

cPa DIXON, WALLER & CO., INC.

BACA COUNTY

SCHOOL DISTRICT RE-6

CAMPO, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL DISTRICT RE-6

FINANCIAL STATEMENTS

JUNE 30, 2021

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**BACA COUNTY SCHOOL DISTRICT RE-6
ROSTER OF SCHOOL OFFICIALS
June 30, 2021**

BOARD OF EDUCATION

D'Ann Heberd	President
Bob Lenning	Vice-President
Anthony LeBlanc	Secretary
Rob Patrick	Treasurer
Stan Elmore	Member

SCHOOL OFFICIALS

Nikki Johnson	Superintendent
Kim Jenkins	Principal
Coantha Johnson	Business Manager

FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

**Board of Education
Baca County School District RE-6
Campo, Colorado 81146**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District RE-6, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District RE-6, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, and pension and post employment benefits trend data on pages i through vii and 44 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Baca County School District RE-6's basic financial statements. The combining and individual fund financial statements, other schedules and the state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Stinson, Waller & Co., Inc.

Trinidad, Colorado
November 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Campo School District RE-6
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021**

As management of the Campo School District RE-6, we offer readers of the Campo School District RE-6's financial statements this narrative overview and analysis of the financial activities of the Campo School District RE-6 for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

Financial Highlights

- The District's financial status for governmental funds declined over the course of the 2021 fiscal year. Total net position for entity wide financial statements increased \$1,483,840, 651%. This increase is primarily due to the capital construction grant.
- General revenues, primarily property taxes and state equalization payments, account for \$1,041,078 or approximately 27% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$2,795,159 or 73% of total revenues of \$3,836,237.
- The District had \$2,352,397 in expenses related to governmental activities; \$2,795,159 of these expenses was offset by program specific charges for services, grants and contributions for a net difference of \$ 442,762. General revenues of \$1,041,078 helped to provide for these programs.

Overview of the Financial Statements

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

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short term as well as what remains for future spending.

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

District-wide Financial Statements

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

The statement of net position presents information on all of the Campo School District RE-6's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Campo School District RE-6 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

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

The district-wide financial statements can be found on pages 3 & 4 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Campo School District RE-6, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and proprietary funds.

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

Campo School District RE-6 maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the Food Services Special Revenue Fund because they are considered major funds.

Special Revenue funds: The Campo School District RE-6 maintains one type of special revenue fund. Campo School District RE-6 uses special revenue funds to account for its nutrition services.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 9-40 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law.

FINANCIAL HIGHLIGHTS

The District was required to implement GASB 68 resulting in a net pension liability of \$1,716,161. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. At implementation beginning equity is restated and deferred inflows, outflows and the net pension liability are reported.

The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$62,378. 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. At implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported.

District-wide Financial Analysis

Table 1 provides a summary of the district's net assets at June 30, 2021 with comparative June 30, 2020.

	Governmental Activities	Total 2021 School District	Total 2020 School District
Current and other assets	2,889,514	2,889,514	1,407,429
Capital assets, net	2,348,724	2,348,724	1,222,300
Total assets	5,238,238	5,238,238	2,629,729
Deferred Outflows	615,404	615,404	357,265
Current liabilities	1,867,523	1,867,523	281,523
Noncurrent liabilities	1,805,072	1,805,072	1,628,840
Total liabilities	3,672,595	3,672,595	1,910,363
Deferred Inflows	925,084	925,084	1,304,508
Net position			
Net Investment in Capital Assets	2,348,724	2,348,724	1,222,300
Restricted	238,838	238,838	99,075

Unrestricted (Deficit)	(1,331,599)	(1,331,599)	(1,549,252)
Total net position at June 30, 2021	1,255,963	1,255,963	(227,877)

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

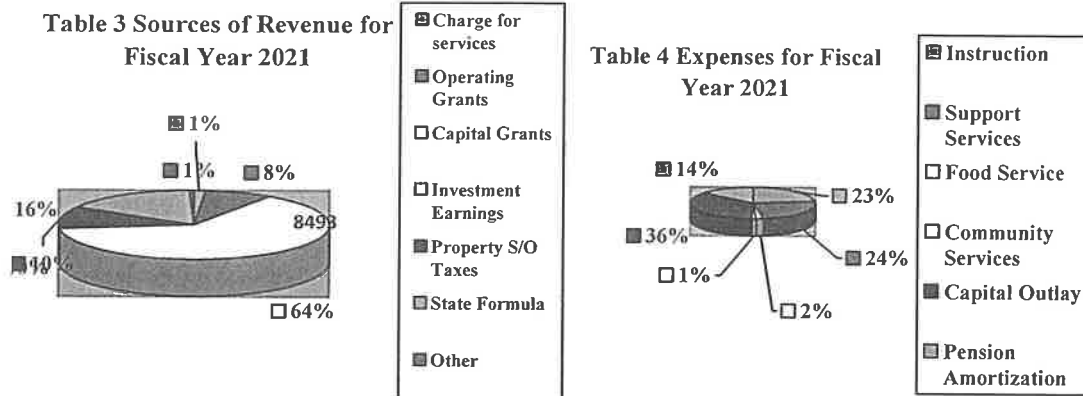
	Governmental Activities	Total 2021 School District	Total 2020 School District
Revenues			
Program Revenues			
Charges for Services	49,446	49,446	41,578
Operating grants and contributions	307,058	307,058	118,603
Capital grants/restricted	2,438,655	2,438,655	6,037
Investment earnings	4,931	4,931	8,493
General revenues			
Property taxes	380,121	380,121	355,277
State formula revenue	618,682	618,682	676,971
Other	19,627	19,627	46,259
Direct Distribution payment			14,789
Intergovernmental	17,717	17,717	42
Total Revenues	3,836,237	3,836,237	1,268,049
Expenses			
Instruction	756,096	756,096	645,739
Support Services:			
Students	54,314	54,314	45,238
Instructional staff	11,890	11,890	12,775
General administration	179,343	179,343	199,625
Operations and maintenance	485,406	485,406	156,467
Student transportation	59,804	59,804	61,949
Central	10,717	10,717	13,079
Food service operations	64,416	64,416	62,558
Community Services	41,482	41,482	42,013
Capital Outlay	1,163,083	1,163,083	
Pension and Other Post Employment Benefit Costs	(474,154)	(474,154)	(303,071)
Total Expenses	2,352,397	2,352,397	936,372
	1,483,840	1,483,840	331,677

Property taxes and per pupil state formula revenue (state equalization) usually account for most of the District's revenue, contributing about 10 cents and 16 cents respectively for every dollar raised (see Table 3). The remainder of revenue comes from fees charged for services and miscellaneous sources. The current capital construction offset revenue structure in the 2020-21 fiscal year, contributing 64%.

The District expenses predominantly relate to instruction and support services, which includes support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Campo School District RE-6 is a service organization providing

educational services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Detailed below in Tables 3 and 4 are charts displaying revenues by source and expenses by program for the total school district.



Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the district should have received \$18,967 per funded student but with a budget stabilization factor totaling (\$121,104), the amount was reduced to \$16,545 per funded student. In fiscal year 2020-2021, the district had a funded pupil count (FTE) of 47, but the district received floor funding for 50. Funding for the school finance act comes from property taxes, specific ownership taxes and state equalization. The district receives approximately 16% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax, grants, and interest. The district receives approximately 10% of funding from property tax.

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

	Total Cost of Services	Net Cost of Services
Instruction	756,096	(455,507)
Students	54,314	(54,314)
Instructional Staff	11,890	(8,390)
General Administration	179,343	(179,343)
Operations and Maintenance	485,406	(485,406)
Student Transportation	59,804	(50,243)
Central	10,717	(10,717)
Food Services	64,416	(28,858)
Community Services	41,482	(34,186)
Capital Outlay	1,163,083	1,275,572

Pension and Other Post Employment Benefit Costs	(474,154)	474,154
Total	2,352,397	442,762

- The cost of all governmental activities this year was \$2,352,397.
- Federal and State government subsidized certain programs with grants and contributions amounting to \$2,745,713.
- Most of the District's costs \$962,449, however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with \$343,767 in property taxes, \$618,682 in state aid (equalization) based on the statewide formula for per pupil funding, and \$4,931 in investment earnings.

Financial Analysis of the District's Funds

Information about the District's funds starts on page 5. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$3,836,237 and expenditures of \$3,957,065. The net change in fund balance for the general fund was a decrease of \$107,842. Expenditures were lower due to a decrease in major repairs to the building, and a decrease in pension costs for the year.

General Fund Budgetary Highlights

The District adopts a budget in June based on enrollment projections for the following school year.

The actual expenditures were \$914,863 below budget, primarily because the District budgeted \$741,533 from fund balance for unplanned expenditures (contingency).

The fund balance as of June 30, 2021 was \$ 883,220 compared to \$1,054,062 as of June 30, 2020, including \$107,350, \$45,000 and \$10,333, respectively, for TABOR Amendment emergency reserves, Scholarships and Preschool.

Capital Assets

By the end of the fiscal year 2021, the District had invested \$4,327,669 in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 6.)

	Governmental Activities		Total	
	2021	2020	2021	2020
Land	13,930	13,930	13,930	13,930
Construction	1,163,066		1,163,066	

in Progress				
Building & Site Improvement	2,150,523	2,150,523	2,150,523	2,150,523
Equipment & Vehicles	966,747	945,797	966,747	945,797
Equipment Lunch Fund	33,403	33,403	33,403	33,403
Total	4,327,669	3,143,653	4,327,669	3,143,653

Factors Bearing on the District's Future

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

- Based on historical trends, our projections for student enrollment for fall 2021 will show District enrollment stable, if not improved. We recognize that student mobilization within families and the county can cause enrollment numbers to fluctuate to some degree.
- The United States and the State of Colorado are finally experiencing economic recovery with Colorado showing a stronger than average rate. Because of this growth, the State of Colorado reached its TABOR limits which impact funding to education as legislators try to balance the State budget while dealing with mandatory taxpayer rebates. If the District revenues are reduced from the State, the District will be required to reduce its future expenditures.
- The Colorado Department of Education determined that the Campo School District RE-6 is meeting the intent of the requirements, as set forth in Colorado State Board of Education Rules 2202-R-0.00 through 4.02 (5), and continues to be fully accredited.
- With floor funding set at 50, the district is able to plan budgets for the upcoming school years, anticipating the legislators will reduce the negative factor as the Colorado economy continues to improve, resulting in increased revenue for the district. This district administration will remain actively engaged in conversations at the state level to help communicate the funding needs of small districts.
- The BEST Grant has provided funding for major renovations and updates to the district facilities. Matching funds are required from the district so this impacted the overall finances.
- The COVID-19 Pandemic also made an economic impact on our school district. The state provided funding to support increased costs in educating our students in different manners, which was a positive impact. The pandemic itself has caused great economic downfalls that we believe will impact school finances for many years to come.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Campo School District RE-6, 480 Maple Street, Campo, CO 81029.

BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-6
STATEMENT OF NET POSITION
June 30, 2021

	<u>Governmental Activities</u>	<u>Total Governmental Total</u>
ASSETS		
Current Assets		
Cash	822,575	822,575
Investments	477,615	477,615
Accounts Receivable	1,522,679	1,522,679
Grant Receivable	52,538	52,538
Accrued Interest Receivable	654	654
Property Taxes Receivable	10,391	10,391
Inventories	2,262	2,262
Prepaid Expense	800	800
<u>Total Current Assets</u>	<u>2,889,514</u>	<u>2,889,514</u>
Capital Assets		
Non-Depreciable Assets	13,930	13,930
Depreciable Assets	3,150,673	3,150,673
Accumulated Depreciation	(1,978,945)	(1,978,945)
Construction in Progress	<u>1,163,066</u>	<u>1,163,066</u>
<u>Capital Assets Net of Depreciation</u>	<u>2,348,724</u>	<u>2,348,724</u>
TOTAL ASSETS	<u>5,238,238</u>	<u>5,238,238</u>
DEFERRED OUTFLOW OF RESOURCES		
Pension	609,545	609,545
Other Post Employment Benefits	<u>5,859</u>	<u>5,859</u>
<u>Total Deferred Outflow of Resources</u>	<u>615,404</u>	<u>615,404</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	1,580,763	1,580,763
Retainage Payable	119,326	119,326
Accrued Salaries Payable	121,643	121,643
Unearned Grant Payments	41,754	41,754
Lease Purchase Agreement Payable	<u>4,037</u>	<u>4,037</u>
<u>Total Current Liabilities</u>	<u>1,867,523</u>	<u>1,867,523</u>
Non Current Liabilities		
Net Pension Obligation	1,716,161	1,716,161
Other Post Employment Benefits Obligation	62,378	62,378
Compensated Absences	13,200	13,200
Lease Purchase Agreement Payable	<u>13,333</u>	<u>13,333</u>
<u>Total Non Current Liabilities</u>	<u>1,805,072</u>	<u>1,805,072</u>
TOTAL LIABILITIES	<u>3,672,595</u>	<u>3,672,595</u>
DEFERRED INFLOW OF RESOURCES		
Pension	899,100	899,100
Other Post Employment Benefits	<u>25,984</u>	<u>25,984</u>
<u>Total Deferred Inflow of Resources</u>	<u>925,084</u>	<u>925,084</u>
NET POSITION		
Net Investment in Capital Assets	2,348,724	2,348,724
Restricted for:		
TABOR (Emergencies)	107,350	107,350
Scholarship	45,000	45,000
Preschool	10,333	10,333
Capital Outlay	54,611	54,611
Food Services	21,544	21,544
Unrestricted	<u>(1,331,599)</u>	<u>(1,331,599)</u>
TOTAL NET POSITION	<u>1,255,963</u>	<u>1,255,963</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021**

FUNCTIONS/PROGRAMS Primary Government: Governmental Activities	Net (Expenses) Revenue and Changes in Net Position				
	Program Revenues			Primary Government	
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
Expenses					
Instruction	756,096	261,314	-	(455,507)	(455,507)
Pupil	54,314	-	-	(54,314)	(54,314)
Instructional Staff	11,890	3,500	-	(8,390)	(8,390)
General Administration	179,343	-	-	(179,343)	(179,343)
Operation & Maintenance	485,406	-	-	(485,406)	(485,406)
Student Transportation	59,804	9,561	-	(50,243)	(50,243)
Central Support	10,717	-	-	(10,717)	(10,717)
Food Services	64,416	32,683	-	(28,858)	(28,858)
Community Services	41,482	-	-	(34,186)	(34,186)
Capital Outlay	1,163,083	-	2,438,655	1,275,572	1,275,572
Pension & OPEB Costs	(474,154)	-	-	474,154	474,154
<u>Total Governmental Activities</u>	<u>2,352,397</u>	<u>307,058</u>	<u>2,438,655</u>	<u>442,762</u>	<u>442,762</u>
<u>Total Primary Government</u>	<u>2,352,397</u>	<u>307,058</u>	<u>2,438,655</u>	<u>442,762</u>	<u>442,762</u>
<u>General Revenues</u>					
Local Property Taxes				343,767	343,767
Specific Ownership Taxes				36,354	36,354
School Finance Act				618,682	618,682
Direct Distribution Payment				-	-
Intergovernmental Not Specific				17,717	17,717
Insurance Proceeds				-	-
Earnings on Investments				4,931	4,931
Other				19,627	19,627
<u>Total General Revenues and Transfers</u>				<u>1,041,078</u>	<u>1,041,078</u>
Change in Net Position				1,483,840	1,483,840
<u>Net Position, Beginning</u>				<u>(227,877)</u>	<u>(227,877)</u>
<u>Net Position, Ending</u>				<u>1,255,963</u>	<u>1,255,963</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021**

	<u>General Fund</u>	<u>Building Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>				
Cash	496,556	225,090	100,929	822,575
Investments	477,615	-	-	477,615
Accounts Receivable	2,421	1,513,140	7,118	1,522,679
Accrued Interest Receivable	654	-	-	654
Property Taxes Receivable	10,391	-	-	10,391
Grants Receivable	52,538	-	-	52,538
Inventories	-	-	2,262	2,262
Prepaid Expenditures	-	-	800	800
Due From Other Funds	14,000	-	-	14,000
<u>Total Assets</u>	<u>1,054,175</u>	<u>1,738,230</u>	<u>111,109</u>	<u>2,903,514</u>
<u>LIABILITIES:</u>				
Accounts Payable	14,753	1,564,293	1,717	1,580,763
Retainage Payable	-	119,326	-	119,326
Unearned Grant Payments	41,754	-	-	41,754
Accrued Salaries Payable	114,448	-	7,195	121,643
Due To Other Funds	-	-	14,000	14,000
<u>Total Liabilities</u>	<u>170,955</u>	<u>1,683,619</u>	<u>22,912</u>	<u>1,877,486</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	2,262	2,262
Prepaid Expenditures	-	-	800	800
Restricted for:				
TABOR (Emergencies)	107,350	-	-	107,350
Preschool	10,333	-	-	10,333
Scholarships	45,000	-	-	45,000
Capital Outlay	-	54,611	-	54,611
Food Service	-	-	21,544	21,544
Committed for:				
Capital Outlay	-	-	22,532	22,532
Assigned for:				
Pupil Activities	-	-	41,059	41,059
Unassigned	720,537	-	-	720,537
<u>Total Fund Balances</u>	<u>883,220</u>	<u>54,611</u>	<u>88,197</u>	<u>1,026,028</u>
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	<u>1,054,175</u>	<u>1,738,230</u>	<u>111,109</u>	<u>2,903,514</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2021**

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

<u>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</u>	1,026,028
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$4,327,669 and the accumulated depreciation is \$1,978,945.	2,348,724
Long-Term Liabilities for capital leases and compensated absences are not due and payable in the current period and, therefore, not reported in the governmental funds.	
Capital Lease Payable	(17,370)
Compensated Absences	(13,200)
	(30,570)
Net pension and other post employment benefits liability, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(1,716,161)
Net Other Post Employment Benefits Liability	(62,378)
Deferred Outflows	615,404
Deferred Inflows	<u>(925,084)</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>1,255,963</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2021

	<u>General Fund</u>	<u>Building Capital Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Taxes	380,121	-	-	380,121
Intergovernmental	910,774	2,438,655	32,683	3,382,112
Interest	4,807	75	49	4,931
Insurance Proceeds	-	-	-	-
Other	<u>26,923</u>	-	<u>42,150</u>	<u>69,073</u>
Total Revenues	<u>1,322,625</u>	<u>2,438,730</u>	<u>74,882</u>	<u>3,836,237</u>
EXPENDITURES:				
Current:				
Instructional Services	714,562	-	-	714,562
Supporting:				
Pupil	2,170	-	-	2,170
Instructional Staff	11,890	-	-	11,890
District Administration	203,873	-	-	203,873
School Administration	-	-	-	-
Operations & Maintenance	171,118	1,477,354	-	1,648,472
Transportation	45,144	-	-	45,144
Central Support	10,717	-	-	10,717
Food Services	-	-	63,528	63,528
Pupil Activity	-	-	52,144	52,144
Day Care	41,482	-	-	41,482
Capital Outlay	-	<u>1,163,083</u>	-	<u>1,163,083</u>
Total Expenditures	<u>1,200,956</u>	<u>2,640,437</u>	<u>115,672</u>	<u>3,957,065</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>121,669</u>	<u>(201,707)</u>	<u>(40,790)</u>	<u>(120,828)</u>
OTHER FINANCING SOURCES (USES)				
Capital Lease Proceeds	20,950	-	-	20,950
Operating Transfers In (Out)	<u>(313,461)</u>	<u>256,318</u>	<u>57,143</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(292,511)</u>	<u>256,318</u>	<u>57,143</u>	<u>20,950</u>
NET CHANGE IN FUND BALANCES	<u>(170,842)</u>	<u>54,611</u>	<u>16,353</u>	<u>(99,878)</u>
FUND BALANCES, Beginning	<u>1,054,062</u>	<u>-</u>	<u>71,844</u>	<u>1,125,906</u>
FUND BALANCES, Ending	<u>883,220</u>	<u>54,611</u>	<u>88,197</u>	<u>1,026,028</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **(99,878)**

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	1,184,016	
Depreciation Expense	<u>(57,592)</u>	1,126,424

Long-Term debt for compensated absences does not use current financial resources and are not reported on the governmental fund financial statements but are recognized on the government-wide financial statements. 510

The issuance of long-term debt (e.g. capital leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.

Lease Purchase Proceeds	(20,950)	
Debt Principal Payments	<u>3,580</u>	(17,370)

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

Change in Net Pension Liability and Related Deferred Flows	468,529	
Other Post Employment Benefits Cost	<u>5,625</u>	<u>474,154</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **1,483,840**

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

NOTES TO BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Baca County School District RE-6 of Baca County was reorganized by a vote of qualified electorate in 1959, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with five members and provides educational services to approximately 39 students.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Baca County School District RE-6. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General and Building Funds) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

D. Fund Accounting

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

• **Major Governmental Funds**

1. **General Fund** – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. **Building Fund** – is used to account for the acquisition or major improvements to buildings.

E. Cash and Investments

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

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

F. Receivables

Property taxes levied in 2020 but uncollected in 2021 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2021 are recorded as unearned revenue in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G. Inventories

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

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

H. Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (7-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. Capital leases are serviced from property taxes and other revenues of the General Fund and Capital Reserve Capital Projects Fund.

J. Constitutional Amendment

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

On November 5, 1996 the registered voters approved a ballot resolution authorizing Baca County School District RE-6 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2021, the District reserved \$107,350 for this purpose.

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2020 property tax calendar for Baca County was as follows:

Levy Date	December 15, 2020
Lien Date	January 1, 2021
Tax Bills Mailed	January 1, 2021
First Installment Due	February 28, 2021
Second Installment Due	June 15, 2021
If Paid in Full, Due	April 30, 2021

L. 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.

M. GASB Statement No. 54

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

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-6
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. GASB Statement No. 54 (continued)

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

BACA COUNTY SCHOOL DISTRICT NUMBER RE-6
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. GASB Statement No. 54 (continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Capital Projects Fund Capital Reserve</u>	<u>Capital Projects Fund Building</u>	<u>Special Revenue Funds</u>		<u>Total Governmental Funds</u>
				<u>Food Service</u>	<u>Pupil Activity</u>	
<u>Nonspendable:</u>						
Inventories	-	-	-	2,262	-	2,262
Prepaid						
Expenditures	-	-	-	-	800	800
<u>Restricted:</u>						
Emergencies	107,350	-	-	-	-	107,350
Scholarship	45,000	-	-	-	-	45,000
Preschool	10,333	-	-	-	-	10,333
Food Service	-	-	-	21,544	-	21,544
Capital Outlay	-	-	54,611	-	-	54,611
<u>Committed:</u>						
Capital Outlay	-	22,532	-	-	-	22,532
<u>Assigned:</u>						
Pupil Activities	-	-	-	-	41,059	41,059
<u>Unassigned:</u>						
	<u>720,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,537</u>
Total Fund Balances	<u>883,220</u>	<u>22,532</u>	<u>54,611</u>	<u>23,806</u>	<u>41,859</u>	<u>1,026,028</u>

N. Deferred Outflows / Inflows of Resources

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

<u>Items Eliminated:</u>	<u>Transfers In (Out)</u>	<u>Interfund Receivables (Payables)</u>
General Fund	(313,461)	14,000
Pupil Activity Fund	15,800	-
Capital Reserve - Capital Projects Fund	10,000	-
Food Service Fund	31,343	(14,000)
Building – Capital Projects Fund	256,318	-

NOTE 3 **BUDGETARY INFORMATION**

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

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

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

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 3 BUDGETARY INFORMATION (continued)

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

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

NOTE 4 CASH AND INVESTMENTS

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

At June 30, 2021, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,048,032	1,098,922
Cash on Hand	175	-
Cash with County Treasurer	1,983	-
<u>Total Cash and Deposits</u>	<u>1,300,190</u>	<u>1,348,922</u>
<u>Recap</u>		
Cash		822,575
Investment (Certificates of Deposit)		477,615
<u>Total Carrying Balance</u>		<u>1,300,190</u>

Deposits and Certificates of Deposit with bank balance of \$1,098,922 and a carrying balance of \$1,048,032 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 **CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>Capital Assets Not Being</u>				
<u> Depreciated:</u>				
Land	13,930	-	-	13,930
Construction in Progress	-	<u>1,163,066</u>	-	<u>1,163,066</u>
<u>Total Assets Not Being</u>				
<u>Depreciated</u>	<u>13,930</u>	<u>1,163,066</u>	-	<u>1,176,996</u>
<u>Capital Assets Being</u>				
<u> Depreciated:</u>				
Buildings &				
Site Improvements	2,150,523	-	-	2,150,523
Equipment & Vehicles	945,797	20,950	-	966,747
Food Service Equipment	<u>33,403</u>	-	-	<u>33,403</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>3,129,723</u>	<u>20,950</u>	-	<u>3,150,673</u>
<u>Less Accumulated</u>				
<u> Depreciation for:</u>				
Building &				
Site Improvements	1,006,909	-	-	1,006,909
Equipment & Vehicles	882,819	56,704	-	939,523
Food Service Equipment	<u>31,625</u>	<u>888</u>	-	<u>32,513</u>
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>1,921,353</u>	<u>57,592</u>	-	<u>1,978,945</u>
<u>Total Capital Assets, Net</u>	<u>1,222,300</u>	<u>1,126,424</u>	-	<u>2,348,724</u>

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

<u>Governmental Activities:</u>	
Instruction	42,044
Transportation	14,660
Food Service	<u>888</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>57,592</u>

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 **CAPITAL LEASE PAYABLE**

A summary of changes in Capital Lease Payable is as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Current</u> <u>Amount Due</u>
3 Copiers	<u>-</u>	<u>20,950</u>	<u>3,580</u>	<u>17,370</u>	<u>4,037</u>

During fiscal year 2021, the District entered into a capital lease to purchase 3 copiers. Notwithstanding the fact that the District may elect not to renew the agreement in any year, it is the present intention of the District that the agreement will be renewed annually until full rights to the copiers are acquired. The annual interest rate is 3.45% with monthly payments of \$381.06. The balance due as of June 30, 2021 was \$17,370. Annual debt service requirements to maturity for the capital lease is as follows:

	<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>Payments</u>	<u>Principal</u>	<u>Interest</u>
	2022	4,573	4,037	536
	2023	4,573	4,179	394
	2024	4,573	4,324	249
	2025	4,572	4,477	95
	2026	<u>354</u>	<u>353</u>	<u>1</u>
Total Minimum Payments		18,645	<u>17,370</u>	<u>1,275</u>
Less Amount Representing Interest			<u>1,275</u>	
Net Present Value of Future Minimum Payments			<u>17,370</u>	

NOTE 7 **COMPENSATED ABSENCES PAYABLE**

Staff members will receive 7 days of leave per year and may accumulate up to 40 days. For employees who have been employed by the District for 5 years and have accumulated over 30 days may have the district buy back up to 5 days. Staff will be paid \$30 or ½ of the member's pay whichever is lower when they leave the District. Staff members leaving prior to the five years are not eligible for the buy back plan. Staff members will also be given the opportunity to donate their days to individuals that are over the amount of days for leave that are allowed. At June 30, 2021, the District has a liability for compensated absences payable of \$13,200.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Accumulated Sick Leave	<u>13,710</u>	<u>-</u>	<u>510</u>	<u>13,200</u>

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Baca County School District RE-6 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 (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

General Information about the Pension Plan

Plan description. Eligible employees of the Baca County School District RE-6 are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. 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.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 PENSION PLAN (Continued)

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

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

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

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2021: Eligible employees of, Baca County School District RE-6 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 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 PENSION PLAN (Continued)

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) 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. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Baca County School District RE-6 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District RE-6 were \$123,325 for the year ended June 30, 2021.

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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Baca County School District RE-6 proportion of the net pension liability was based on Baca County School District RE-6 contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 **PENSION PLAN (Continued)**

At June 30, 2021, the Baca County School District RE-6 reported a liability of \$1,716,161 for its proportionate share of the net pension liability. The amount recognized by the Baca County School District RE-6 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 Baca County School District RE-6 were as follows:

Baca County School District RE-6 proportionate share of the net pension liability	\$ 1,716,161
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Baca County School District RE-6	\$ -
Total	\$ 1,716,161

At December 31, 2020, the Baca County School District RE-6 proportion was 0.011 percent, which was an increase of 0.01 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Baca County School District RE-6 recognized pension income of \$468,529 and revenue of \$-0- for support from the State as a nonemployer contributing entity. At June 30, 2021, the Baca County School District RE-6 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	94,295	-
Changes of assumptions or other inputs	165,089	(288,472)
Net difference between projected and actual earnings on pension plan investments	119,864	(497,631)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	167,760	(112,997)
Contributions subsequent to the measurement date	62,537	N/A
Total	609,545	(899,100)

\$62,537 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, 2022. 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, 2021	
2022	(321,696)
2023	72,604
2024	(43,284)
2025	(59,716)
2026	-
Thereafter	-

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 PENSION PLAN (Continued)

Actuarial assumptions. The total pension liability in the December 31, 2019 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 increases, 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 (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

Post-retirement non-disabled mortality assumptions 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.

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 PENSION PLAN (Continued)

Based on the 2020 experience analysis, dated October 28, 2020, for the period January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30 %
Real wage growth	0.70 %
Wage inflation	3.00 %
Salary increases, including wage inflation	3.40 % – 11.00 %
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 (compounded annually)	1.25 %
PERA benefit structure hired after 12/31/06*	Financed by the AIR

*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

The pre-retirement mortality assumptions were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions were based upon the PubT-2010 Healthy; Retiree Table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 PENSION PLAN (Continued)

Disabled mortality assumptions were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a benefit-weighted basis.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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.

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
Total	100.00%	

*The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 nominal rate of return assumption of 7.25 percent.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 **PENSION PLAN (Continued)**

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. 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 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- 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 FNP, 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 FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 8 **PENSION PLAN (Continued)**

Based on the above assumptions and methods, the SCHDTF’s FNP was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate determination does not use the municipal bond 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 Baca County School District RE-6 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	2,340,985	1,716,161	1,195,478

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

Defined Contribution Pension Plan

Voluntary Investment Program

Plan Description – Employees of the Baca County School District RE-6 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 Annual Report which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$710.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 **OTHER POST EMPLOYMENT BENEFITS**

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Baca County School District RE-6 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 (FNP) and additions to/deductions from the FNP 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 Baca County School District RE-6 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 (Annual Report) 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.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 **OTHER POST EMPLOYMENT BENEFITS (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 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 maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Baca County School District RE-6 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District RE-6 were \$6,327 for the year ended June 30, 2021.

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

At June 30, 2021, the Baca County School District RE-6 reported a liability of \$62,378 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Baca County School District RE-6 proportion of the net OPEB liability was based on Baca County School District RE-6 contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Baca County School District RE-6 proportion was 0.0066 percent, which was a decrease of 0.0001 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Baca County School District RE-6 recognized OPEB income of \$5,625. At June 30, 2021, the Baca County School District RE-6 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	166	(13,714)
Changes of assumptions or other inputs	466	(3,825)
Net difference between projected and actual earnings on OPEB plan investments	792	(3,341)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,226	(5,104)
Contributions subsequent to the measurement date	3,209	N/A
Total	5,859	(25,984)

\$3,209 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, 2022. 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, 2021	
2022	(5,302)
2023	(4,944)
2024	(5,420)
2025	(5,469)
2026	(2,064)
Thereafter	(135)

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions. The total OPEB liability in the December 31, 2019 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 increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB 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	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing 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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
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 used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30% - 10.90%	3.40% - 11.00%	3.20% - 11.30%	2.80% - 5.30%
State Troopers	3.20% - 12.40%	N/A	3.20% - 12.40% *	N/A

* C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expenses, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the roll forward calculation for the HCTF, using a headcount-weighted basis.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Pre-retirement mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for State Troopers were based upon the PubS-2010 Employee Table with generational projection using scale MP-2019.

The pre-retirement mortality assumptions for the School Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions (Members other than State Troopers) were based upon the PubG-2010 Healthy Retiree Table, adjusted as follows:

- Males: 94 percent of the rates prior to age 80 and 90 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87 percent of the rates prior to age 80 and 107 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Healthy Retiree Table, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Healthy Retiree table, adjusted as follows:

- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

Post-retirement non-disabled beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

- Males: 97 percent of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105 percent of the rates for all ages, with generational projection using scale MP-2019.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.

Disabled mortality assumptions for State Troopers were based upon the unadjusted PubS-2010 Disabled Retiree Table with generational projection using scale MP-2019.

The mortality tables described above are generational mortality tables on a head-count weighted basis.

The following health care costs assumptions were updated and used in the roll forward calculation 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 2020 plan year.
- 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.

Actuarial assumptions pertaining to per capita health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors are considered in evaluating the long-term rate of return assumption, 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 percentages and then adding expected inflation.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
Total	100.00%	

*The Opportunity Fund’s name changed to Alternatives, effective January 1, 2020

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 nominal rate of return assumption of 7.25 percent.

Sensitivity of the Baca County School District RE-6 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	60,765	62,378	64,255

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, 2020, measurement date.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021**

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the Baca County School District RE-6 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	71,455	62,378	54,622

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

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 **RISK MANAGEMENT**

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

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

NOTE 11 **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL**

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

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2021.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 11 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (continued)

An audited summary of the Colorado School District's Pool financial information at June 30, 2020, and for the year then ended, (latest information available) follows:

Total Assets	<u>50,982,972</u>
Total Liabilities	<u>23,141,059</u>
Total Equity	<u>27,841,913</u>
Revenue	31,306,454
Underwriting Expenses	<u>26,904,016</u>
Underwriting Gain (Loss)	4,402,438
Net Investment Income	1,580,789
Other Income	-
Net Income (Loss) Before Dividend	<u>5,983,227</u>
Dividend	-
Net Income	<u>5,983,227</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>48,913</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>27,841,913</u>

NOTE 12 LITIGATION

None.

NOTE 13 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 14 JOINT VENTURES

Southeastern Board of Cooperative Educational Services

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

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2021. The joint venture summary audited financial information as of June 30, 2020 is as follows:

Assets	1,685,641
Deferred Outflows	679,671
Liabilities	(3,483,351)
Deferred Inflows	(2,120,299)
Net Position	<u>(3,238,338)</u>
Revenues	3,199,012
Expenses	<u>2,572,870</u>
Changes in Net Position	<u>626,142</u>

The BOCES has no long term debt.

The equity interest of each member District is not known, nor is the change in such interest. The equity interest will be determined only at the disbanding of the B.O.C.E.S.

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES.

NOTE 15 INTERFUND ACTIVITY

Transfers and interfund receivables and payables were to support operational requirements and were made in the following amounts:

Fund	Interfund		Transfers In (Out)
	Receivables	Payables	
General	14,000	-	(313,461)
Food Service	-	14,000	31,343
Pupil Activity	-	-	15,800
Capital Reserve - Capital Projects	-	-	10,000
Building Fund – Capital Projects	-	-	256,318

Interfund receivables and payables are expected to be repaid within the subsequent year.

Transfers were made for operational purposes.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT

TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

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

**BACA COUNTY SCHOOL DISTRICT RE-6
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	Variance with Final Budget- Favorable <u>(Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Revenues</u>			
Property Taxes	305,734	343,097	37,363
Specific Ownership Taxes	34,000	36,354	2,354
Delinquent Taxes	1,250	670	(580)
Local Grants	60,866	-	(60,866)
Day Care	6,100	7,296	1,196
Earnings on Investments	8,700	4,807	(3,893)
Other Local	<u>23,775</u>	<u>19,627</u>	<u>(4,148)</u>
Total Local Revenue	<u>440,425</u>	<u>411,851</u>	<u>(28,574)</u>
<u>County Sources</u>			
Mineral Leases	42	8	(34)
Lease of Public Lands	1,500	1,500	-
Other	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Total County Sources	<u>2,542</u>	<u>1,508</u>	<u>(1,034)</u>
<u>State Sources</u>			
Equalization	628,981	618,682	(10,299)
Hold Harmless Full Day Kindergarten	6,500	-	(6,500)
READ Act	1,584	-	(1,584)
Library Grant	3,500	3,500	-
Transportation	12,500	9,561	(2,939)
Small Rural Schools Funding	13,100	16,209	3,109
Child Care Relief Grant	3,000	3,000	-
At Risk Funding	300	376	76
BOCES Reimbursed Grants	8,841	6,471	(2,370)
Other State	<u>750</u>	<u>27,021</u>	<u>26,271</u>
Total State Sources	<u>679,056</u>	<u>684,820</u>	<u>5,764</u>
<u>Federal Sources</u>			
Coronavirus Relief Grant	95,719	95,719	-
Title I	12,363	12,363	-
Title II A Teacher Quality	1,886	1,886	-
ESSER I Supplemental	25,000	25,000	-
Substance Abuse Prevention & Treatment	100,000	62,212	(37,788)
CRF K-12 At Risk Pupils	2,421	2,421	-
REAP	25,426	24,845	(581)
Other	<u>100</u>	<u>-</u>	<u>(100)</u>
Total Federal Sources	<u>262,915</u>	<u>224,446</u>	<u>(38,469)</u>
TOTAL REVENUES	<u>1,384,938</u>	<u>1,322,625</u>	<u>(62,313)</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
<u>EXPENDITURES</u>			
Instruction	<u>879,371</u>	<u>714,562</u>	<u>164,809</u>
Supporting Services:			
Pupil	4,195	2,170	2,025
Instructional Staff	13,241	11,890	1,351
General Administration	208,982	203,873	5,109
Operations and Maintenance	176,765	171,118	5,647
Student Transportation	57,139	45,144	11,995
Central Support	12,805	10,717	2,088
Community Services	<u>21,788</u>	<u>41,482</u>	<u>(19,694)</u>
<u>Total Supporting Services</u>	<u>494,915</u>	<u>486,394</u>	<u>8,521</u>
 <u>Appropriated Reserve</u>	 <u>741,533</u>	 <u>-</u>	 <u>741,533</u>
 <u>TOTAL EXPENDITURES</u>	 <u>2,115,819</u>	 <u>1,200,956</u>	 <u>914,863</u>
 <u>Revenues Over (Under) Expenditures</u>	 <u>(730,881)</u>	 <u>121,669</u>	
 <u>Other Financing Sources (Uses)</u>			
Operating Transfers In (Out)	(323,181)	(313,461)	9,720
Lease Purchase Proceeds	<u>-</u>	<u>20,950</u>	<u>20,950</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(323,181)</u>	<u>(292,511)</u>	<u>30,670</u>
 <u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	 <u>(1,054,062)</u>	 <u>(170,842)</u>	
 <u>Fund Balance, Beginning</u>	 <u>1,054,062</u>	 <u>1,054,062</u>	
 <u>Fund Balance, Ending</u>	 <u>-</u>	 <u>883,220</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-6
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Plan Measurement Date	12-31-20	12-31-19	12-31-18	12-31-17	12-31-16	12-31-15	12-31-14	12-31-13	-	-
District's proportion of the net pension liability (asset)	0.0114%	0.0103%	0.0109%	0.0122%	0.0122%	0.0126%	0.0131%	0.0130%	-	-
District's proportionate share of the net pension liability (asset)	\$1,716,161	\$1,539,428	\$1,932,003	\$3,930,705	\$3,620,184	\$1,924,934	\$1,772,383	\$1,654,685	-	-
State's proportionate share of the net pension liability associated with the District**	-	\$195,257	\$264,175	-	-	-	-	-	-	-
District's covered payroll	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	\$547,799	\$542,862	\$547,520	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	277%	256%	319%	673%	665%	351%	326%	302%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.2%	62.80%	64.06%	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-6
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 123,325	\$ 116,337	\$ 116,022	\$ 110,290	\$ 100,110	\$ 97,138	\$ 91,705	\$ 87,586	\$ 73,374	-
Contributions in relation to the contractually required contributions	<u>\$(123,325)</u>	<u>\$(116,337)</u>	<u>\$(116,022)</u>	<u>\$(110,290)</u>	<u>\$(100,110)</u>	<u>\$(97,138)</u>	<u>\$(91,705)</u>	<u>\$(87,586)</u>	<u>\$(73,374)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	\$547,799	\$542,862	\$547,520	\$487,559	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.38%	17.73%	16.89%	16.00%	15.05%	-

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

BACA COUNTY SCHOOL DISTRICT RE-6
SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net OPEB liability (asset)	0.0066%	0.0067%	0.0071%	0.0069%	0.0069%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$62,378	\$75,702	\$96,492	\$89,761	\$89,607	-	-	-	-	-
District's covered payroll	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.06%	12.61%	15.91%	15.37%	16.46%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-6
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required Contributions	\$ 6,327	\$ 6,123	\$ 6,186	\$ 5,956	\$ 5,554	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(6,327)</u>	<u>\$(6,123)</u>	<u>\$(6,186)</u>	<u>\$(5,956)</u>	<u>\$(5,554)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered payroll	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

The accompanying notes are an integral part of these financial statements.
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COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

MAJOR GOVERNMENTAL FUND

Capital Projects Fund

Building Fund – This fund accounts for the acquisition or major improvements to buildings.

NON MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

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

Special Revenue Funds

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

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

Pupil Activity Fund – This fund accounts for transactions involving student clubs, classes and activities.

**BACA COUNTY SCHOOL DISTRICT RE-6
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021**

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Capital Reserve</u>	
<u>ASSETS</u>				
Cash	41,402	36,995	22,532	100,929
Accounts Receivable	1,337	5,781	-	7,118
Prepaid Expenditures	-	800	-	800
Inventory	<u>2,262</u>	<u>-</u>	<u>-</u>	<u>2,262</u>
<u>Total Assets</u>	<u>45,001</u>	<u>43,576</u>	<u>22,532</u>	<u>111,109</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	-	1,717	-	1,717
Accrued Salaries Payable	7,195	-	-	7,195
Due to Other Funds	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
<u>Total Liabilities</u>	<u>21,195</u>	<u>1,717</u>	<u>-</u>	<u>22,912</u>
 <u>Fund Balances</u>				
Nonspendable:				
Inventories	2,262	-	-	2,262
Prepaid Expenditures	-	800	-	800
Restricted for:				
Food Service	21,544	-	-	21,544
Committed for:				
Capital Outlay	-	-	22,532	22,532
Assigned for:				
Pupil Activity	-	41,059	-	41,059
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>23,806</u>	<u>41,859</u>	<u>22,532</u>	<u>88,197</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>				
	<u>45,001</u>	<u>43,576</u>	<u>22,532</u>	<u>111,109</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>		<u>Capital Projects Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Capital Reserve</u>	
<u>REVENUES:</u>				
Intergovernmental	32,683	-	-	32,683
Interest	15	28	6	49
Other	<u>2,875</u>	<u>39,275</u>	-	<u>42,150</u>
<u>Total Revenues</u>	<u>35,573</u>	<u>39,303</u>	<u>6</u>	<u>74,882</u>
<u>EXPENDITURES:</u>				
Supporting Services:				
Students	-	52,144	-	52,144
Food Service	63,528	-	-	63,528
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>63,528</u>	<u>52,144</u>	<u>-</u>	<u>115,672</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>				
	(27,955)	(12,841)	6	(40,790)
<u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Transfers In (Out)	<u>31,343</u>	<u>15,800</u>	<u>10,000</u>	<u>57,143</u>
<u>Total Other Financing Sources (Uses)</u>	<u>31,343</u>	<u>15,800</u>	<u>10,000</u>	<u>57,143</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	3,388	2,959	10,006	16,353
<u>FUND BALANCES, Beginning</u>				
	<u>20,418</u>	<u>38,900</u>	<u>12,526</u>	<u>71,844</u>
<u>FUND BALANCES, Ending</u>				
	<u>23,806</u>	<u>41,859</u>	<u>22,532</u>	<u>88,197</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
BUILDING FUND – CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUES</u>			
Earnings on Investments	25	75	50
State Source Best Grant	<u>1,697,680</u>	<u>2,438,655</u>	<u>740,975</u>
<u>Total Revenues</u>	<u>1,697,705</u>	<u>2,438,730</u>	<u>741,025</u>
<u>EXPENDITURES</u>			
Purchased Services	-	43,751	(43,751)
Building Repair	1,232,000	1,433,603	(201,603)
Building Construction	<u>722,023</u>	<u>1,163,083</u>	<u>(441,060)</u>
<u>Total Expenditures</u>	<u>1,954,023</u>	<u>2,640,437</u>	<u>(686,414)</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(256,318)</u>	<u>(201,707)</u>	
<u>Other Financing Sources (Uses).</u>			
Transfers In	<u>256,318</u>	<u>256,318</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>256,318</u>	<u>256,318</u>	<u>-</u>
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	-	54,611	
<u>FUND BALANCE, Beginning</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>54,611</u>	

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

**BACA COUNTY SCHOOL DISTRICT RE-6
CAPITAL RESERVE – CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	5	6	1
<u>Total Revenues</u>	<u>5</u>	<u>6</u>	<u>1</u>
<u>EXPENDITURES</u>			
Reserve	22,531	-	22,531
<u>Total Expenditures</u>	<u>22,531</u>	<u>-</u>	<u>22,531</u>
<u>Revenues Over (Under) Expenditures</u>	(22,526)	6	
<u>Other Financing Sources (Uses).</u>			
Transfers In	10,000	10,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	(12,526)	10,006	
<u>FUND BALANCE, Beginning</u>	<u>12,526</u>	<u>12,526</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>22,532</u>	

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

**BACA COUNTY SCHOOL DISTRICT RE-6
FOOD SERVICE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For The Year Ended June 30, 2021**

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	7,435	2,875	(4,560)
Interest Earnings	<u>25</u>	<u>15</u>	<u>(10)</u>
<u>Total Local Sources</u>	<u>7,460</u>	<u>2,890</u>	<u>(4,570)</u>
<u>State Sources</u>			
State Match	212	214	2
Smart Start	250	-	(250)
PK-2 Reduced Breakfast	<u>415</u>	<u>-</u>	<u>(415)</u>
<u>Total State Sources</u>	<u>877</u>	<u>214</u>	<u>(663)</u>
<u>Federal Sources</u>			
School Lunches	18,000	30,885	12,885
Commodities	<u>2,000</u>	<u>1,584</u>	<u>(416)</u>
<u>Total Federal Sources</u>	<u>20,000</u>	<u>32,469</u>	<u>12,469</u>
<u>TOTAL REVENUES</u>	<u>28,337</u>	<u>35,573</u>	<u>7,236</u>
<u>EXPENDITURES</u>			
<u>Food Service</u>			
Salaries	31,907	37,530	(5,623)
Employee Benefits	7,642	8,091	(449)
Purchased Services - Other	52	-	52
Food and Milk	18,425	17,217	1,208
Supplies and Materials	625	554	71
Other	150	136	14
Appropriated Reserves	<u>19,817</u>	<u>-</u>	<u>19,817</u>
<u>TOTAL EXPENDITURES</u>	<u>78,618</u>	<u>63,528</u>	<u>15,090</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(50,281)	(27,955)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In	29,863	31,343	1,480
<u>Total Other Financing Sources (Uses)</u>	<u>29,863</u>	<u>31,343</u>	<u>1,480</u>
<u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u>	(20,418)	3,388	
<u>FUND BALANCE, Beginning</u>	<u>20,418</u>	<u>20,418</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>23,806</u>	

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

**BACA COUNTY SCHOOL DISTRICT RE-6
PUPIL ACTIVITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021**

<u>REVENUES</u>	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance with</u> <u>Final Budget-</u> <u>Favorable</u> <u>(Unfavorable)</u>
Earnings on Investments	30	28	(2)
Activity Revenues	<u>36,200</u>	<u>39,275</u>	<u>3,075</u>
<u>Total Revenues</u>	<u>36,230</u>	<u>39,303</u>	<u>3,073</u>
 <u>EXPENDITURES</u>			
Instruction			
Purchased Services Professional	24,900	21,618	3,282
Purchased Services Other	27,025	18,694	8,331
Supplies and Materials	8,800	5,437	3,363
Other	<u>41,405</u>	<u>6,395</u>	<u>35,010</u>
<u>Total Expenditures</u>	<u>102,130</u>	<u>52,144</u>	<u>49,986</u>
 <u>Revenues Over (Under) Expenditures</u>	 (65,900)	 (12,841)	
 <u>Other Financing Sources (Uses)</u>			
Transfers	<u>27,000</u>	<u>15,800</u>	<u>(11,200)</u>
 <u>Revenues Over (Under) Other Financing</u> <u>Sources (Uses) and Expenditures</u>	 (38,900)	 2,959	
 <u>FUND BALANCE, Beginning</u>	 <u>38,900</u>	 <u>38,900</u>	
 <u>FUND BALANCE, Ending</u>	 <u> -</u>	 <u>41,859</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District 0270 - Campo RE-6
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund		1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	=	
Governmental				
10 General Fund	1,054,062	1,030,113	1,200,956	883,220
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	1,054,062	1,030,113	1,200,956	883,220
11 Charter School Fund	0	0	0	0
2026-29 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	20,418	66,916	63,528	23,806
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	36,900	55,103	52,145	41,859
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	2,695,048	2,640,437	54,611
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	12,526	10,006	0	22,532
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,125,906	3,857,186	3,957,066	1,026,077
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
6065-69 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: 0270 - Campo RE-6
 Fiscal Year 2020-21
 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)	972,188	0	0	36,995	0	0	41,402	0	247,622	0	0	0	0	0	0	1,298,207
Cash with Fiscal Agent (8105)	1,983	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,983
Other Investment Accounts (8112-8115)	654	0	0	0	0	0	0	0	0	0	0	0	0	0	0	654
Taxes Receivable (8121,8122)	10,391	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,391
Interfund Loans Receivable (8131,8132)	14,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14,000
Intergovernmental Accounts Rec (8141)	2,421	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,421
Grants Accounts Receivable (8142)	52,538	0	0	0	0	0	1,337	0	1,513,141	0	0	0	0	0	0	1,567,015
Other Receivables (8151-8154,8161)	0	0	0	5,781	0	0	0	0	0	0	0	0	0	0	0	5,781
Inventories (8171,8172,8173)	0	0	0	0	0	0	2,262	0	0	0	0	0	0	0	0	2,262
Prepaid Expenses 8181,8182)	0	0	0	800	0	0	0	0	0	0	0	0	0	0	0	800
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,054,175	0	0	43,576	0	0	45,001	0	1,760,762	0	0	0	0	0	0	2,903,514

	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)	0	0	0	0	0	0	14,000	0	0	0	0	0	0	0	0	14,000
Other Payables (7421-7423)	14,753	0	0	1,717	0	0	0	1,564,293	0	0	0	0	0	0	0	1,580,763
Accrued Expenses (7461)	114,448	0	0	0	0	0	7,196	0	0	0	0	0	0	0	0	121,644
Grants Deferred Revenue (7482)	41,754	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41,754
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	119,326	0	0	0	0	0	0	119,326
Total Liabilities	170,955	0	0	1,717	0	0	21,196	0	1,683,619	0	0	0	0	0	0	1,877,487

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	800	0	0	2,262	0	0	0	0	0	0	0	0	3,062
Restricted Fund Balance 6720	45,000	0	0	0	0	0	21,544	0	54,611	0	0	0	0	0	0	121,155
TABOR 3% Emergency Reserve 6721	107,350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	107,350
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	10,333	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,333
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	22,532	0	0	0	0	0	0	22,532
Assigned Fund Balance 6760	720,536	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41,058
Unassigned Fund Balance 6770	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	720,536
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	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	883,220	0	0	41,859	0	0	23,806	0	77,143	0	0	0	0	0	0	1,026,027

	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	1,054,175	0	0	43,576	0	0	45,801	0	1,760,763	0	0	0	0	0	0	2,903,514

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

Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes