

**SWINK SCHOOL DISTRICT #33
SWINK, COLORADO**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITORS' REPORTS**

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

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INTRODUCTORY SECTION

**SWINK SCHOOL DISTRICT #33
SWINK, COLORADO**

ROSTER OF SCHOOL OFFICIALS

Year Ended June 30, 2020

Board of Education

Fred Grantham - President

Shannon Wallace - Vice-President

Diana Milenski - Secretary

Dr. Ky Davis - Treasurer

Matt Gardner - Member

Administrative Staff

Kyle Hebberd - Superintendent

Janell Wood - Business Manager

SWINK SCHOOL DISTRICT #33

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FINANCIAL SECTION

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Management of Swink School District offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. The focus of the information is on the primary government (general) fund.

The District has adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement N. 34, *Basic Financial Statement and Management Discussion and Analysis for State and Local Governments*, the District is required to restate prior periods for purposes of providing comparative information.

Financial Highlights

- The following audit presents the Food Service fund as a Special Revenue Fund under governmental activities. The following audit continues to present the district's proration of net pension obligation as required by GASB-68.
- In governmental activities, the District's assets were greater than liabilities at the close of the fiscal year by \$1,258,785 (net position). This presentation of a positive is because of GASB-68. (see footnotes #9,10,11) The General Fund has a fund balance of \$4,130,421 which includes Tabor of \$137,000.
- As the end of the fiscal year, the District's governmental funds reported combined ending fund balances of \$5,556,219. This is an increase of \$1,091,361 from the prior year. The General Fund increased by \$306,005 in anticipation of multiple capital project and application for a BEST grant.
- The District's long-term general obligation debt decreased by \$130,000 as a result of current year principal and interest payments on the outstanding debt.
- The District had adequate resources available for all appropriations.
- The District was required to implement GASB 75 resulting in a net other post-employment benefit (OPEB) liability of \$252,151. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association, is recorded as a liability of the District. For additional information on the OPEB see note 11.

Overview of the Financial Statements

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

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

District-Wide Financial Statements

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

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

The district-wide statements are divided into two categories: Governmental Activities and Business-type Activities.

Governmental activities: Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, and administration. The School Finance Act of 1994, as amended, made up of property taxes and state equalization, finances most of these activities. This information is comprised of all of the following Swink School District funds – general fund, governmental designated-purpose grants fund, capital reserve fund, bond redemption fund, and new this year the food service fund.

Business-type activities: The district has no business-type activities funds.

Fund Financial Statements

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

All of the funds of the District can be divided into two categories: governmental funds, and fiduciary funds.

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

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Fiduciary Funds: The District is the agent, or *fiduciary*, for assets that belong to others. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations. The District uses fiduciary funds to account for its pupil activity agency fund.

Notes to the Financial Statements

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

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

Financial Analysis of the District as a Whole

- The District’s total capital net assets (assets, less depreciation) on June 30, 2020 was \$5,785,971.
- The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Current Assets	\$ 5,548,490	\$ 4,464,858
Capital Assets - Net	5,785,971	5,941,154
Total Assets	11,334,461	10,406,012
Deferred Outflow s of Financial Resources	1,232,128	2,565,251
Current Liabilities	711,424	326,882
Long-Term Liabilities	6,617,206	7,733,829
Total Liabilities	7,328,630	8,060,711
Deferred Inflow s of Financial Resources	3,979,174	5,169,997
Net Investment in Capital Assets	4,640,971	4,536,154
Restricted Net Position	411,427	370,701
Unrestricted Net Position	(3,793,613)	(5,166,300)
Total Net Position	\$ 1,258,785	\$ (259,445)

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities	
	<u>2020</u>	<u>2019</u>
Program Revenues:		
Charges for Services	\$ 156,591	\$ 61,649
Operating Grants & Contributions	631,352	653,662
Capital Grants	10,329	-
Total Program Revenues	<u>798,272</u>	<u>715,311</u>
General Revenues:		
Taxes	751,646	731,289
State Equalization	3,236,579	3,075,833
Investment Income	64,110	51,179
Miscellaneous	54,079	65,947
Total General Revenues	<u>4,106,414</u>	<u>3,924,248</u>
Total Revenues	<u>4,904,686</u>	<u>4,639,559</u>
Expenses		
Instruction	1,784,789	1,536,702
Supporting Services	1,668,706	1,415,398
Pension Expense	-	-
Interest on Long Term Debt	-	55,998
Total Expenses	<u>3,453,495</u>	<u>3,008,098</u>
Change in Net Position	<u>1,451,191</u>	<u>1,631,461</u>
Net Position - Beginning	(259,445)	(2,410,152)
Prior Period Restatement	67,039	519,246
Net Position - Beginning (Restated)	<u>(192,406)</u>	<u>(1,890,906)</u>
Net Position - Ending	<u><u>\$ 1,258,785</u></u>	<u><u>\$ (259,445)</u></u>

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Table 3 –Capital Assets Shown in whole dollars	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Assets not being depreciated:				
Land	\$627,961	\$0	\$0	\$627,961
Assets being depreciated:				
Building and Improvements	\$9,559,360	\$140,382	\$0	\$9,699,742
Transportation Equipment	\$1,055,094	\$0	\$185,995	\$869,099
Other Equipment	\$1,181,133	\$0	\$0	\$1,181,133
Food Service Equipment	\$58,933	\$0	\$0	\$58,933
Total Assets being depreciated	\$11,854,520	\$140,382	\$185,995	\$11,808,907
Accumulated depreciation:				
Building and Improvements	(\$4,628,584)	(\$229,394)	\$0	(\$4,911,978)
Transportation Equipment	(\$694,893)	(\$47,065)	(\$185,995)	(\$558,963)
Other Equipment	(\$1,123,447)	(\$17,337)	\$0	(\$1,140,784)
Food Service Equipment	(\$37,403)	(\$1,769)	\$0	(\$39,172)
Total accumulated depreciation	(\$6,541,327)	(\$295,565)	(\$185,995)	(\$6,650,897)
Net Capital Assets	\$5,941,154	(\$155,183)		(\$5,785,971)

Table 4-Long-Term Obligations	Balance July 1, 2019	Advances	Payments	Balance June 30, 2020	Current Portion	Interest Expense
Series 2007 Gen. Oblig. Bonds	\$1,405,000		\$130,000	\$1,275,000	\$130,000	\$54,713
Bond Premiums	\$16,927		\$3,338	\$13,589	\$3,337	
PERA Net Pension Liability	\$6,006,038		\$915,983	\$5,090,055		
PERA OPEB Liability	\$299,965		\$47,814	\$252,151		
Compensated Absences	\$5,900		\$5,900			
Total Long-Term Oblig.	\$7,733,830		\$1,103,035	\$6,630,795	\$133,337	\$54,713

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Financial Analysis of the District's Funds

General Fund Budgetary Highlights

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

- Actual revenues in the General Fund of \$4,464,874.
- The actual expenditures were \$3,611,718 plus a Capital Reserve Project fund transfer of \$490,000, plus a Food Service fund transfer of \$25,000, which resulted in and General Fund increase of \$306,000.
- The District must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At June 30, 2020, District's TABOR reserve amounted to \$137,000.

Capital Reserve Project Fund

The Capital Reserve Project Fund showed revenue of \$490,000 (\$400,000 General Fund transfer; \$90,000 rebate on busses purchase in prior year). During 2019-2020 the district contracted with Excel Energy LLC to upgrade lighting throughout the district to LED. Although the initial outlay (net rebates) was \$148,110, the energy savings is projected to pay that back over ten years. The district was awarded a BEST grant to replace a portion of the roof, and replace/upgrade heating and air conditioning units that are past their useful life. These units have been a continuing expense for repairs for the last five years.

Special Revenue Fund

The Special Revenue Fund is the food service fund and pupil activity fund. This program had revenues of \$141,426 which included a General Fund transfer of \$25,000. Food service expenses were \$181,286. Food service staff members have continue to add new healthier menu items in order to meet federal guidelines. The number of meals served has continued to decline over previous years. The district was able to cooperatively purchase food which has significantly lower costs. This fund will still need to be monitored closely. Future General Fund transfers have been budgeted, and may be necessary to offset any losses. The board is aware of the difficulties in operating the food service program, and will continue to strive to provide nutritious meals at a reasonable cost. The pupil activity fund after prior period restatement (see note 14) had an ending fund balance of \$76,867.

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Economic Factors Bearing on the District’s Future

The factors that affected this year’s budget and will continue its affect into the future is small growth in the economy, lack of employment opportunities, water related issues, the continuing shift of school funding to local property taxes from state taxes, and the budget stabilization factor used by the State of Colorado to balance their budget, and maintaining current student enrollment.

The following is a comparison of the funded student count and actual number of students for the past several years:

<u>School Year</u>	<u>Actual Number of Students</u>	<u>Funded Count</u>
2005/2006	373	365
2006/2007	382	367
2007/2008	369.5	357.5
2008/2009	375	362
2009/2010	378	366
2010/2011	374	363
2011/2012	356	345.5
2012/2013	346	337
2013/2014	336	326
2014/2015	346	337
2015/2016	381	366
2016/2017	366	354
2017/2018	373	356
2018/2019	343	331.5
2019/2020	321	353.8

The funded count for the District has declined in the past, 2015-2016 was an anomaly as our predictions was for a decrease in the following years. The district has been able to take advantage of the state funding rules that have allowed us to average up to the last five years for our funding. Management and administration continue to take a very conservative approach for the 2019/2020 school year. The School District is prudent in monitoring our fiscal responsibilities as the District continues to be fiscally sound.

We know that the quality of life in a community is directly linked to the quality of its schools. Even in tough economic times and having to be fiscally responsible, Swink School District continues meet the district wide academic framework, as established by CDE. The elementary student achievement allowed them to receive a John Irwin in Excellence award for high achievement.

Our small class size, opportunities for advanced course work (through concurrent and OJC classes) and a culture with minor discipline issues contribute to a school family that knows the value of an education.

SWINK SCHOOL DISTRICT
Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2020

Contacting the District's Financial Management

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

Janell Wood, Business Manager
Swink School District
610 Columbia, PO Box 487, Swink, CO 81077

Mayberry & Company, LLC

Certified Public Accountants

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

Board of Education
Swink School District #33
Swink, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Swink School District #33, Colorado, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Swink School District #33, Colorado, as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Swink School District #33's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of a Matter

As discussed in Note 14, the District has restated the beginning fund balance in the Pupil Activity Agency fund and the Pupil Activity Special Revenue Fund and governmental activities due to the adoption of GASB Statement No. 84 – Fiduciary Activities. Our opinion is not modified with regards to this matter.

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

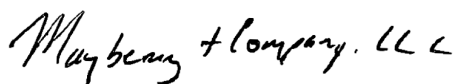
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1-M8 and pension schedules on pages 43-46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 47-49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund financial schedules on pages 50-55 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors Integrity and Bolded Balance Sheet reports on pages 56-59 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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Basic Financial Statements

SWINK SCHOOL DISTRICT #33

Statement of Net Position

June 30, 2020

	Governmental
	Activities
	<hr/>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 5,377,729
Cash with Fiscal Agent	22,763
Taxes Receivable	28,905
Other Accounts Receivable	78,158
Inventory	6,968
Prepaid Expenses	33,967
Capital and Other Assets	
Capital Assets not Being Depreciated	627,961
Capital Assets Being Depreciated, Net	5,158,010
Total Assets	<hr/> 11,334,461 <hr/>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	1,205,375
Net OPEB Deferred Outflows	26,753
Total Deferred Outflows of Financial Resources	<hr/> 1,232,128 <hr/>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<hr/> \$ 12,566,589 <hr/>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 12,446
Accrued Interest	4,343
Accrued Salaries & Benefits	345,611
Unearned Revenue	3,404
Unearned Revenue Grants	345,620
Noncurrent Liabilities	
Due Within One Year	130,000
Due In More Than One Year	6,487,206
Total Liabilities	<hr/> 7,328,630 <hr/>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	3,904,034
Net OPEB Deferred Inflows	61,551
Bond Premiums	13,589
Total Deferred Inflows of Financial Resources	<hr/> 3,979,174 <hr/>
Net Position	
Net Investment in Capital Assets	4,640,971
Restricted Net Position	411,427
Unrestricted Net Position	(3,793,613)
Total Net Position	<hr/> 1,258,785 <hr/>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<hr/> \$ 12,566,589 <hr/>

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

SWINK SCHOOL DISTRICT #33

Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		
Primary Government					
Governmental Activities					
Instruction	\$ 1,784,784	\$ 99,563	\$ 202,734	\$ 10,329	\$ (1,472,158)
Supporting Services	<u>1,668,826</u>	<u>57,143</u>	<u>428,618</u>	<u>-</u>	<u>(1,183,065)</u>
Total Primary Government	<u>\$ 3,453,610</u>	<u>\$ 156,706</u>	<u>\$ 631,352</u>	<u>\$ 10,329</u>	<u>(2,655,223)</u>
General Revenues					
Property Taxes					611,937
Specific Ownership Taxes					139,709
State Equalization					3,236,579
Investment Earnings					64,110
Gain (Loss) on Capital Asset Disposals					1,919
Other Revenues					<u>52,160</u>
Total General Revenues					<u>4,106,414</u>
Change in Net Position					<u>1,451,191</u>
Beginning Net Position					(259,445)
Prior Period Restatement					<u>67,039</u>
Beginning Net Position (As Restated)					<u>(192,406)</u>
Ending Net Position					<u>\$ 1,258,785</u>

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

SWINK SCHOOL DISTRICT #33
 Balance Sheet
 Governmental Funds
 June 30, 2020

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund
ASSETS				
Cash and Investments	\$ 4,695,322	\$ 41,550	\$ 76,867	\$ 226,683
Cash with Fiscal Agent	19,760	-	-	3,003
Taxes Receivable	20,144	-	-	8,761
Interfund Accounts Receivable	-	-	-	-
Grants Receivable	-	-	-	-
Other Accounts Receivable	67,398	10,760	-	-
Inventory	-	6,968	-	-
Prepaid Expenses	33,967	-	-	-
TOTAL ASSETS	<u>\$ 4,836,591</u>	<u>\$ 59,278</u>	<u>\$ 76,867</u>	<u>\$ 238,447</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Interfund Accounts Payable	\$ 7,729	\$ -	\$ -	\$ -
Accounts Payable	12,044	402	-	-
Accrued Salaries & Benefits	332,222	13,389	-	-
Unearned Revenue	-	3,404	-	-
Unearned Revenue Grants	345,620	-	-	-
Total Liabilities	<u>697,615</u>	<u>17,195</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Financial Resources				
Deferred Inflows	8,555	-	-	3,720
Fund Balance				
Nonspendable Fund Balance	33,967	6,968	-	-
Restricted Fund Balance				
Restricted for Debt Service	39,700	-	-	234,727
Restricted for TABOR Emergencies	137,000	-	-	-
Committed Fund Balance	-	35,115	76,867	-
Unassigned Fund Balance	3,919,754	-	-	-
Total Fund Balance	<u>4,130,421</u>	<u>42,083</u>	<u>76,867</u>	<u>234,727</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 4,836,591</u>	<u>\$ 59,278</u>	<u>\$ 76,867</u>	<u>\$ 238,447</u>

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

Capital Projects		Totals	
Capital Reserve Project Fund	2020	2019	
\$ 337,307	\$ 5,377,729	\$ 4,384,534	
-	22,763	8,803	
-	28,905	27,791	
7,729	7,729	-	
-	-	3,559	
-	78,158	2,865	
-	6,968	6,157	
-	33,967	31,149	
<u>\$ 345,036</u>	<u>\$ 5,556,219</u>	<u>\$ 4,464,858</u>	
\$ -	\$ 7,729	\$ -	
-	12,446	11,207	
-	345,611	308,879	
-	3,404	2,020	
-	345,620	-	
-	<u>714,810</u>	<u>322,106</u>	
-	<u>12,275</u>	<u>10,199</u>	
-	40,935	37,306	
-	274,427	232,544	
-	137,000	132,000	
345,036	457,018	69,436	
-	3,919,754	3,661,267	
<u>345,036</u>	<u>4,829,134</u>	<u>4,132,553</u>	
<u>\$ 345,036</u>	<u>\$ 5,556,219</u>	<u>\$ 4,464,858</u>	

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SWINK SCHOOL DISTRICT #33

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

Fund Balance - Governmental Funds		\$ 4,829,134
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 627,961	
Capital assets, being depreciated	11,808,907	
Accumulated depreciation	<u>(6,650,897)</u>	5,785,971
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
Pension Liability		
Net pension deferred outflows	1,205,375	
Net pension liability	(5,090,055)	
Net pension deferred inflows	<u>(3,904,034)</u>	(7,788,714)
OPEB Liability		
Net OPEB deferred outflows	26,753	
Net OPEB liability	(252,151)	
Net OPEB deferred inflows	<u>(61,551)</u>	(286,949)
Certain long-term assets are not available to pay for current year expenditures and are therefore deferred in the funds		
Deferred Revenues		12,275
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(1,275,000)	
Accrued interest payable	(4,343)	
Bond premiums	<u>(13,589)</u>	(1,292,932)
Total Net Position - Governmental Activities		<u>\$ 1,258,785</u>

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

SWINK SCHOOL DISTRICT #33
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
REVENUES			
Local Sources	\$ 779,312	\$ 38,843	\$ 100,653
Intermediate Sources	18	-	-
State Sources	3,514,464	3,489	-
Federal Sources	171,195	99,094	-
TOTAL REVENUES	<u>4,464,989</u>	<u>141,426</u>	<u>100,653</u>
EXPENDITURES			
Current:			
Instruction	2,047,616	-	122,976
Pupil Support	272,255	-	-
Staff Support	127,056	-	-
General Administration	237,209	-	-
School Administration	197,820	-	-
Business Services	78,459	-	-
Operations and Maintenance	547,482	-	-
Transportation	86,502	-	-
Risk Management	17,434	168	-
Food Service	-	181,118	-
Facilities	-	-	-
Debt Service	-	-	-
TOTAL EXPENDITURES	<u>3,611,833</u>	<u>181,286</u>	<u>122,976</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	853,156	(39,860)	(22,323)
OTHER FINANCING SOURCES (USES)			
Transfers	(547,151)	25,000	32,151
CHANGE IN FUND BALANCE	<u>306,005</u>	<u>(14,860)</u>	<u>9,828</u>
BEGINNING FUND BALANCE	3,824,416	56,943	-
Prior Period Adjustment	-	-	67,039
BEGINNING FUND BALANCE (As Restated)	<u>3,824,416</u>	<u>56,943</u>	<u>67,039</u>
ENDING FUND BALANCE	<u>\$ 4,130,421</u>	<u>\$ 42,083</u>	<u>\$ 76,867</u>

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

Debt Service		Capital Projects	Totals	
Bond				
Redemption	Capital Reserve			
Fund	Project Fund	2020	2019	
\$ 187,646	\$ 8,011	\$ 1,114,465	\$ 929,732	
-	-	18	25	
-	-	3,517,953	3,467,191	
-	-	270,289	250,162	
<u>187,646</u>	<u>8,011</u>	<u>4,902,725</u>	<u>4,647,110</u>	
-	-	2,170,592	1,963,565	
-	-	272,255	200,594	
-	-	127,056	138,827	
750	-	237,959	237,969	
-	-	197,820	154,124	
-	-	78,459	73,092	
-	3,552	551,034	494,469	
-	-	86,502	412,758	
-	-	17,602	27,790	
-	-	181,118	156,524	
-	168,073	168,073	-	
<u>184,713</u>	<u>-</u>	<u>184,713</u>	<u>184,813</u>	
<u>185,463</u>	<u>171,625</u>	<u>4,273,183</u>	<u>4,044,525</u>	
2,183	(163,614)	629,542	602,585	
-	490,000	-	-	
<u>2,183</u>	<u>326,386</u>	<u>629,542</u>	<u>602,585</u>	
232,544	18,650	4,132,553	3,529,968	
-	-	67,039	-	
<u>232,544</u>	<u>18,650</u>	<u>4,199,592</u>	<u>3,529,968</u>	
<u>\$ 234,727</u>	<u>\$ 345,036</u>	<u>\$ 4,829,134</u>	<u>\$ 4,132,553</u>	

SWINK SCHOOL DISTRICT #33

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

Change in Fund Balance - Governmental Funds	\$	629,542	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	140,382	
Depreciation Expense		<u>(295,565)</u>	(155,183)
Certain assets are not available to pay for current year expenditures and are therefore deferred in the funds			
Change in Deferred Revenue			2,076
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Pension Liability			
Current year change and amortization of deferred outflows - net		(1,335,158)	
Change in net pension liability		915,983	
Current year change and amortization of deferred inflows - net		<u>1,247,386</u>	828,211
OPEB Liability			
Current year change and amortization of deferred outflows - net		2,035	
Change in OPEB liability		47,814	
Current year change and amortization of deferred inflows - net		<u>(42,974)</u>	6,875
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable		130,000	
Amortization of bond premiums		3,337	
Change in accrued interest payable		433	
Change in accrued compensated absences		<u>5,900</u>	<u>139,670</u>
Total Net Position - Governmental Activities	\$		<u><u>1,451,191</u></u>

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Swink School District #33 (the District) conform to generally accepted accounting principles, as applicable to governmental units. The following is a summary of the more significant policies.

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

The District is the level of government which is considered to financially accountable over all activities related to public school education in Swink School District #33. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity* and as subsequently amended.

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

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

The District reports the following major governmental funds:

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

Special Revenue Funds

Food Service Fund: This fund is used to account for the District's food service operation.

Pupil Activity Fund: This fund is used to account for the money and property held in trust by the District for student organizations. This fund is purely custodial and do not involve the measurement of results of operations.

Debt Service Fund

Bond Redemption Fund: This fund accounts for the repayment of the District's bonded debt.

Capital Projects Fund

Capital Reserve Project Fund: This fund is used to account for the District's major capital outlay activity.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available, as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year-end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred.

Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

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

Cash - The District invests cash resources in interest-bearing accounts which are comprised of certificates of deposit, savings accounts, and money market accounts which are legally authorized.

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

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

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

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

Taxes Receivable - Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses. As uncollected 2020 property taxes were measurable at June 30, 2020, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2020, but not collected by June 30, 2020.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets - Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund, making the purchased and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds. Property and equipment are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

The District capitalizes all assets with an individual original value of \$5,000 or more and a useful life in excess of one year.

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

Buildings and Site Improvements	35-50 years
Vehicles	10-15 years
Other Equipment	15 years

Unearned Revenue - Unearned revenues represent revenues received which are not recognized until qualifying expenditures are incurred.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to pension and OPEB liabilities as further described in Notes 9 and 11.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District is reporting deferred inflows related to pension and OPEB liabilities as further described in Notes 9 and 11 as well as for property taxes received more than sixty days after year end.

Long-Term Debt - Long-term obligations of the District are reported in the government-wide presentation.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

All other remaining governmental balances are reported as unassigned.

Net Position/Fund Balance Flow Assumptions

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Expenditures/Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues - Property taxes are levied on December 15, based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15.

The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Vacation, Sick Leave, and Other Compensated Absences - Compensated absences do not vest or accumulate and are recorded as expenditures when they are paid. As most employees are contracted to work a set number of days during a year, no vacation accrual accumulates. For those employees that earn vacation, all unused vacation at the end of each fiscal year is forfeited. Sick leave is bought down to a maximum of 30 days carryover with that amount not paid upon separation. An accrual is shown on the Government-Wide financial statements for the amount paid subsequent to year end for amounts in excess of 30 days sick leave per individual.

Budgets and Budgetary Accounting

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

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

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year-end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized, and all appropriations lapse at year end.

Use of Estimates

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

NOTE 2: CASH AND INVESTMENTS

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

Governmental activities	\$	5,300,862
Fiduciary funds		76,867
Total Cash and Investments		<u>\$ 5,377,729</u>
Bank Deposits	\$	2,741,083
Investments		2,409,963
Restricted Investments (Held By Custodian)		226,683
Total Cash and Investments		<u>\$ 5,377,729</u>

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2020, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Book Balance</u>
FDIC	\$ 250,000	\$ 250,000
PDPA (not in District's Name)	2,574,168	2,491,083
Total Bank Deposits	<u>\$ 2,824,168</u>	<u>\$ 2,741,083</u>

Investments

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the year ended June 30, 2020 using quoted market prices in active markets (Level 1), significant observable inputs for similar assets (Level 2) and significant unobservable inputs (Level 3):

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Not Subject To Categorization</u>	<u>Total</u>
Mutual Funds	\$ -	\$ 226,683	\$ -	\$ -	\$ 226,683
Local Government Pools	-	-	-	2,409,963	2,409,963
Total Investments	<u>\$ -</u>	<u>\$ 226,683</u>	<u>\$ -</u>	<u>\$ 2,409,963</u>	<u>\$ 2,636,646</u>

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis:

- **Money Market Mutual Funds:** Valued at quoted market prices.
- **U.S. Agency Securities:** Valued at quoted market prices.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

The District recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. During fiscal year 2020, there were no changes in the methods or assumptions utilized to derive the fair value of the District's assets and liabilities.

Investment Credit Risk

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

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

During the year ended June 30, 2020, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAM by the Standard and Poor's Corporation. The balance in this account as of June 30, 2020 was \$2,409,963.

Concentration of Credit Risk

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

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the District bond investments were held by an outside trustee, The Colorado Bank and Trust.

NOTE 3: INVENTORIES

Food Service Fund inventory as of June 30, 2020 of \$6,968 consisted of purchased food and non-food supplies. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 4: CAPITAL ASSETS

Activity for capital assets which are recorded by the District is summarized below.

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
Governmental Activities:				
Assets not being depreciated:				
Land	\$ 627,961	\$ -	\$ -	\$ 627,961
Assets being depreciated:				
Buildings and Improvements	9,559,360	140,382	-	9,699,742
Transportation equipment	1,055,094	-	185,995	869,099
Other equipment	1,181,133	-	-	1,181,133
Food service equipment	58,933	-	-	58,933
Total Assets being depreciated	<u>11,854,520</u>	<u>140,382</u>	<u>185,995</u>	<u>11,808,907</u>
Accumulated depreciation:				
Buildings	(4,682,584)	(229,394)	-	(4,911,978)
Transportation equipment	(697,893)	(47,065)	(185,995)	(558,963)
Other equipment	(1,123,447)	(17,337)	-	(1,140,784)
Food service equipment	(37,403)	(1,769)	-	(39,172)
Total Accumulated depreciation	<u>(6,541,327)</u>	<u>(295,565)</u>	<u>(185,995)</u>	<u>(6,650,897)</u>
Net Capital Assets	<u>\$ 5,941,154</u>	<u>\$ (155,183)</u>	<u>\$ -</u>	<u>\$ 5,785,971</u>

Depreciation for the governmental activities is allocated as follows:

Instruction	\$ 156,922
Supporting services	138,643
Total depreciation	<u>\$ 295,565</u>

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, in the General and Food Service Funds as of June 30, 2020, are \$332,222 and \$13,390, respectively. Accordingly, the accrued compensation is reflected as a liability in the General and Food Service Funds in the accompanying financial statements.

NOTE 6: LONG-TERM OBLIGATIONS

At June 30, 2020, the District had the following long-term obligations.

	Balance July 1, 2019	Advances	Payments	Balance June 30, 2020	Current Portion	Interest Expense
Series 2007 Gen. Oblig. Bonds	\$ 1,405,000	\$ -	\$ 130,000	\$ 1,275,000	\$ 130,000	\$ 54,713
Bond Premiums	16,927	-	3,338	13,589	3,337	-
PERA Net Pension Liability	6,006,038	-	915,983	5,090,055	-	-
PERA OPEB Liability	299,965	-	47,814	252,151	-	-
Compensated Absences	5,900	-	5,900	-	-	-
Total Long-Term Obligations	<u>\$ 7,733,830</u>	<u>\$ -</u>	<u>\$ 1,103,035</u>	<u>\$ 6,630,795</u>	<u>\$ 133,337</u>	<u>\$ 54,713</u>

Series 2007 General Obligation Bonds Payable

On December 19, 2007, the district issued \$2,500,000 of General Obligation bonds with interest rates ranging from 4.0% to 4.5%. In addition, \$62,982 of registered coupons, payable during the 2009 fiscal year, were also issued. The bond proceeds along with \$350,000 from the Colorado Department of Local Affairs and \$600,000 from the District's General Fund were used to finance construction of a new gymnasium, improve existing facilities and, to the extent funds were available, equipped the project. Interest is payable semi-annually on December 1st and June 1st of each year. Principal is payable over a period of twenty years and is payable annually on December 1st of each year. Principal and interest is payable on the outstanding obligations as follows:

Year	Principal	Interest	Total
2021	\$ 135,000	\$ 49,413	\$ 184,413
2022	145,000	43,813	188,813
2023	150,000	37,913	187,913
2024	155,000	31,813	186,813
2025	160,000	25,513	185,513
2026-2027	<u>530,000</u>	<u>34,316</u>	<u>564,316</u>
Total	<u>\$ 1,275,000</u>	<u>\$ 222,781</u>	<u>\$ 1,497,781</u>

Bond premiums totaling \$74,976 will be amortized through December 1st, 2027.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 7: JOINTLY GOVERNED ORGANIZATIONS

BOCES - The District, in conjunction with five other surrounding districts, participates in the Santa Fe Trail Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES board is comprised of one member from each participating district. For the fiscal year ended June 30, 2020, the District paid net assessments totaling \$74,087 to the BOCES. Financial statements for the Santa Fe Trail BOCES can be obtained from the BOCES Administrative offices at 302 Colorado Avenue, PO Box 980, La Junta, CO 81050.

NOTE 8: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function.

The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2020. CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

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

Workers Compensation

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at www.leg.colorado.gov.

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

General Information about the Pension Plan

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2019 Through June 30, 2019	July 1, 2019 Through June 30, 2020
Employer contribution rate	10.15%	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.38%

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$385,523 for the year ended June 30, 2019.

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020, the District reported a liability of \$5,090,055 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	\$	(5,090,055)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(572,939)
Total	\$	(5,662,994)

At December 31, 2019, the District proportion was 0.03407 percent, which was a decrease of 0.00015 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$425,363 and revenue of \$572,939 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 279,619	\$ -
Changes of assumptions or other inputs	\$ 161,077	\$ (2,298,529)
Net difference between projected and actual earnings on pension plan investments	\$ 541,266	\$ (1,181,294)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 25,759	\$ (424,211)
Contributions subsequent to the measurement date	\$ 197,654	\$ -
Total	\$ 1,205,375	\$ (3,904,034)

\$197,654 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	Fiscal Year Totals
2021	\$ (1,589,801)
2022	(1,116,567)
2023	15,167
2024	(205,112)
Total	\$ (2,896,313)

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

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

¹ For 2019, the AI was 0.0%

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

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

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

As of the November 18, 2016 adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	10 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop .50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State of Colorado, as a nonemployer contributing entity, provides an annual direct distribution of \$225 million (actual dollars), which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 9: DEFINED BENEFIT PENSION PLAN (Continued)

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

Sensitivity of the District’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 asset (liability)	\$ (6,750,502)	\$ (5,090,055)	\$ (3,695,964)

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

NOTE 10: DEFINED CONTRIBUTION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2020 program members contributed \$15,162.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$20,575 for the year ended June 30, 2019.

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

At June 30, 2020, the District reported a liability of \$252,151 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019 the District's proportion was 0.02243 percent, which was an increase of 0.00039 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$14,324. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 862	\$ (42,364)
Net difference between projected and actual earnings on pension plan investments	\$ 3,990	\$ (8,343)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 9,437	\$ (10,844)
Contributions subsequent to the measurement date	\$ 10,401	\$ -
Total	\$ 26,753	\$ (61,551)

\$10,401 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	Fiscal Year Totals
2021	\$ (10,392)
2022	(10,393)
2023	(9,137)
2024	(7,527)
2025	(7,308)
2026	(442)
Total	\$ (45,199)

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:

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/ Self-Insured Prescription	\$289
Kaiser Permanente Medicare Advantage HMO	300

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the November 18, 2016, adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

Sensitivity of the District’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:

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Proportionate share of the net OPEB asset (liability)	\$ (246,162)	\$ (252,151)	\$ (259,073)

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (285,108)	\$ (252,151)	\$ (223,967)

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

NOTE 12: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

A. Claims and Judgments

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

B. Litigation

The District is potentially subject to various litigations. Counsel has not advised the District that any pending litigation liability meets the reporting or disclosure requirement.

C. Tabor Amendment

In November 1992, Colorado voters passed the Taxpayer’s Bill of Rights (“TABOR”) Amendment (Article X) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the provisions of the TABOR Amendment.

On November 4, 1997, the registered voters approved a ballot resolution authorizing Swink School District #33 to collect, retain, and expend all revenues from any source provided that no property tax mill levy be increased or any new tax imposed.

The Amendment requires the District to reserve 3 percent of fiscal year spending for emergencies. At June 30, 2020, the District had reserved \$137,000 for this purpose.

SWINK SCHOOL DISTRICT #33
NOTES TO THE FINANCIAL STATEMENTS
Year Ended June 30, 2020

NOTE 13: DEFICIT NET POSITION

The Governmental Activities has an overall net position of \$1,233,025 and an unrestricted net position deficit of \$(3,819,373) primarily due to the PERA net pension liability of \$5,090,055, as further described in Note 9 and net OPEB liability of \$252,151, further described in Note 11. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

NOTE 14: PRIOR PERIOD RESTATEMENT

For the fiscal year, the District recorded a restatement of \$67,039 reducing beginning net position in the Pupil Activity Fund and a corresponding increase in the beginning fund balance in the Pupil Activity Special Revenue Fund and governmental activities due to the adoption of GASB Statement 84 – Fiduciary Activities which requires reclassification of the District’s pupil activity presentation.

NOTE 15: INTERNAL BALANCES AND ACTIVITY

The following is a summary of the routine internal transfers for the year ended June 30, 2020:

	<u>Transfers</u>	
	<u>In</u>	<u>Out</u>
General Fund	\$ -	\$ (547,151)
Food Service Fund	25,000	-
Pupil Activity Fund	32,151	-
Capital Reserve Project Fund	490,000	-
Total Transfers	<u>\$ 547,151</u>	<u>\$ (547,151)</u>

Required Supplementary Information
Pension and OPEB Schedules (Unaudited)

SWINK SCHOOL DISTRICT #33

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

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	District's proportion of the net pension asset (liability)	District's proportionate share of the net pension asset (liability)	Non-employer contributing entity's total proportionate share of the net pension asset (liability)	Total proportionate share associated with District	District's covered payroll	District's proportionate share of the net pension asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.04592%	\$ (5,858,691)	\$ -	\$ (5,858,691)	\$ 1,877,385	312.07%	64.07%
June 30, 2015	0.04465%	\$ (6,052,130)	\$ -	\$ (6,052,130)	\$ 1,891,185	320.02%	62.84%
June 30, 2016	0.04343%	\$ (6,641,568)	\$ -	\$ (6,641,568)	\$ 1,873,716	354.46%	59.16%
June 30, 2017	0.04065%	\$ (12,103,721)	\$ -	\$ (12,103,721)	\$ 1,732,638	698.57%	43.13%
June 30, 2018	0.03777%	\$ (12,212,320)	\$ -	\$ (12,212,320)	\$ 1,820,709	701.00%	43.96%
June 30, 2019	0.03392%	\$ (6,006,038)	\$ (821,242)	\$ (6,827,280)	\$ 1,864,704	322.09%	57.01%
June 30, 2020	0.034070%	\$ (5,090,055)	\$ (572,939)	\$ (5,662,994)	\$ 1,989,283	255.87%	64.52%

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

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

See the accompanying Independent Auditors' Report.

SWINK SCHOOL DISTRICT #33

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

**PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 300,135	\$ (300,135)	\$ -	\$ 1,877,385	15.99%
June 30, 2015	\$ 319,481	\$ (319,481)	\$ -	\$ 1,891,185	16.89%
June 30, 2016	\$ 332,358	\$ (332,358)	\$ -	\$ 1,873,716	17.74%
June 30, 2017	\$ 318,445	\$ (318,445)	\$ -	\$ 1,732,638	18.38%
June 30, 2018	\$ 343,913	\$ (343,913)	\$ -	\$ 1,820,709	18.89%
June 30, 2019	\$ 356,718	\$ (356,718)	\$ -	\$ 1,864,704	19.13%
June 30, 2020	\$ 385,523	\$ (385,523)	\$ -	\$ 1,989,283	19.38%

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

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

See the accompanying Independent Auditors' Report.

SWINK SCHOOL DISTRICT #33

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

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.02311%	\$ (299,592)	\$ 1,732,638	17.291%	16.70%
June 30, 2018	0.02146%	\$ (278,878)	\$ 1,820,709	15.317%	17.53%
June 30, 2019	0.02205%	\$ (299,965)	\$ 1,864,704	16.086%	17.03%
June 30, 2020	0.022433%	\$ (252,151)	\$ 1,989,283	12.675%	24.49%

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

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

See the accompanying Independent Auditors' Report.

SWINK SCHOOL DISTRICT #33

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 17,673	\$ (17,673)	\$ -	\$ 1,732,638	1.02%
June 30, 2018	\$ 18,571	\$ (18,571)	\$ -	\$ 1,820,709	1.02%
June 30, 2019	\$ 19,020	\$ (19,020)	\$ -	\$ 1,864,704	1.02%
June 30, 2020	\$ 20,291	\$ (20,291)	\$ -	\$ 1,989,283	1.02%

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

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

See the accompanying Independent Auditors' Report.

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Required Supplementary Information
(Budgetary Comparison Schedules)

SWINK SCHOOL DISTRICT #33
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 375,863	\$ 375,863	\$ 423,935	\$ 48,072	\$ 414,113
Specific Ownership Taxes	83,554	83,554	139,709	56,155	136,086
Delinquent Taxes	1,200	1,200	1,007	(193)	2,957
Investment Earnings	30,000	30,000	59,843	29,843	46,264
Fees	-	2,082	2,184	102	4,936
Rent Revenue	14,000	14,000	16,856	2,856	15,577
Donations	-	-	90,000	90,000	-
Sale of Fixed Asser/ Insurance Proceeds	-	-	1,919	1,919	10,720
Insurance Proceeds	-	-	-	-	978
Other Local	65,370	157,120	43,744	(113,376)	53,169
Total Local Sources	569,987	663,819	779,312	115,493	684,800
Intermediate Sources					
Mineral Leases	25	18	18	-	25
State Sources					
State Share (Equalization)	3,293,790	3,317,259	3,236,579	(80,680)	3,075,833
State Transportation	14,500	14,153	14,700	547	15,515
State Grants from CDE					
READ Act	-	-	-	-	5,844
State Grants to Libraries	-	7,500	9,192	1,692	7,500
School Health Professional Grant	120,000	120,000	89,820	(30,180)	62,000
Small Rural Schools Additional Funding	89,220	92,395	92,395	-	133,965
Additional As- Risk Funding	-	-	1,836	1,836	1,882
Kindergarten Facility Grant	-	10,329	10,329	-	-
READ Act	3,388	3,196	1,710	(1,486)	-
State Grants from Other Agencies					
State Vocational Education	4,000	6,000	6,844	844	7,728
State PERA Contribution	-	47,575	47,716	141	47,575
State Grants Provided through BOCES	4,531	4,531	3,343	(1,188)	104,930
Total State Sources	3,529,429	3,622,938	3,514,464	(108,474)	3,462,772
Federal Sources					
Federal Grants from CDE					
NCLB Title I, Part A- Imp Basic Prgms Oper by Sch	67,655	67,574	67,574	-	68,394
Coronavirus Relief Fund	-	-	9,936	9,936	-
NCLB Title II, Part A- Teacher & Principal Trng	9,232	9,236	9,236	-	10,638
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	10,000	-	10,000
Title I Distinguished School	-	-	7,099	7,099	-
School Climate Transformation	-	20,000	2,030	(17,970)	-
Other Old Federal Grant Code	12,500	12,500	-	(12,500)	-
Federal Grants from Other State Agencies					
Carl Perkins Voc & App Tech Ed Act, Title I Voc Ed	2,500	4,686	4,686	-	2,450
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	33,000	31,801	29,968	(1,833)	35,254
Federal Provided through BOCES	30,435	33,697	30,666	(3,031)	33,797
Total Federal Sources	165,322	189,494	171,195	(18,299)	160,533
TOTAL REVENUES	4,264,763	4,476,269	4,464,989	(11,280)	4,308,130

See the accompanying Independent Auditors' Report

(Continued)

SWINK SCHOOL DISTRICT #33
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES					
Current:					
Instruction					
Salaries	1,393,143	1,451,318	1,430,390	20,928	1,306,369
Benefits	516,998	525,105	454,125	70,980	468,987
PS-Professional	7,952	7,952	1,864	6,088	248
PS-Property	8,500	500	9,637	(9,137)	20,670
PS-Other	123,978	132,626	68,618	64,008	71,485
Supplies	98,599	86,685	57,220	29,465	95,036
Property	35,900	45,030	24,798	20,232	-
Other Expenses	770	12,770	964	11,806	770
Total Instruction	<u>2,185,840</u>	<u>2,261,986</u>	<u>2,047,616</u>	<u>214,370</u>	<u>1,963,565</u>
Supporting Services					
Pupil Support					
Salaries	134,108	141,214	138,606	2,608	83,175
Benefits	48,203	42,017	40,792	1,225	29,602
PS- Professional	5,500	27,876	2,874	25,002	13,078
PS- Property	800	800	810	(10)	1,085
PS-Other	83,110	83,479	75,976	7,503	61,080
Supplies	18,675	13,433	4,935	8,498	7,567
Other Expenses	650	650	8,262	(7,612)	5,007
Total Pupil Support	<u>291,046</u>	<u>309,469</u>	<u>272,255</u>	<u>37,214</u>	<u>200,594</u>
Staff Support					
Salaries	75,896	67,703	69,429	(1,726)	80,130
Benefits	28,920	26,050	22,158	3,892	26,054
PS- Professional	3,000	3,000	3,841	(841)	3,271
PS-Other	3,400	9,500	7,248	2,252	2,091
Supplies	17,000	25,500	24,380	1,120	16,793
Property	10,000	-	-	-	10,000
Other Expenses	-	-	-	-	488
Total Staff Support	<u>138,216</u>	<u>131,753</u>	<u>127,056</u>	<u>4,697</u>	<u>138,827</u>
General Administration					
Salaries	98,000	96,950	96,950	-	95,000
Benefits	34,805	82,680	80,632	2,048	81,531
PS- Professional	20,000	16,500	13,039	3,461	15,708
PS-Other	28,500	28,500	29,309	(809)	25,421
Supplies	16,000	16,000	10,577	5,423	11,447
Property	1,000	1,000	-	1,000	2,306
Other Expenses	7,000	7,000	6,702	298	6,306
Total General Administration	<u>205,305</u>	<u>248,630</u>	<u>237,209</u>	<u>11,421</u>	<u>237,719</u>
School Administration					
Salaries	137,472	145,925	146,808	(883)	110,533
Benefits	52,087	53,938	47,613	6,325	40,621
PS-Other	3,100	3,100	1,221	1,879	1,478
Supplies	2,900	2,900	1,778	1,122	1,092
Other Expenses	2,000	2,000	400	1,600	400
Total School Administration	<u>197,559</u>	<u>207,863</u>	<u>197,820</u>	<u>10,043</u>	<u>154,124</u>

See the accompanying Independent Auditors' Report

(Continued)

SWINK SCHOOL DISTRICT #33
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
(Continued)					
EXPENDITURES (Continued)					
Current:					
Supporting Services (Continued)					
Business Services					
Salaries	59,210	60,735	62,035	(1,300)	56,624
Benefits	19,237	19,571	16,424	3,147	16,468
Total Business Services	78,447	80,306	78,459	1,847	73,092
Operations and Maintenance					
Salaries	175,616	184,941	174,253	10,688	162,132
Benefits	69,872	71,911	60,434	11,477	63,695
PS- Property	85,870	85,870	42,953	42,917	43,694
PS-Other	100,686	100,686	100,186	500	51,021
Supplies	215,862	215,862	176,547	39,315	163,207
Property	-	-	-	-	10,720
Other Expenses	-	-	(6,891)	6,891	-
Total Operations and Maintenance	647,906	659,270	547,482	111,788	494,469
Transportation					
Salaries	48,943	52,911	40,280	12,631	39,250
Benefits	16,993	17,860	13,301	4,559	14,650
PS-Other	18,634	19,503	18,759	744	16,928
Supplies	27,000	27,000	15,455	11,545	26,210
Property	-	-	-	-	20,685
Other Expenses	-	-	(1,293)	1,293	(4,965)
Total Transportation	111,570	117,274	86,502	30,772	112,758
Risk Management					
PS-Other	47,040	18,885	17,434	1,451	27,648
Total Supporting Services	1,717,089	1,773,450	1,564,217	209,233	1,439,231
Facilities/Capital Outlay					
Buildings	24,000	44,100	-	44,100	-
Contingency	3,582,834	3,720,665	-	3,720,665	-
TOTAL EXPENDITURES	7,509,763	7,800,201	3,611,833	4,188,368	3,402,796
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(3,245,000)	(3,323,932)	853,156	4,177,088	905,334
OTHER FINANCING SOURCES (USES)					
Transfers	(55,000)	(545,000)	(547,151)	(2,151)	(220,000)
CHANGE IN FUND BALANCE	(3,300,000)	(3,868,932)	306,005	4,174,937	685,334
BEGINNING FUND BALANCE	3,300,000	3,868,932	3,824,416	(44,516)	3,139,082
ENDING FUND BALANCE	\$ -	\$ -	\$ 4,130,421	\$ 4,130,421	\$ 3,824,416

See accompanying Independent Auditors' Report.

Other Supplementary Information

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Special Revenue Fund

SWINK SCHOOL DISTRICT #33
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Food Service Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Investment Earnings	\$ 115	\$ 135	\$ 167	\$ 32	\$ 217
Food Service Revenue	68,500	68,500	37,989	(30,511)	53,254
Other Local	-	-	687	687	1,080
Total Local Sources	<u>68,615</u>	<u>68,635</u>	<u>38,843</u>	<u>(29,792)</u>	<u>54,551</u>
State Sources					
State Grants from CDE					
State Matching Child Nutrition	1,600	1,235	1,235	-	1,632
Start Smart Nutrition	800	800	340	(460)	648
School Lunch Protection: F&R for Pre-K thru 2nd	650	650	640	(10)	938
State PERA Contribution	-	1,250	1,274	24	1,201
Total State Sources	<u>3,050</u>	<u>3,935</u>	<u>3,489</u>	<u>(446)</u>	<u>4,419</u>
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	23,000	23,000	15,816	(7,184)	23,444
National School Lunch Program	73,800	73,800	70,725	(3,075)	54,080
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	12,000	12,000	12,553	553	12,105
Total Federal Sources	<u>108,800</u>	<u>108,800</u>	<u>99,094</u>	<u>(9,706)</u>	<u>89,629</u>
TOTAL REVENUES	<u>180,465</u>	<u>181,370</u>	<u>141,426</u>	<u>(39,944)</u>	<u>148,599</u>
EXPENDITURES					
Current:					
Supporting Services					
Risk Management					
PS-Other	152	176	168	8	143
Food Service					
Salaries	50,526	58,699	57,728	971	48,816
Benefits	26,034	29,070	25,513	3,557	26,102
PS- Property	1,500	1,500	1,236	264	1,865
PS-Other	1,500	1,500	-	1,500	-
Supplies	15,800	15,800	27,764	(11,964)	5,111
Food	145,253	143,835	54,887	88,948	61,816
Commodities	14,700	14,700	13,990	710	12,814
Total Food Service	<u>255,313</u>	<u>265,104</u>	<u>181,118</u>	<u>83,986</u>	<u>156,524</u>
TOTAL EXPENDITURES	<u>255,465</u>	<u>265,280</u>	<u>181,286</u>	<u>83,994</u>	<u>156,667</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(75,000)	(83,910)	(39,860)	44,050	(8,068)
OTHER FINANCING SOURCES (USES)					
Transfers	15,000	25,000	25,000	-	10,000
CHANGE IN FUND BALANCE	(60,000)	(58,910)	(14,860)	44,050	1,932
BEGINNING FUND BALANCE	60,000	58,910	56,943	(1,967)	55,011
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,083</u>	<u>\$ 42,083</u>	<u>\$ 56,943</u>

See accompanying Independent Auditors' Report.

SWINK SCHOOL DISTRICT #33
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Pupil Activity Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020				2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Investment Earnings	\$ 1,300	\$ 1,300	\$ 1,091	\$ (209)	\$ -
Pupil Activity Revenues	225,000	225,000	99,562	(125,438)	-
TOTAL REVENUES	<u>226,300</u>	<u>226,300</u>	<u>100,653</u>	<u>(125,647)</u>	<u>-</u>
EXPENDITURES					
Current:					
Instruction					
PS-Other	-	107,700	122,976	(15,276)	-
Supplies	297,000	206,339	-	206,339	-
Total Instruction	297,000	314,039	122,976	191,063	-
Contingency	9,300	9,300	-	9,300	-
TOTAL EXPENDITURES	<u>306,300</u>	<u>323,339</u>	<u>122,976</u>	<u>200,363</u>	<u>-</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(80,000)	(97,039)	(22,323)	74,716	-
OTHER FINANCING SOURCES (USES)					
Transfers	-	30,000	32,151	2,151	-
CHANGE IN FUND BALANCE	<u>(80,000)</u>	<u>(67,039)</u>	<u>9,828</u>	<u>76,867</u>	<u>-</u>
BEGINNING FUND BALANCE	80,000	67,039	-	(67,039)	-
PRIOR PERIOD RESTATEMENT	-	-	67,039	67,039	-
BEGINNING FUND BALANCE (As Restated)	<u>80,000</u>	<u>67,039</u>	<u>67,039</u>	<u>-</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,867</u>	<u>\$ 76,867</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

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Debt Service Fund

SWINK SCHOOL DISTRICT #33
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 187,820	\$ 185,212	\$ 184,471	\$ (741)	\$ 184,305
Delinquent Taxes	150	150	448	298	1,380
Investment Earnings	1,500	1,500	2,727	1,227	3,809
TOTAL REVENUES	<u>189,470</u>	<u>186,862</u>	<u>187,646</u>	<u>784</u>	<u>189,494</u>
EXPENDITURES					
Current:					
Supporting Services					
General Administration					
Other Expenses	500	500	750	(250)	250
Debt Service					
Interest	290,889	291,272	54,713	236,559	59,813
Principal	130,000	130,000	130,000	-	125,000
Total Debt Service	420,889	421,272	184,713	236,559	184,813
TOTAL EXPENDITURES	<u>421,389</u>	<u>421,772</u>	<u>185,463</u>	<u>236,309</u>	<u>185,063</u>
CHANGE IN FUND BALANCE	(231,919)	(234,910)	2,183	237,093	4,431
BEGINNING FUND BALANCE	231,919	234,910	232,544	(2,366)	228,113
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 234,727</u>	<u>\$ 234,727</u>	<u>\$ 232,544</u>

See accompanying Independent Auditors' Report.

Capital Projects Fund

SWINK SCHOOL DISTRICT #33
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020					2019 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget		
REVENUES						
Local Sources						
Investment Earnings	\$ 180	\$ 180	\$ 282	\$ 102	\$ 888	
Other Local	-	-	7,729	7,729	-	
TOTAL REVENUES	<u>180</u>	<u>180</u>	<u>8,011</u>	<u>7,831</u>	<u>888</u>	
EXPENDITURES						
Current:						
Supporting Services						
Operations and Maintenance						
PS- Professional	-	-	3,552	(3,552)	-	
Transportation						
Property	-	-	-	-	300,000	
Facilities/Capital Outlay						
Buildings	70,180	508,830	168,073	340,757	-	
TOTAL EXPENDITURES	<u>70,180</u>	<u>508,830</u>	<u>171,625</u>	<u>337,205</u>	<u>300,000</u>	
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(70,000)	(508,650)	(163,614)	345,036	(299,112)	
OTHER FINANCING SOURCES (USES)						
Transfers	40,000	490,000	490,000	-	210,000	
CHANGE IN FUND BALANCE	(30,000)	(18,650)	326,386	345,036	(89,112)	
BEGINNING FUND BALANCE	30,000	18,650	18,650	-	107,762	
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 345,036</u>	<u>\$ 345,036</u>	<u>\$ 18,650</u>	

See accompanying Independent Auditors' Report.

Agency Funds

SWINK SCHOOL DISTRICT #33
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Agency Funds</u>	<u>Totals</u>	
		<u>2020</u>	<u>2019</u>
	<u>Pupil Activity</u>		
	<u>Agency Fund</u>		
ASSETS			
Cash and Investments	\$ -	\$ -	\$ 67,039
LIABILITIES, DEFERRED INFLOWS AND NET POSITION			
Net Position			
Restricted for Student Activity/Scholarship	-	-	67,039
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,039</u>

See accompanying Independent Auditors' Report.

SWINK SCHOOL DISTRICT #33
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Agency Funds</u>	<u>Totals</u>	
	<u>Pupil Actiivty</u>		
	<u>Agency Fund</u>	<u>2020</u>	<u>2019</u>
ADDITIONS			
Local Sources	\$ -	\$ -	\$ 189,990
DEDUCTIONS			
Instruction	-	-	212,365
CHANGE IN FIDUCIARY NET POSITION	-	-	(22,375)
BEGINNING NET POSITION	67,039	67,039	89,414
Prior Period Adjustment	(67,039)	(67,039)	-
BEGINNING NET POSITION (As Restated)	-	-	89,414
ENDING NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,039</u>

See accompanying Independent Auditors' Report.

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COMPLIANCE SECTION

State Compliance



Colorado Department of Education
Auditors Integrity Report
 District: 2570 - Swink 33
 Fiscal Year 2019-20
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+	-	=	
10 General Fund	3,824,416	3,917,838	3,611,833	4,130,421
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	3,824,416	3,917,838	3,611,833	4,130,421
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	56,943	166,426	181,286	42,083
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	67,039	132,804	122,976	76,867
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	232,544	187,646	185,462	234,727
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	18,650	498,011	171,624	345,036
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	4,199,592	4,902,724	4,273,183	4,829,133
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report

District: 2570 - Swink 33
 Fiscal Year 2019-20
 Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	4,695,321	0	0	76,867	0	0	41,550	226,683	337,308	0	0	0	0	0	0	5,377,729		
Cash with Fiscal Agent (8105)	19,760	0	0	0	0	0	0	3,003	0	0	0	0	0	0	0	22,763		
Taxes Receivable (8121,8122)	20,144	0	0	0	0	0	0	8,761	0	0	0	0	0	0	0	28,906		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	7,729	0	0	0	0	0	0	7,729		
Grants Accounts Receivable (8142)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Other Receivables (8151-8154,8161)	67,398	0	0	0	0	0	10,760	0	0	0	0	0	0	0	0	78,158		
Inventories (8171,8172,8173)	0	0	0	0	0	0	6,968	0	0	0	0	0	0	0	0	6,968		
Prepaid Expenses 8181,8182)	33,967	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,967		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	4,836,590	0	0	76,867	0	0	59,279	238,448	345,036	0	0	0	0	0	0	5,556,220		

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
Interfund Payables (7401,7402)	7,729	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,729
Other Payables (7421-7423)	12,044	0	0	0	0	0	403	0	0	0	0	0	0	0	0	12,446
Accrued Expenses (7461)	332,222	0	0	0	0	0	13,390	0	0	0	0	0	0	0	0	345,611
Unearned Revenue (7481)	0	0	0	0	0	0	3,404	0	0	0	0	0	0	0	0	3,404
Grants Deferred Revenue (7482)	345,620	0	0	0	0	0	0	0	0	0	0	0	0	0	0	345,620
Deferred Inflow (7800)	8,555	0	0	0	0	0	0	3,721	0	0	0	0	0	0	0	12,276
Total Liabilities	706,170	0	0	0	0	0	17,197	3,721	0	0	0	0	0	0	0	727,087

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FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	33,967	0	0	0	0	0	6,968	0	0	0	0	0	0	0	0	40,936
Restricted Fund Balance 6720	0	0	0	0	0	0	0	234,727	0	0	0	0	0	0	0	234,727
TABOR 3% Emergency Reserve 6721	137,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	137,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	39,700	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,700
Committed Fund Balance 6750	0	0	0	0	0	0	35,114	0	345,036	0	0	0	0	0	0	380,150
Assigned Fund Balance 6760	0	0	0	9,828	0	0	0	0	0	0	0	0	0	0	0	9,828
Unassigned Fund Balance 6770	3,919,753	0	0	0	0	0	0	0	0	0	0	0	0	67,039	0	3,986,792
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	67,039	0	0	0	0	0	0	0	0	0	-67,039	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	4,130,421	0	0	76,867	0	0	42,083	234,727	345,036	0	0	0	0	0	0	4,829,133

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	4,836,590	0	0	76,867	0	0	59,279	238,448	345,036	0	0	0	0	0	0	5,556,220

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes