

***Brush School District No. RE-2(J)***  
**Brush, Colorado**

**Financial Statements**

**For the Year ended June 30, 2020**

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## **Independent Auditors' Report**

Board of Education  
Brush School District No. RE-2(J)  
Brush, Colorado

### **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 Brush School District No. RE-2(J) (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

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

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2020, on our consideration of the District'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 solely 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 the effectiveness of the District's 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 the District's internal control over financial reporting and compliance.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
November 6, 2020

## BRUSH SCHOOL DISTRICT NO. RE-2(J)

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### Management's Discussion and Analysis

As of and for the fiscal year ended June 30, 2020

As management of the Brush School District No. RE-2(J), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. The following should be read in conjunction with the District's basic financial statements, the notes to the financial statements, and the required supplementary information. All information presented is based on the District's fiscal calendar (July to June). Unless otherwise stated, references in this report to particular years refer to the District's fiscal years ended in June.

#### **Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$26,394,157 (*net position*).
- The District's total net position increased by \$13,807,927 and unrestricted net position increased by \$16,148,736.
- At the end of the current fiscal year, the District's governmental funds reported combined fund balance of \$16,876,420, a decrease of \$12,865,821 from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,661,107 or approximately 69.27% of total General Fund expenditures.
- The District's total outstanding long-term debt decreased during the current fiscal year. The decrease is attributed to reductions in bonds payable \$ 1,185,000, Bond Premium \$64,854, Certificates of participation \$1,198,968, Net Pension liability\$ 3,729,121 (GASB 68) and Net OPEB liability \$202,538, a small increase to Compensated absences \$ 23,175 results in an overall decrease in long-term debt of \$ 6,357,306.

#### **Overview of the Financial Statements**

This discussion and analysis serves as an introduction to the District's basic financial statements. The basic financial statements consist of three types of statements: 1) government-wide financial statements, 2) fund financial statements and 3) the notes to financial statements. This report also includes supplementary information intended to provide additional detail to support the basic financial statements.

#### **Government-wide Financial Statements**

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

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

The *statement of activities* presents information showing how the District's net position changed during the fiscal year. 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

## **BRUSH SCHOOL DISTRICT NO. RE-2(J)**

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### *Management's Discussion and Analysis (Continued)*

and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years (e.g., uncollected taxes and earned but unused vacation leave).

The two government-wide financial statements distinguish functions of the District that are principally supported by taxes and state equalization funding (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the District include instruction, co-curricular pupil activities, instructional support, general and school administration, business and central services, technology, maintenance, transportation and food service.

The government-wide financial statements appear on pages 12-15 of this report.

### **Fund Financial Statements**

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the District's funds can be divided into three categories: governmental funds, proprietary 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 assessing 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 maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Bond Redemption Fund and the Building Fund, which are considered major funds. Data from the other four governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 16-19 of this report.

# **BRUSH SCHOOL DISTRICT NO. RE-2(J)**

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## *Management's Discussion and Analysis (Continued)*

### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds *are not* reported in the government-wide financial statements because the resources of those funds *are not* available to support the District's own programs. Beginning in fiscal year 2020 only The Scholarship Private-Purpose Trust Fund is reported as a Fiduciary Fund. The fiduciary fund financial statements can be found on pages 20-21 of this report and further explanation found in Note N regarding the restatement.

### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-59 of this report.

### **Required Supplementary Information and Other Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the District. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedule is provided for the General Fund as required supplementary information and for all other funds as other supplementary information to demonstrate compliance with this budget. Required supplementary information can be found on page 62-70 of this report. Other supplementary information, including the combining statements referred to earlier can be found on pages 74-94.

### **Government-wide Overall Financial Analysis**

As noted earlier, net position may serve as a useful indicator of the District's financial position. The District's assets exceeded liabilities and deferred inflows of resources by \$26,394,157 at June 30, 2020.

The largest portion of the District's net position reflects its \$41,812,004 investment in capital assets (e.g., land, buildings and improvements, vehicles, and equipment) net of accumulated depreciation and related outstanding debt. The District uses these capital assets to provide instructional and supporting services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the District's net position represents resources that are subject to external restrictions on how they may be used. These resources are related to debt service (\$3,343,980), Colorado Preschool Program (\$46,390), Food service operations (\$336,091) and for the TABOR emergency (\$700,000). The second largest component of net position represents the unrestricted balance of \$(20,113,586). This amount is unrestricted and may be used to meet the District's ongoing obligations to its students and creditors.

## BRUSH SCHOOL DISTRICT NO. RE-2(J)

### Management's Discussion and Analysis (Continued)

For the fiscal year 2020, the District's net position increased by \$13,807,927. The reasons for this overall change are discussed in the following sections.

#### Brush School District No. RE-2(J) Net Position

	Total	
	2020	2019
Current and other assets	\$ 20,461,476	37,342,706
Capital assets	79,346,876	57,973,011
<b>Total assets</b>	<b>99,808,352</b>	<b>95,315,717</b>
Deferred outflows of resources	12,434	42,276
Deferred outflows for contributions	2,869,788	10,188,589
Total deferred outflows	2,882,222	10,230,865
Long-term liabilities outstanding	37,599,909	40,025,619
Other liabilities	3,379,022	7,953,138
Net Pension Liability <sup>(page 42 Notes)</sup>	20,852,730	24,581,851
Net OPEB Liability	1,025,176	1,227,714
Deferred Inflows	13,439,580	19,503,948
<b>Total liabilities and Deferred Inflows</b>	<b>76,296,417</b>	<b>93,292,267</b>
Net investment in capital assets	41,812,004	30,821,586
Restricted	4,695,739	17,695,051
Unrestricted	(20,113,586)	(36,262,322)
<b>Total net position</b>	<b>26,394,157</b>	<b>*12,586,230</b>

\*see Note N for Prior period restatement

#### Governmental Activities

During the current fiscal year, net position for governmental activities increased by \$13,807,927 from the prior fiscal year for an ending balance of \$26,394,157. Overall revenues decreased \$5,149,891 largely due to the completion of the Capital Construction project that drove their increase in the prior year. Expenditures increased by \$2,893,279. Food Service was combined with Non-major funds in FY 2015 and that practice continued in FY 2020. Food Service revenues exceeded expenditures resulting in an increase in fund balance of \$165,468. In March 2020, in response to the COVID 19 pandemic, we began Emergency Feeding through the Summer Food Program. This program allows all children between the ages of 1 and 18 to receive meals at no charge regardless of eligibility. The reimbursement rate for the Summer Food Program is higher resulting in the larger than normal increase in fund balance.

## BRUSH SCHOOL DISTRICT NO. RE-2(J)

### Management's Discussion and Analysis (Continued)

#### Brush School District No. RE-2(J) Changes in Net Position

	Total	
	2020	2019
<b>Revenues:</b>		
<b>Program revenues:</b>		
Charges for services	\$ 183,109	251,681
Operating grants & contributions	2,847,475	2,450,429
Capital Grants and Contributions	8,696,334	14,880,686
<b>General revenues:</b>		
Property taxes	12,656,401	12,588,534
Specific ownership taxes	1,236,132	1,334,412
State share	5,480,255	5,099,981
Investment earnings	247,452	420,123
Other	644,957	116,160
Total revenues	31,992,115	37,142,006
<b>Expenses:</b>		
Instruction	7,496,448	6,709,267
Supporting services	9,385,672	7,202,489
Interest	1,302,068	1,379,153
Total expenses	18,184,188	15,290,909
Change in net position	13,807,927	21,851,547
Net position – beginning (July 1)	12,586,230	(9,597,232)
Net position – ending (June 30)	\$ 26,394,157	*12,586,230

#### **Financial Analysis of Governmental Funds**

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use. This balance represents the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated the authority to assign resources for use by the District's Board of Education.

At June 30, 2020, the District's governmental funds reported combined fund balances of \$16,876,420, a decrease of \$12,865,821 over the prior year. Approximately 69% of this amount (\$11,661,107) constitutes *unassigned fund balance*, which is available for spending at the District's discretion. The District also designates certain balances as assigned fund balance

## **BRUSH SCHOOL DISTRICT NO. RE-2(J)**

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### *Management's Discussion and Analysis (Continued)*

indicating the District's intended use of these resources. The District assigned fund balance to excess special education costs totaling \$100,000. The remainder of the fund balance is either *non-spendable or restricted* to indicate that it is 1) not in spendable form-prepaid and inventory items (\$78,494), 2) legally required to be maintained intact (\$700,000), 3) restricted for debt service purposes (\$3,343,980) or Capital expenditures (\$208,250), 4) restricted for the food service operations (\$336,091), 5) restricted for Colorado preschool (\$46,390) or restricted for scholarships (\$61,028).

The General Fund is the chief operating fund of the district, providing the majority of the resources for the educational and support programs. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,661,107, an increase of \$169,458. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total General Fund expenditures net of transfers. Total fund balance represents approximately 70% of total General Fund expenditures net of transfers.

**Revenue:** Total Program revenue is a statutory concept that includes property taxes, specific ownership taxes, and state share. General Fund property tax revenues were based upon a levy of 36.245 mills applied against an assessed valuation of \$248,876,576. Specific ownership tax is applied to the fair value of vehicles registered in Colorado. State share backfills the required statutory total program. Revenue from these three sources represents approximately 99% of the District's total revenue. Overall, General Fund revenue increased \$314,033 over prior year.

**Expenditures:** General Fund expenditures increased from prior year with increased spending in salaries and supplies. Additionally, the District targeted increased spending for professional development, intervention, and advanced academic opportunities as outlined with the Mill Levy Override.

The Bond Redemption Fund is used to account for the requirements of the Series 2012, 2015 and 2017 general obligation bonds as well as the matching portion of the Series 2017J Building Excellent Schools Today Bond. The revenue source for the Bond Redemption Fund is a voter approved mill levy. For fiscal 2020, the mill levy was 14.61 mills which was expected to generate approximately \$3.6 million. The Bond Redemption Fund expenditures reflect principal and interest costs on the District's debt. The District used excess fund balance from the Bond Redemption Fund to subsidize bond debt in fiscal year 2019-2020. The final payment for Series 2015 was made December 2019.

### **General Fund Budgetary Highlights**

Final budgeted appropriations adopted by the Board of Education for fiscal year 2020 were \$58,285,600 including General Fund appropriations of \$18,312,467. Total revenues were higher than anticipated due to stronger property tax and specific ownership tax collections. Expenditures were not as high as originally budgeted due to planned deferrals in maintenance.

## **BRUSH SCHOOL DISTRICT NO. RE-2(J)**

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### *Management's Discussion and Analysis (Continued)*

#### **Capital Assets and Debt Administration**

##### **Capital Assets**

The District's capital assets (net of accumulated depreciation) for its governmental activities as of June 30, 2020, amount to \$79,346,876. This includes land, buildings and improvements, vehicles, and equipment. Additional information on the District's capital assets can be found in Note E on page 34 of this report.

District voters approved a general obligation bond of \$6,055,000 and a matching certificate of participation bond of \$32,444,245 November 2017. The net proceeds of the Bonds were used for the financing of the costs to construct weather shelter additions at Thomson Primary and Beaver Valley Elementary and to enlarge Brush High School, creating a Middle School/High School Secondary campus as well as paying the costs associated with the issuance of the Bonds. In 2003, voters also approved a Mill Levy tax increase of \$400,000 annually to provide additional funds for operating expenses, for new, improved, and enlarged school facilities in the middle and high schools.

In fiscal year 19-20 the District purchased a small activity bus for \$62,664.00. Additionally, the district used \$1,199,493 to complete and furnish the additions at Thomson Primary, Beaver Valley and the Field house at the new Secondary Campus. All items were completed as part of the 5-year plan totaling.

##### **Long-term Debt**

At the end of the fiscal year, the District had total long-term debt outstanding of \$59,477,815. Accrued interest payable at June 30, 2020, totaled \$108,384.

The District's total debt decreased by \$6,357,306 during the fiscal year as a result of bond payments, and reductions to Net Pension liability and Net OPEB liability.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20% of assessed valuation. The current debt limitation for the District is \$49,775,315, which is in excess of the District's outstanding general obligation debt. Additional information on the District's long-term debt can be found in Notes G on pages 36-38 of this report.

##### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the School Business Officer, Brush School District No. RE-2(J), 527 Industrial Park Road, Brush, CO 80723. Information is also available via the District's website: Brush School District No. RE-2(J), Financial Transparency, <http://www.brushschools.org/financial-transparency>.

## **Basic Financial Statements**

The basic financial statements of the District include the following:

*Government-wide financial statements.* The government-wide statements display information about the reporting government as a whole, except for its fiduciary activities.

*Fund financial statements.* The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

*Notes to the financial statements.* The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Statement of Net Position**  
**June 30, 2020**

	<u>Governmental Activities</u>
Assets	
Cash	\$ 525,677
Cash with fiscal agent	358,563
Certificates of deposit	67,703
Investments	18,360,802
Due from fiduciary fund	2,000
Receivables	1,068,237
Prepaid expenses	38,657
Inventory	39,837
Capital assets, net of depreciation	<u>79,346,876</u>
Total assets	99,808,352
Deferred outflows of resources	
Deferred charges on refundings of bonds	12,434
Pension and other post-employment benefit deferrals	<u>2,869,788</u>
Total deferred outflows of resources	<u>2,882,222</u>
Total assets and deferred outflows of resources	<u><u>\$ 102,690,574</u></u>

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

	<u>Governmental Activities</u>
Liabilities	
Accounts payable	\$ 276,840
Accrued salaries and benefits	1,666,218
Payroll deductions and withholdings	201,094
Accrued interest payable	108,384
Unearned grant revenue	1,107,860
Unearned revenue	18,626
Noncurrent liabilities	
Due within one year	1,879,613
Due in more than one year	<u>57,598,202</u>
Total liabilities	62,856,837
Deferred inflows of resources	
Pension and other post-employment benefit deferrals	<u>13,439,580</u>
Total deferred inflows of resources	13,439,580
Net position	
Net investment in capital assets	41,812,004
Restricted for:	
Emergencies	700,000
Colorado preschool program	46,390
Debt service	3,343,980
Capital expenditures	208,250
Food service	336,091
Scholarships	61,028
Unrestricted (deficit)	<u>(20,113,586)</u>
Total net position	<u>26,394,157</u>
Total liabilities, deferred inflows of resources and net position	<u><u>\$ 102,690,574</u></u>

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 7,496,448	\$ 3,313	\$ 949,004	
Supporting services				
Students	449,461		23,025	
Instructional staff	287,093		142,577	
General administration	885,829			
School administration	870,854			
Business services	123,944			
Operations and maintenance	1,883,510		7,524	
Student transportation	1,072,475	817	666,022	
Central support	1,211,029		6,444	
Enterprise operations	126,554		126,554	
Food services	934,355	178,979	926,325	
Facilities acquisition	74,359			\$ 8,696,334
Unallocated depreciation*	1,466,209			
Interest and fiscal charges	1,302,068			
Total governmental activities	<u>\$ 18,184,188</u>	<u>\$ 183,109</u>	<u>\$ 2,847,475</u>	<u>\$ 8,696,334</u>

General revenues  
 Taxes  
   Property taxes, levied for general purposes  
   Property taxes, levied for debt services  
   Specific ownership taxes  
   Delinquent taxes and interest  
 State categorical aid  
 Earnings on investments  
 Other

Total general revenues

Change in net position

Net position at beginning of year, as restated

Net position at end of year

\* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

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Net  
Governmental  
Activities

\$ (6,544,131)

(426,436)

(144,516)

(885,829)

(870,854)

(123,944)

(1,875,986)

(405,636)

(1,204,585)

-

170,949

8,621,975

(1,466,209)

(1,302,068)

(6,457,270)

9,019,295

3,637,106

1,225,911

10,221

5,480,255

247,452

644,957

20,265,197

13,807,927

12,586,230

\$ 26,394,157

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Bond Redemption Fund	Building Fund	Other Governmental Funds
<b>Assets</b>				
Cash	\$ 8,184			\$ 517,493
Cash with fiscal agent	119,587	\$ 13,421	\$ 225,555	
Certificates of deposit				67,703
Investments	15,072,231	3,288,571		
Due from other funds	78,632			2,000
Property taxes receivable	328,186	132,343		
Grants receivable			13,973	479,540
Other receivables	111,651			2,544
Prepaid items	38,657			
Inventory				39,837
<b>Total assets</b>	<b>\$ 15,757,128</b>	<b>\$ 3,434,335</b>	<b>\$ 239,528</b>	<b>\$ 1,109,117</b>
<b>Liabilities</b>				
Due to other funds			\$ 5,402	\$ 73,230
Accounts payable	\$ 162,795		25,876	88,169
Accrued salaries and benefits	1,519,280			146,938
Payroll withholdings	196,976			4,118
Unearned grant revenues	1,107,860			
Unearned revenues				18,626
<b>Total liabilities</b>	<b>2,986,911</b>	<b>\$ -</b>	<b>31,278</b>	<b>331,081</b>
Deferred inflows of resources				
Deferred property tax revenues	224,063	90,355		
<b>Fund balance</b>				
Nonspendable for:				
Prepaid items	38,657			
Inventory				39,837
Restricted for:				
Emergencies	700,000			
Colorado preschool program	46,390			
Debt service		3,343,980		
Capital expenditures			208,250	
Food service operations				336,091
Scholarships				61,028
Committed to pupil activities				341,080
Assigned to special education	100,000			
Unassigned	11,661,107			
<b>Total fund balance</b>	<b>12,546,154</b>	<b>3,343,980</b>	<b>208,250</b>	<b>778,036</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 15,757,128</b>	<b>\$ 3,434,335</b>	<b>\$ 239,528</b>	<b>\$ 1,109,117</b>

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

Total	Amounts reported for governmental activities in the statement of net position are different because:	
\$ 525,677 358,563 67,703 18,360,802 80,632 460,529 493,513 114,195 38,657 39,837 <hr/> \$ 20,540,108 <hr/> \$ 78,632 276,840 1,666,218 201,094 1,107,860 18,626 <hr/> 3,349,270  314,418  38,657 39,837  700,000 46,390 3,343,980 208,250 336,091 61,028 341,080 100,000 11,661,107 <hr/> 16,876,420 <hr/> \$ 20,540,108 <hr/>	Total fund balance - governmental funds	\$ 16,876,420
	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.	79,346,876
	Certain receivables will be collected in the next fiscal year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenues in the funds.	314,418
	Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(108,384)
	Long-term liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(70,035,173)
	Net position (deficit) of the governmental activities	\$ 26,394,157 <hr/>

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	General Fund	Bond Redemption Fund	Building Fund	Other Governmental Funds
<b>Revenues</b>				
Local sources	\$ 10,459,821	\$ 3,612,793	\$ 18,392	\$ 772,260
Intermediate sources	7,958	851		
State sources	6,269,494		8,623,355	19,164
Federal sources	65,768			2,006,245
<b>Total revenues</b>	<b>16,803,041</b>	<b>3,613,644</b>	<b>8,641,747</b>	<b>2,797,669</b>
<b>Expenditures</b>				
Instruction	8,505,332			809,291
Supporting services	7,034,658			1,752,718
Capital outlay	1,293,347		21,598,353	
Debt service				
Principal retirement		2,383,968		
Interest and fiscal charges		1,344,255		
<b>Total expenditures</b>	<b>16,833,337</b>	<b>3,728,223</b>	<b>21,598,353</b>	<b>2,562,009</b>
Excess of revenues over (under) expenditures	(30,296)	(114,579)	(12,956,606)	235,660
Fund balance at beginning of year	12,576,450	3,458,559	13,164,856	542,376
Fund balance at end of year	<u>\$ 12,546,154</u>	<u>\$ 3,343,980</u>	<u>\$ 208,250</u>	<u>\$ 778,036</u>

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

Total		
	Amounts reported for governmental activities in the statement of activities are different because:	
	Net change in fund balances - governmental funds	\$ (12,865,821)
\$ 14,863,266	Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	21,373,866
8,809		
14,912,013	Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	219,676
2,072,013		
31,856,101	In the statement of activities, certain operating expenses - compensated absences, accrued interest payable, refunding deferred charges amortization and bond premium amortization - are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	19,012
9,314,623		
8,787,376	Governmental funds report pension and OPEB contributions as expenditures. However, in the statement of activities, service costs, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from the pensions and OPEB are reported as expense.	2,677,226
22,891,700		
2,383,968	Repayment of principal on general obligation bonds, certificates of participation are expenditures in the governmental funds, but the repayment reduces the long-term liability in the statement of net position.	2,383,968
1,344,255		
44,721,922	Change in net position of governmental activities	<u>\$ 13,807,927</u>
(12,865,821)		
29,742,241		
<u>\$ 16,876,420</u>		

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2020**

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	<u>Private Purpose Trust Fund</u>
Assets	
Certificates of deposit	<u>\$ 237,512</u>
Total assets	<u><u>\$ 237,512</u></u>
Liabilities	
Due to other funds	<u>2,000</u>
Total liabilities	<u>\$ 2,000</u>
Net position	
Restricted for scholarship recipients	<u>235,512</u>
Total liabilities and net position	<u><u>\$ 237,512</u></u>

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

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	<u>Private Purpose Trust Fund</u>
Additions	
Contributions	\$ 1,718
Total additions	1,718
Deductions	
Scholarship awards	2,000
Total deductions	2,000
Change in net position	(282)
Net position at beginning of year	235,794
Net position at end of year	\$ 235,512

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies**

This summary of the Brush School District No. RE-2(J)'s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

**A.1 – Reporting entity**

The Brush School District No. RE-2(J) is a school district governed by an elected seven-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The reporting entity's financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

**A.2 – Fund accounting**

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The district does not have any proprietary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

General Fund – The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, debt service, food service operations and pupil activities.

Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

The following are the District’s nonmajor governmental funds:

Food Service Fund – This fund is a special revenue fund used to account for the financial transactions related to food service operations.

Designated Purpose Grants Fund – This fund is a special revenue fund used to record financial transactions for grants received for designated programs funded by federal, state or local sources.

Pupil Activity Fund – This fund is a special revenue fund used to record financial transactions related to school-sponsored pupil organizations and activities.

Head Start Fund – This fund is a special revenue fund used to account for expenditures related to the Head Start Program.

Scholarship Fund – This fund is used to record the financial transactions related to contributions and earnings that are used to award scholarships to area students.

Fiduciary Funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the District’s own programs. The District has one private-purpose trust fund, the Scholarship Trust Fund.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**Note A.3 – Basis of presentation**

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balance, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the District, these funds are not incorporated into the government-wide financial statements.

**A.4 – Basis of accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

Revenues – exchange and non-exchange transactions – Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

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

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

Unearned revenue – Unearned revenues arise when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Expenditures – The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**A.5 – Encumbrances**

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and reappropriated in the ensuing year’s budget.

**A.6 – Short-term interfund receivables/payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as internal balances on the government-wide statement of net position, and are classified as due from other funds or due to other funds on the balance sheet.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.7 – Inventories**

Food Service Fund – purchased inventories are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture’s assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their consumption.

**A.8 – Capital assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

All capital assets with a unit cost greater than \$5,000 are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities</u>
Buildings and improvements	10-40 years
Licensed vehicles	5-20 years
Equipment	5-20 years

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.9 – Compensated absences**

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Compensated absences benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated general leave benefits are paid to employees upon termination of employment.

Each full-time classified staff member employed on a 12-month basis shall be granted a two-week vacation after one year of regular employment and three weeks' vacation after 10 years of service to the school district. Part-time personnel employed 12 months per year shall receive the same number of vacation days as provided to full-time 12-month employees in accordance with the regular daily hours worked subject to regulations adopted by the Board. Accumulated leave is paid upon termination of employment.

The entire compensated absence liability is reported on the government-wide financial statements.

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amount recorded as liabilities for all applicable compensated absences include salary-related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

**A.10 – Accrued liabilities and long-term obligations**

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences that will be paid from governmental funds is reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.11 – Fund balance**

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

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

*Nonspendable*, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

*Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

*Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

*Unassigned* fund balance is the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications.

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, and followed by committed fund balance, assigned fund balance and unassigned fund balance.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note A – Summary of significant accounting policies (Continued)**

**A.12 – Net position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**A.13 – Interfund transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

**A.14 – Extraordinary and special items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

**Note B – Cash and investments**

**Cash and deposits**

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Acts (PDPA) for banks and savings and loans require state regulators to certify eligible depositories for public deposits. The PDPA require eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note B – Cash and investments (Continued)**

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$950,264, of which \$500,000 was insured and \$450,264 was collateralized with securities held by the pledging institution’s trust department or agent in the District’s name.

**Investments**

Authorized Investments – Investment policies are governed by Colorado State Statutes and the District’s own investment policies and procedures. Investments of the District may include:

- Obligations of the U.S. Government such as treasury bills, notes and bonds
- Certain international agency securities
- General obligation and revenue bonds of United States 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

During the year, the District invested in Colotrust (the Trust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. A designated custodial bank serves as custodian for the Trust’s portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the Trust’s investment portfolios and provides services as the depository in connection with direct investments and withdrawals. As of June 30, 2020, the District had invested \$18,360,802 in COLOTRUST PLUS+, an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note B – Cash and investments (Continued)**

At year-end, the District had the following investments. The investment in Colostrust (a local government investment pool) is maintained in the General and Bond Redemption Funds.

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
Investment in Colostrust	\$ 18,360,802	\$18,360,802	\$ -	\$ -

Credit risk – State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District has no investment policy that would further limit its investment choices. At year-end, the District’s investment in Colostrust was rated AAA by Standard and Poor’s.

The following table provides a reconciliation of cash and investments on the statement of net position:

Cash on hand	\$ 1,500
Cash in bank	524,177
Cash with fiscal agent	358,563
Certificates of deposit	305,215
Colostrust	18,360,802
<b>Total</b>	<b>\$ 19,550,257</b>
<u>Statement of net position</u>	
Cash	\$ 525,677
Cash with fiscal agent	358,563
Certificates of deposit	67,703
Investments	18,360,802
<b>Subtotal</b>	<b>19,312,745</b>
<u>Statement of fiduciary net position</u>	
Certificates of deposit	237,512
<b>Subtotal</b>	<b>237,512</b>
<b>Total</b>	<b>\$ 19,550,257</b>

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note C – Receivables**

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 460,529
Grants receivable	493,513
Other receivables	<u>114,195</u>
Total	<u>\$ 1,068,237</u>

Property taxes are levied on December 15<sup>th</sup> and attach as a lien on property the following January 1<sup>st</sup>. They are payable in full by April 30<sup>th</sup> or are due in two equal installments on February 28<sup>th</sup> and June 15<sup>th</sup>. Morgan and Washington Counties bill and collect property taxes for all taxing entities within the counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

**Note D – Interfund transactions**

The following is a summary of interfund transactions for the year as presented in the fund financial statements:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General fund	\$ 78,632	\$ -
Building fund	-	5,402
Other governmental funds	2,000	73,230
<u>Fiduciary funds</u>		
Private purpose trust fund	<u>-</u>	<u>2,000</u>
Total	<u>\$ 80,632</u>	<u>\$ 80,632</u>

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note E – Capital assets**

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
<b>Governmental activities</b>				
Capital assets, not being depreciated:				
Land	\$ 597,193	\$ 190,224	\$ -	\$ 787,417
Construction in progress	<u>45,144,386</u>	<u>21,598,353</u>	<u>(66,742,739)</u>	<u>-</u>
Total capital assets, not being depreciated	45,741,579	21,788,577	(66,742,739)	787,417
Capital assets, being depreciated:				
Land improvements	-	395,077	-	395,077
Buildings and improvements	29,806,888	761,246	66,742,739	97,310,873
Licensed vehicles	1,650,520	62,664	-	1,713,184
Equipment	<u>1,668,234</u>	<u>5,521</u>	<u>-</u>	<u>1,673,755</u>
Total capital assets, being depreciated	<u>33,125,642</u>	<u>1,224,508</u>	<u>66,742,739</u>	<u>101,092,889</u>
Total capital assets	78,867,221	23,013,085	-	101,880,306
Less accumulated depreciation:				
Land improvements	-	(4,938)	-	(4,938)
Buildings and improvements	(18,922,983)	(1,461,271)	-	(20,384,254)
Licensed vehicles	(794,969)	(79,164)	-	(874,133)
Equipment	<u>(1,176,259)</u>	<u>(93,846)</u>	<u>-</u>	<u>(1,270,105)</u>
Total accumulated depreciation	<u>(20,894,211)</u>	<u>(1,639,219)</u>	<u>-</u>	<u>(22,533,430)</u>
Governmental activities capital assets, net	<u>\$ 57,973,010</u>	<u>\$ 21,373,866</u>	<u>\$ -</u>	<u>\$ 79,346,876</u>

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

Governmental activities	
Instruction	\$ 22,307
Operations and maintenance	69,878
Student transportation	80,825
Unallocated	<u>1,466,209</u>
Total	<u>\$ 1,639,219</u>

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note F – Accrued salaries and benefits**

Salaries and 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 not paid at year-end are estimated to be \$1,666,218. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

**Note G – Long-term debt**

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balances</u>	<u>Due within one year</u>
<b>Governmental activities</b>					
Compensated absences	\$ 29,428	\$ 23,175	\$ -	\$ 52,603	\$ -
Bonds payable	7,880,000	-	(1,185,000)	6,695,000	640,000
Bond premium	849,269	-	(64,854)	784,415	-
Certificates of participation	31,266,859	-	(1,198,968)	30,067,891	1,239,613
Net pension liability	24,581,851	-	(3,729,121)	20,852,730	-
Net OPEB liability	<u>1,227,714</u>	<u>-</u>	<u>(202,538)</u>	<u>1,025,176</u>	<u>-</u>
Total	<u>\$ 65,835,121</u>	<u>\$ 23,175</u>	<u>\$ (6,380,481)</u>	<u>\$ 59,477,815</u>	<u>\$ 1,879,613</u>

Payments on the compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund, as well as the net pension and OPEB liabilities. Payments on the bonds and certificates of participation are made in the Bond Redemption Fund.

**Bonds Payable**

\$5,330,000 general obligation refunding bonds, dated June 2012, due in annual installments beginning in fiscal year 2013 ranging from \$50,000 to \$880,000; variable annual interest rates ranging from 2.00% to 3.00%; payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>.

\$ 640,000

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note G – Long-term debt (Continued)**

\$6,055,000 general obligation bonds, dated October 30, 2017, due in annual installments beginning in fiscal year 2022 ranging from \$250,000 to \$500,000; varying annual interest rates from 3.00% to 5.00%, payable semi-annually on June 1 <sup>st</sup> and December 1 <sup>st</sup> .	<u>6,055,000</u>
Total general obligation bonds	<u>\$ 6,695,000</u>

The following schedule represents the District’s debt service requirements to maturity for all outstanding bonded indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 640,000	\$ 272,906
2022	250,000	259,556
2023	260,000	251,906
2024	265,000	242,706
2025	275,000	231,906
2026-2030	1,570,000	963,731
2031-2035	1,990,000	530,531
2036-2038	<u>1,445,000</u>	<u>74,859</u>
Totals	<u>\$ 6,695,000</u>	<u>\$ 2,828,101</u>

**Prior year defeasance of debt**

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At year-end, \$2,465,000 of bonds outstanding are considered defeased.

**Certificates of participation**

In December 2017, the District issued \$32,444,245 Certificates of Participation, Series 2017. Principal payments are due in annual installments beginning in fiscal year 2018 ranging from \$1,177,386 to \$2,184,848; fixed annual interest rate of 3.390%, payable semi-annually on June 1<sup>st</sup> and December 1<sup>st</sup>.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note G – Long-term debt (Continued)**

The following schedule represents the District’s debt service requirements to maturity for all outstanding certificates of participation indebtedness:

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,239,613	\$ 998,290
2022	1,281,636	955,555
2023	1,325,084	911,371
2024	1,370,004	865,689
2025	1,416,447	818,459
2026-2030	7,835,894	3,325,862
2031-2035	9,257,232	1,880,430
2036-2038	<u>6,341,981</u>	<u>327,267</u>
Totals	<u>\$ 30,067,891</u>	<u>\$ 10,082,923</u>

**Note H – 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. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

General information about the pension plan

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit 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, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. Section 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. Section 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 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, 2020.* Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. Section 24-51-401, *et seq.* and Section 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,635,919 for the year.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

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

At year-end, the District reported a liability of \$20,852,730 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	\$ 20,852,730
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>2,644,904</u>
Total	\$ <u>23,497,634</u>

At December 31, 2019, the District's proportion was 0.1396 percent, which was an increase of 0.0008 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension income of \$916,288 and revenue of \$116,664 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note H – Defined benefit pension plan (Continued)**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,142,240	\$ -
Changes of assumptions or other inputs	640,840	9,407,548
Net difference between projected and actual earnings on pension plan investments	-	2,583,150
Changes in proportion and differences between contributions recognized and proportionate share of contributions	155,660	1,259,976
Contributions subsequent to the measurement date	<u>819,942</u>	<u>-</u>
Total	<u>\$ 2,758,682</u>	<u>\$ 13,250,674</u>

\$819,942 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ (6,175,325)
2022	(4,362,108)
2023	65,792
2024	<u>(840,293)</u>
Totals	<u>\$(11,311,934)</u>

*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:

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

<sup>1</sup> For 2019, the annual increase was 0.00 percent.

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

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

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

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>1.00%</u>	0.20%
Total	<u><u>100.00%</u></u>	

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note H – Defined benefit pension plan (Continued)**

- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease _____ (6.25%)	Current Discount Rate _____ (7.25%)	1% Increase _____ (8.25%)
Proportionate share of the net pension liability	\$ 27,655,185	\$ 20,852,730	\$ 15,141,477

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note I – 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 CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding policy.* The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended, program members contributed \$79,055 for the Voluntary Investment Program.

**Note J – Defined benefit other post-employment benefit (OPEB) plan**

Summary of significant accounting policies

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

General information about the OPEB plan

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

*PERA Benefit Structure*

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$86,109 for the year ended.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

OPEB liabilities, OPEB expense, and deferred outflows of resources and deferred inflows of resources related to OPEB

At year-end, the District reported a liability of \$1,025,176 for its proportionate share of the net OPEB liability. The net pension OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District’s proportion of the net OPEB liability was based on the District’s contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District’s proportion was 0.0912 percent, which was an increase of 0.0010 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$77,754. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 3,185	\$ 172,252
Changes of assumptions or other inputs	8,432	-
Net difference between projected and actual earnings on OPEB plan investments	-	16,654
Changes in proportion and differences between contributions recognized and proportionate share of contributions	56,326	-
Contributions subsequent to the measurement date	<u>43,163</u>	<u>-</u>
Total	<u>\$ 111,106</u>	<u>\$ 188,906</u>

\$43,163 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

Year Ended June 30, _____	<u>Amount</u>
2021	\$ (22,594)
2022	(22,594)
2023	(17,954)
2024	(25,123)
2025	(30,820)
2026	<u>(1,878)</u>
Total	<u>\$ (120,963)</u>

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

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

<u>Medicare Plan</u>	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:

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

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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 show below are applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

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

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

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

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>1.00%</u>	0.20%
Total	<u>100.00%</u>	

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
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	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 1,000,824	\$ 1,025,176	\$ 1,053,318

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

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

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

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note J – Defined benefit other post-employment benefit (OPEB) plan (Continued)**

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

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
Proportionate share of the net OPEB liability	\$ 1,159,168	\$ 1,025,176	\$ 910,585

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

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

**Note K – Risk management**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool’s objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District’s contribution for the year was \$335,758. The District continues to carry commercial insurance for all other risks of loss, including workers’ compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

**Note L – Commitments and contingencies**

Federal and state funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note L – Commitments and contingencies (Continued)**

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified requirements by the entire electorate. During the year ended June 30, 2002, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$700,000 for the emergency reserve.

**Note M – Joint venture**

The District participates in the Centennial Board of Cooperative Educational Services (BOCES). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES:

- is financially independent and responsible for its own financing deficits and entitled to its own surpluses,
- has a separate governing board from that of the District,
- has a separate management which is responsible for the day to day operations and is accountable to the separate board,
- governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients or services provided, and
- has absolute authority over all funds and fiscal responsibility including budgetary responsibility and reporting to state agencies and controls fiscal management.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Financial Statements**

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**Note M – Joint venture (Continued)**

The District has one member on the board. The board has final authority for all budgeting and financing of the joint venture.

Separate financial statements of the Centennial Board of Cooperative Educational Services are available by contacting their administrative office in Greeley, Colorado.

For the year, the District's contribution was \$53,219.

**Note N – Prior period restatement**

The District previously reported the activity of the Pupil Activity Fund and certain activity of the Scholarship Fund in fiduciary funds. Beginning in fiscal year 2020, such activity has been more appropriately reported in a special revenue fund. Accordingly, the governmental activities reports a restated beginning net position of \$12,586,230.

Beginning governmental activities net position as originally reported	\$ 12,254,314
Pupil activity fund reclassification	271,998
Scholarship fund reclassification	<u>59,918</u>
Beginning net position, as restated	<u>\$ 12,586,230</u>

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### **Required Supplementary Information**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of District Contributions – PERA's School Division Trust Fund
- Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of District Contributions – PERA's Health Care Trust Fund
- Notes to the Required Supplementary Information

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 9,477,099	\$ 9,974,497	\$ 10,459,821	\$ 485,324
Intermediate sources	4,200	4,200	7,958	3,758
State sources	7,242,870	6,460,545	6,269,494	(191,051)
Federal sources			65,768	65,768
Total revenues	16,724,169	16,439,242	16,803,041	363,799
Expenditures				
Instruction	8,429,011	8,656,049	8,505,332	150,717
Supporting services	9,616,456	8,305,067	7,034,658	1,270,409
Capital outlay		1,351,351	1,293,347	58,004
Total expenditures	18,045,467	18,312,467	16,833,337	1,479,130
Excess of revenues over (under) expenditures	<u>\$ (1,321,298)</u>	<u>\$ (1,873,225)</u>	(30,296)	<u>\$ 1,842,929</u>
Fund balance at beginning of year			12,576,450	
Fund balance at end of year			<u>\$ 12,546,154</u>	

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**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Schedule of the District's Proportionate Share of the Net Pension Liability<sup>1</sup>**  
**PERA's School Division Trust Fund**  
**June 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
District's proportion of the net pension liability	0.1396%	0.1388%	0.1503%	0.1495%
District's proportionate share of the net pension liability	\$ 20,852,730	\$ 24,581,851	\$ 48,586,470	\$ 44,506,341
State's proportionate share of the net pension liability	<u>2,644,904</u>	<u>3,361,227</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 23,497,634</u>	<u>\$ 27,943,078</u>	<u>\$ 48,586,470</u>	<u>\$ 44,506,341</u>
District's covered payroll	\$ 8,201,044	\$ 7,631,964	\$ 6,930,991	\$ 6,708,983
District's proportionate share of the net pension liability as a percentage of its covered payroll	254.27%	322.09%	701.00%	663.38%
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.10%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

<sup>1</sup> Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

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<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
0.1483%	0.1588%	0.1641%
\$ 22,679,462	\$ 21,526,445	\$ 20,929,143
-	-	-
<u>\$ 22,679,462</u>	<u>\$ 21,526,445</u>	<u>\$ 20,929,143</u>
\$ 6,462,300	\$ 6,653,306	\$ 6,614,834
350.95%	323.55%	316.40%
59.20%	62.84%	64.08%

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Schedule of District Contributions<sup>1</sup>**  
**PERA's School Division Trust Fund**  
**June 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 1,635,919	\$ 1,510,682	\$ 1,379,368	\$ 1,231,343
Contributions in relation to the contractually required contribution	<u>(1,635,919)</u>	<u>(1,510,682)</u>	<u>(1,379,368)</u>	<u>(1,231,343)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,442,061	\$ 7,896,923	\$ 7,304,164	\$ 6,699,481
Contributions as a percentage of covered payroll	19.38%	19.13%	18.88%	18.38%

<sup>1</sup> Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

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<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
\$ 1,180,856	\$ 1,092,427	\$ 1,068,224
<u>(1,180,856)</u>	<u>(1,092,427)</u>	<u>(1,068,224)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 6,658,930	\$ 6,475,789	\$ 6,684,513
17.73%	16.87%	15.98%

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Schedule of the District's Proportionate Share of the Net OPEB Liability<sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**June 30, 2020**

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	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
District's proportion of the net OPEB liability	0.0912%	0.0902%	0.0854%	0.0850%
District's proportionate share of the net OPEB liability	\$ 1,025,176	\$ 1,227,714	\$ 1,109,510	\$ 1,101,625
District's covered payroll	\$ 8,201,044	\$ 7,631,964	\$ 6,930,991	\$ 6,708,983
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%

\* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

<sup>1</sup> Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Schedule of District Contributions<sup>1</sup>**  
**PERA's Health Care Trust Fund**  
**June 30, 2020**

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Contractually required contribution	\$ 86,109	\$ 80,549	\$ 74,502	\$ 68,335
Contributions in relation to the contractually required contribution	<u>(86,109)</u>	<u>(80,549)</u>	<u>(74,502)</u>	<u>(68,335)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,442,061	\$ 7,896,923	\$ 7,304,164	\$ 6,699,481
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

<sup>1</sup> Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to the Required Supplementary Information**

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**Note A – Budgetary data**

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to 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.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual budget to the department of education.
5. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted.
8. Appropriations lapse at year-end.

**Note B – Factors affecting trends in amounts reported in the pension and OPEB schedules**

Information about factors that significantly affect trends in the amounts reported in the Schedules of the District's Proportionate Share of the Net Pension and OPEB Liabilities and the Schedules of District Contributions is available in PERA's comprehensive annual financial report which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

### **Other Supplementary Information**

The other supplementary information presents a summary of the financial position of all funds of a given segment and the operating results of the same funds. The individual fund statements and schedules present information when only one fund exists.

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## **Budgetary Comparison Schedules - General Fund**

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**General Fund**  
**Budgetary Comparison Schedule - Revenues**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
<b>Local sources</b>				
Property taxes	\$ 8,044,208	\$ 9,117,865	\$ 8,863,989	\$ (253,876)
Specific ownership taxes	662,641	726,422	1,225,911	499,489
Delinquent taxes and interest	4,500	4,500	7,381	2,881
Tuition	15,750	15,750	584	(15,166)
Other transportation	1,000	1,000	817	(183)
Earnings on investments	60,000	60,000	191,541	131,541
Other revenues	689,000	48,960	169,598	120,638
<b>Total local sources</b>	<b>9,477,099</b>	<b>9,974,497</b>	<b>10,459,821</b>	<b>485,324</b>
<b>Intermediate sources</b>				
Mineral lease	2,900	2,900	5,848	2,948
County impact assistance	1,300	1,300	2,110	810
<b>Total intermediate sources</b>	<b>4,200</b>	<b>4,200</b>	<b>7,958</b>	<b>3,758</b>
<b>State sources</b>				
State equalization	6,726,883	5,944,558	5,480,255	(464,303)
Vocational education	52,769	52,769	42,114	(10,655)
ELPA professional development			60,527	60,527
English language proficiency	27,044	27,044	51,547	24,503
CPP tax check off			1,213	1,213
Transportation	106,198	106,198	88,777	(17,421)
READ act	55,000	55,000	64,560	9,560
State grants for libraries			5,000	5,000
Small rural schools funding	250,000	250,000	156,513	(93,487)
At-risk funding			10,215	10,215
Career development incentive			4,464	4,464
Kindergarten capital			11,229	11,229
State on-behalf payment			200,326	200,326
School safety grant			72,979	72,979
Services within the BOCES	24,976	24,976	19,775	(5,201)
<b>Total state sources</b>	<b>7,242,870</b>	<b>6,460,545</b>	<b>6,269,494</b>	<b>(191,051)</b>
<b>Federal sources</b>				
Coronavirus relief funds			65,768	65,768
<b>Total revenues</b>	<b>\$ 16,724,169</b>	<b>\$ 16,439,242</b>	<b>\$ 16,803,041</b>	<b>\$ 363,799</b>

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**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	\$ 5,491,864	\$ 5,664,458	\$ 5,580,620	\$ 83,838
Employee benefits	2,322,179	2,322,179	2,456,694	(134,515)
Purchased services	412,902	410,456	259,281	151,175
Supplies and materials	198,812	211,381	182,708	28,673
Property	1,489	45,529	24,583	20,946
Other	1,765	2,046	1,446	600
<b>Total instruction</b>	<b>8,429,011</b>	<b>8,656,049</b>	<b>8,505,332</b>	<b>150,717</b>
<b>Supporting services</b>				
<b>Students</b>				
Salaries	419,428	369,428	386,582	(17,154)
Employee benefits	150,968	150,968	159,255	(8,287)
Supplies and materials	14,050	14,050	14,699	(649)
<b>Total students</b>	<b>584,446</b>	<b>534,446</b>	<b>560,536</b>	<b>(26,090)</b>
<b>Instructional staff</b>				
Salaries	104,697	104,697	118,629	(13,932)
Employee benefits	65,247	65,247	58,668	6,579
Purchased services	54,000	53,350	36,776	16,574
Supplies and materials	25,833	24,531	20,879	3,652
Property			14,707	(14,707)
<b>Total instructional staff</b>	<b>249,777</b>	<b>247,825</b>	<b>249,659</b>	<b>(1,834)</b>
<b>General administration</b>				
Salaries	381,390	363,390	324,396	38,994
Employee benefits	128,254	128,254	106,961	21,293
Purchased services	217,325	230,744	222,521	8,223
Supplies and materials	407,747	364,876	313,087	51,789
Other	1,779,000	717,292	27,197	690,095
<b>Total general administration</b>	<b>2,913,716</b>	<b>1,804,556</b>	<b>994,162</b>	<b>810,394</b>

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
School administration				
Salaries	753,176	821,176	785,437	35,739
Employee benefits	356,572	356,572	319,322	37,250
Purchased services	5,100	5,100	1,232	3,868
Supplies and materials	28,700	28,569	23,160	5,409
Property	1,500	6,500	4,001	2,499
Other	1,525	1,025		1,025
Total school administration	1,146,573	1,218,942	1,133,152	85,790
Business services				
Salaries	69,728	69,728	69,817	(89)
Employee benefits	29,950	29,950	31,859	(1,909)
Purchased services	26,500	26,900	23,638	3,262
Supplies and materials			3,737	(3,737)
Other			18,209	(18,209)
Total business services	126,178	126,578	147,260	(20,682)
Operations and maintenance				
Salaries	526,663	520,663	525,323	(4,660)
Employee benefits	269,543	269,543	251,468	18,075
Purchased services	470,386	518,808	521,093	(2,285)
Supplies and materials	530,000	514,000	590,636	(76,636)
Property	940,336	666,644	220,580	446,064
Total operations and maintenance	2,736,928	2,489,658	2,109,100	380,558
Student transportation				
Salaries	228,534	225,440	233,863	(8,423)
Employee benefits	115,925	115,925	115,339	586
Purchased services	49,360	54,765	49,502	5,263
Supplies and materials	120,000	114,252	92,800	21,452
Property	63,664	63,664	63,664	-
Total student transportation	577,483	574,046	555,168	18,878

(Continued)

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**General Fund**  
**Budgetary Comparison Schedule - Expenditures**  
**For the Year Ended June 30, 2020**

(Continued)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Central support				
Salaries	177,060	215,060	242,658	(27,598)
Employee benefits	60,769	60,769	80,206	(19,437)
Purchased services	473,675	464,556	437,638	26,918
Supplies and materials	43,000	184,454	68,044	116,410
Property	170,000	384,177	457,075	(72,898)
Total central support	924,504	1,309,016	1,285,621	23,395
Enterprise operations				
Salaries	356,851			-
Total enterprise operations	356,851	-	-	-
Total supporting services	9,616,456	8,305,067	7,034,658	1,270,409
Capital outlay				
Facilities acquisition				
Purchased services		1,101,351	1,103,123	(1,772)
Property		250,000	190,224	59,776
Total capital outlay	-	1,351,351	1,293,347	58,004
Total expenditures	<u>\$ 18,045,467</u>	<u>\$ 18,312,467</u>	<u>\$ 16,833,337</u>	<u>\$ 1,479,130</u>

**Combining Statements and Budgetary Comparison Schedules –  
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

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

- Food Service Fund – This fund is used to account for the financial transactions related to food service operations.
- Designated Purpose Grants Fund – This fund is used to record financial transactions for grants received for designated programs funded by federal, state or local sources.
- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities.
- Head Start Fund – This fund is used to account for expenditures related to the Head Start Program.
- Scholarship Fund – This fund is used to record the financial transactions related to contributions and earnings that are used to award scholarships to area students.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**June 30, 2020**

	Food Service	Designated Purpose Grants	Pupil Activity	Head Start
<b>Assets</b>				
Cash	\$ 184,949		\$ 298,193	\$ 139
Certificates of deposit			42,887	
Due from other funds				
Grants receivables	285,399	\$ 79,579		114,562
Other receivables	2,544			
Inventory	39,837			
<b>Total assets</b>	<b>\$ 512,729</b>	<b>\$ 79,579</b>	<b>\$ 341,080</b>	<b>\$ 114,701</b>
<b>Liabilities</b>				
Due to other funds	\$ 36,653	\$ 36,577		
Accounts payable	74,252			\$ 13,917
Accrued salaries and benefits	6,466	39,688		100,784
Payroll withholdings	804	3,314		
Unearned revenues	18,626			
<b>Total liabilities</b>	<b>136,801</b>	<b>79,579</b>	<b>\$ -</b>	<b>114,701</b>
<b>Fund balance</b>				
Nonspendable for inventory	39,837			
Restricted for food service	336,091			
Restricted for scholarships				
Committed to pupil activities			341,080	
<b>Total fund balance</b>	<b>375,928</b>	<b>-</b>	<b>341,080</b>	<b>-</b>
<b>Total liabilities and fund balance</b>	<b>\$ 512,729</b>	<b>\$ 79,579</b>	<b>\$ 341,080</b>	<b>\$ 114,701</b>

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<u>Scholarship</u>	<u>Totals</u>
\$ 34,212	\$ 517,493
24,816	67,703
2,000	2,000
	479,540
	2,544
	39,837
<u>\$ 61,028</u>	<u>\$ 1,109,117</u>
	\$ 73,230
	88,169
	146,938
	4,118
	18,626
<u>\$ -</u>	<u>331,081</u>
	39,837
	336,091
61,028	61,028
	341,080
<u>61,028</u>	<u>778,036</u>
<u>\$ 61,028</u>	<u>\$ 1,109,117</u>

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the Year Ended June 30, 2020**

	Food Service	Designated Purpose Grants	Pupil Activity	Head Start
<b>Revenues</b>				
Local sources	\$ 179,019	\$ 320	\$ 475,279	\$ 2
State sources	19,164			
Federal sources	901,641	386,839		717,765
<b>Total revenues</b>	<b>1,099,824</b>	<b>387,159</b>	<b>475,279</b>	<b>717,767</b>
<b>Expenditures</b>				
Instruction		286,564	406,197	
Supporting services	934,356	100,595		717,767
<b>Total expenditures</b>	<b>934,356</b>	<b>387,159</b>	<b>406,197</b>	<b>717,767</b>
Excess of revenues over (under) expenditures	165,468	-	69,082	-
Fund balance at beginning of year	210,460	-	271,998	-
Fund balance at end of year	<u>\$ 375,928</u>	<u>\$ -</u>	<u>\$ 341,080</u>	<u>\$ -</u>

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<u>Scholarship</u>	<u>Totals</u>
\$ 117,640	\$ 772,260 19,164 <u>2,006,245</u>
<u>117,640</u>	<u>2,797,669</u>
116,530	809,291 <u>1,752,718</u>
<u>116,530</u>	<u>2,562,009</u>
1,110	235,660
<u>59,918</u>	<u>542,376</u>
<u>\$ 61,028</u>	<u>\$ 778,036</u>

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Food Service Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 262,845	\$ 262,845	\$ 179,019	\$ (83,826)
State sources	6,290	6,290	19,164	12,874
Federal sources	501,266	501,266	901,641	400,375
Total revenues	770,401	770,401	1,099,824	329,423
Expenditures				
Supporting services				
Salaries	47,193	55,693	84,072	(28,379)
Employee benefits	16,517	21,067	26,597	(5,530)
Purchased services	309,660	505,110	333,700	171,410
Supplies and materials	408,030	370,630	473,748	(103,118)
Property		51,400	13,800	37,600
Other		2,500	2,439	61
Total expenditures	781,400	1,006,400	934,356	72,044
Net change in fund balance	\$ (10,999)	\$ (235,999)	165,468	\$ 401,467
Fund balance at beginning of year			210,460	
Fund balance at end of year			\$ 375,928	

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Designated Purpose Grants Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Local sources				
Other revenues		\$ 111,840	\$ 320	\$ (111,520)
Total local sources	\$ -	111,840	320	(111,520)
Federal sources				
Title I, Part A			136,758	136,758
USDA Equipment assistance			5,200	5,200
Services within the BOCES	414,345	414,345	244,881	(169,464)
Total federal revenues	414,345	414,345	386,839	(27,506)
Total revenues	414,345	526,185	387,159	(139,026)
<b>Expenditures</b>				
Instruction				
Salaries	145,761	257,601	180,996	76,605
Employee benefits	87,584	87,584	53,652	33,932
Purchased services	125,000	125,000	12,440	112,560
Supplies and materials	26,000	26,000	39,017	(13,017)
Other			459	(459)
Total instruction	384,345	496,185	286,564	209,621
Supporting services				
Students				
Purchased services		30,000	18,025	11,975
Instructional staff				
Purchased services	30,000		77,050	(77,050)
Food services				
Property			5,520	(5,520)
Total supporting services	30,000	30,000	100,595	(70,595)
Total expenditures	414,345	526,185	387,159	139,026
Excess of revenues over (under) expenditures	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Pupil Activity Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fundraising and other events	\$ 530,000	\$ 530,000	\$ 475,279	\$ (54,721)
Total revenues	530,000	530,000	475,279	(54,721)
Expenditures				
Instruction				
Purchased services			56	(56)
Supplies and materials			129,323	(129,323)
Other	530,000	530,000	276,818	253,182
Total expenditures	530,000	530,000	406,197	123,803
Excess of revenues over (under) expenditures	\$ -	\$ -	69,082	\$ 69,082
Fund balance at beginning of year			271,998	
Fund balance at end of year			\$ 341,080	

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Head Start Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources			\$ 2	\$ 2
Federal sources		\$ 779,866	717,765	(62,101)
Total revenues	\$ -	779,866	717,767	(62,099)
Expenditures				
Supporting services				
Salaries		391,367	392,372	(1,005)
Employee benefits		196,864	185,013	11,851
Purchased services		5,000	53,235	(48,235)
Supplies and materials		46,550	80,384	(33,834)
Property		5,314	6,763	(1,449)
Other		134,771		134,771
Total expenditures	-	779,866	717,767	62,099
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Scholarship Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Earnings on investments			\$ 260	\$ 260
Contributions	\$ 138,000	\$ 138,000	117,380	(20,620)
Total revenues	138,000	138,000	117,640	(20,360)
Expenditures				
Scholarship awards	138,000	138,000	116,530	21,470
Total expenditures	138,000	138,000	116,530	21,470
Excess of revenues over (under) expenditures	\$ -	\$ -	1,110	\$ 1,110
Fund balance at beginning of year			59,918	
Fund balance at end of year			\$ 61,028	

## **Budgetary Comparison Schedule – Debt Service Fund**

The District reports the following major debt service fund:

Debt Service Fund – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

- Bond Redemption Fund – This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Bond Redemption Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 3,491,588	\$ 3,491,588	\$ 3,572,736	\$ 81,148
Delinquent taxes and interest			2,840	2,840
Interest on investments	18,000	18,000	37,217	19,217
Intermediate sources			851	851
Total revenues	<u>3,509,588</u>	<u>3,509,588</u>	<u>3,613,644</u>	<u>104,056</u>
Expenditures				
Debt service				
Principal retirement	2,383,968	2,383,968	2,383,968	-
Interest and fiscal charges	<u>1,366,380</u>	<u>1,366,380</u>	<u>1,344,255</u>	<u>22,125</u>
Total expenditures	<u>3,750,348</u>	<u>3,750,348</u>	<u>3,728,223</u>	<u>22,125</u>
Net change in fund balance	<u>\$ (240,760)</u>	<u>\$ (240,760)</u>	<u>(114,579)</u>	<u>\$ 126,181</u>
Fund balance at beginning of year			<u>3,458,559</u>	
Fund balance at end of year			<u>\$ 3,343,980</u>	

## **Budgetary Comparison Schedule - Capital Projects Fund**

The District reports the following major capital projects fund:

Capital Projects Fund – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Building Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Interest on investments	\$ 100,000	\$ 100,000	\$ 18,392	\$ (81,608)
State sources				
BEST capital construction	12,198,146	12,198,146	8,623,355	(3,574,791)
Total revenues	12,298,146	12,298,146	8,641,747	(3,656,399)
Expenditures				
Capital outlay				
Purchased services			2,835,336	(2,835,336)
Supplies			12,944	(12,944)
Property	33,240,334	33,240,334	18,750,073	14,490,261
Total expenditures	33,240,334	33,240,334	21,598,353	11,641,981
Excess of revenues over (under) expenditures	\$ (20,942,188)	\$ (20,942,188)	(12,956,606)	\$ 7,985,582
Fund balance at beginning of year			13,164,856	
Fund balance at end of year			\$ 208,250	

## **Budgetary Comparison Schedules - Fiduciary Fund**

These funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and custodial funds.

Private-purpose trust funds – These funds are used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

- Scholarship Trust Fund – This fund is used to record the financial transactions related to the administration of a scholarship trust that is used to award scholarships to area students.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Scholarship Trust Fund**  
**Budgetary Comparison Schedule**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Contributions	\$ 2,000	\$ 2,000	\$ 1,718	\$ (282)
Total revenues	2,000	2,000	1,718	(282)
Expenditures				
Scholarship awards	2,000	2,000	2,000	-
Total expenditures	2,000	2,000	2,000	-
Excess of revenues over (under) expenditures	\$ -	\$ -	(282)	\$ (282)
Net position at beginning of year			235,794	
Net position at end of year			\$ 235,512	

## **Single Audit Section**

The Single Audit Section contains the following:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2020**

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
Direct program			
Head Start	93.600	N/A	\$ 708,755
Total U.S. Department of Health and Human Services			708,755
<b>U.S. Department of the Treasury</b>			
Direct program			
Coronavirus Relief Fund	21.019	N/A	9,010
Pass-through program from			
Colorado Department of Education			
Coronavirus Relief Fund	21.019	4012	65,768
Total CFDA No. 21.019			74,778
Total U.S. Department of the Treasury			74,778
<b>U.S. Department of Agriculture</b>			
Child Nutrition Cluster			
Pass-through program from			
Colorado Department of Human Services			
Donated Commodities	10.555	4555	35,680
Colorado Department of Education			
School Breakfast Program	10.553	4553	89,509
National School Lunch Program	10.555	4555	717,763
Summer Food Service Program for Children	10.559	4559	9,513
Total Child Nutrition Cluster			852,465
Pass-through programs from			
Colorado Department of Public Health and Environment			
Child and Adult Care Food Program	10.558	4558	49,176
Child Nutrition Discretionary Grants			
Limited Availability	10.579	5579	5,200
Total U.S. Department of Agriculture			906,841
<b>U.S. Department of Education</b>			
Pass-through programs from			
Colorado Department of Education			
Title I Grants to Local Educational Agencies	84.010	5010	136,758
Total U.S. Department of Education			136,758
Total expenditures of federal awards			<u>\$ 1,827,132</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**BRUSH SCHOOL DISTRICT NO. RE-2(J)**  
**Notes to Schedule of Expenditures of Federal Awards**

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**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Brush School District No. RE-2(J) under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Brush School District No. RE-2(J), it is not intended to and does not present the financial position, changes in net position, or cash flows of Brush School District No. RE-2(J).

**Note B – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statement(s) of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

Brush School District No. RE-2(J) has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

**Note D – Subrecipients**

Brush School District No. RE-2(J) did not pass through any federal grants to subrecipients.

**Note E – Nonmonetary Assistance**

Federal nonmonetary assistance is reported in the Schedule at fair value of the items received and disbursed during the year. Brush School District No. RE-2(J) received nonmonetary assistance for the year as follows:

CFDA No. 10.555	National School Lunch Program	\$ <u>35,680</u>
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**Independent Auditors' Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Education  
Brush School District No. RE-2(J)  
Brush, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Brush School District No. RE-2(J) (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2020.

**Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

## **Purpose of this Report**

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

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
November 6, 2020



**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education  
Brush School District No. RE-2(J)  
Brush, Colorado

**Report on Compliance for Each Major Program**

We have audited the Brush School District No. RE-2(J)'s (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

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

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

## **Opinion on Each Major Federal Program**

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

## **Report on Internal Control over Compliance**

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

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

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

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

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
November 6, 2020



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**Colorado Department of Education  
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

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**Independent Auditors' Report on Auditors' Integrity Report**

Board of Education  
Brush School District No. RE-2(J)  
Brush, Colorado

We have audited the financial statements of the Brush School District No. RE-2(J) (the District) as of and for the year ended June 30, 2020, and our report thereon dated November 6, 2020, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lauer, Szabo & Associates, P.C.*

Sterling, Colorado  
November 6, 2020



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 2395 - Brush RE-2(I)  
 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
<b>Governmental</b>	+		-	=
10 General Fund	12,576,450	16,803,041	16,833,337	12,546,154
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub-Total</b>	<b>12,576,450</b>	<b>16,803,041</b>	<b>16,833,337</b>	<b>12,546,154</b>
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	59,917	835,408	834,297	61,028
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	210,460	1,099,824	934,356	375,928
22 Govt Designated-Purpose Grants Fund	0	387,159	387,159	0
23 Pupil Activity Special Revenue Fund	271,998	475,279	406,197	341,080
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	3,458,559	3,613,644	3,728,223	3,343,980
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	13,164,856	8,641,747	21,598,354	208,250
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>29,742,241</b>	<b>31,856,103</b>	<b>44,721,923</b>	<b>16,876,420</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	235,794	1,718	2,000	235,512
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
<b>Totals</b>	<b>235,794</b>	<b>1,718</b>	<b>2,000</b>	<b>235,512</b>

FINAL