

**ELBERT COUNTY SCHOOL DISTRICT C-2
KIOWA, COLORADO**

BASIC FINANCIAL STATEMENTS

June 30, 2021

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FINANCIAL SECTION



Board of Education
Elbert County School District C-2
Kiowa, Colorado

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Elbert County School District C-2 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Elbert County School District C-2 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, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 46-53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund statements and schedules and the Colorado Department of Education Auditor's Integrity Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the Colorado Department of Education Auditor's Electronic Financial Data Integrity Check Figures Report are fairly stated in all material respects in relation to the financial statements as a whole.

PB Solutions LLC

January 20, 2022

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021

This discussion and analysis provides an overview of the Elbert County School District C-2 financial performance for the fiscal year ending June 30, 2021. The focus of the information is on the primary government general fund.

The District continues to use the financial reporting model proposed by the Governmental Accounting Standards Board (GASB), *Statement No. 34, Basic Financial Discussion and Analysis for State and Local Government*.

Financial Highlights

- For the current year ended June 30, 2021, the net position of the District is \$(905,969), an increase of \$1,008,188. Please note that the net position also includes PERA's unfunded liabilities and the post-employment health care trust fund liabilities over which the District has no control.
- As of the close of the 2020-21 fiscal year, the District's governmental funds reported combined ending fund balances of \$2,499,387. This represents an increase of \$58,605 from the previous year.
- The District had adequate funds available for all appropriations.

Overview of Financial Statements

The discussion and analysis serves as an introduction to the District's basic financial statements. The basic financial statements consist of these components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

1. Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources are one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position are an indication of whether its financial health is improving or deteriorating. The government wide statements have only governmental activities

Government activities - all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

2. Fund Financial Statements

These statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and bond requirements.

Governmental Funds - All of the District's activities are reported in governmental funds, which focus on determining our financial status and change in financial status. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps people determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities reported in the statement of net position and the statement of activities and governmental funds is reconciled in the financial statements.

Financial Analysis of the District as a Whole

The District's total net position was negative \$905,969 at the close of business on June 30, 2021. Table 1 represents a detailed view of FY 20-21. Table 1 shows a high-level overview of net asset changes over time.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

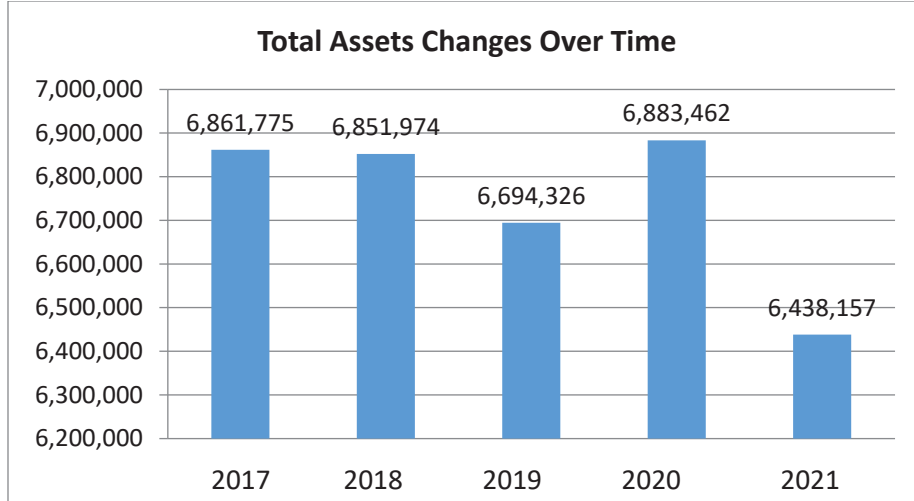
Table 1
Fiscal Year Ended June 30, 2021
Net Position

	<u>Government Activities</u>	
	<u>6/30/2021</u>	<u>6/30/2020</u>
Current and Other Assets	2,837,557	3,089,300
Capital Assets	3,599,600	3,794,162
Total Assets	<u>6,438,157</u>	<u>6,883,462</u>
 Deferred Outflows of Resources	 <u>1,614,343</u>	 <u>551,629</u>
 Current and Other Liabilities	 325,908	 603,482
Non Current Liabilities	<u>6,463,034</u>	<u>5,824,477</u>
Total Liabilities	<u>6,788,942</u>	<u>6,427,959</u>
 Deferred Inflows of Resources	 <u>2,169,527</u>	 <u>2,921,289</u>
 Net Position		
Net Investment in Capital Assets	2,349,600	2,544,162
Restricted	100,000	100,000
Unrestricted	<u>(3,355,569)</u>	<u>(4,558,319)</u>
Total Net Position	<u><u>(905,969)</u></u>	<u><u>(1,914,157)</u></u>

Comparison of Net Position over Time

As noted earlier, net position serves as a useful indicator of the District's financial position over time. In the case of the Kiowa School District, liabilities exceeded assets by \$905,969.

Elbert County School District C-2
 Management Discussion and Analysis
 For Fiscal Year Ended June 30, 2021
 (Continued)



Of the District’s \$6,438,157 in total assets, \$3,599,600 reflects capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The unrestricted net position of \$(3,355,569) may be used to meet the District’s ongoing financial obligations. Depreciation in capital assets contribute to the decrease in total assets for the 2020-21 year.

The results of this year’s operations as a whole are reported in the statement of activities on Page 2 of the audit report. All expenses are reported in the first column. Specific charges, grants, revenues, and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District’s activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

Table 2 takes the information from that statement and rearranges it slightly so total revenues for the year are more easily seen.

Table 2
Fiscal Year Ended June 30, 2021
Change in Net Position

	<u>Government Activities</u>	
	6/30/2021	6/30/2020
REVENUES		
Program Revenues		
Charges for Service	22,325	53,317
Operating Grants	833,920	519,145
Capital Grants		
General Revenues		
Property Taxes	905,372	907,250
Specific Ownership Taxes	162,807	147,907
State Equalization	1,991,910	2,201,838
Other	116,771	187,143
Total Revenues	4,033,105	4,016,940
Expenses		
Instruction	1,435,291	1,702,499
Supporting Services	1,531,056	1,548,593
Interest and Fiscal Charges	55,570	55,809
Total Expenses	3,024,917	3,306,901
Increase (Decrease) in Net Position	1,008,188	710,039
Net Position, Beginning	(1,914,157)	(2,624,196)
Net Position, Ending	(905,969)	(1,914,157)

Tables 3 presents the expenses of the Governmental Activities of the District.

This table shows the District’s largest areas of expenditures and unallocated depreciation expense. It also shows the net total costs (total cost less revenues generated by the activities). In addition, this table also shows the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenue. General administration restructuring has resulted in more focused expenditures in school administration. This change is necessary to accommodate the requirements that Senate Bill 191 mandates as it relates to instructional.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

Table 3

Fiscal Year Ended June 30, 2021

Government Activities

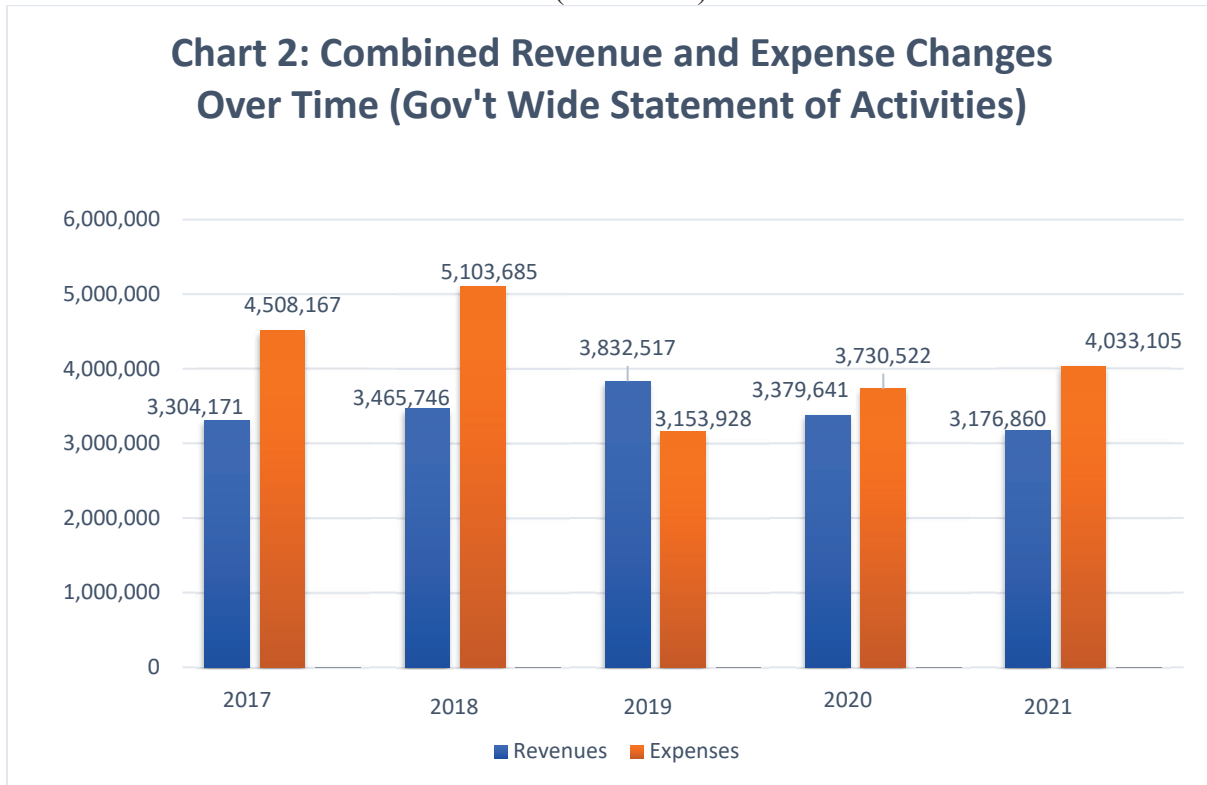
Functions/Programs	Year Ended June 30, 2021		Year Ended June 30, 2020	
	Total Cost of Programs	Net Cost Of Services	Total Cost of Programs	Net Cost Of Services
Instruction	\$1,438,291	\$838,999	\$1,701,499	\$1,336,640
Pupil Services	50,511	(6,059)	86,780	86,780
Instructional Services	186,692	186,692	90,144	90,144
General Administration	139,754	139,754	93,630	76,247
School Administration	95,867	95,867	210,115	210,115
Business Administration	110,599	110,599	83,727	83,727
Operations & Maintenance	496,472	496,472	486,785	486,785
Pupil Transportation	81,047	27,695	77,831	24,936
Central Services	169,569	169,569	169,569	168,569
Extracurricular Activities	40,671	28,680	90,065	35,308
Food Service	159,874	24,834	159,947	78,379
Interest and Fiscal Charges	55,570	55,570	55,809	55,809
Total Expenses	<u>\$3,024,917</u>	<u>\$2,168,672</u>	<u>\$3,305,901</u>	<u>\$2,734,439</u>
Less State Equalization		<u>\$1,991,910</u>		<u>\$2,201,838</u>
Total needs from local taxes and other revenue		<u>\$176,762</u>		<u>\$532,601</u>

The Statement of Activities in the full audit further detail the actual results of operations.

Chart 2 shows how combined revenues and expenditures have changed over time with blue representing revenues and orange representing expenditures.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

**Chart 2: Combined Revenue and Expense Changes
Over Time (Gov't Wide Statement of Activities)**

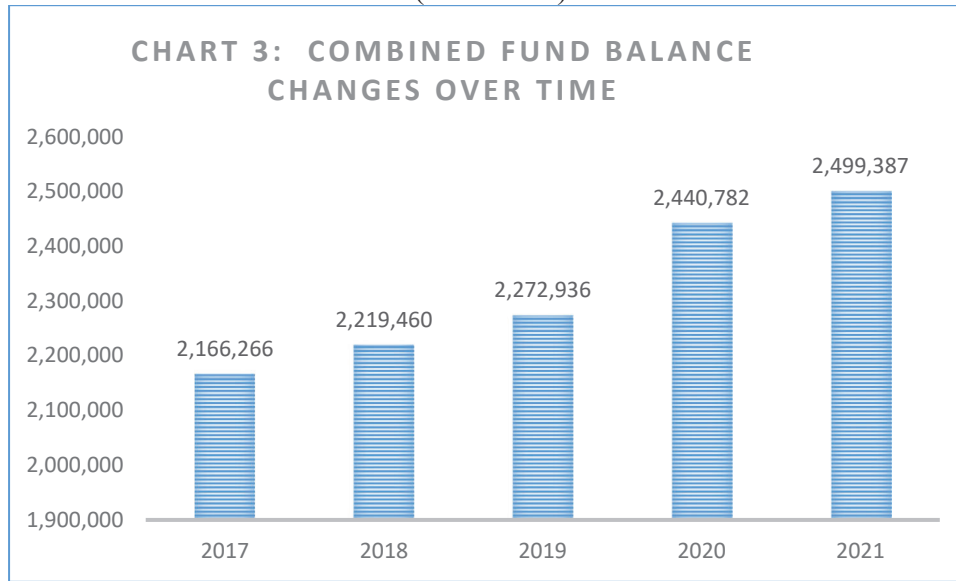


The District Funds

On June 30, 2021, the District governmental funds reported a combined fund balance of \$2,499,387, which is an increase of \$58,605.

Chart 3 shows how the combined fund balance has changed over time.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)



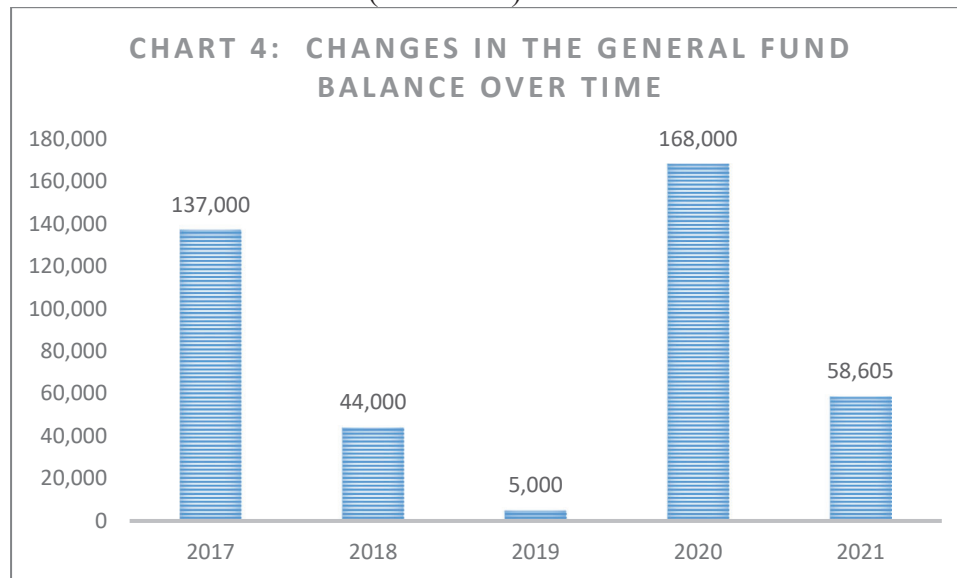
Financial Analysis of the District's Funds

It would appear there is an increase of 2.3% each year with the exception of year 2020. There was an increase of 6.88% increase of funds in 2020. This is contributed to a couple of factors. The Legislation increased operational funds due to pandemic and pupil funding by restoring past funding cuts to K-12 education such as: Senate Bill 19-246 amended the Public School Finance Act of 1994 to provide more funding; Senate Bill 19-207 appropriated most of the state aid distributed to school districts; and House Bill 19-1262 which modified the formula to provide full per pupil funding for students enrolled in a full-day kindergarten program.

General Fund Budget

The Board of Education approved a regular budget in FY 21 to adequately appropriate expected expenditures based on careful review of anticipated revenues. Using historical spending patterns as a guide, the budget was crafted with a perceived flat to positive cash flow. The Board anticipates that cuts previously endured by State funding levels will not be fully replaced. Further, the Board of Education, may allow the General Fund to go down to a balance of \$825,000, but only if necessary. Best practice is to have a balance that equates to a minimum of three months' worth of expenditures which would be an estimate balance of \$1,050,000.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)



Capital Assets and Debt Administration

Capital Assets

On June 30, 2021, the District realized a decrease of \$194,562 in capital assets. The decrease is a result depreciation expense exceeding purchases. The District's capital assets are currently valued at \$3,599,600 (see page 17 of the audit) compared to last year when the capital assets were \$3,794,162.

Debt Administration

The District entered into a site lease/leaseback which was financed with QZAB funds in the amount of \$1,250,000. It is scheduled to be repaid at \$70,000 per year plus interest through October 10, 2030. While the interest is over \$55,000 per year, the QZAB loan has provisions in which the Federal Government pays the interest for the District each year. During the year ended June 30, 2021, the Federal Government paid \$55,570 directly to the District's lender to cover the District's interest liability.

More complete information is furnished in footnote 5 on page 18 of the financial statements.

Economic Factors and Next Year's Budget and Rates

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

The factors that will affect next year's budget will be:

- The continuing shortage of federal funds to support educational programs, buying down the negative factor, special education mandated in federal law and the general uncertainty of federal funding for public schools in the present federal administration
- If enrollment continues to decline
- The pervasiveness of the State's negative factor (now called Budget Stabilization by some) for funding schools. The negative factor reduces available district funds by approximately \$250,000 each year.

The District is located in a small town, and like many small towns, is likely to suffer from the ill effects of an unstable economy with increasing inflation and the residual effect of this current pandemic.

History of Staffing Level Changes

An additional 3 FTE were reduced for the 2012-13 school year for similar reasons as above. Areas reduced were a librarian, Title teacher because of Title instruction being delivered in the classroom, and a kindergarten teacher no longer needed due to class enrollment.

For the 2013-14 school year, a teacher who voluntarily resigned was not replaced. The District moved a teacher from the elementary, where class sizes were smaller to fill the vacated position. The District experienced a decline in enrollment of 90 students: 40 in 2013-14 and 50 in 2014-15.

For the 2015-16 year, five positions were eliminated: 3 elementary teachers, an IT support position, and a vocational arts position.

For the 2016-17 year, Kiowa Schools added an elementary teacher to meet the educational needs of a class with demographic and behavioral challenges.

For the 2017-18 year, Kiowa Schools increased staff by three to meet the needs of special education students.

For the 2018-19 year Kiowa Schools increased staff, adding additional programs including Home Economics, a Spanish instructor, additional elementary staff, a part-time auto shop teacher, a part-time para for a pre-school special needs student, and an academic coach. The school also reduced its special education staff by one teacher and one para.

For the 2019-20 year Kiowa Schools eliminated two High School instructional positions.

Elbert County School District C-2
Management Discussion and Analysis
For Fiscal Year Ended June 30, 2021
(Continued)

The district added an Early Childhood program including a toddler room, a fulltime PreK room and after school care. The addition of this program increased staff by 4.5 FTE and will show an increase in tuition along with enrollment.

For the 2020-2021 year Kiowa Schools had approximately 32% of staff turnover: 2 Administration positions, 6 certified positions, 1 Special Education Director, and 4 support staff. The school added a staff member to meet the needs of special education students.

Contacting the District for Financial Management Questions

The District's financial report is designed to provide a general overview of our finances for all those interested. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of Schools at Kiowa Schools, P.O. Box 128, Kiowa, CO 80117.

BASIC FINANCIAL STATEMENTS

ELBERT COUNTY SCHOOL DISTRICT C-2

STATEMENT OF NET POSITION
June 30, 2021

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 2,208,528
Restricted Cash and Investments	568,863
Taxes Receivable	36,238
Accounts Receivable	16,911
Inventories	8,017
Capital Assets, Depreciated, Net of Accumulated Depreciation	<u>3,599,600</u>
TOTAL ASSETS	<u>6,438,157</u>
DEFERRED OUTFLOW OF RESOURCES	
Related to Pensions	1,595,737
Related to OPEB	<u>18,606</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,614,343</u>
LIABILITIES	
Accounts Payable	-
Accrued Salaries and Benefits	324,478
Unearned Revenue	1,430
Noncurrent Liabilities	
Due Within One Year	-
Due in More Than One Year	1,250,000
Compensated Absences	21,078
Net Pension Liability	5,009,827
Net OPEB Liability	<u>182,129</u>
TOTAL LIABILITIES	<u>6,788,942</u>
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	2,107,851
Related to OPEB	<u>61,676</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,169,527</u>
NET POSITION	
Net Investment in Capital Assets	2,349,600
Restricted for Emergencies	100,000
Unrestricted	<u>(3,355,569)</u>
TOTAL NET POSITION	<u><u>\$ (905,969)</u></u>

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

ELBERT COUNTY SCHOOL DISTRICT C-2

STATEMENT OF ACTIVITIES
Year Ended June 30, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 1,438,291	\$ -	\$ 599,292	\$ -	\$ (838,999)
Supporting Services	1,531,056	22,325	234,628	-	(1,274,103)
Interest and Fiscal Charges	55,570	-	-	-	(55,570)
Total Governmental Activities	<u>3,024,917</u>	<u>22,325</u>	<u>833,920</u>	<u>-</u>	<u>(2,168,672)</u>
GENERAL REVENUES					
					905,372
					162,807
					1,991,910
					111,973
					4,798
					<u>3,176,860</u>
					1,008,188
					<u>(1,914,157)</u>
					<u>\$ (905,969)</u>

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

ELBERT COUNTY SCHOOL DISTRICT C-2

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS			
Cash and Investments	\$ 1,999,509	\$ 209,019	\$ 2,208,528
Restricted Cash and Investments	568,863	-	568,863
Taxes Receivable	36,238	-	36,238
Other Receivables	5,829	11,082	16,911
Inventory	-	8,017	8,017
TOTAL ASSETS	<u><u>\$ 2,610,439</u></u>	<u><u>\$ 228,118</u></u>	<u><u>\$ 2,838,557</u></u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ -
Accrued Salaries and Benefits	312,961	11,517	324,478
Unearned Revenues	-	1,430	1,430
TOTAL LIABILITIES	<u><u>312,961</u></u>	<u><u>12,947</u></u>	<u><u>325,908</u></u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Property Tax Revenues	<u>13,262</u>	<u>-</u>	<u>13,262</u>
FUND BALANCES			
Nonspendable	-	8,017	8,017
Restricted for Emergencies	100,000	-	100,000
Assigned	-	207,154	207,154
Unassigned	<u>2,184,216</u>	<u>-</u>	<u>2,184,216</u>
TOTAL FUND BALANCES	<u><u>2,284,216</u></u>	<u><u>215,171</u></u>	<u><u>2,499,387</u></u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u><u>\$ 2,610,439</u></u>	<u><u>\$ 228,118</u></u>	<u><u>\$ 2,838,557</u></u>

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

ELBERT COUNTY SCHOOL DISTRICT C-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
Year Ended June 30, 2021

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

Total fund balances of governmental funds		\$	2,499,387
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, Not Depreciated	-	
	Capital Assets, Depreciated	7,801,150	
	Accumulated Depreciation	<u>(4,201,550)</u>	3,599,600
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.			13,262
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated Absences	(21,078)	
	Capital Lease Payable	(1,250,000)	
	Net Pension Liability	(5,009,827)	
	Net OPEB Liability	<u>(182,129)</u>	(6,463,034)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Change in Proportionate Share	662,416	
	Deferred outflows of resources - Subsequent Contributions	176,126	
	Deferred outflows of resources - Expected vs Actual Experience	275,265	
	Deferred outflows of resources - Change in Assumptions	481,930	
	Deferred inflows of resources - Projected vs Actual Investments Earnings	(1,102,777)	
	Deferred inflows of resources - Change in Assumptions	(842,110)	
	Deferred inflows of resources - Change in Proportionate Share	<u>(162,964)</u>	(512,114)
	Deferred outflows of resources - Change in Proportionate Share OPEB	7,725	
	Deferred outflows of resources - Subsequent Contributions OPEB	9,037	
	Deferred outflows of resources - Expected vs Actual Experience OPEB	483	
	Deferred outflows of resources - Change in Assumptions OPEB	1,361	
	Deferred inflows of resources - Projected vs actual investment earnings OPEB	(7,442)	
	Deferred inflows of resources - Change in Assumptions OPEB	(11,168)	
	Deferred inflows of resources - Change in Proportionate Share OPEB	(3,025)	
	Deferred inflows of resources - Expected vs Actual Experience OPEB	<u>(40,041)</u>	<u>(43,070)</u>
Net position of governmental activities			<u>\$ (905,969)</u>

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

ELBERT COUNTY SCHOOL DISTRICT C-2

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES			
Local Sources	\$ 1,210,455	\$ 85,164	\$ 1,295,619
State Sources	2,255,169	774	2,255,943
Federal Sources	389,385	123,932	513,317
TOTAL REVENUES	<u>3,855,009</u>	<u>209,870</u>	<u>4,064,879</u>
EXPENDITURES			
Current			
Instruction	2,051,677	-	2,051,677
Supporting Services	1,547,002	338,168	1,885,170
Capital Outlay	13,857	-	13,857
Debt Service			
Interest Payments	55,570	-	55,570
TOTAL EXPENDITURES	<u>3,668,106</u>	<u>338,168</u>	<u>4,006,274</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>186,903</u>	<u>(128,298)</u>	<u>58,605</u>
OTHER FINANCING SOURCES (USES)			
Transfer Out	(140,000)	-	(140,000)
Transfer In	-	140,000	140,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(140,000)</u>	<u>140,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	46,903	11,702	58,605
FUND BALANCES, Beginning	<u>2,237,313</u>	<u>203,469</u>	<u>2,440,782</u>
FUND BALANCES, Ending	<u>\$ 2,284,216</u>	<u>\$ 215,171</u>	<u>\$ 2,499,387</u>

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

ELBERT COUNTY SCHOOL DISTRICT C-2

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
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			\$	58,605
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.				
	Capital Outlay	9,968		
	Depreciation	(200,613)		
	Loss on Disposal	<u>(3,917)</u>		(194,562)
Deferred property tax revenue - Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized on the government-wide financial statements.				(31,774)
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.				
	Changes in Compensated Absences			7,576
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.				
	Deferred charges related to Pension Plan	1,155,816		
	Deferred charges related to OPEB	<u>12,527</u>		<u>1,168,343</u>
Change in net position of governmental activities			\$	<u><u>1,008,188</u></u>

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

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Elbert County School District C-2 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. The District is a political subdivision of the State of Colorado and is governed by an elected board of five members. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

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

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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

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

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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. Fiduciary funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues 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 practice to use restricted resources first, then unrestricted resources as they are needed.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

In the fund financial statements, the District reports the following major governmental fund:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

Assets, Liabilities, and Fund Balance/Net Position

Cash and Investments – For purposes of the statement of cash flows, the District considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

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

Inventories – Inventories in the governmental funds are valued using the purchase method. Under this method, inventories are recorded as expenditures when purchased. A physical inventory is taken annually at June 30th in the Food Service Fund. The inventory consists of donated commodities which were valued at the estimated acquisition value. Purchased commodities and supplies are valued at cost using the first-in, first-out (FIFO) method.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

Property and equipment of the District is depreciated using the straight line method over the following estimated useful lives.

Land and Improvements	10-40 years
Buildings and Improvements	10-50 years
Vehicles and Equipment	5 to 25 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits – Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during the school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2021, were \$324,478. The accrued compensation is reported as a liability in the General and Food Service Funds.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees may carry over a maximum of forty days to the next fiscal year. Any accrued days in excess of forty are paid out to employees at one half of the current one-day substitute’s rate in August each year. Upon termination of employment, employees are entitled to receive compensation for up to forty accrued but not used leave days at one half of the current one-day substitute’s rate. These compensated absences are recognized when paid in the governmental fund types. A long-term liability in the amount of \$21,078 has been recorded in the government-wide financial statements for the accrued compensated absences.

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance 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 balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

Long-Term Debt – 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 governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as current expenditures.

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

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which is associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third party limitation on their use. While District management may have categorized and segmented portions for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District reports inventory balances as nonspendable.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The District has classified the fund balances of the Food Service Fund, Student Activity Fund, Pupil Activity Fund, and Capital Reserve Fund as assigned because their use has been designated for a specific purpose by the District.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

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

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

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District joined Colorado School District Self Insurance Pool (CSDSI), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium for its property and casualty insurance coverage. The intergovernmental agreement of formation of CSDSI provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retentions, which is determined each policy year.

The District carries commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurances. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Subsequent Events

The District has evaluated events subsequent to the year ended June 30, 2021 through January 20, 2022, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All appropriations lapse at fiscal year-end.

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

Budgets (Continued)

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

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

NOTE 3: CASH AND INVESTMENTS

Cash and investments at June 30, 2021 consist of the following:

Deposits	\$ 833,653
Investments	<u>1,943,738</u>
Total	<u>\$2,777,391</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Unrestricted	\$2,208,528
Cash and Investments - Restricted	<u>568,863</u>
	<u>\$2,777,391</u>

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At June 30, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2021, the District had deposits with financial institutions with a carrying amount of \$833,653. The bank balances with the financial institutions were \$929,778. Of these balances, \$500,000 was covered by federal depository insurance and \$429,778 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

Interest Rate Risk

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

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Investments (Continued)

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

Local Government Investment Pools

The District had invested \$1,943,738 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Restricted Cash

At June 30, 2021, cash in the amount of \$568,863 is restricted in the General Fund. The balance represents amounts held in a sinking fund at the First Bank of Missouri. The funds are accumulated to comply with the sinking fund requirements of the District's Qualified Zone Academy Bond (QZAB) lease.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 4: CAPITAL ASSETS

	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Governmental Activities				
Capital Asset, Being Depreciated				
Land and Improvements	1,001,841	-	-	1,001,841
Buildings and Improvements	6,004,138	-	-	6,004,138
Vehicles and Equipment	797,766	9,968	12,563	795,171
Total Capital Assets, Being Depreciated	<u>7,803,745</u>	<u>9,968</u>	<u>12,563</u>	<u>7,801,150</u>
Accumulated Depreciation				
Land and Improvements	523,905	21,835	-	545,740
Buildings and Improvements	2,909,509	128,792	-	3,038,301
Vehicles and Equipment	576,169	49,986	8,646	617,509
Total Depreciation	<u>4,009,583</u>	<u>200,613</u>	<u>8,646</u>	<u>4,201,550</u>
Net Capital Assets	<u>\$ 3,794,162</u>	<u>\$ (190,645)</u>	<u>\$ 3,917</u>	<u>\$ 3,599,600</u>

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

Governmental Activities		
Instruction		\$ 176,682
Supporting Services		<u>23,931</u>
Total		<u>\$ 200,613</u>

NOTE 5: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2021:

	Balance 6/30/2020	Additions	Payments	Balance 6/30/2021	Due In One Year
Lease Payable	\$ 1,250,000	\$ -	\$ -	\$ 1,250,000	\$ -
Compensated Absences	28,654	-	7,576	21,078	-
Net Pension Liability	4,332,799	677,028	-	5,009,827	-
Net OPEB Liability	213,024	-	30,895	182,129	-
Total	<u>\$ 5,824,477</u>	<u>\$ 677,028</u>	<u>\$ 38,471</u>	<u>\$ 6,463,034</u>	<u>\$ -</u>

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Lease Payable

In October 2012, the District entered into a site lease/leaseback agreement to comply with a Qualified Zone Academy Bond from the State of Colorado with the First Bank of Missouri. Under the terms of the lease, the bank acquired a leasehold interest in the District's property, and the District agreed to sublease the property for a total amount of \$1,250,000. The lease carries an interest rate of 4.21%. The principal component of \$70,000 annually is deposited into a sinking fund and will be held by the bank until the final termination of the lease on October 10, 2030. The sinking fund accrues interest at the one year CD rate and such interest earnings will be applied to the final payment due under the lease upon termination. The interest portion of the debt qualifies for tax credit and is paid by the United States Government after the District submits IRS Form 8038-CP. For the year ended June 30, 2021, the United States Government paid \$52,625 directly to the First Bank of Missouri to cover the District's interest liability on the lease.

NOTE 6: INTERFUND TRANSFERS

During the year ended June 30, 2021, the General Fund transferred \$50,000 to the Food Services Fund, \$30,000 to the Student Activity Fund, and \$60,000 to the Capital Projects Fund to cover operating and capital expenditures.

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (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 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan

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

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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

As of December 31, 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 lesser 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 the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 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:

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the 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 District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$338,520 for the year ended June 30, 2021.

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability for the SCHDTF was measured as of December 31, 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 District’s proportion of the net pension liability was based on the District’s 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.

At June 30, 2021, the District reported a liability of \$5,009,827 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District’s proportionate share of the net pension	\$5,009,827
The State’s proportionate share of the net pension liability as a nonemployer contributing entity	\$-0-
Total	\$5,009,827

At December 31, 2020, the District’s proportion was 0.03314 percent, which was an increase of 0.00413% from its proportion measured as of December 31, 2019.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2021, the District recognized pension expense of (\$1,494,336) and revenue of \$-0- for support from the State as a nonemployer contributing entity. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$275,265	N/A
Changes of assumptions or other inputs	\$481,930	\$842,110
Net difference between projected and actual earnings on pension plan investments	N/A	\$1,102,777
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$662,416	\$162,964
Contributions subsequent to the measurement date	\$176,126	N/A
Total	\$1,595,737	\$2,107,851

\$176,126 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:	
2022	(\$748,334)
2023	\$322,202
2024	(\$88,139)
2025	(\$173,969)

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 ¹	Financed by the AIR

¹ 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.

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- **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.

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 ¹	Financed by the AIR

¹ 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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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.

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:

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- 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.

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
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 ¹	6.00%	4.70%
	100.00%	

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

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

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.

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- Employer contributions 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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$6,833,814	\$5,009,827	\$3,489,844

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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. The District participates The District 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.

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

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan

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

Enrollment in the PERACare is voluntary and is available to benefit recipients and their eligible dependents, certain surviving spouses, and divorced spouses and guardians, among others.

Eligible benefit recipients may enroll into the program upon retirement, upon the occurrence of certain life events, or on an annual basis during an open enrollment period.

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan (Continued)

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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$17,369 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 District reported a liability of \$182,129 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 District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

At December 31, 2020, the proportion was 0.0192 percent, which was an increase of 0.00021% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$4,842. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$483	\$40,041
Changes of assumptions or other inputs	\$1,361	\$11,168
Net difference between projected and actual earnings on OPEB plan investments	N/A	\$7,442
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$7,725	\$3,025
Contributions subsequent to the measurement date	\$9,037	N/A
Total	\$18,606	\$61,676

\$9,037 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:

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Year ended June 30:	
2022	(\$12,067)
2023	(\$11,026)
2024	(\$11,847)
2025	(\$12,535)
2026	(\$4,357)
2027	(\$275)

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

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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		
Medicare Plan	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.

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.

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

Year	PERACare Medicare	Medicare Part A
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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

Post-retirement non-disabled mortality assumptions for the District 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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	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	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% ¹	N/A

¹ 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.

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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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:

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

- **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.

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:

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

- 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.

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 ¹	6.00%	4.70%
Total	100.00%	

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

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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

	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	\$177,421	\$182,129	\$187,609

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.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 8: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

ELBERT COUNTY SCHOOL DISTRICT C-2
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2021

NOTE 8: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the 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	\$208,632	\$182,129	\$159,484

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.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The District participates in a number of federal and state 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 but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

ELBERT COUNTY SCHOOL DISTRICT C-2
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2021

NOTE 9: **COMMITMENTS AND CONTINGENCIES** (Continued)

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

The District has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2021, the emergency reserve of \$100,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively

NOTE 10: **DEFICIT NET POSITION**

The net position of the governmental activities is in a deficit position in the amount of \$905,969 due to the District including its Net Pension Liability and Net OPEB liability per the requirements of GASB Statement Nos. 68 and 75.

NOTE 11: **SUBSEQUENT EVENTS**

COVID19 Pandemic

As a result of the coronavirus pandemic, economic uncertainties may continue to have a significant impact on the financial position, results of operations, and cashflows of the District. The duration of these uncertainties and the ultimate financial effects cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Local Sources					
Property Taxes	\$ 922,573	\$ 922,573	\$ 937,146	\$ 14,573	\$ 862,214
Specific Ownership Taxes	150,000	150,000	162,807	12,807	147,907
Earnings on Investments	5,000	5,000	4,701	(299)	27,185
All Other Local Revenue Codes	118,213	96,600	105,801	9,201	156,346
Total Local Sources	<u>1,195,786</u>	<u>1,174,173</u>	<u>1,210,455</u>	<u>36,282</u>	<u>1,193,652</u>
State Sources					
State Equalization	1,941,711	1,941,711	1,991,910	50,199	2,201,838
Small Rural Schools	81,000	81,000	82,442	1,442	64,974
Exceptional Children's Education Act	35,832	35,832	90,369	54,537	104,197
Transportation	50,000	50,000	53,352	3,352	52,895
All Other State Revenue	31,401	51,300	37,096	(14,204)	70,550
Total State Sources	<u>2,139,944</u>	<u>2,159,843</u>	<u>2,255,169</u>	<u>95,326</u>	<u>2,494,454</u>
Federal Sources					
Title I	24,644	24,644	24,994	350	28,455
Title IV	9,804	9,804	9,804	-	9,804
REAP	21,293	21,293	21,293	-	21,527
CRF	-	25,000	274,839	249,839	-
All Other Federal Revenue	62,253	-	58,455	58,455	65,352
Total Federal Sources	<u>117,994</u>	<u>80,741</u>	<u>389,385</u>	<u>308,644</u>	<u>125,138</u>
TOTAL REVENUES	<u>3,453,724</u>	<u>3,414,757</u>	<u>3,855,009</u>	<u>440,252</u>	<u>3,813,244</u>
EXPENDITURES					
Instruction					
Salaries	1,256,602	1,297,841	1,239,761	58,080	1,249,416
Employee Benefits	636,924	623,558	486,232	137,326	542,586
Purchased Services	164,512	216,944	275,872	(58,928)	163,359
Supplies and Materials	54,150	55,000	49,196	5,804	57,654
Property	8,600	8,600	1,872	6,728	24,523
Other Objects and Uses	550	550	616	(66)	16
Total Instruction	<u>2,121,338</u>	<u>2,202,493</u>	<u>2,053,549</u>	<u>148,944</u>	<u>2,037,554</u>

(Continued)

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
EXPENDITURES (Continued)					
Supporting Services					
Guidance and Nursing					
Salaries	57,356	58,856	57,314	1,542	48,158
Employee Benefits	22,708	23,044	22,476	568	17,633
Purchased Services	17,900	17,900	16,371	1,529	16,605
Supplies and Materials	6,600	6,600	527	6,073	1,128
Property	200	200	162	38	-
Other Objects and Uses	3,600	3,600	2,932	668	3,256
Total Students	108,364	110,200	99,782	10,418	86,780
Staff Development/Library					
Salaries	54,139	21,113	49,928	(28,815)	46,363
Employee Benefits	28,889	12,456	22,293	(9,837)	19,089
Purchased Services	17,200	17,200	7,501	9,699	10,736
Supplies and Materials	11,950	10,550	6,807	3,743	10,413
Property	3,400	3,400	381	3,019	3,543
Total Instructional Staff	115,578	64,719	86,910	(22,191)	90,144
General Administration					
Salaries	126,109	126,109	143,661	(17,552)	169,759
Employee Benefits	70,846	70,846	72,203	(1,357)	77,688
Purchased Services	30,011	25,011	31,435	(6,424)	26,888
Supplies and Materials	10,000	10,000	10,735	(735)	13,297
Property	1,000	1,000	200	800	-
Other Objects and Uses	12,000	12,000	10,137	1,863	13,237
Total General Administration	249,966	244,966	268,371	(23,405)	300,869
School Administration					
Salaries	144,921	145,821	155,289	(9,468)	146,796
Employee Benefits	61,054	61,256	68,604	(7,348)	63,046
Purchased Services	400	400	-	400	200
Supplies and Materials	300	300	591	(291)	73
Property	300	300	-	300	-
Other Objects and Uses	300	300	-	300	-
Total School Administration	207,275	208,377	224,484	(16,107)	210,115

(Continued)

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended June 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
EXPENDITURES (Continued)					
Supporting Services (Continued)					
Business Administration					
Salaries	60,600	60,601	57,072	3,529	40,647
Employee Benefits	28,365	28,365	25,144	3,221	16,234
Purchased Services	27,030	27,999	27,122	877	25,652
Supplies and Materials	1,000	1,000	1,061	(61)	1,194
Property	-	-	200	(200)	-
Total Business Services	<u>116,995</u>	<u>117,965</u>	<u>110,599</u>	<u>7,366</u>	<u>83,727</u>
Operations and Maintenance					
Salaries	69,708	64,794	61,510	3,284	60,975
Employee Benefits	25,475	29,304	24,966	4,338	22,236
Purchased Services	180,700	187,700	181,358	6,342	194,475
Supplies and Materials	119,000	119,000	110,732	8,268	106,063
Property	4,000	4,000	11,042	(7,042)	3,294
Total Operations and Maintenance	<u>398,883</u>	<u>404,798</u>	<u>389,608</u>	<u>15,190</u>	<u>387,043</u>
Student Transportation					
Salaries	18,800	15,000	11,880	3,120	12,956
Employee Benefits	4,211	3,360	3,767	(407)	3,715
Purchased Services	68,900	70,900	48,570	22,330	47,973
Supplies and Materials	20,400	20,400	16,830	3,570	13,187
Property	1,500	1,500	-	1,500	-
Total Student Transportation	<u>113,811</u>	<u>111,160</u>	<u>81,047</u>	<u>30,113</u>	<u>77,831</u>
Central Support					
Salaries	-	-	8,571	(8,571)	-
Employee Benefits	-	-	3,565	(3,565)	-
Purchased Services	201,121	201,120	229,704	(28,584)	162,313
Supplies and Materials	8,000	16,000	21,403	(5,403)	3,585
Property	15,000	30,000	34,943	(4,943)	3,671
Total Central Support	<u>224,121</u>	<u>247,120</u>	<u>298,186</u>	<u>(51,066)</u>	<u>169,569</u>
Debt Service					
Interest Payments	3,600	3,600	55,570	(51,970)	55,809
Principal Payments	70,000	70,000	-	70,000	-
Total Debt Service	<u>73,600</u>	<u>73,600</u>	<u>55,570</u>	<u>18,030</u>	<u>55,809</u>

(Continued)

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 Year Ended June 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
Total Supporting Services	1,608,593	1,582,905	1,614,557	(31,652)	1,461,887
RESERVES					
Contingency	-	-	-	-	-
Operating Reserve	1,112,219	974,098	-	974,098	-
Assigned Reserves	612,574	612,574	-	612,574	-
Emergency Reserves	100,000	100,000	-	100,000	-
TOTAL RESERVES	1,824,793	1,686,672	-	1,686,672	-
TOTAL EXPENDITURES	5,554,724	5,472,070	3,668,106	1,803,964	3,499,441
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,101,000)	(2,057,313)	186,903	2,244,216	313,803
OTHER FINANCING (USES)					
Transfers Out	(199,000)	(180,000)	(140,000)	40,000	(122,000)
TOTAL OTHER FINANCING (USES)	(199,000)	(180,000)	(140,000)	40,000	(122,000)
CHANGE IN FUND BALANCE	(2,300,000)	(2,237,313)	46,903	2,284,216	191,803
FUND BALANCES, Beginning	2,300,000	2,237,313	2,237,313	-	2,045,510
FUND BALANCES, Ending	\$ -	\$ -	\$ 2,284,216	\$ 2,284,216	\$ 2,237,313

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended December 31,

	2020	2019	2018	2017	2016	2015	2014	2013
Proportion of the Net Pension Liability (Asset)	0.0331%	0.0290%	0.0295%	0.0323%	0.0328%	0.0370%	0.0401%	0.0424%
Proportionate Share of the Net Pension Liability (Asset)	\$ 5,009,827	\$ 4,332,799	\$ 5,216,607	\$ 10,437,088	\$ 9,752,179	\$ 5,656,872	\$ 5,440,727	\$ 5,408,155
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	-	549,561	713,298	-	-	-	-	-
Total Proportionate Share of the Net Pension Liability (Asset)	\$ 5,009,827	\$ 4,882,360	\$ 5,929,905	\$ 10,437,088	\$ 9,752,179	\$ 5,656,872	\$ 5,440,727	\$ 5,408,155
Covered payroll	\$ 1,772,453	\$ 1,704,128	\$ 1,618,571	\$ 1,488,884	\$ 1,470,065	\$ 1,611,796	\$ 1,681,702	\$ 1,708,907
Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.6%	254.3%	366.37%	701.00%	663.38%	350.97%	323.53%	316.47%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%	64.06%

NOTE: Information for the prior two years was not available for this report

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the Net OPEB Liability (Asset)	0.0192%	0.0190%	0.0192%	0.0183%	0.0186%
Proportionate Share of the Net OPEB Liability (Asset)	\$ 182,129	\$ 213,024	\$ 260,538	\$ 238,339	\$ 241,387
Covered payroll	\$ 1,772,453	\$ 1,704,128	\$ 1,618,571	\$ 1,488,884	\$ 1,470,065
Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	10.3%	12.5%	16.10%	16.01%	16.42%
Plan Fiduciary Net position as a Percentage of the Total OPEB Liability	32.78%	24.49%	17.03%	17.53%	16.72%

NOTE: Information for the prior five years was not available for this report.

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA SCHOOL DIVISION TRUST FUND PLAN

Years Ended June 30,

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually Required Contributions	\$ 338,520	\$ 330,450	\$ 312,937	\$ 293,531	\$ 271,517	\$ 264,403	\$ 286,002	\$ 268,288
Contributions in Relation to the Contractually Required Contributions	338,520	330,450	312,937	293,531	271,517	264,403	286,002	268,288
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,702,811	\$ 1,705,101	\$ 1,635,845	\$ 1,553,582	\$ 1,476,789	\$ 1,491,148	\$ 1,693,128	\$ 1,677,848
Contributions as a Percentage of Covered Payroll	19.88%	19.38%	19.13%	18.89%	18.39%	17.73%	16.89%	15.99%

NOTE: Information for the prior two years was not available for this report.

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contributions	\$ 17,369	\$ 17,392	\$ 16,686	\$ 15,847	\$ 15,210
Contributions in Relation to the Contractually Required Contributions	<u>17,369</u>	<u>17,392</u>	<u>16,686</u>	<u>15,847</u>	<u>15,210</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,711,811	\$ 1,705,101	\$ 1,635,845	\$ 1,553,582	\$ 1,491,148
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior five years was not available for this report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

ELBERT COUNTY SCHOOL DISTRICT C-2

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2021

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	PUPIL ACTIVITY FUND	CAPITAL PROJECTS FUND	TOTALS
ASSETS					
Cash and Investments	\$ 53,681	\$ 4,731	\$ 53,672	\$ 96,935	\$ 209,019
Accounts Receivable	11,082	-	-	-	11,082
Inventory	8,017	-	-	-	8,017
TOTAL ASSETS	<u>\$ 72,780</u>	<u>\$ 4,731</u>	<u>\$ 53,672</u>	<u>\$ 96,935</u>	<u>\$ 228,118</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accrued Salaries and Benefits	\$ 11,517	\$ -	\$ -	\$ -	\$ 11,517
Unearned Revenue	1,430	-	-	-	1,430
TOTAL LIABILITIES	<u>12,947</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,947</u>
FUND EQUITY					
Fund Balance					
Nonspendable	8,017	-	-	-	8,017
Assigned	51,816	4,731	53,672	96,935	207,154
TOTAL FUND EQUITY	<u>59,833</u>	<u>4,731</u>	<u>53,672</u>	<u>96,935</u>	<u>215,171</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 72,780</u>	<u>\$ 4,731</u>	<u>\$ 53,672</u>	<u>\$ 96,935</u>	<u>\$ 228,118</u>

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2021

	FOOD SERVICE FUND	STUDENT ACTIVITY FUND	PUPIL ACTIVITY FUND	CAPITAL PROJECTS FUND	TOTALS
REVENUES					
Local Sources	\$ 10,334	\$ 11,991	\$ 56,570	\$ 6,269	\$ 85,164
State Sources	774	-	-	-	774
Federal Sources	123,932	-	-	-	123,932
TOTAL REVENUES	135,040	11,991	56,570	6,269	209,870
EXPENDITURES					
Current					
Supporting Services	159,874	40,671	50,511	87,112	338,168
TOTAL EXPENDITURES	159,874	40,671	50,511	87,112	338,168
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(24,834)	(28,680)	6,059	(80,843)	(128,298)
OTHER FINANCING SOURCES (USES)					
Transfers In	50,000	30,000	-	60,000	140,000
TOTAL OTHER FINANCING SOURCES	50,000	30,000	-	60,000	140,000
NET CHANGE IN FUND BALANCES	25,166	1,320	6,059	(20,843)	11,702
FUND BALANCES, Beginning	34,667	3,411	47,613	117,778	203,469
FUND BALANCES, Ending	\$ 59,833	\$ 4,731	\$ 53,672	\$ 96,935	\$ 215,171

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
 FOOD SERVICE FUND
 Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Local Sources					
Charges for Services	\$ 37,000	\$ 12,500	\$ 10,334	\$ (2,166)	\$ 33,244
State and Federal Sources					
School Lunches	53,000	57,500	117,104	59,604	30,214
School Breakfast	-	17,000	-	(17,000)	13,628
Commodity Donations	-	6,000	6,828	828	3,714
State Match	1,800	1,800	774	(1,026)	768
TOTAL REVENUES	91,800	94,800	135,040	40,240	81,568
EXPENDITURES					
Salaries	68,111	61,190	66,107	(4,917)	72,552
Benefits	34,977	33,426	32,723	703	27,206
Purchased Services	6,800	6,800	3,665	3,135	4,395
Food	65,400	61,300	45,504	15,796	46,086
Other Supplies	3,000	4,100	11,153	(7,053)	3,485
Property	-	3,000	722	2,278	51
Other Objects and Uses	-	-	-	-	6,172
TOTAL EXPENDITURES	178,288	169,816	159,874	9,942	159,947
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(86,488)	(75,016)	(24,834)	50,182	(78,379)
OTHER FINANCING SOURCES (USES)					
Transfers In	80,000	65,000	50,000	(15,000)	80,000
CHANGE IN FUND BALANCE	(6,488)	(10,016)	25,166	35,182	1,621
FUND BALANCES, Beginning	25,971	34,667	34,667	-	33,046
FUND BALANCES, Ending	\$ 19,483	\$ 24,651	\$ 59,833	\$ 35,182	\$ 34,667

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
 STUDENT ACTIVITY FUND
 Year Ended June 30, 2020

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Local Sources					
Charges for Services	\$ 27,000	\$ 12,250	\$ 11,991	\$ (259)	\$ 20,073
Other	-	-	-	-	1,216
TOTAL REVENUES	27,000	12,250	11,991	(259)	21,289
EXPENDITURES					
Supporting Services					
Purchased Services	41,400	34,400	23,696	10,704	31,615
Materials and Supplies	12,400	19,400	16,975	2,425	16,449
Other	-	-	-	-	-
TOTAL EXPENDITURES	53,800	53,800	40,671	13,129	48,064
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(26,800)	(41,550)	(28,680)	12,870	(26,775)
OTHER FINANCING SOURCES (USES)					
Transfers In	29,000	40,000	30,000	(10,000)	27,000
CHANGE IN FUND BALANCE	2,200	(1,550)	1,320	2,870	225
FUND BALANCE, Beginning	2,000	3,411	3,411	-	3,186
FUND BALANCE, Ending	\$ 4,200	\$ 1,861	\$ 4,731	\$ 2,870	\$ 3,411

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
Year Ended June 30, 2021

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES				
Local Sources				
Other	\$ 130,000	\$ 56,570	\$ (73,430)	\$ 34,684
Earnings on Investments	-	-	-	-
TOTAL REVENUES	<u>130,000</u>	<u>56,570</u>	<u>(73,430)</u>	<u>34,684</u>
EXPENDITURES				
Supporting Services				
Materials and Supplies	130,000	50,511	79,489	42,001
Property	-	-	-	-
TOTAL EXPENDITURES	<u>130,000</u>	<u>50,511</u>	<u>79,489</u>	<u>42,001</u>
CHANGE IN FUND BALANCE	-	6,059	6,059	(7,317)
FUND BALANCE, Beginning	<u>152,269</u>	<u>47,613</u>	<u>(104,656)</u>	<u>54,930</u>
FUND BALANCE, Ending	<u>\$ 152,269</u>	<u>\$ 53,672</u>	<u>\$ (98,597)</u>	<u>\$ 47,613</u>

See the accompanying independent auditor's report.

ELBERT COUNTY SCHOOL DISTRICT C-2

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS FUND
 Year Ended June 30, 2021

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES					
Local Sources					
Earnings on Investments	\$ 800	\$ 200	\$ 97	\$ (103)	\$ 1,986
Other	-	-	6,172	6,172	750
TOTAL REVENUES	800	200	6,269	6,069	2,736
EXPENDITURES					
Supporting Services					
Purchased Services	20,000	10,000	-	10,000	-
Property	90,000	90,000	87,112	2,888	36,222
TOTAL EXPENDITURES	110,000	100,000	87,112	12,888	36,222
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(109,200)	(99,800)	(80,843)	18,957	(33,486)
OTHER FINANCING SOURCES					
Transfers In	90,000	75,000	60,000	(15,000)	15,000
CHANGE IN FUND BALANCE	(19,200)	(24,800)	(20,843)	3,957	(18,486)
FUND BALANCE, Beginning	117,794	117,778	117,778	-	136,264
FUND BALANCE, Ending	\$ 98,594	\$ 92,978	\$ 96,935	\$ 3,957	\$ 117,778

See the accompanying independent auditor's report.

COMPLIANCE



Colorado Department of Education
Auditors Integrity Report
 District: 0930 - Kiowa C-2
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental						
10 General Fund	2,237,315		3,715,009	3,668,107		2,284,217
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	2,237,315		3,715,009	3,668,107		2,284,217
11 Charter School Fund	0		0	0		0
20.26-29 Special Revenue Fund	47,613		56,570	50,511		53,671
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	34,667		185,040	159,874		59,832
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	3,411		41,990	40,672		4,730
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	0		0	0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	0		0	0		0
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	117,778		66,269	87,112		96,934
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	2,440,784		4,064,878	4,006,277		2,499,385
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34/Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0

FINAL