

cPa DIXON, WALLER & CO., INC.

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FREMONT COUNTY SCHOOL

DISTRICT NUMBER RE-2

FLORENCE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

**DIXON, WALLER & CO., INC.**

**TABLE OF CONTENTS**

**FREMONT COUNTY SCHOOL DISTRICT RE-2**

**FINANCIAL STATEMENTS**

**JUNE 30, 2021**

	<u>Page</u>
<b>Title Page</b>	
<b>Table of Contents</b>	
<b>Roster of Officials</b>	
<b><u>FINANCIAL SECTION:</u></b>	
<b>Independent Auditor's Report.....</b>	<b>1-2</b>
<b>Management's Discussion and Analysis .....</b>	<b>i-vii</b>
<b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
<b>Government Wide Financial Statements:</b>	
<b>Statement of Net Position.....</b>	<b>3</b>
<b>Statement of Activities.....</b>	<b>4</b>
<b>Fund Financial Statements:</b>	
<b>Balance Sheet – Governmental Funds.....</b>	<b>5-6</b>
<b>Reconciliation of Governmental Funds Balance Sheet         to Statement of Net Position.....</b>	<b>7</b>
<b>Statement of Revenues, Expenditures and Changes in         Fund Balances – Governmental Funds.....</b>	<b>8-9</b>
<b>Reconciliation of the Statement of Revenues, Expenditures and         Changes in Fund Balances of Governmental Funds to the         Statement of Activities.....</b>	<b>10</b>

<b>Fund Financial Statements (Continued):</b>	<u>Page</u>
Statement of Fiduciary Net Position.....	11
Statement of Changes in Fiduciary Net Position – Budget and Actual.....	12
Notes to Basic Financial Statements.....	13-48

**REQUIRED SUPPLEMENTARY INFORMATION:**

**Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual – Major Governmental Funds:**

General Fund .....	49-52
Designated Purpose Grants – Special Revenue Fund.....	53
Food Service- Special Revenue Fund .....	54

**Pension Trend Data:**

Schedule of Proportionate Share of Net Pension Liability.....	55
Schedule of District Contributions - Pension .....	56

**Other Post Employment Benefits (OPEB) Trend Data:**

Schedule of Proportionate Share of Net OPEB Liability.....	57
Schedule of District Contributions – OPEB.....	58

**INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:**

**Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:**

Pupil Activity – Special Revenue .....	59
Bond Redemption – Major Fund.....	60
Capital Reserve Capital Projects – Major Fund.....	61

**STATE REQUIRED SCHEDULES:**

Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund) .....	62
Bolded Balance Sheet.....	63-65

**SINGLE AUDIT SECTION:**

**Page**

<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>.....</b>	<b>66-67</b>
<b>Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By Uniform Guidance .....</b>	<b>68-69</b>
<b>Schedule of Findings and Questioned Costs.....</b>	<b>70-71</b>
<b>Summary Schedule of Prior Audit Findings.....</b>	<b>72</b>
<b>Schedule of Expenditures of Federal Awards.....</b>	<b>73</b>
<b>Notes to Schedule of Expenditures of Federal Awards.....</b>	<b>74</b>

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2021**

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**BOARD OF EDUCATION**

<b>Andy Franklin</b>	<b>President</b>
<b>Brad Knifong</b>	<b>Vice-President</b>
<b>Andrew Dalton</b>	<b>Treasurer</b>
<b>Janelle Dodd</b>	<b>Secretary</b>
<b>Lee Vigil</b>	<b>Director</b>

**SCHOOL OFFICIALS**

<b>Brenda Krage</b>	<b>Superintendent</b>
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**FINANCIAL SECTION**



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

**INDEPENDENT AUDITOR'S REPORT**

**Board of Education  
Fremont County School  
District Number RE-2  
Florence, Colorado 81226**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Fremont County School District Number RE-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, budgetary comparison information and pension and post employment benefits trend data on pages i through vii and 49 through 58 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 Fremont County School District Number RE-2's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of Fremont County School District Number RE-2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fremont County School District Number RE-2's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fremont County School District Number RE-2's internal control over financial reporting and compliance.

*Sifton, Waller & Co., Inc.*

November 30, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Fremont RE-2 School District Management's Discussion and Analysis**

As management of the Fremont RE-2 School District, we offer readers of the District's Comprehensive Annual Financial Report this narrative and analysis of the financial activities of the District for the fiscal year ending June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information provided in the Independent Auditor's report.

### **Financial Highlights**

- The primary government has government-wide net position deficit of (\$14,233,895) at the end of the current fiscal year due to the net pension liability of over \$21.2 million dollars
  
- Governmental activities have an unassigned fund balance of over \$13,311,126.
  
- Fund balance of the District's governmental funds increased by \$2,600,125 resulting in an ending fund balance of \$13,311,126. The General Fund balance increased from a beginning balance of \$6,982,487 to an ending balance of \$6,982,487. There are monies kept in the Non-Restricted Projects Fund (a subset of the General Fund), but are currently not available for the day-to-day operations of the District.

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

The Management's discussion and analysis is intended to be an introduction into the District's basic financial statements. The prior year's statements are provided for comparison. The Fremont RE-2 School District's basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to basic financial statements

The Management's Discussion and Analysis also contains other supplemental information.

### **Government-Wide Financial Statements**

The financial statements provided are designed to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the students.

The statement of net assets presents information on all of the District's assets and liabilities. The difference between the two is reported as net assets. Changes in net assets from year-to-year may be used as an indicator of the overall financial position of the District.

The statement of activities presents the current fiscal year revenues and expenses to show how the net assets of the district changed during the year. In the statement of activities, changes in net assets are recorded when the event occurs. This could mean that information may be reported for revenues and expenses that will result in cash flow differences in future fiscal years.

Governmental activities consolidate all of the following Fremont RE-2 School District funds: general fund, Colorado preschool fund, governmental designated-purpose grants fund, capital reserve fund, insurance reserve fund, general capital projects fund, pupil activity fund, non-restricted projects fund and bond redemption fund. Business-type activities include only the food service fund. The district added a Capital

Reserve Capital Projects fund this year to accommodate an Energy Performance Contract to improve efficiencies of the District's overall utility consumption.

Fremont Re-2 received additional monies for the purpose of Covid-19. ESSER I monies expended were \$218,704; ESSER II expenditures totaled \$534,422.13; and ESSER III, \$

## **Fund Financial Statements**

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Fremont RE-2 School District, like other governments, uses fund accounting to guarantee and prove compliance. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

### Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances (spendable resources available at the end of the fiscal year). Such information is used to evaluate the District's short-term financing requirements. Comparison of the governmental funds with the government-wide funds may allow the reader to better understand the long-term impact of the District's near-term financing decisions.

Fremont RE-2 School District maintains three different governmental funds called major funds: the General fund (which combines the District's general operating fund, insurance reserve fund, general capital projects fund, non-restricted project fund and Colorado preschool fund), the Bond Redemption Fund and the Designated Purpose Grants fund. They are presented separately in the fund financial statements with the remaining governmental funds (combined into a single aggregated presentation labeled other governmental funds). Other governmental funds, called non-major funds, include the District's Capital Reserve fund and the Pupil Activity fund. Individual fund information for the non-major funds is presented as other supplemental information after the notes section of this report.

The District adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget. The remaining governmental funds budgetary comparisons are reported as other supplemental information and can be found after the notes section of this report.

### Fiduciary Funds

Fiduciary funds are used to account for resources held by the District for parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because these sources of those funds are not available to support Fremont RE-2 School District's direct educational programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

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

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

### **Other Information**

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

## Government-Wide Financial Analysis

### Government-Wide Net Position

The assets of the Fremont RE-2 School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenditures are current assets. These assets are available to provide resources for the near-term operations of the District. Capital assets are used in the operations of the District. These assets include land, buildings, equipment and vehicles.

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### Fremont RE-2 School District Net Position

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	<b>Net Position</b>	
	<b>Governmental Activities</b>	
	<b>FY 21</b>	<b>FY 20</b>
<b>ASSETS</b>		
Current and Other Assets	15,685,407	13,758,306
Capital Assets	10,995,519	10,123,008
Total Assets	<u>26,680,926</u>	<u>23,881,314</u>
Deferred Outflows	<u>5,097,510</u>	<u>4,789,302</u>
<b>LIABILITIES</b>		
Current and Other Liabilities	3,848,861	3,132,676
Long Term Liabilities	27,345,289	26,807,340
Total Liabilities	<u>31,194,150</u>	<u>29,940,016</u>
Deferred Inflows	<u>9,302,222</u>	<u>15,857,021</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	4,146,368	4,420,482
Restricted for:		
Tabor Reserve	424,000	447,000
Debt Service	2,997,810	2,834,704
Capital Outlay	178,380	-
Food Service	678,456	573,095
Preschool	105,675	89,541
Unrestricted	<u>(17,248,625)</u>	<u>(25,491,243)</u>
	<u>(8,717,936)</u>	<u>(17,126,421)</u>

### Government-Wide Activities

Governmental activities increased the net assets of the District by \$8,408,485 during the current fiscal year ending June 30, 2020.

	<b>Changes in Net Position Governmental Activities</b>	
	<b>FY 21</b>	<b>FY 20</b>
<b>Revenues</b>		
Charges for Services	249,861	596,577
Operating Grants and Contributions	4,101,756	2,549,800
Capital Grants and Contributions	599,430	-
Property taxes	4,420,463	4,536,563
Specific Ownership Taxes	725,295	667,878
Equalization	8,267,409	8,819,842
Earnings on investments	15,464	135,839
Other Revenues	131,991	103,952
Sale of Assets	-	515,000
<b>TOTAL REVENUES</b>	<b>18,511,669</b>	<b>17,925,451</b>
<b>Expenses</b>		
Instructional services	8,729,291	9,467,435
Supporting services:		
Students	687,684	900,959
Instructional staff	56,590	147,099
District administration	547,359	700,046
School administration	791,289	913,549
Business	206,999	172,285
Operation and maintenance of facilities	1,914,338	1,729,969
Transportation	811,172	753,038
Central	400,542	264,508
Other	311,531	86,918
Food Service	885,696	686,753
Capital outlay	602,267	21,454
Interest and Fees	176,394	164,435
Pension and OPEB Changes	(6,017,968)	(3,598,956)
<b>TOTAL EXPENSES</b>	<b>10,103,184</b>	<b>12,409,492</b>
<b>Increase ( Decrease in Net Position )</b>	<b>8,408,485</b>	<b>5,515,959</b>

Table - 3 Governmental Activities by Major Function

	Total Cost of Service		Net Cost of Service	
	FY 21	FY 20	FY 21	FY 20
Instructional services	8,729,291	9,467,435	(6,057,828)	(7,815,795)
Supporting services:				
Students	687,684	900,959	(542,662)	(576,160)
Instructional staff	56,590	147,099	(56,590)	(147,099)
District administration	547,359	700,046	(547,359)	(700,046)
School administration	791,289	913,549	(791,289)	(913,549)
Business	206,999	172,285	(206,999)	(172,285)
Operation and maintenance of facilities	1,914,338	1,729,969	(1,886,622)	(1,697,670)
Transportation	811,172	753,038	(625,183)	(573,101)
Central	400,542	264,508	(400,542)	(264,508)
Other	311,531	86,918	(311,531)	(86,918)
Food Service	885,696	686,753	83,932	270,949
Capital outlay	602,267	21,454	348,962	(21,454)
Interest and Fees	176,394	164,435	(176,394)	(164,435)
Pension and OPEB Changes	(6,017,968)	(3,598,956)	6,017,968	3,598,956
Total	<u>10,103,184</u>	<u>12,409,492</u>	<u>(5,152,137)</u>	<u>(9,263,115)</u>

CAPITAL ASSETS

Capital Assets ( Net of Depreciation )	Governmental <u>2020-2021</u>	Governmental <u>2019-2020</u>
Land & Sites	1,007,850	1,007,850
Buildings & Improvements	9,570,751	8,818,735
Equipment & Vehicles	409,034	294,686
Food Service	7,884	1,737
Total Capital Assets	<u>10,995,519</u>	<u>10,123,008</u>

## Business-Type Activities

Business-type activities of the District's accounts have been combined with the General Fund Activities per state requirement for the 2020-2021 fiscal year.

### Financial Analysis of the Government Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of Fremont RE-2 School District's net resources available for spending at the end of the fiscal year.

The combined general fund is the major governmental fund of Fremont RE-2 School District. The combined general fund under GASB 34 reporting requirements includes the general fund, non-restricted projects fund, the general capital projects fund, the Colorado preschool fund, and the food service fund. As of June 30, 2021, the combined general fund shows an ending fund balance of \$9,175,726 up from the combined fund balance of \$6,982,487 for the prior year.

### General Fund Budgetary Highlights

Fremont RE-2 School District began budget development for the 2020-2021 fiscal year in February 2020 with preliminary analysis of salary requirements related to teacher negotiations. After reviewing enrollment projections and the most current revenue assumptions, the Superintendent and her senior staff prepared a preliminary budget by prioritizing the needs expressed in the hearings' process. Teacher, administrative, and classified employees' salary increases were put into effect as stated in the District's Negotiated Agreement. It was decided to give step increases to all employees who were eligible. The preliminary budget was presented to the Board of Education in May 2020. Adoption of the 2020-2021 District budget occurred in June of 2020 with a Final Budget adopted in December of 2021.

### Capital Assets and Debt Administration

The District's investment in capital assets for its business-type activities has been combined with the general fixed assets as of July 1, 2021. The amount capitalized has decreased dramatically due to funding.. The District spent over \$18,000,000 on the construction of a new high school. The investments were made possible due to the passage of a \$22,000,000 bond in November 2003. The Bond Redemption schedule is not to exceed \$1,920,000 per year for the 20 years from 2004-2023. During the 2006-2007 fiscal year, \$9,465,000 in 2004 General Obligations Bonds were refinanced to take advantage of lower interest rates on longer term bonds. The refinancing provided the district a present value savings of \$384,582, which translates into a projected Net Future Value Savings of \$607,345. Additionally in 2015 the District refinanced the 2006 G.O. Bonds for an accumulative savings of over \$1,000,000. Additional information on the District's capital assets can be found in this report.

CHANGES IN LONG TERM DEBT	Balance <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2021</u>
Vehicle Lease	37,526		34,559	2,967
G.O. Bonds Series 2015	5,665,000		1,360,000	4,305,000
Energy Project Lease	-	2,541,184		2,541,184
Totals	<u>5,702,526</u>	<u>2,541,184</u>	<u>1,394,559</u>	<u>6,849,151</u>

### **Long Term Liabilities**

The District has a long term debt liability which is not due or payable during this period. The District's portion of the net pension obligation for PERA is reported on the statement of net position and not as a liability in the funds. The amount obligated to PERA is \$21,221,240.

### **Economic Factors and Next Year's Budgets**

The General Fund fund balance demonstrates that the District is financially stable. The District continues to be in a situation of declining enrollment but has made the necessary adjustments to keep expenditures in line with revenues. In light of the current economy in the State of Colorado, and the fact that the majority of the District's revenue is flow through money from State Equalization, the District along with the Eastern Fremont Education Association and the Classified Association agreed to fund incremental raises for the 2020-2021 school year.

It is our opinion that the District's revenue stream for the General Fund will continue to drop drastically over the next several years. The District continues to be in a state of declining enrollment and over the past few years Amendment 23 has helped stabilize the revenue stream. Amendment 23 guarantees that K-12 funding will be increased at a rate of the Denver-Boulder CPI plus 1%. In past years, inflation increased so funding has stayed level with declining enrollment (stable revenues). For the budget year 2016-2017, the inflation rate is 1.9%, but is expected to remain the same in 2018-19. The CPI for 2018-2019 was a negative percentage (deflation) of 2.1%. In spite of Amendment 23, state funding for schools has continued to decline.

As a result of the prolonged economic conditions that exist in the state, the State of Colorado has been unable to fully fund school districts beginning with school year 2009-2010. The actual funded Total Program for school districts has declined 8.26% from the high in 2009-2010. The continued gap in funding has created a projected negative factor of 12.795% for the 2015-2016 school year. The district was not required to make any cuts for the current 2018-2019 school year. The future negotiations between District and the Associations will be important to the financial stability of the District. The other governmental funds should not be affected by the economy as they are all tied to property tax revenues generated by mill levies.

### **Requests for Information**

This financial report is designed to provide a general overview of the Fremont RE-2 School District's finances for all those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Jacque Corsentino, Director of Business Services  
Fremont RE-2 School District  
403 W. 5<sup>th</sup> Street  
Florence, Colorado 81226

**BASIC FINANCIAL STATEMENTS**

FREMONT COUNTY SCHOOL DISTRICT RE-2  
STATEMENT OF NET POSITION  
June 30, 2021

	Governmental Activities	Total
<b><u>ASSETS</u></b>		
Cash and Equivalents	14,129,757	14,129,757
Accounts Receivable	110,527	110,527
Grants Receivable	752,064	752,064
Property Taxes Receivable	681,950	681,950
Inventories	11,109	11,109
Capital Assets	40,739,966	40,739,966
Accumulated Depreciation	(29,744,447)	(29,744,447)
	-	-
<b><u>Total Assets</u></b>	<b><u>26,680,926</u></b>	<b><u>26,680,926</u></b>
<b><u>DEFERRED OUTFLOW OF RESOURCES</u></b>		
Pensions	4,945,727	4,945,727
Other Post Employment Benefits	56,588	56,588
Deferred Refunding	95,195	95,195
<b><u>Total Deferred Outflow of Resources</u></b>	<b><u>5,097,510</u></b>	<b><u>5,097,510</u></b>
<b><u>LIABILITIES</u></b>		
Accounts Payable	121,514	121,514
Accrued Salaries	1,196,898	1,196,898
Accrued Interest Payable	60,940	60,940
Compensated Absences	275,019	275,019
Unearned Revenues	466,819	466,819
Unamortized Bond Premium	231,663	231,663
Debt – Within 1 Year	1,496,008	1,496,008
Debt – More Than 1 Year	5,353,143	5,353,143
Net Pension Liability	21,221,240	21,221,240
Net OPEB Liability	770,906	770,906
<b><u>Total Liabilities</u></b>	<b><u>31,194,150</u></b>	<b><u>31,194,150</u></b>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>		
Pensions	8,975,343	8,975,343
Other Post Employment Benefits	326,879	326,879
<b><u>Total Deferred Inflow of Resources</u></b>	<b><u>9,302,222</u></b>	<b><u>9,302,222</u></b>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	4,146,368	4,146,368
Restricted for:		
TABOR Reserve	424,000	424,000
Preschool	105,675	105,675
Debt Service	2,997,810	2,997,810
Capital Outlay	178,380	178,380
Food Service	678,456	678,456
Unrestricted	(17,248,625)	(17,248,625)
<b><u>TOTAL NET POSITION</u></b>	<b><u>(8,717,936)</u></b>	<b><u>(8,717,936)</u></b>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

	Net (Expenses) Revenue and Changes in Net Position			
	Program Revenues		Primary Government	
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities
	Expenses			Total
Instructional Services	8,729,291	-	2,671,463	(6,057,828)
Supporting Services:				
Students	687,684	145,022	-	(542,662)
Instructional Staff	56,590	-	-	(56,590)
District Administration	547,359	-	-	(547,359)
School Administration	791,289	-	-	(791,289)
Business	206,999	-	-	(206,999)
Operation & Maintenance				
of Facilities	1,914,338	27,716	-	(1,886,622)
Transportation	811,172	185,989	-	(625,183)
Central	400,542	-	-	(400,542)
Facility	-	-	-	-
Food Service	885,696	77,123	892,505	83,932
Other	311,531	-	-	(311,531)
Capital Outlay	602,267	-	351,799	348,962
Interest and Fees	176,394	-	-	(176,394)
Pension and OPEB Changes	(6,017,968)	-	-	6,017,968
Total Governmental Activities	<u>10,103,184</u>	<u>4,101,756</u>	<u>599,430</u>	<u>(5,152,137)</u>
Total School District	<u>10,103,184</u>	<u>4,101,756</u>	<u>599,430</u>	<u>(5,152,137)</u>
<b>General Revenues</b>				
Property Taxes Levied for General Purpose				4,420,463
Specific Ownership Taxes				725,295
Equalization				8,267,409
Earnings on Investments				15,464
Other Revenues				<u>131,991</u>
Total General Revenues				<u>13,560,622</u>
Change in Net Position				8,408,485
Net Position, Beginning				<u>(17,126,421)</u>
Net Position, Ending				<u>(8,717,936)</u>

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	<u>General</u>	<u>Bond</u>	<u>Food Service</u>
<b><u>ASSETS</u></b>			
Cash and Equivalents	9,714,914	2,976,857	706,257
Accounts Receivable	110,527	-	-
Grants Receivable	433,715	-	139,941
Due From Other Funds	154,257	-	-
Property Taxes Receivable	410,450	271,500	-
Inventories	-	-	<u>11,109</u>
<b><u>Total Assets</u></b>	<u>10,823,863</u>	<u>3,248,357</u>	<u>857,307</u>
<b><u>LIABILITIES</u></b>			
Accounts Payable	81,191	-	39,787
Accrued Salaries	1,088,512	-	45,973
Due To Other Funds	107,481	15,447	72,069
Other Payables	-	-	-
Unearned Revenues	<u>17,003</u>	-	<u>9,913</u>
<b><u>Total Liabilities</u></b>	<u>1,294,187</u>	<u>15,447</u>	<u>167,742</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>			
Property Taxes	<u>353,950</u>	<u>235,100</u>	<u>-</u>
<b><u>FUND BALANCES:</u></b>			
Nonspendable:			
Inventories	-	-	11,109
Restricted for:			
Emergencies	424,000	-	-
Preschool	105,675	-	-
Debt Service	-	2,997,810	-
Capital Outlay	-	-	-
Food Service	-	-	678,456
Committed for:			
Capital Outlay	235,816	-	-
Insurance	2,605,485	-	-
Assigned for:			
Pupil Activities	-	-	-
Unassigned	<u>5,804,750</u>	-	-
<b><u>Total Fund Balances</u></b>	<u>9,175,726</u>	<u>2,997,810</u>	<u>689,565</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>			
	<u>10,823,863</u>	<u>3,248,357</u>	<u>857,307</u>

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

<u>Capital Projects Funds</u>	<u>Designated Purpose Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
10,956	451,128	269,645	14,129,757
-	-	-	110,527
59,943	118,465	-	752,064
107,481	55	-	261,793
-	-	-	681,950
-	-	-	11,109
<u>178,380</u>	<u>569,648</u>	<u>269,645</u>	<u>15,947,200</u>
-	536	-	121,514
-	62,413	-	1,196,898
-	66,796	-	261,793
-	-	-	-
-	<u>439,903</u>	-	<u>466,819</u>
-	<u>569,648</u>	-	<u>2,047,024</u>
-	-	-	<u>589,050</u>
-	-	-	11,109
-	-	-	424,000
-	-	-	105,675
-	-	-	2,997,810
178,380	-	-	178,380
-	-	-	678,456
-	-	-	235,816
-	-	-	2,605,485
-	-	269,645	269,645
-	-	-	<u>5,804,750</u>
<u>178,380</u>	-	<u>269,645</u>	<u>13,311,126</u>
<u>178,380</u>	<u>569,648</u>	<u>269,645</u>	<u>15,947,200</u>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
June 30, 2021**

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

<b>TOTAL FUND BALANCE – GOVERNMENTAL FUNDS</b>	<b>13,311,126</b>
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$40,739,966 and the accumulated depreciation is \$29,744,447.	10,995,519
Property tax revenues is recognized when earned (claim to resources established) rather than when “available”. All of the deferred property tax revenue is not available in the fund financial statements.	589,050
Compensated absences are not reported as a liability in the funds.	(275,019)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(6,849,151)
Accrued interest on long term debt is not reported in the funds.	(60,940)
Unamortized bond premium is not reported in the funds.	(231,663)
Deferred Refunding is not reported in the funds.	95,195
The District’s portion of the net pension liability for PERA is reported on the statement of net position is not reported as a liability in the funds.	(21,221,240)
The District’s portion of the net OPEB liability reported on the statement of net position is not reported as a liability in the funds.	(770,906)
Deferred flows for contributions made toward the net pension liability from December 31, 2019 until June 30, 2020 is not reported in the funds.	748,844
Deferred flows for contributions made toward the net OPEB liability from December 31, 2019 until June 30, 2020 is not reported in the funds.	38,422
Net deferred pension flows – Plan Level	(5,030,970)
Net deferred pension flows – Employer Level	252,510
Net deferred OPEB flows – Plan Level	(240,447)
Net deferred OPEB flows – Employer Level	<u>(68,266)</u>
<b><u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u></b>	<b><u>(8,717,936)</u></b>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2021**

	<u>General</u>	<u>Bond</u>	<u>Food Service</u>
<b><u>REVENUES</u></b>			
Property Taxes	2,694,028	1,708,535	-
Specific Ownership Taxes	725,295	-	-
Earnings on Investments	11,639	3,768	4
Other Local Sources	543,621	4,639	79,365
State Aid	8,918,055	-	7,667
Federal Aid	1,468,888	-	884,838
<b><u>Total Revenues</u></b>	<b><u>14,361,526</u></b>	<b><u>1,716,942</u></b>	<b><u>971,874</u></b>
<b><u>EXPENDITURES</u></b>			
<b>Current:</b>			
Instructional Services	6,741,676	-	-
<b>Supporting Services:</b>			
Students	424,628	-	-
Instructional Staff	54,757	-	-
District Administration	547,359	-	-
School Administration	785,254	-	-
Business	206,553	-	-
Operation & Maintenance of Facilities	1,766,053	-	-
Transportation	726,365	-	-
Central	400,542	-	-
Other	308,480	-	-
Food Service	-	-	885,696
<b>Debt Service:</b>			
Principal	34,558	1,360,000	-
Interest and Fees	1,213	193,836	-
Capital Outlay	79,868	-	-
<b><u>Total Expenditures</u></b>	<b><u>12,077,306</u></b>	<b><u>1,553,836</u></b>	<b><u>885,696</u></b>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>2,284,220</u></b>	<b><u>163,106</u></b>	<b><u>86,178</u></b>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers	(90,981)	-	64
Proceeds from Debt	-	-	-
<b><u>Total Other Financing Sources (Uses)</u></b>	<b><u>(90,981)</u></b>	<b><u>-</u></b>	<b><u>64</u></b>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<b><u>2,193,239</u></b>	<b><u>163,106</u></b>	<b><u>86,242</u></b>
<b><u>FUND BALANCES, Beginning</u></b>	<b><u>6,982,487</u></b>	<b><u>2,834,704</u></b>	<b><u>603,323</u></b>
<b><u>FUND BALANCES, Ending</u></b>	<b><u>9,175,726</u></b>	<b><u>2,997,810</u></b>	<b><u>689,565</u></b>

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

<u>Capital Projects Funds</u>	<u>Designated Purpose Grants</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	-	-	4,402,563
-	-	-	725,295
53	-	-	15,464
-	40,982	145,022	813,629
599,430	182,677	-	9,707,829
-	<u>475,263</u>	-	<u>2,828,989</u>
<u>599,483</u>	<u>698,922</u>	<u>145,022</u>	<u>18,493,769</u>
-	698,922	-	7,440,598
-	-	256,781	681,409
-	-	-	54,757
-	-	-	547,359
-	-	-	785,254
-	-	-	206,553
-	-	-	1,766,053
-	-	-	726,365
-	-	-	400,542
-	-	-	308,480
-	-	-	885,696
-	-	-	1,394,558
-	-	-	195,049
<u>2,962,287</u>	-	-	<u>3,042,155</u>
<u>2,962,287</u>	<u>698,922</u>	<u>256,781</u>	<u>18,434,828</u>
(2,362,804)	-	(111,759)	58,941
-	-	90,917	-
<u>2,541,184</u>	-	-	<u>2,541,184</u>
<u>2,541,184</u>	-	<u>90,917</u>	<u>2,541,184</u>
178,380	-	(20,842)	2,600,125
-	-	<u>290,487</u>	<u>10,711,001</u>
<u>178,380</u>	-	<u>269,645</u>	<u>13,311,126</u>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2021**

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

**NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS** **2,600,125**

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

Capital Outlays more than \$5,000	2,475,659	
Depreciation Expense	<u>(1,603,148)</u>	872,511

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however recorded as revenues in the statement of activities. Deferred property tax revenues changed this year. 17,900

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. 29,164

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums, discounts and deferred refunding amounts are recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Lease Proceeds	(2,541,184)	
Principal Payment	1,394,559	
Interest Expense	(43,190)	
Deferred Refunding Amount	(42,293)	
Bond Premium	102,925	

The statement of activities reports changes in net pension and OPEB obligations and related deferred flows which are not reported in the fund financial statements.

Change in Net Pension Liability	(1,105,608)	
Change in Net OPEB Liability	218,276	
Deferred Flows from Net Pension Liability	7,053,225	
Deferred Flows from Net OPEB Liability	<u>(147,925)</u>	

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **8,408,485**

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**TRUST AND AGENCY FUNDS**  
**June 30, 2021**

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	<u>Scholarship Custodial Fund</u>
<b><u>ASSETS</u></b>	
Cash and Investments	1,894,908
Due From Other Funds	-
Accrued Interest	-
Deposits Held by Others	-
<u>Total Assets</u>	<u>1,894,908</u>
<b><u>LIABILITIES</u></b>	
Other	-
<u>Total Liabilities</u>	<u>-</u>
<b><u>NET POSITION</u></b>	
Restricted for Scholarship	<u>1,894,908</u>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Scholarship Custodial Fund</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>ADDITIONS</u></b>			
Other Local	-	7,500	7,500
Earnings on Investments	79,500	60,028	(19,472)
Unrealized Gain on Investments	-	165,507	165,507
<b><u>Total Additions</u></b>	<b><u>79,500</u></b>	<b><u>233,035</u></b>	<b><u>153,535</u></b>
<b><u>DEDUCTIONS</u></b>			
Scholarships	220,000	117,330	102,670
Fees	25,000	19,378	5,622
Unrealized Loss on Investments	50,000	-	50,000
Other	<u>1,583,142</u>	<u>61</u>	<u>1,583,081</u>
<b><u>Total Deductions</u></b>	<b><u>1,878,142</u></b>	<b><u>136,769</u></b>	<b><u>1,741,373</u></b>
<b><u>NET DECREASE</u></b>	<b>(1,798,642)</b>	<b>(96,266)</b>	
<b><u>NET POSITION – BEGINNING OF YEAR</u></b>	<b><u>1,798,642</u></b>	<b><u>1,798,642</u></b>	
<b><u>NET POSITION – END OF YEAR</u></b>	<b><u>-</u></b>	<b><u>1,894,908</u></b>	

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 1**      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Fremont County School District RE-2 (District) conform with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Fremont County School District RE-2. The District receives funding from local, state, and federal government sources and must comply with requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

**A.    Reporting Entity**

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

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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

**B.      Government-Wide and Fund Financial Statements**

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Designated Purpose Grant Fund, Bond Funds, Food Service Fund, and Capital Reserve Capital Projects Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

**NOTE 1**

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

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

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

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

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

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

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

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

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

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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

**D.    Fund Accounting**

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

• **Major Governmental Funds**

1. **General Fund** – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. **Bond Redemption Debt Service Fund** – used to account for the accumulation of resources for, and the payment of, long term general obligation debt principal, interest, and related costs.
3. **Governmental Designated – Purpose Grants Fund** – this fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.
4. **Food Service Fund**- This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.
5. **Capital Reserve Capital Projects Fund**- This fund is used to account for the acquisition of the sites, building, equipment and vehicles.

Additionally, the District reports the following fund type:

**Fiduciary Funds**

**Scholarship Custodial Fund** – this fund is used to award scholarships to students of the District.

**E.    Cash and Investments**

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

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

**F.    Receivables**

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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

**G.    Inventories**

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

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

**H.    Capital Assets**

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

**I.    Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. General obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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

**J.      Constitutional Amendment**

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

On November 5, 1996 the registered voters approved a ballot resolution authorizing Fremont County School District RE-2 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2021 the District reserved \$424,000 for this purpose.

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

**K.      Property Taxes**

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

Levy Date	December 15, 2020
Lien Date	January 1, 2021
Tax Bills Mailed	January 1, 2021
First Installment Due	February 28, 2021
Second Installment Due	June 15, 2021
If Paid in Full, Due	April 30, 2021
Tax Sale – 2019 Delinquent Property Taxes	October 25, 2020

**L.      Accumulated Sick Leave**

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2021, the District has recorded an estimated liability of \$275,019 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
Accumulated Sick Leave	<u>304,183</u>	<u>      -</u>	<u>29,164</u>	<u>275,019</u>

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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

**M.    Use of Estimates**

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

**N.    GASB Statement No. 54**

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

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

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

**Fund Balance Classification Policies and Procedures**

**Committed Fund Balance Policy:**

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

**Assigned Fund Balance Policy:**

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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

**N.** GASB Statement No. 54 (Continued)

**Order of Fund Balance Spending Policy**

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

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

**Fund Balance Classification by Fund:**

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Food Service</u>	<u>Cap Res Cap Proj Fund</u>	<u>Designated Grants</u>	<u>Activity Fund</u>	<u>Total Governmental Funds</u>
<b><u>Nonspendable:</u></b>							
Inventories	-	-	11,109	-	-	-	11,109
<b><u>Restricted:</u></b>							
Emergencies	424,000	-	-	-	-	-	424,000
Preschool	105,675	-	-	-	-	-	105,675
Debt Service	-	2,997,810	-	-	-	-	2,997,810
Capital Outlay	-	-	-	178,380	-	-	178,380
Food Service	-	-	678,456	-	-	-	678,456
<b><u>Committed:</u></b>							
Capital Outlay	235,816	-	-	-	-	-	235,816
Maintenance	2,605,485	-	-	-	-	-	2,605,485
<b><u>Assigned:</u></b>							
Pupil Activities	-	-	-	-	-	269,645	269,645
<b><u>Unassigned</u></b>	<u>5,804,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,804,750</u>
<b>Total Fund Balances</b>	<u>9,175,726</u>	<u>2,997,810</u>	<u>689,565</u>	<u>178,380</u>	<u>-</u>	<u>269,645</u>	<u>13,311,126</u>

**O.** Deferred Outflows / Inflows of Resources

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

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 2**

**RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

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

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

	Items Eliminated	
	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
General Fund	154,257	107,481
Capital Reserve Capital Projects	107,481	-
Designated Purpose Grants	55	66,796
Bond Fund	-	15,447
Food Service	-	72,069
	<u>261,793</u>	<u>261,793</u>

	Items Eliminated	
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	-	90,981
Pupil Activities	90,917	-
Food Service	64	-
	<u>90,981</u>	<u>90,981</u>

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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**NOTE 3**      **BUDGETARY INFORMATION**

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

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

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

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

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

**NOTE 4**      **CASH AND INVESTMENTS**

**Deposits**

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 4**      **CASH AND INVESTMENTS (Continued)**

**Deposits (Continued)**

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	1,099,324	1,452,318
Cash with County Treasurer	141,101	-
Cash with Fiscal Agent	2,952,885	-
ColoTrust – Cash Equivalent	9,694,632	-
Cash on Hand	900	-
<b><u>Total Cash and Deposits</u></b>	<b><u>14,138,842</u></b>	<b><u>1,702,318</u></b>

As presented above, deposits with a bank balance of \$1,452,318 and a carrying balance of \$1,099,324, as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

**Investments**

At June 30, 2021, the District had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Raymond James Investment	-	1,885,823

**Interest Rate Risk** – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

**Credit Risk** – State Law limits the type of investments allowable.

**Investments Held by Fiduciary Scholarship Trust Fund** – The scholarship trust fund has various investments held by Raymond James which are subject to market fluctuations and have been marked to market at 6/30/21. An unrealized gain of \$165,507 was recorded at year end. These investments are insured under SPIC up to \$500,000. The District is not responsible for the investment of these funds.

**Concentration of Credit Risk** – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2021:

- Raymond James Investment of \$1,885,823 is valued using quoted market prices (Level 1 inputs)

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 5      CAPITAL ASSETS**

A summary of changes in capital assets is as follows:

**Governmental Activities**

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
<b><u>Capital Assets Not Being</u></b>				
<b><u>Depreciated</u></b>				
Land	1,007,850	-	-	1,007,850
Construction In Progress	-	-	-	-
<b><u>Total Capital Assets Not Being</u></b>				
<b><u>Depreciated</u></b>	<u>1,007,850</u>	<u>-</u>	<u>-</u>	<u>1,007,850</u>
<b><u>Capital Assets Being</u></b>				
<b><u>Depreciated</u></b>				
Buildings & Site Improvements	33,303,675	2,236,587	-	35,540,262
Equipment & Vehicles	3,589,631	229,874	114,555	3,704,950
Food Service	477,706	9,198	-	486,904
<b><u>Total Capital Assets Being</u></b>				
<b><u>Depreciated</u></b>	<u>37,371,012</u>	<u>2,475,659</u>	<u>114,555</u>	<u>39,732,116</u>
<b><u>Less Accumulated</u></b>				
<b><u>Depreciation for:</u></b>				
Building & Site Improvements	24,484,940	1,484,571	-	25,969,511
Equipment & Vehicles	3,294,945	115,526	114,555	3,295,916
Food Service	475,969	3,051	-	479,020
<b><u>Total Accumulated Depreciation</u></b>	<u>28,255,854</u>	<u>1,603,148</u>	<u>114,555</u>	<u>29,744,447</u>
<b><u>Total Capital Assets Being</u></b>				
<b><u>Depreciated, Net</u></b>	<u>9,115,158</u>	<u>872,511</u>	<u>-</u>	<u>9,987,669</u>
<b><u>Governmental Activities Capital</u></b>				
<b><u>Assets, Net</u></b>	<u>10,123,008</u>	<u>872,511</u>	<u>-</u>	<u>10,995,519</u>

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

**Governmental Activities:**

Instruction	1,317,857
Student Support	6,275
Instructional Support	1,833
General Administration Support	-
School Administration Support	6,035
Business Services Support	446
Operations and Maintenance	182,844
Transportation	84,807
Food Service	3,051
<b><u>Total Depreciation Expense – Governmental Activities</u></b>	<u>1,603,148</u>

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 6**      **PENSION PLAN**

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

**Pensions.** Fremont County School District RE-2 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Fremont County School District RE-2 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](http://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.

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 6**      **PENSION PLAN (Continued)**

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

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

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

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

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

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

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

*Contributions provisions as of June 30, 2021:* Eligible employees of, Fremont County School District RE-2 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.

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021**

**NOTE 6      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%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.88%</b>

\*\*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 Fremont County School District RE-2 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Fremont County School District RE-2 were \$1,461,374 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Fremont County School District RE-2 proportion of the net pension liability was based on Fremont County School District RE-2 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.

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 6**      **PENSION PLAN (Continued)**

At June 30, 2021, the Fremont County School District RE-2 reported a liability of \$21,221,240 for its proportionate share of the net pension liability. The amount recognized by the Fremont County School District RE-2 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 Fremont County School District RE-2 were as follows:

Fremont County School District RE-2 proportionate share of the net pension liability	\$ 21,221,240
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Fremont County School District RE-2	\$ -
<b>Total</b>	<b>\$ 21,221,240</b>

At December 31, 2020, the Fremont County School District RE-2 proportion was 0.140 percent, which was an increase of 0.006 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Fremont County School District RE-2 recognized pension income of \$5,947,617 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, the Fremont County School District RE-2 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	1,166,002	-
Changes of assumptions or other inputs	2,041,417	(3,567,111)
Net difference between projected and actual earnings on pension plan investments	-	(4,671,278)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	989,464	(736,954)
Contributions subsequent to the measurement date	748,844	N/A
<b>Total</b>	<b>4,945,727</b>	<b>(8,975,343)</b>

\$748,844 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2021	
2022	(4,086,957)
2023	620,282
2024	(711,342)
2025	(600,443)
2026	-
Thereafter	-

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 6**      **PENSION PLAN (Continued)**

*Actuarial assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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

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

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

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

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 6**      **PENSION PLAN (Continued)**

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

Actuarial cost method	Entry age
Price inflation	2.30 %
Real wage growth	0.70 %
Wage inflation	3.00 %
Salary increases, including wage inflation	3.40 % – 11.00 %
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 %
Discount rate	7.25 %
<b>Post-retirement benefit increases:</b>	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25 %
PERA benefit structure hired after 12/31/06*	Financed by the AIR

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

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

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

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

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

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 6**      **PENSION PLAN (Continued)**

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

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

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

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

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

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

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

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

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 6**      **PENSION PLAN (Continued)**

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 6**      **PENSION PLAN (Continued)**

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

*Sensitivity of the Fremont County School District RE-2 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	28,947,510	21,221,240	14,732,712

*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](http://www.copera.org/investments/pera-financial-reports).

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Fremont County School District RE-2 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available Annual Report which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. For the year ended June 30, 2021, program members contributed \$49,927.

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS**

**Defined Benefit Other Post Employment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

***OPEB.*** Fremont County School District RE-2 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

***Plan description.*** Eligible employees of the Fremont County School District RE-2 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](http://www.copera.org/investments/pera-financial-reports).

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

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Fremont County School District RE-2 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Fremont County School District RE-2 were \$74,980 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 Fremont County School District RE-2 reported a liability of \$770,906 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 Fremont County School District RE-2 proportion of the net OPEB liability was based on Fremont County School District RE-2 contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Fremont County School District RE-2 proportion was 0.081 percent, which was a decrease of 0.007 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Fremont County School District RE-2 recognized OPEB income of \$70,351. At June 30, 2021, the Fremont County School District RE-2 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	2,046	(169,482)
Changes of assumptions or other inputs	5,760	(47,271)
Net difference between projected and actual earnings on OPEB plan investments	-	(31,500)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,360	(78,626)
Contributions subsequent to the measurement date	38,422	N/A
<b>Total</b>	<b>56,588</b>	<b>(326,879)</b>

\$38,422 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2021	
2022	(69,390)
2023	(64,983)
2024	(69,513)
2025	(67,307)
2026	(35,174)
Thereafter	(2,346)

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2021

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

*Actuarial assumptions.* The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

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

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

The following health care costs assumptions were updated and used in the roll forward calculation for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2021

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

*Sensitivity of the Fremont County School District RE-2 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	750,981	770,906	794,102

*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.

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021**

**NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

*Sensitivity of the Fremont County School District RE-2 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	883,087	770,906	675,057

*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](http://www.copera.org/investments/pera-financial-reports).

FREMONT COUNTY SCHOOL DISTRICT RE-2  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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**NOTE 8**      **RISK MANAGEMENT**

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

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

**NOTE 9**      **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL**

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

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

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 9**      **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)**

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

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

**NOTE 10**      **LITIGATION**

None.

**NOTE 11**      **SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

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

**NOTE 12**      **JOINT VENTURES**

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 12**    **JOINT VENTURES (Continued)**

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

Assets and Deferred Outflows	<u>20,492,708</u>
Liabilities and Deferred Inflows	34,906,867
Net Position	<u>(14,414,159)</u>
	<u>20,492,708</u>
Revenues	12,173,771
Expenses	<u>16,771,704</u>
Changes in Net Position	<u>(4,597,933)</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES is audited annually and files a report with the Colorado State Auditor's Office.

**NOTE 13**    **LONG-TERM DEBT**

The following is a summary of the transactions in the school district's long-term debt:

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>	<u>Current</u>
	<u>July 1, 2020</u>			<u>June 30, 2021</u>	<u>Portion</u>
Vehicle Lease	37,526	-	34,558	2,968	2,968
Energy Lease Project	-	2,541,184	-	2,541,184	108,041
G.O. Bonds Series 2015	5,665,000	-	1,360,000	4,305,000	1,385,000
Deferred Refunding- Amort 2015	<u>(137,488)</u>	-	<u>(42,293)</u>	<u>(95,195)</u>	<u>(31,731)</u>
	<u>5,565,038</u>	<u>2,541,184</u>	<u>1,352,265</u>	<u>6,753,957</u>	<u>1,464,278</u>

**General Obligation Refunding Series 2015**

On October 21, 2015, the District issued \$7,915,000 in General Obligation Refunding Bonds with an average interest rate of 3.79% to advance refund \$8,800,000 of outstanding 2006 General Obligation Bonds bearing interest rates ranging from 3.75% to 4.00%. Refunding proceeds of \$8,972,078 were deposited with an escrow agent to provide debt service payments of \$8,800,000 in principal and \$2,125,965 in interest on the 2006 Series Bonds. As result, that portion of 2006 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements. The defeased debt balance at June 30, 2019 was \$0.

The District completed the advance refunding to reduce the total debt service payments over 8 years by \$1,278,185 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$1,031,176.

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 13**      **LONG-TERM DEBT (Continued)**

As a result of the difference between the reacquisition price and the carrying amount of the old debt a deferred refunding was recorded in the amount of \$418,305. It will be amortized against interest costs of the refunding issue.

Below is a schedule of debt service requirements to maturity:

**2015 Refunding Issue**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2022	1,385,000	144,500
2023	1,455,000	87,700
2024	<u>1,465,000</u>	<u>29,300</u>
<b>Total</b>	<b><u>4,305,000</u></b>	<b><u>261,500</u></b>

**Capital Leases**

**Lease Purchase Vehicle**

During the fiscal year ended June 30, 2019 the District executed a lease purchase agreement of \$98,481 to purchase a school bus. The lease purchase agreement is for a period of 36 months with interest at a rate of 5.554% per annum and a monthly payment of \$2,980.95.

Annual debt service requirements to maturity for the lease purchase agreement is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Payment</u>
2022	2,968	14	<u>2,982</u>
			2,982
			<u>(14)</u>
			<b><u>2,968</u></b>

**Energy Project Lease**

The District entered into a capital lease arrangement with All American Investment Group, LLC in the year ended June 30, 2021 as part of a capital project for energy conservation and various school improvements. The District will pay fifteen annual payments beginning August 17, 2021 with an interest rate of 2.2%. The total amount financed was \$2,541,184.

Future minimum payments follow:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	108,041	55,907	163,948
2023	135,243	53,530	188,773
2024	141,169	50,554	191,723
2025	158,296	47,449	205,745
2026	165,264	43,966	209,230
2027-2036	<u>1,833,171</u>	<u>223,126</u>	<u>2,056,297</u>
	<b><u>2,541,184</u></b>	<b><u>474,532</u></b>	<b><u>3,015,716</u></b>
			<u>474,532</u>
			<b><u>2,541,184</u></b>

Less: Amounts representing interest

Net Present Value of Future Minimum Payments

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**NOTE 14 INTERFUND BALANCES**

**Interfund Balances**

	<u>Items Eliminated</u>	
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b><u>Major Governmental Funds</u></b>		
General Fund	154,257	107,481
Capital Reserve Capital Projects	107,481	-
Designated Purpose Grants	55	66,796
Bond Fund	-	15,447
Food Service	-	72,069
	<u>261,793</u>	<u>261,793</u>

These interfund balances occurred due to expenditures paid on behalf of another fund.

Interfund balances are expected to be paid within one year from the date of the financial statements.

**Transfers**

	<u>Transfer In</u>	<u>Transfer Out</u>
<b><u>Major Governmental Fund</u></b>		
General Fund	-	90,981
Food Service	64	-
<b><u>Nonmajor Governmental Funds</u></b>		
Pupil Activities Fund	<u>90,917</u>	<u>-</u>
	<u>90,981</u>	<u>90,981</u>

These transfers were to assist with operations.

**NOTE 15 ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2021, are estimated to be \$1,196,898 and will be paid during the 2021-2022 fiscal year. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

**NOTE 16 INVENTORIES**

Food Service Fund inventories at June 30, 2021, consisted of USDA, purchased food, and non-food amounting to \$11,109. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

**REQUIRED SUPPLEMENTARY INFORMATION**

## **BUDGETARY COMPARISONS**

### **General Fund**

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

### **Special Revenue Funds**

Designated Grants Fund – used to account for federal and state grant programs.

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

## **PENSION AND OPEB TREND DATA**

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
<b><u>Local Sources</u></b>				
Property Taxes	2,153,316	2,345,418	2,694,028	348,610
Specific Ownership Taxes	602,802	473,968	725,295	251,327
Earnings on Investments	76,913	91,913	11,639	(80,374)
Local Grants	-	15,000	298,852	283,852
Other	173,346	121,200	244,769	123,569
<b><u>State Sources</u></b>				
Equalization	7,706,212	8,272,471	8,267,409	(5,062)
Transportation	-	176,420	185,989	9,569
Vocational Education	-	90,000	95,601	5,601
Special Education	75,000	75,000	101,735	26,735
Other	164,748	292,971	267,321	(25,650)
<b><u>Federal Sources</u></b>				
Other	910,000	2,012,176	1,468,888	(543,288)
<b><u>TOTAL REVENUES</u></b>	<b><u>11,862,337</u></b>	<b><u>13,966,537</u></b>	<b><u>14,361,526</u></b>	<b><u>394,989</u></b>
<b><u>EXPENDITURES</u></b>				
<b><u>Instruction</u></b>				
<b>Regular Programs</b>				
Salaries	4,592,603	5,159,705	4,635,229	524,476
Employee Benefits	1,626,976	1,795,199	1,522,722	272,477
Purchased Services – Professional	15,000	13,500	3,320	10,180
Purchased Services - Property	19,339	19,339	21,960	(2,621)
Purchased Services – Other	434,220	466,106	286,683	179,423
Supplies and Materials	275,792	603,539	247,544	355,995
Property	54,500	58,615	24,218	34,397
Other Objects	2,662	2,662	-	2,662
<b><u>Total Instruction</u></b>	<b><u>7,021,092</u></b>	<b><u>8,118,665</u></b>	<b><u>6,741,676</u></b>	<b><u>1,376,989</u></b>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>SUPPORTING SERVICES</u></b>				
<b><u>Student Supporting Services</u></b>				
Salaries	284,203	323,616	280,913	42,703
Employee Benefits	104,836	115,081	93,536	21,545
Purchased Services - Professional	10,000	10,000	600	9,400
Purchased Services - Property	-	-	45,309	(45,309)
Purchased Services - Other	-	-	-	-
Supplies and Materials	8,224	8,224	4,270	3,954
Property	-	-	-	-
Other Objects	-	-	-	-
<b><u>Total Student Services</u></b>	<b><u>407,263</u></b>	<b><u>456,921</u></b>	<b><u>424,628</u></b>	<b><u>32,293</u></b>
<b><u>Instructional Staff</u></b>				
Salaries	69,893	28,273	35,874	(7,601)
Employee Benefits	20,453	13,623	9,631	3,992
Purchased Services - Professional	3,750	3,750	3,316	434
Purchased Services - Property	-	-	-	-
Purchased Services - Other	-	-	-	-
Supplies and Materials	4,685	4,685	3,546	1,139
Property	7,512	7,512	2,390	5,122
Other Objects	-	-	-	-
<b><u>Total Instructional Staff</u></b>	<b><u>106,293</u></b>	<b><u>57,843</u></b>	<b><u>54,757</u></b>	<b><u>3,086</u></b>
<b><u>General Administration</u></b>				
Salaries	343,644	349,421	365,899	(16,478)
Employee Benefits	97,431	98,595	100,080	(1,485)
Purchased Services – Professional	92,000	98,500	58,199	40,301
Purchased Services – Property	-	-	-	-
Purchased Services – Other	55,000	61,807	23,181	38,626
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	<u>134,866</u>	<u>134,866</u>	-	<u>134,866</u>
<b><u>Total General Administration</u></b>	<b><u>722,941</u></b>	<b><u>743,189</u></b>	<b><u>547,359</u></b>	<b><u>195,830</u></b>

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>School Administration</u></b>				
<b><u>Office of the Principal</u></b>				
Salaries	592,662	613,012	594,065	18,947
Employee Benefits	194,242	198,181	176,297	21,884
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	3,950	3,950	11,232	(7,282)
Purchased Services – Other	-	-	-	-
Supplies and Materials	5,966	5,966	3,660	2,306
Property	1,389	1,389	-	1,389
Other Objects	-	-	-	-
<b><u>Total School Administration</u></b>	<b><u>798,209</u></b>	<b><u>822,498</u></b>	<b><u>785,254</u></b>	<b><u>37,244</u></b>
<b><u>Business Services</u></b>				
Salaries	72,837	116,800	101,622	15,178
Employee Benefits	25,965	39,896	33,226	6,670
Purchased Services – Professional	30,250	30,250	5,431	24,819
Purchased Services - Property	42,500	46,500	56,831	(10,331)
Purchased Services - Other	-	-	-	-
Supplies and Materials	8,000	8,000	9,443	(1,443)
Property	500	500	-	500
Other Objects	-	-	-	-
<b><u>Total Business Services</u></b>	<b><u>180,052</u></b>	<b><u>241,946</u></b>	<b><u>206,553</u></b>	<b><u>35,393</u></b>
<b><u>Operations and Maintenance</u></b>				
Salaries	482,515	539,564	459,582	79,982
Employee Benefits	187,415	209,891	166,961	42,930
Purchased Services – Professional	123,250	123,250	63,205	60,045
Purchased Services - Property	252,500	471,747	172,790	298,957
Purchased Services - Other	166,250	178,250	389,438	(211,188)
Supplies and Materials	1,094,116	1,094,116	570,320	523,796
Property	962	962	23,625	(22,663)
Other Objects	712	712	-	712
<b><u>Total Operations and Maintenance</u></b>	<b><u>2,307,720</u></b>	<b><u>2,618,492</u></b>	<b><u>1,845,921</u></b>	<b><u>772,571</u></b>

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

FREMONT COUNTY SCHOOL DISTRICT RE-2  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>Student Transportation</u></b>				
Salaries	418,220	420,222	368,888	51,334
Employee Benefits	149,733	137,485	116,968	20,517
Purchased Services – Property	25,937	25,937	16,193	9,744
Purchased Services – Other	6,500	6,500	6,279	221
Supplies and Materials	168,730	168,730	108,563	60,167
Property	<u>3,000</u>	<u>3,000</u>	<u>109,474</u>	<u>(106,474)</u>
<b><u>Total Student Transportation</u></b>	<u>772,120</u>	<u>761,874</u>	<u>726,365</u>	<u>35,509</u>
<b><u>Central Support</u></b>				
Salaries	105,687	106,533	106,474	59
Employee Benefits	33,622	33,622	31,774	1,848
Purchased Services- Professional	-	-	4,457	(4,457)
Purchased Services – Property	35,000	35,000	25,000	10,000
Purchased Services – Other	22,000	22,000	7,564	14,436
Property	<u>50,000</u>	<u>369,536</u>	<u>225,273</u>	<u>144,263</u>
<b><u>Total Central Support</u></b>	<u>246,309</u>	<u>566,691</u>	<u>400,542</u>	<u>166,149</u>
<b><u>Other Support</u></b>				
Salaries	-	12,750	10,620	2,130
Employee Benefits	-	3,244	2,373	871
Purchased Services-Other	820,000	-	-	-
Supplies and Materials	-	<u>552,241</u>	<u>295,487</u>	<u>256,754</u>
<b><u>Total Other Support</u></b>	<u>820,000</u>	<u>568,235</u>	<u>308,480</u>	<u>259,755</u>
<b><u>Total Supporting Services</u></b>	<u>6,360,907</u>	<u>6,837,689</u>	<u>5,299,859</u>	<u>1,537,830</u>
<b><u>Debt Service:</u></b>				
Principal Retirement	-	-	34,558	(34,558)
Interest and Fiscal Charges	-	-	<u>1,213</u>	<u>(1,213)</u>
<b><u>Total Debt Service</u></b>	<u>-</u>	<u>-</u>	<u>35,771</u>	<u>(35,771)</u>
<b><u>Appropriated Reserves</u></b>	<u>3,988,311</u>	<u>5,714,498</u>	<u>-</u>	<u>5,714,498</u>
<b><u>TOTAL EXPENDITURES</u></b>	<u>17,370,310</u>	<u>20,670,852</u>	<u>12,077,306</u>	<u>8,593,546</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(5,507,973)</u>	<u>(6,704,315)</u>	<u>2,284,220</u>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers	<u>(260,000)</u>	<u>(263,131)</u>	<u>(90,981)</u>	<u>172,150</u>
<b><u>Total Other Financing Sources (Uses)</u></b>	<u>(260,000)</u>	<u>(263,131)</u>	<u>(90,981)</u>	<u>172,150</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u></b>	<u>(5,767,973)</u>	<u>(6,967,446)</u>	<u>2,193,239</u>	
<b><u>FUND BALANCE, July 1</u></b>	<u>5,767,973</u>	<u>6,967,446</u>	<u>6,982,487</u>	
<b><u>FUND BALANCE, June 30</u></b>	<u>-</u>	<u>-</u>	<u>9,175,726</u>	

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
DESIGNATED PURPOSE GRANTS - MAJOR SPECIAL REVENUE FUND  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES</u></b>				
Local Sources	380,230	380,230	40,982	(339,248)
State Sources	289,099	289,099	182,677	(106,422)
Federal Sources	582,824	582,824	475,263	(107,561)
<u>Total Revenues</u>	<u>1,252,153</u>	<u>1,252,153</u>	<u>698,922</u>	<u>(553,231)</u>
<b><u>EXPENDITURES:</u></b>				
Salaries	516,568	516,568	441,024	75,544
Employee Benefits	159,552	159,552	133,787	25,765
Purchased Services – Professional	98,490	98,490	34,799	63,691
Purchased Services – Property	-	-	-	-
Purchased Services – Other	12,851	12,851	980	11,871
Supplies and Materials	114,692	114,692	66,748	47,944
Property	350,000	350,000	21,584	328,416
Other Objects	-	-	-	-
<u>Total Expenditures</u>	<u>1,252,153</u>	<u>1,252,153</u>	<u>698,922</u>	<u>553,231</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b><u>FUND BALANCE, July 1</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	
<b><u>FUND BALANCE, June 30</u></b>	<u>-</u>	<u>-</u>	<u>-</u>	

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
FOOD SERVICE-MAJOR SPECIAL REVENUE FUND  
For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
<b>Local Sources</b>				
Food Sales	177,200	15,450	77,123	61,673
Earnings on Investments	-	-	4	4
Other	-	-	2,242	2,242
<b>State Sources</b>				
School Lunches	11,000	8,500	7,667	(833)
<b>Federal Sources</b>				
School Lunches	495,500	604,500	844,853	240,353
Commodities	-	17,000	39,985	22,985
<u>Total Revenues</u>	<u>683,700</u>	<u>645,450</u>	<u>971,874</u>	<u>326,424</u>
<b>EXPENDITURES:</b>				
Salaries	235,556	257,030	242,672	14,358
Employee Benefits	114,198	119,594	99,485	20,109
Purchased Services – Professional	-	3,000	-	3,000
Purchased Services – Property	-	50,000	29,764	20,236
Purchased Services – Other	36,000	3,000	1,266	1,734
Supplies and Materials	445,000	501,573	428,677	72,896
Capital Outlay	25,000	50,000	43,847	6,153
Other	228,546	264,576	-	264,576
Commodities	21,543	-	39,985	(39,985)
<u>Total Expenditures</u>	<u>1,105,843</u>	<u>1,248,773</u>	<u>885,696</u>	<u>363,077</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(422,143)</u></b>	<b><u>(603,323)</u></b>	<b><u>86,178</u></b>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers	-	-	64	64
<b><u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u></b>	<b><u>(422,143)</u></b>	<b><u>(603,323)</u></b>	<b><u>86,242</u></b>	
<b><u>FUND BALANCE- Beginning</u></b>	<b><u>422,143</u></b>	<b><u>603,323</u></b>	<b><u>603,323</u></b>	
<b><u>FUND BALANCE- Ending</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>689,565</u></b>	

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

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.1404%	0.1346%	0.1347%	0.1524%	0.1535%	0.1589%	0.1591%	0.1624%	-	-
District's proportionate share of the net pension liability (asset)	\$21,221,240	\$20,115,632	\$23,846,946	\$49,288,879	\$45,705,541	\$24,302,722	\$21,569,787	\$20,716,850	-	-
State's proportionate share of the net pension liability associated with the District**	-	\$2,551,408	\$3,260,746	-	-	-	-	-	-	-
District's covered payroll	\$7,350,974	\$7,795,810	\$7,729,433	\$7,189,244	\$6,869,591	\$6,917,132	\$6,834,583	\$6,666,810	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	289%	258%	308%	686%	665%	351%	316%	311%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.1%	59.2%	62.80%	64.06%	-	-

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

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
For The Last 10 Fiscal Years (As Available)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 1,461,374	\$ 1,510,828	\$ 1,478,641	\$ 1,357,581	\$ 1,262,803	\$ 1,226,519	\$ 1,152,971	\$ 1,094,181	\$ 999,654	-
Contributions in relation to the contractually required contributions	<u>\$(1,461,374)</u>	<u>\$(1,510,828)</u>	<u>\$(1,478,641)</u>	<u>\$(1,357,581)</u>	<u>\$(1,262,803)</u>	<u>\$(1,226,519)</u>	<u>\$(1,152,971)</u>	<u>\$(1,094,181)</u>	<u>\$(999,654)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 7,350,974	\$ 7,795,810	\$ 7,729,433	\$ 7,189,244	\$ 6,869,591	\$ 6,917,133	\$ 6,834,583	\$ 6,666,810	\$ 6,628,145	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.87%	16.41%	15.08%	-

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

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2**  
**SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY**  
**For The Last 10 Fiscal Years (As Available)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net OPEB liability (asset)	0.0811%	0.0880%	0.0875%	0.0866%	0.0873%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$770,906	\$989,182	\$1,190,991	\$1,125,550	\$1,131,308	-	-	-	-	-
District's covered payroll	\$7,350,974	\$7,795,810	\$7,729,433	\$7,189,244	\$6,869,591	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.49%	12.69%	15.41%	15.66%	16.47%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-

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

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
For The Last 10 Fiscal Years (As Available)**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$74,980	\$ 79,517	\$ 78,840	\$ 73,330	\$ 70,070	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(74,980)</u>	<u>\$(79,517)</u>	<u>\$(78,840)</u>	<u>\$(73,330)</u>	<u>\$(70,070)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered payroll	\$7,350,974	\$7,795,810	\$7,729,433	\$7,189,244	\$6,869,591	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

**INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES**

**Bond Redemption Debt Service Fund – Major Fund**

**Bond Redemption Debt Service Fund – Use to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.**

**Capital Reserve Capital Projects Fund- Major Fund**

**Capital Reserve Capital Projects Fund- Used to account for the acquisition of sites, buildings, equipment and vehicles.**

**NON MAJOR GOVERNMENTAL FUNDS**

**Special Revenue Funds**

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

**Pupil Activities - This fund accounts for financial transactions of all schools in the District through individual school activity accounts.**

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
PUPIL ACTIVITY – SPECIAL REVENUE FUND  
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<b>Variance- Favorable (Unfavorable)</b>
<b><u>REVENUES</u></b>			
Local Sources	615,488	145,022	(470,466)
State Aid	-	-	-
Federal Aid	-	-	-
<u>Total Revenues</u>	<u>615,488</u>	<u>145,022</u>	<u>(470,466)</u>
<b><u>EXPENDITURES:</u></b>			
Students			
Activity Expenditures	715,488	256,781	458,707
<u>Total Expenditures</u>	<u>715,488</u>	<u>256,781</u>	<u>458,707</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b>(100,000)</b>	<b>(111,759)</b>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers	100,000	90,917	(9,083)
<u>Total Other Financing Sources (Uses)</u>	<u>100,000</u>	<u>90,917</u>	<u>(9,083)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	-	(20,842)	
<b><u>FUND BALANCES, Beginning</u></b>	-	290,487	
<b><u>FUND BALANCES, Ending</u></b>	-	<u>269,645</u>	

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES – BUDGET AND ACTUAL**  
**BOND REDEMPTION FUND**  
**MAJOR DEBT SERVICE FUND**  
**For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<b><u>REVENUES</u></b>			
Property Taxes	1,475,000	1,708,535	233,535
Specific Ownership Taxes	-	-	-
Earnings on Investments	15,000	3,768	(11,232)
Other Local Sources	-	4,639	4,639
<u>Total Revenues</u>	<u>1,490,000</u>	<u>1,716,942</u>	<u>226,942</u>
<b><u>EXPENDITURES:</u></b>			
<b>Debt Service:</b>			
Principal Retirement	1,360,000	1,360,000	-
Interest and Fiscal Charges	269,400	193,836	75,564
Other	-	-	-
Contingency	<u>2,695,304</u>	-	<u>2,695,304</u>
<u>Total Expenditures</u>	<u>4,324,704</u>	<u>1,553,836</u>	<u>2,770,868</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	(2,834,704)	163,106	
<b><u>FUND BALANCES, July 1</u></b>	<u>2,834,704</u>	<u>2,834,704</u>	
<b><u>FUND BALANCES, June 30</u></b>	<u>-</u>	<u>2,997,810</u>	

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

**FREMONT COUNTY SCHOOL DISTRICT RE-2  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
MAJOR CAPITAL RESERVE CAPITAL PROJECTS FUND  
For the Year Ended June 30, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b><u>REVENUES</u></b>			
<b><u>Local Sources</u></b>			
Earnings on Investments	-	53	53
Grant revenue	599,430	599,430	-
Other	-	-	-
<u>Total Revenues</u>	<u>599,430</u>	<u>599,483</u>	<u>53</u>
<b><u>EXPENDITURES</u></b>			
Land and Land Sites	-	-	-
Building and Improvements	3,175,901	2,962,287	213,614
Equipment	-	-	-
Vehicles	-	-	-
Other	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and fiscal charges	-	-	-
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>3,175,901</u>	<u>2,962,287</u>	<u>213,614</u>
<b><u>REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(2,576,471)</u></b>	<b><u>(2,362,804)</u></b>	
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Proceeds from Debt	2,576,471	2,541,184	(35,287)
<u>Total Other Financing Sources (Uses)</u>	<u>2,576,471</u>	<u>2,541,184</u>	<u>(35,287)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	-	178,380	
<b><u>FUND BALANCE, Beginning</u></b>	-	-	
<b><u>FUND BALANCE, Ending</u></b>	-	<u>178,380</u>	

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

**STATE REQUIRED SCHEDULES**

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

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1150 - Fremont RE-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
<b>Governmental</b>							
01 General Fund	6,877,964		13,861,471		11,669,336		9,070,050
02 Parent Sub-Fund of General Fund	15,040		-15,640		0		0
03 Colorado Pre-Open Program Fund	89,541		424,113		407,979		105,675
<b>Sub Total</b>	<b>6,982,486</b>		<b>14,270,544</b>		<b>12,077,304</b>		<b>9,175,725</b>
11 Charter School Fund	0		0		0		0
20-25-29 Special Revenue Funds	0		0		0		0
05 Supplemental Cap Const, Tech, Msn, Fund	0		0		0		0
07 Total Program Reserve Fund	0		0		0		0
21 Food Service Spec Revenue Fund	603,323		971,939		885,696		689,566
22 Coal Dis Grants-Purpose Grants Fund	0		698,922		698,922		0
23 Pupil Activity Special Revenue Fund	199,570		326,856		356,781		269,645
24 Full Day Kindergarten Mid-Lessy Over-ride	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bonds Redemption Fund	2,834,704		1,716,942		1,553,836		2,997,810
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
63 Capital Reserve-Capital Projects Fund	0		3,140,668		2,962,387		178,281
45 Supplemental Cap Const, Tech, Msn, Fund	0		0		0		0
<b>Totals</b>	<b>16,620,988</b>		<b>23,125,570</b>		<b>18,444,838</b>		<b>13,811,236</b>
<b>Proprietary</b>							
50 Other Enterprise Funds	0		0		0		0
62-63: P-1-Related Activity Fund	0		0		0		0
60-65-69 Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
70 Other Trusts and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	1,798,642		233,034		136,768		1,894,908
71 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 Cash Management Fund	0		0		0		0
85 Fountain Fund	0		0		0		0
<b>Totals</b>	<b>1,798,642</b>		<b>233,034</b>		<b>136,768</b>		<b>1,894,908</b>



**Colorado Department of Education**

**Bolded Balance Sheet Report**  
 District: 1150 - Fremont RE-2  
 Fiscal Year 2020-21  
 Colorado School District/BOCES

	Governmental							Proprietary						Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	9,443,605	0	165,135	720,774	0	0	706,258	2,941,929	0	0	0	0	0	181,633	0	14,159,334
Cash with Fiscal Agent (8105)	106,173	0	0	0	0	0	0	34,928	10,956	0	0	0	0	0	0	152,057
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	1,713,274	0	1,713,274
Taxes Receivable (8121,8122)	410,450	0	0	0	0	0	0	271,500	0	0	0	0	0	0	0	681,950
Interfund Loans Receivable (8131,8132)	184,677	0	0	55	0	0	0	0	107,481	0	0	0	0	0	0	292,213
Grants Accounts Receivable (8142)	433,715	0	0	118,464	0	0	139,941	0	59,943	0	0	0	0	0	0	752,063
Other Receivables (8151-8154,8161)	110,527	0	0	0	0	0	0	0	0	0	0	0	0	0	0	110,527
Inventories (8171,8172,8173)	0	0	0	0	0	0	11,109	0	0	0	0	0	0	0	0	11,109
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>10,699,148</b>	<b>0</b>	<b>165,135</b>	<b>839,238</b>	<b>0</b>	<b>0</b>	<b>857,308</b>	<b>3,248,357</b>	<b>178,901</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,894,908</b>	<b>0</b>	<b>17,872,529</b>

	Governmental					Proprietary					Fiduciary					
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	137,325	0	576	66,796	0	0	72,070	15,447	0	0	0	0	0	0	0	292,213
Other Payables (7421-7423)	81,191	0	0	536	0	0	39,787	0	0	0	0	0	0	0	0	121,514
Accrued Expenses (7461)	1,029,628	0	58,884	62,413	0	0	45,973	0	0	0	0	0	0	0	0	1,196,898
Unearned Revenue (7481)	16,003	0	0	0	0	0	9,913	0	0	0	0	0	0	0	0	25,916
Grants Deferred Revenue (7482)	1,000	0	0	439,903	0	0	0	0	0	0	0	0	0	0	0	440,903
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Compensated Absences (7541)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	353,950	0	0	0	0	0	0	235,100	0	0	0	0	0	0	0	589,050
<b>Total Liabilities:</b>	<b>1,619,096</b>	<b>0</b>	<b>59,460</b>	<b>569,648</b>	<b>0</b>	<b>0</b>	<b>167,742</b>	<b>250,547</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,666,495</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY

	Governmental				Proprietary				Fiduciary				Totals		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64		Other Internal Service Funds 60	Trust & Agency Funds 70-79
Non spendable Fund Balance 6710	0	0	0	0	0	0	11,109	0	0	0	0	0	0	0	11,109
Restricted Fund Balance 6720	0	0	0	0	0	0	678,457	2,997,810	178,381	0	0	0	0	1,894,908	5,749,555
TABOR 3% Emergency Reserve 6721	424,000	0	0	0	0	0	0	0	0	0	0	0	0	0	424,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	105,676	0	0	0	0	0	0	0	0	0	0	0	105,676
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rsv-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
RESV Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	2,841,300	0	0	0	0	0	0	0	0	0	0	0	0	0	2,841,300
Assigned Fund Balance 6760	0	0	0	269,645	0	0	0	0	0	0	0	0	0	0	269,645
Unassigned Fund Balance 6770	5,804,750	0	0	0	0	0	0	0	0	0	0	0	0	0	5,804,750
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>9,070,050</b>	<b>0</b>	<b>105,676</b>	<b>169,645</b>	<b>0</b>	<b>0</b>	<b>689,566</b>	<b>2,997,810</b>	<b>178,381</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,894,908</b>	<b>15,206,034</b>

	Governmental				Proprietary				Fiduciary				Totals		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64		Other Internal Service Funds 60	Trust & Agency Funds 70-79
Total Liabilities & Fund Equity	10,680,148	0	1,651,135	839,293	0	0	857,308	3,248,357	178,381	0	0	0	0	1,894,908	17,877,529

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

**SINGLE AUDIT SECTION**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of Education  
Fremont County School District RE-2  
Florence, CO 81226**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Fremont County School District RE-2 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Fremont County School District RE-2's basic financial statements, and have issued our report thereon dated November 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Fremont County School District RE-2's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fremont County School District RE-2's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fremont County School District RE-2's internal control.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Fremont County School District RE-2's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

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

*Slifon, Waller & Co., Inc.*

November 30, 2021

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

**Board of Education  
Fremont County School District Number RE-2  
Florence, Colorado 81226**

**Report on Compliance for Each Major Federal Program**

We have audited Fremont County School District RE-2's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Fremont County School District RE-2's major federal programs for the year ended June 30, 2021. Fremont County School District RE-2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Fremont County School District RE-2's compliance.

## Opinion on Each Major Federal Program

In our opinion, Fremont County School District RE-2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Fremont County School District RE-2 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Fremont County School District RE-2's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Fremont County School District RE-2's internal control over compliance.

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

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

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

*Dixon, Waller & Co., Inc.*

November 30, 2021

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS:**

**FINANCIAL STATEMENTS**

**Auditor's Report**

An unmodified report has been issued on the financial statements of Fremont County School District Number RE-2.

**Internal Control Over Financial Reporting**

No significant deficiencies or material weaknesses were identified.

**Noncompliance Material to Financial Statements**

No instances of noncompliance in amounts material to the financial statements of Fremont County School District Number RE-2 were disclosed by the audit.

**FEDERAL AWARDS**

**Internal Control Over Major Programs**

No significant deficiencies or material weaknesses were identified.

**Auditor's Report on Compliance for Major Programs**

An unmodified report has been issued on Fremont County School District Number RE-2 compliance for major programs.

**Audit Findings**

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

**Major Programs**

Education Stabilization Fund under the Coronavirus Aid, Relief and Economic Security Act.

**Dollar Threshold to Distinguish Type A and Type B Programs**

\$750,000.

**Qualification as low-risk auditee**

The District qualifies as a low-risk auditee for fiscal year 2020/2021.

FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021

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(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2021**

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None

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2**  
**Schedule of Expenditures of Federal Awards**

For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>State Code</i>	<i>Federal Expenditures</i>
<u>Child Nutrition Cluster-Cluster</u>				
United States Department of Agriculture				
School Breakfast Program - CARES CRF				
Total School Breakfast Program - CARES CRF	10.553	Colorado Department of Education	4553	5,787
National School Lunch Program				
National School Lunch Program - CARES CRF	10.555	Colorado Department of Education	4555	18,284
National School Lunch Program	10.555	Colorado Department of Education	4555	117,706
National School Lunch Program				
Total National School Lunch Program	10.555	Colorado Department of Human Services	4555	39,985
Total National School Lunch Program				175,975
Summer Food Service Program for Children				
Summer Food Service Program for Children - CARES CRF	10.559	Colorado Department of Education	4559	80,180
Summer Food Service Program for Children	10.559	Colorado Department of Education	4559	622,896
Total Summer Food Service Program for Children				703,076
Total United States Department of Agriculture				884,838
Total Child Nutrition Cluster-Cluster				884,838
<u>Other Programs</u>				
<u>Department of Education</u>				
Title I Grants to Local Educational Agencies				
Total Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education	4010	385,089
Career and Technical Education -- Basic Grants to States				
Total Career and Technical Education -- Basic Grants to States	84.048	Colorado Community Colleges	4048	20,384
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)				
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education	4367	52,982
Student Support and Academic Enrichment Program				
Total Student Support and Academic Enrichment Program	84.424	Colorado Department of Education	4424	16,818
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act				
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	Colorado Department of Education	4425	218,704
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	Colorado Department of Education	4420	515,449
Total Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	Colorado Department of Education	4414	53,620
Total Department of Education				787,773
Department of the Treasury				1,263,046
Coronavirus Relief Fund				
Coronavirus Relief Fund	21.019	Colorado Department of Education	4012	540,732
Coronavirus Relief Fund	21.019	Colorado Department of Education	5012	51,056
Coronavirus Relief Fund	21.019	Colorado Department of Education	6012	29,500
Total Coronavirus Relief Fund				621,288
Total Department of the Treasury				621,288
Total Other Programs				1,884,334
Total Expenditures of Federal Awards				\$ 2,769,172

The accompanying notes are an integral part of this schedule

**FREMONT COUNTY SCHOOL DISTRICT NUMBER RE-2**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2021**

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**NOTE 1**    **Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Fremont County School District Number RE-2 and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

**NOTE 2**    **INDIRECT COST RATES**

All grants being charged indirect cost have been received through the Colorado Department of Education. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

**NOTE 3**    **Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

**NOTE 4**    **SUBRECIPIENT PAYMENTS**

No amounts of federal financial assistance were passed through to subrecipients in the year ended June 30, 2021.