado Department of Education
Bolded Balance Sheet Report

District: 1050 - Ellicott 22
 Fiscal Year 2019-20
 Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	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		
Cash and Investments (8100-8104,8111)	5,302,872	0	55,547	122,312	0	0	6,757	814,086	406,824	0	0	0	0	0	0	6,708,397		
Cash with Fiscal Agent (8105)	14,985	0	0	0	0	0	0	695	0	0	0	0	0	0	0	15,680		
Taxes Receivable (8121,8122)	127,198	0	0	0	0	0	0	21,780	0	0	0	0	0	0	0	148,978		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	249,027	0	0	0	0	0	0	249,027		
Grants Accounts Receivable (8142)	165,197	0	0	0	0	0	41,541	0	333,923	0	0	0	0	0	0	540,660		
Other Receivables (8151-8154,8161)	732	0	36	0	0	0	8,597	18	0	0	0	0	0	0	0	9,383		
Inventories (8171,8172,8173)	0	0	0	0	0	0	6,331	0	0	0	0	0	0	0	0	6,331		
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	5,610,984	0	55,583	122,312	0	0	63,226	836,579	989,773	0	0	0	0	0	0	7,678,457		

	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)	165,695	0	0	0	0	0	0	83,332	0	0	0	0	0	0	0	249,027
Other Payables (7421-7423)	337,136	0	0	0	0	0	11,896	0	409,850	0	0	0	0	0	0	758,882
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	26,112	0	0	0	0	0	0	26,112
Accrued Expenses (7461)	854,210	0	55,583	0	0	0	32,009	0	0	0	0	0	0	0	0	941,803
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	11,381	0	0	0	0	0	0	0	0	11,381
Grants Deferred Revenue (7482)	816,068	0	0	0	0	0	0	0	0	0	0	0	0	0	0	816,068
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	2,173,108	0	55,583	0	0	0	55,286	83,332	435,963	0	0	0	0	0	0	2,803,272

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	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	6,331	0	0	0	0	0	0	0	0	6,331
Restricted Fund Balance 6720	0	0	0	0	0	0	0	753,247	0	0	0	0	0	0	0	753,247
TABOR 3% Emergency Reserve 6721	361,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	361,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	143,600	0	0	0	0	0	0	143,600
Committed Fund Balance 6750	0	0	0	0	0	0	1,608	0	410,210	0	0	0	0	0	0	411,819
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,076,875	0	0	9,535	0	0	0	0	0	0	0	0	0	112,777	0	3,199,188
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	112,777	0	0	0	0	0	0	0	0	0	-112,777	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	3,437,875	0	0	122,312	0	0	7,940	753,247	553,810	0	0	0	0	0	0	4,875,185

	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
Total Liabilities & Fund Equity	5,610,984	0	55,583	122,312	0	0	63,226	836,579	989,773	0	0	0	0	0	0	7,678,457

	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
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes