

HINSDALE COUNTY SCHOOL DISTRICT RE-1  
FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2021

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**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

December 30, 2021

The Board of Education  
Hinsdale County School District RE-1  
Lake City, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the non-major fund of Hinsdale County School District RE-1 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the non-major fund of Hinsdale County School District RE-1, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Hinsdale County School District RE-1

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**Other Matters***Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of activity – net pension liability, and schedule of activity – employer pension contributions, the schedules for other postemployment benefits and the budget to actual schedules for the general fund 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.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hinsdale County School District RE-1's basic financial statements. The budgetary comparison schedules for the debt service fund, food service fund, and the capital construction fund, and the Auditors Integrity Report of the Colorado Department of Education (the Report) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.

**HINSDALE COUNTY SCHOOL DISTRICT RE-1**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021**

**Management's Discussion and Analysis**

As management of Hinsdale County School District RE-1, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

**Financial Highlights**

- Due to the change in accounting principles the district reports the net pension liability at the end of FY2021 as \$2,549,117 and the OPEB liability to be \$93,651.
- General Fund revenues accounted for \$2,059,827 and \$1,916,915 in 2021 and 2020 respectively. The biggest increases were due to state funding and grant income related to COVID.
- Fund balance in the General Fund increased by \$103,729 in 2021 and increased by \$141,034 in 2020.
- At the end of the fiscal years 2021 and 2020 fund balance in the General fund was \$1,756,623 and \$1,652,894 respectively we did make a prior period adjustment recognized in 2020 for the 2019 audit of \$21,612 which brought the beginning fund balance for 2020 down to \$1,511,860.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include instructional services, pupil services, instructional staff services, general administration services, school administration services, business services, maintenance and capital asset services, transportation services, central, and community services.

The government-wide financial statements include only the District itself, as the District has no component units. The government-wide financial statements can be found on pages 10-12 of the audit report.

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**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021**

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are divided into three categories: governmental funds, proprietary funds and fiduciary funds. The District uses only governmental funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the *governmental funds* is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintained four individual governmental funds at the end of fiscal year 2021. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Bond Redemption Debt Service Fund, the food service fund and a Capital Fund, these four are considered to be the major funds.

The District adopts an annual appropriated budget for all funds. In 2020 the Food Service fund was not in place because our district did not have a food service program for the FY2020 school year. We did have this in the FY2021 school year and will have this going forward. A budgetary comparison statement has been provided for the general fund, the debt service fund, and the capital fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 8 through 13 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 14 of the audit report.

#### **District-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceed liabilities by \$9,500,509 and assets exceed liabilities by \$8,289,034 at the close of the 2021 and 2020 fiscal years respectively.

One of the largest portions of the District's net position \$10,657,174 reflects its investment in capital assets (e.g., land, buildings, improvements and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the

**HINSDALE COUNTY SCHOOL DISTRICT RE-1**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021**

resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Property taxes are levied specifically to fund debt service on general obligation bonds.

The other large portion of net position is the District's net pension liability and the other post-employment benefit liability for employees covered under PERA. This net pension liability is \$2,549,117 at June 30, 2021.

**HINSDALE COUNTY SCHOOL DISTRICT RE-1 - Net Position**

|                                    | Activities<br>2021  | Activities<br>2020  |
|------------------------------------|---------------------|---------------------|
| <b>Assets</b>                      |                     |                     |
| Current and Other Assets           | \$ 2,198,970        | \$ 4,607,421        |
| Capital Assets                     | <u>14,883,838</u>   | <u>13,716,297</u>   |
| Total Assets                       | <u>17,082,808</u>   | <u>18,323,718</u>   |
| <br>Deferred outflows of resources | <br>558,941         | <br>282,296         |
| <br><b>Liabilities</b>             |                     |                     |
| Long-term Debt                     | 4,226,664           | 4,303,423           |
| Pension Liabilities                | 2,642,768           | 2,430,682           |
| Other Liabilities                  | <u>199,338</u>      | <u>1,767,479</u>    |
| Total Liabilities                  | <u>7,068,770</u>    | <u>8,501,584</u>    |
| <br>Deferred inflows of resources  | <br>1,072,470       | <br>1,815,395       |
| <br><b>Net Position</b>            |                     |                     |
| Net investment in capital assets   | 10,657,174          | 10,779,653          |
| Restricted                         | 282,354             | 393,061             |
| Unrestricted                       | <u>(1,439,019)</u>  | <u>(2,883,679)</u>  |
| Total net position                 | <u>\$ 9,500,509</u> | <u>\$ 8,289,035</u> |

A portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

There was a decrease in long-term liabilities outstanding of \$76,759 in fiscal year 2021, due to payment of principle and interest debt obligations from the 2019 bonds.

Reporting the net pension liability cost the district \$2,549,117 in net position. That change in reporting was somewhat offset by an increase in fund balance of \$103,729. This was also balanced by the increases in net investment and the decrease in long-term debt.

**HINSDALE COUNTY SCHOOL DISTRICT RE-1**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021**

**HINSDALE COUNTY SCHOOL DISTRICT RE-1 Change in Net Position**

|                                                        | Governmental Activities<br>2021 | Governmental Activities<br>2020 |
|--------------------------------------------------------|---------------------------------|---------------------------------|
| Revenues:                                              |                                 |                                 |
| Program revenues:                                      |                                 |                                 |
| Operating grants and contributions                     | \$ 358,809                      | \$ 133,469                      |
| Charges for sales and service                          | 35,871                          | 25,928                          |
| Capital grants and contributions                       | 1,850,717                       | 6,212,458                       |
| General revenue:                                       |                                 |                                 |
| Property Taxes                                         | 1,222,829                       | 1,142,943                       |
| State equalization not restricted to specific programs | 353,106                         | 578,994                         |
| Specific ownership taxes                               | 104,488                         | 93,326                          |
| Other taxes                                            |                                 |                                 |
| Unrestricted investment earnings                       | 2,685                           | 63,145                          |
| Other unrestricted revenue                             | 295,572                         | 182,736                         |
| Total Revenues                                         | 4,224,077                       | 8,432,999                       |
| Expenses:                                              |                                 |                                 |
| Instructional Services                                 | 467,878                         | 601,734                         |
| Pupil Services                                         | 336,160                         | 226,751                         |
| General Administrative Services                        | 147,280                         | 214,328                         |
| Business Services                                      | 74,520                          | 68,303                          |
| Operations and maintenance                             | 1,727,603                       | 119,294                         |
| Pupil transportation                                   | 29,590                          | 65,206                          |
| Community Service                                      | 4,971                           | 4,667                           |
| Central support and other services                     | 4,822                           | 27,655                          |
| Nutrition services                                     | 73,137                          |                                 |
| Interest on long-term debt                             | 146,641                         | 160,588                         |
| Total Expense                                          | 3,012,602                       | 1,488,526                       |
| Increase (decrease) in net position                    | 1,211,475                       | 6,944,473                       |
| Beginning net position                                 | 8,289,034                       | 1,344,561                       |
| Ending net position                                    | \$ 9,500,509                    | \$ 8,289,034                    |

The district started the federal lunch program in 2018. This program was catered by a local business and began in September of that school year. The local business has since gone out of business and no federal lunch program is in place for 2019 or 2020. With the remodel and addition to the building this program started again in the 2020/2021 school year.

**HINSDALE COUNTY SCHOOL DISTRICT RE-1**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021**

**Capital Asset and Debt Administration**

**Capital assets** - The District's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$14,883,838 (net of accumulated depreciation). This investment in capital assets includes land and improvements such as parking lots and sidewalks, a remodel and addition to our building, a new kitchen and equipment.

**Capital Assets**  
(net of depreciation)

|                                     | Governmental<br>2021 |    | Governmental<br>2020 |
|-------------------------------------|----------------------|----|----------------------|
| Land and construction in progress   | \$ 633,903           | \$ | 12,128,484           |
| Buildings and building improvements | 14,228,940           |    | 1,394,523            |
| Transportation equipment            | 7,016                |    | 163,776              |
| Equipment                           | 13,979               |    | 29,514               |
| Total                               | <u>\$ 14,883,838</u> |    | <u>\$ 13,716,297</u> |

**Long-term debt.** At the end of the current fiscal year, the District had total outstanding debt of \$4,226,664 all of which represents general obligation bonds that are backed by the full faith and credit of the District.

State statutes limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limitation for the District is significantly in excess of the District's outstanding general obligation debt.

**Pension Liability**

During the year ended June 30, 2015, the District implemented GASB 68, Accounting and Financial Reporting for Pensions, An Amendment of GASB Statement No. 27. This resulted in an increase in liabilities for the District who now shows \$2,549,117 for its share of the net pension liability for PERA at year end. During the year end June 30, 2018 the district implemented GASB 75.

**Previous and Coming Year**

The voters in Hinsdale County approved a bond in November of 2018 in the amount of \$3,950,000 in addition to a best grant of \$9,443,483 and a contribution from the school fund balance of \$151,253 for the project. The project consists of upgrading safety and security concerns at the existing building, a remodel and addition of classroom space, construction of a new gym and the completion of a car port for the district fleet. The start of the construction was May of 2019. RTA architects and NV5 consultants were hired to do the drawings and be the owner's representative for the project respectively. The district worked with George K. Baum for the sale of the bonds which did occur in January of 2019. The 2019/2020 school year was spent with our school under construction and the addition being built. In March 2020 with the global COVID 19 pandemic, all classes were taught virtually on-line. Construction of the building continued and staff and students started the 2020/2021 school year in person in the newly remodeled and bigger school. 2020/2021 school year was taught in person through smaller cohorts and through a block teaching schedule. The State of Colorado and Federal Government have given the school district \$162,961.25 in CARES funding to help offset the effects of the pandemic. \$149,250.64 was

**HINSDALE COUNTY SCHOOL DISTRICT RE-1**  
**Management's Discussion and Analysis**  
**For the fiscal year ended June 30, 2021**

spent in fy21 and the rest was spent in FY2020. The FY21 school year also saw the start of lunch service for the district supplemented by the Federal Hot Lunch Program. The district hired staff to prepare and serve lunch to students and staff using take away cartons due to the pandemic. The FY22 school year will continue in person through the pandemic and extra cleaning and safety precautions have been implemented. The district hired a new kitchen manager and she was able to apply for free lunches for students through the federal lunch program. There have been increased expenses to the district due to the pandemic, through decreased enrollment and extra services provided by the district. Many of these costs were offset due to ESSER funds provided to the district from the State through the federal government.

**Requests for Information**

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

Susan Thompson  
Business Manager  
Hinsdale County School District Re-1  
Po Box 39,  
Lake City, CO 81235

## HINSDALE COUNTY SCHOOL DISTRICT RE-1

## STATEMENT OF NET POSITION

June 30, 2021

|                                                 | Primary Government<br>Governmental<br>Activities |
|-------------------------------------------------|--------------------------------------------------|
| Assets                                          |                                                  |
| Cash and cash equivalents                       | \$ 1,745,479                                     |
| Restricted cash and cash equivalents            | 137,751                                          |
| Property taxes receivable                       | 242,549                                          |
| Intergovernmental receivables                   | 2,607                                            |
| Other receivables                               | 70,584                                           |
| Capital Assets:                                 |                                                  |
| Land and improvements not being depreciated     | 633,903                                          |
| Buildings and improvements                      | 14,702,556                                       |
| Equipment                                       | 27,249                                           |
| Transportation Equipment                        | 163,776                                          |
| Less: Accumulated depreciation                  | (643,646)                                        |
| Total assets                                    | 17,082,808                                       |
| DEFERRED OUTFLOWS OF RESOURCES                  |                                                  |
| Outflows related to pension liability           | 552,763                                          |
| Outflows related to OPEB obligation             | 6,178                                            |
| Total deferred outflows of resources            | 558,941                                          |
| LIABILITIES                                     |                                                  |
| Accounts payable                                | 56,261                                           |
| Accrued payroll                                 | 129,135                                          |
| Accrued interest on long-term debt              | 13,942                                           |
| Long-term liabilities:                          |                                                  |
| Current portion of long-term debt               | 76,759                                           |
| Net pension liability                           | 2,549,117                                        |
| Net OPEB obligation                             | 93,651                                           |
| Due in more than one year                       | 4,149,905                                        |
| Total liabilities                               | 7,068,770                                        |
| DEFERRED INFLOWS OF RESOURCES                   |                                                  |
| Inflows related to pension obligation           | 1,033,861                                        |
| Inflows related to OPEB obligation              | 38,609                                           |
| Total deferred inflows of resources             | 1,072,470                                        |
| NET POSITION                                    |                                                  |
| Invested in capital assets, net of related debt | 10,657,174                                       |
| Restricted for:                                 |                                                  |
| TABOR Reserve                                   | 112,316                                          |
| Debt Service                                    | 170,038                                          |
| Unrestricted                                    | (1,439,019)                                      |
| Total net position                              | \$ 9,500,509                                     |

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

HINSDALE COUNTY SCHOOL DISTRICT RE-1

STATEMENT OF ACTIVITIES

Year ended June 30, 2021

| Functions/Programs                                     | Expenses            | Charges for<br>Service and Sales | Operating Grants<br>and Contributions | Capital Grants<br>and Contributions | Net (expenses) revenues and<br>changes in net position |
|--------------------------------------------------------|---------------------|----------------------------------|---------------------------------------|-------------------------------------|--------------------------------------------------------|
|                                                        |                     |                                  |                                       |                                     | Primary government                                     |
|                                                        |                     |                                  |                                       |                                     | Governmental<br>Activities                             |
| Primary government:                                    |                     |                                  |                                       |                                     |                                                        |
| Governmental activities                                |                     |                                  |                                       |                                     |                                                        |
| Instructional Services                                 | \$ 467,878          | \$ 1,467                         | \$ 353,000                            | \$ -                                | \$ (113,411)                                           |
| Supporting Services:                                   |                     |                                  |                                       |                                     |                                                        |
| Pupil services                                         | 336,160             | 1,766                            | -                                     | -                                   | (334,394)                                              |
| Business services                                      | 74,520              | -                                | -                                     | -                                   | (74,520)                                               |
| General and school administration                      | 147,280             | -                                | -                                     | 1,850,717                           | 1,703,437                                              |
| Community services                                     | 4,971               | -                                | -                                     | -                                   | (4,971)                                                |
| Central support and other services                     | 4,822               | -                                | -                                     | -                                   | (4,822)                                                |
| Operations and maintenance                             | 1,727,603           | -                                | -                                     | -                                   | (1,727,603)                                            |
| Nutrition services                                     | 73,137              | 32,638                           | 1,427                                 | -                                   | (39,072)                                               |
| Pupil transportation                                   | 29,590              | -                                | 4,382                                 | -                                   | (25,208)                                               |
| Interest on long-term debt                             | 146,641             | -                                | -                                     | -                                   | (146,641)                                              |
| Total governmental activities                          | <u>\$ 3,012,602</u> | <u>\$ 35,871</u>                 | <u>\$ 358,809</u>                     | <u>\$ 1,850,717</u>                 | <u>(767,205)</u>                                       |
| General Revenue                                        |                     |                                  |                                       |                                     |                                                        |
| Taxes:                                                 |                     |                                  |                                       |                                     |                                                        |
| Property taxes                                         |                     |                                  |                                       |                                     | 1,222,829                                              |
| State equalization not restricted to specific programs |                     |                                  |                                       |                                     | 353,106                                                |
| Specific ownership taxes                               |                     |                                  |                                       |                                     | 104,488                                                |
| Unrestricted investment earnings                       |                     |                                  |                                       |                                     | 2,685                                                  |
| Other unrestricted revenues                            |                     |                                  |                                       |                                     | 295,572                                                |
|                                                        |                     |                                  |                                       |                                     | <u>1,978,680</u>                                       |
| Change in net position                                 |                     |                                  |                                       |                                     | 1,211,475                                              |
| Net position, beginning of year                        |                     |                                  |                                       |                                     | 8,289,034                                              |
| Net position, end of year                              |                     |                                  |                                       |                                     | <u>\$ 9,500,509</u>                                    |

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

## HINSDALE COUNTY SCHOOL DISTRICT RE-1

## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

|                               | General<br>Fund | Debt<br>Service | Capital<br>Fund | Non-major<br>Food Service<br>Fund | Total<br>Governmental<br>Funds |
|-------------------------------|-----------------|-----------------|-----------------|-----------------------------------|--------------------------------|
| Assets                        |                 |                 |                 |                                   |                                |
| Cash and cash equivalents     | \$ 1,709,262    | \$ 137,751      | \$ -            | \$ 36,217                         | \$ 1,883,230                   |
| Property tax receivable       | 194,376         | 48,173          | -               | -                                 | 242,549                        |
| Intergovernmental receivable  | -               | -               | -               | 2,607                             | 2,607                          |
| Due from other funds          | 34,926          | -               | -               | -                                 | 34,926                         |
| Other receivables             | 70,584          | -               | -               | -                                 | 70,584                         |
| Total assets                  | 2,009,148       | 185,924         | -               | 38,824                            | 2,233,896                      |
| Liabilities:                  |                 |                 |                 |                                   |                                |
| Accounts payable              | 9,571           | -               | -               | -                                 | 9,571                          |
| Salaries payable              | 129,135         | -               | -               | -                                 | 129,135                        |
| Due to other funds            | -               | -               | -               | 34,926                            | 34,926                         |
| Deposits payable              | 46,690          | -               | -               | -                                 | 46,690                         |
| Unearned revenues             | -               | -               | -               | -                                 | -                              |
| Total liabilities             | 185,396         | -               | -               | 34,926                            | 220,322                        |
| Deferred inflows of resources |                 |                 |                 |                                   |                                |
| Deferred property tax revenue | 67,129          | 15,886          | -               | -                                 | 83,015                         |
| Total deferred inflows        | 67,129          | 15,886          | -               | -                                 | 83,015                         |
| Fund balances                 |                 |                 |                 |                                   |                                |
| Restricted for:               |                 |                 |                 |                                   |                                |
| Tabor reserve                 | 112,316         | -               | -               | -                                 | 112,316                        |
| Debt service                  | -               | 170,038         | -               | -                                 | 170,038                        |
| Assigned                      |                 |                 |                 |                                   |                                |
| Food service                  | -               | -               | -               | 3,898                             | 3,898                          |
| Capital construction          | -               | -               | -               | -                                 | -                              |
| Unassigned                    | 1,644,307       | -               | -               | -                                 | 1,644,307                      |
| Total fund balances           | \$ 1,756,623    | \$ 170,038      | \$ -            | \$ 3,898                          | \$ 1,930,559                   |

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

# HINSDALE COUNTY SCHOOL DISTRICT RE-1

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2021

|                                                                                                                                                                                                               |                    |                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------------|
| Total fund balance, governmental funds                                                                                                                                                                        |                    | \$ 1,930,559               |
| Amounts reported for governmental activities in the Statement of Net Position are different because:                                                                                                          |                    |                            |
| Property taxes receivable in the funds that are not received within the 60 day window or reported as deferred inflows in the funds but as property tax revenue in the government wide statement of activities |                    | 83,015                     |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.                                                                               |                    |                            |
| Cost of capital assets                                                                                                                                                                                        | \$ 15,527,484      |                            |
| Less accumulated depreciation                                                                                                                                                                                 | <u>(643,646)</u>   | 14,883,838                 |
| Accrued interest on long-term debt is reported in the statement of net position but is not included in the fund financial statements.                                                                         |                    | (13,942)                   |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the fund.                                                                                |                    |                            |
| Long term liabilities at year-end consist of:                                                                                                                                                                 |                    |                            |
| Net Pension Liability                                                                                                                                                                                         | (2,549,117)        |                            |
| Deferred inflows related to pension                                                                                                                                                                           | (1,033,861)        |                            |
| Deferred outflows related to pension                                                                                                                                                                          | 552,763            |                            |
| Net OPEB Obligation                                                                                                                                                                                           | (93,651)           |                            |
| Deferred inflows related to OPEB                                                                                                                                                                              | (38,609)           |                            |
| Deferred outflows related to OPEB                                                                                                                                                                             | 6,178              |                            |
| Premium on long term debt                                                                                                                                                                                     | (391,664)          |                            |
| General obligation bonds                                                                                                                                                                                      | <u>(3,835,000)</u> | (7,382,961)                |
| Net position of governmental activities                                                                                                                                                                       |                    | <u><u>\$ 9,500,509</u></u> |

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

HINSDALE COUNTY SCHOOL DISTRICT RE-1  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2021

|                                                                                                    | General<br>Fund | Debt<br>Service Fund | Capital<br>Fund | Non-major<br>Food Service<br>Fund | Total<br>Governmental<br>Funds |
|----------------------------------------------------------------------------------------------------|-----------------|----------------------|-----------------|-----------------------------------|--------------------------------|
| Revenues                                                                                           |                 |                      |                 |                                   |                                |
| Property taxes                                                                                     | \$ 966,316      | \$ 226,276           | \$ -            | \$ -                              | \$ 1,192,592                   |
| Specific ownership taxes                                                                           | 84,595          | 19,893               | -               | -                                 | 104,488                        |
| Equalization (net)                                                                                 | 353,106         | -                    | -               | -                                 | 353,106                        |
| Grant income                                                                                       | 466,625         | -                    | 1,850,717       | 4,382                             | 2,321,724                      |
| Investment earnings                                                                                | 2,577           | 108                  | 1,159           | -                                 | 3,844                          |
| Transportation                                                                                     | 96,222          | -                    | -               | -                                 | 96,222                         |
| Other local revenue                                                                                | 90,386          | -                    | -               | 32,639                            | 123,025                        |
| Total revenues                                                                                     | 2,059,827       | 246,277              | 1,851,876       | 37,021                            | 4,195,001                      |
| Expenditures                                                                                       |                 |                      |                 |                                   |                                |
| Current:                                                                                           |                 |                      |                 |                                   |                                |
| Instructional services                                                                             | 889,099         | -                    | -               | -                                 | 889,099                        |
| Instructional support                                                                              | 336,160         | -                    | -               | -                                 | 336,160                        |
| Business services                                                                                  | 73,620          | 900                  | -               | -                                 | 74,520                         |
| General and school administration                                                                  | 207,279         | -                    | -               | -                                 | 207,279                        |
| Transportation                                                                                     | 29,590          | -                    | -               | -                                 | 29,590                         |
| Operations and maintenance                                                                         | 218,790         | -                    | -               | -                                 | 218,790                        |
| Community service                                                                                  | 4,971           | -                    | -               | -                                 | 4,971                          |
| Central and other support services                                                                 | 4,822           | -                    | -               | -                                 | 4,822                          |
| Nutrition services                                                                                 |                 |                      |                 | 73,137                            | 73,137                         |
| Capital outlay                                                                                     | 500             | -                    | 3,508,989       | -                                 | 3,509,489                      |
| Debt service                                                                                       |                 |                      |                 |                                   |                                |
| Principal                                                                                          | -               | 55,000               | -               | -                                 | 55,000                         |
| Interest                                                                                           | -               | 168,400              | -               | -                                 | 168,400                        |
| Total expenditures                                                                                 | 1,764,831       | 224,300              | 3,508,989       | 73,137                            | 5,571,257                      |
| Excess (deficiency ) of revenues<br>over (under) expenditures                                      | 294,996         | 21,977               | (1,657,113)     | (36,116)                          | (1,376,256)                    |
| Other financing sources (uses)                                                                     |                 |                      |                 |                                   |                                |
| Transfers in (out)                                                                                 | (191,267)       | -                    | 151,253         | 40,014                            | -                              |
| Excess (deficiency) of revenues<br>over (under expenditures) and<br>other financing sources (uses) | 103,729         | 21,977               | (1,505,860)     | 3,898                             | (1,376,256)                    |
| Fund balance, beginning of year                                                                    | 1,652,894       | 148,061              | 1,505,860       | -                                 | 3,306,815                      |
| Fund balance, end of year                                                                          | \$ 1,756,623    | \$ 170,038           | \$ -            | \$ 3,898                          | \$ 1,930,559                   |

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

HINSDALE COUNTY SCHOOL DISTRICT RE-1

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2021

|                                                        |                |
|--------------------------------------------------------|----------------|
| Net change in fund balances - total governmental funds | \$ (1,376,256) |
|--------------------------------------------------------|----------------|

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

Governmental funds report capital outlays as expenditures. However, in the  
statement of activities, the cost of those assets is allocated over their  
estimated useful lives as depreciation expense. This is the amount by  
which depreciation exceeded capital outlays in the current period:

|                      |                  |           |
|----------------------|------------------|-----------|
| Capital outlay       | \$ 3,569,488     |           |
| Depreciation expense | <u>(386,263)</u> | 3,183,225 |

|                                                                                                                                             |             |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Loss on disposal of assets for replacement of building are recognized in the statement<br>of activities, but not in the governmental funds. | (1,509,975) |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------|

|                                                                                                                                                                                                                                                                                                                                                       |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|
| In the governmental funds, expenditures for the defined benefit plan are<br>measured by the amount of financial resources used , whereas<br>in the statement of activities, they are measured as the liability is<br>accrued according to actuarial estimates. This is the amount the net<br>pension liability decreased expense in the current year. | 797,634 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|

|                                                                                                                                                                                                                                                                                                                                                   |       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| In the governmental funds, expenditures for the OPEB plan (HCTF) are<br>measured by the amount of financial resources used ,<br>whereas in the statement of activities, they are measured as the liability<br>is accrued according to actuarial estimates. This is the amount the net<br>OPEB obligation (increased) expense in the current year. | 9,850 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|

|                                                                                                                                                                                                                                                        |        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| Because some property taxes will not be collected for several months after<br>the District's fiscal year ends, they are not considered "available" revenues<br>in the governmental funds. Deferred tax revenues decreased by this amount<br>this year. | 30,238 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

Governmental funds report bond payments as current year expenditures  
however, in the government -wide statements these payments are  
reported as reductions of long-term liabilities. Proceeds from the  
issuance of bonds is treated as a financing source in the funds but is  
treated as a long term liability in the government-wide statements.

|                                                   |          |               |
|---------------------------------------------------|----------|---------------|
| Bond principal payments                           | 55,000   |               |
| Amortization of bond premium                      | 21,759   |               |
| Adjustment for accrued interest on long-term debt | <u>-</u> | <u>76,759</u> |

\$ 1,211,475

Change in net position of governmental activities

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

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Hinsdale County School District RE-1 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles.

The following is a summary of the District's significant accounting policies:

**1. The Reporting Entity**

The District is governed by a five member Board of Education and is organized and operates in accordance with Colorado Statutes. Board of Education members are elected by the citizens of Hinsdale County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District independently issues debt for short and long-term financing. The District meets the criteria of a primary government: its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity and does not include any component units.

**2. 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 non-fiduciary activities of the primary government and its component unit. 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 District has no business-type activities.

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 or segment. 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 or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

If needed, separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements when they exist. Currently, the District does not have any non-major or proprietary funds.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

The *Bond Redemption Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the District.

The *Capital Fund* accounts for bond proceeds, grants, and contributions received and the expenditures made for capital improvements to the District's facilities.

The *Food Service Fund* accounts for the food services provided by the District.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity is not eliminated in the fund financial statements.

Amounts reported as program revenues include 1) charges to students and customers for tuition, fees, rental or services provided, 2) operating grants and contributions, and 3) capital grants and contributions.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

---

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

**4. Assets, Liabilities and Net Position or Equity**

*Cash and Investments*

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

State statutes authorize the government and the District to invest in obligations of the U.S. Treasury, obligations unconditionally guaranteed by U.S. agencies, certain international agency securities, certain types of bonds of U.S. local government entities, banker's acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds, and guaranteed investment contracts.

*Receivables and Payables*

Interfund receivables and payables, if any, result from overdraws of the cash and investment pool. These outstanding balances between funds are reported as "due to/from other funds."

Property taxes are levied in December and attach as a lien on property the following January 1. They are payable in full by April 30, or in two equal installments due February 28 and June 15. Property taxes previously levied and collected in the following year are reported as a receivable at June 30, net of an estimated uncollectible portion. In the fund financial statements, the portion of the property taxes receivable not collected within 60 days after June 30 are recorded as a deferred inflow of resources, since such tax collections are not available to pay liabilities of the fiscal year ended June 30.

*Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The District has no reportable infrastructure.

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

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

| <u>Assets</u>                       | <u>Years</u> |
|-------------------------------------|--------------|
| Land improvements                   | 15           |
| Buildings and building improvements | 40           |
| Vehicles                            | 10           |
| Equipment                           | 5            |

*Future Compensated Absences*

The District's professional staff generally works on a contract basis that provides for an agreed number of working days each year. There is no specific provision in the personnel policies for paid vacation days.

The personnel policies detail several circumstances requiring leaves of absences including sick leave, personal leave, emergency leave, family illness and termination. The District has no liability for such absences at June 30, 2020.

*Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

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

*Deferred Inflows and Outflows*

The District reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of the government-wide statement of net position. Deferred inflows of resources are items that will increase net position in future periods. The District reports deferred outflows and inflows of resources related to pension and OPEB liabilities as described in Note F.

Deferred inflows of resources for property taxes are recognized in the fund financial statements for property taxes that are due to the District at June 30, but will not be collected by the District until after the 60 day period in which property taxes are allowed to be recognized as current financial resources.

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**5. Stewardship, compliance and accountability**

*Budgetary Information*

Annual budgets are adopted for all funds on a basis consistent with GAAP.

In June, the Board of Education adopts the budget for the following fiscal year. The District submits its adopted (revised) budget to the CDE on or before January 31 in the approved format. The Board may amend or adopt supplemental budgets during the budget year.

*Budgeted level of expenditures*

Expenditures may not legally exceed appropriations at the fund level. Administrative control is maintained through the use of detailed line-item budgets. Budgets must be amended at the fund level by the Board of Education. At year-end, all appropriations lapse in accordance with Colorado statutes.

*Budgetary basis of accounting*

Appropriated budgets are adopted by the Board of Education for the General and Bond Redemption funds. All budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**7. Pensions**

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications to the Public Employees' Retirements 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. Some, but not all, of these changes were in effect as of June 30, 2021. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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

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

**NOTE B – CASH AND INVESTMENTS**

Cash and investments consist of the following:

|                            |                     |
|----------------------------|---------------------|
| Demand accounts            | \$ 687,605          |
| CSAFE                      | 137,751             |
| COLOTRUST                  | <u>1,057,874</u>    |
| Total cash and investments | <u>\$ 1,883,230</u> |

*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 102% of the aggregate uninsured deposits.

At year-end the carrying amount of the district's bank accounts was \$768,194 and \$250,000 of that balance was covered by federal depository insurance. The remaining \$518,193 was collateralized with securities held in a single financial institution collateral pool, in accordance with Title II, Article 10.5 of the Colorado Revised Statutes.

*Investments*

The District had invested \$1,057,874 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. The trust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to this trust in connection with their direct investment and withdrawal functions. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE B – CASH AND INVESTMENTS - CONTINUED**

maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. COLOTRUST funds carry a AAAM rating from Standard & Poor's. COLOTRUST is at fair value.

The District had invested \$137,751 in The Colorado Surplus Asset Fund (CSafe) which exists under the laws of the State of Colorado and is registered with the Securities Commissioner of the State of Colorado. CSAFE adheres to the guidelines outlined in GASB 79, *Certain External Investment Pools and Pool Participants*, regarding liquidity, maturity, quality, diversification and shadow NAV pricing. CSAFE measures its investment at amortized cost for financial reporting purposes and has been rated AAm by Standard & Poor's. The pool is similar to a money market fund, with each share valued at \$1, though this is not guaranteed. Investment objectives focus on safety, liquidity, transparency, and competitive yields through investment in a diversified portfolio of short-term marketable securities. CSAFE may invest in U.S. Treasury securities, U.S. governmental agency securities, commercial paper, corporate fixed notes, and repurchase agreement collateralized with securities valued in excess of the repurchase agreement amount. All securities owned by CSAFE are held by the Federal Reserve Bank in the account maintained for the custodian. There are no limits or restrictions on participant withdrawals.

**NOTE C – FUND BALANCES**

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" clearly defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the School Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the School Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the School Board or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum, intended to be used for the purpose of that particular fund.

## Hinsdale County School District RE-1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE C – FUND BALANCES - CONTINUED**

- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, the District will use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

**NOTE D – CAPITAL ASSETS**

|                                             | <u>Beginning<br/>Balance</u> | <u>Increases</u>     | <u>Decreases</u>     | <u>Ending<br/>Balance</u> |
|---------------------------------------------|------------------------------|----------------------|----------------------|---------------------------|
| <b>Governmental activities:</b>             |                              |                      |                      |                           |
| Capital assets, not being depreciated:      |                              |                      |                      |                           |
| Land                                        | \$ 633,903                   | \$ –                 | \$ –                 | \$ 633,903                |
| Construction in progress                    | <u>11,494,581</u>            | <u>3,049,217</u>     | <u>(14,543,798)</u>  | <u>–</u>                  |
| Total non-depreciable capital assets        | 12,128,484                   | 3,049,217            | (14,543,798)         | 633,903                   |
| Capital assets, being depreciated:          |                              |                      |                      |                           |
| Buildings and improvements                  | 2,288,402                    | 14,543,798           | (2,129,644)          | 14,702,556                |
| Equipment                                   | 29,514                       | 14,562               | (16,827)             | 27,249                    |
| Transportation equipment                    | <u>163,776</u>               | <u>–</u>             | <u>–</u>             | <u>163,776</u>            |
| Total depreciable capital assets            | 2,481,692                    | 14,558,360           | (2,146,471)          | 14,893,581                |
| Less accumulated depreciation:              |                              |                      |                      |                           |
| Buildings and improvements                  | (719,523)                    | (373,762)            | 619,669              | (473,616)                 |
| Equipment                                   | (29,514)                     | (583)                | 16,827               | (13,270)                  |
| Transportation equipment                    | <u>(144,842)</u>             | <u>(11,918)</u>      | <u>–</u>             | <u>(156,760)</u>          |
| Total accumulated depreciation              | <u>(893,879)</u>             | <u>(386,263)</u>     | <u>636,496</u>       | <u>(643,646)</u>          |
| Total depreciable capital assets, net       | <u>1,587,813</u>             | <u>14,172,097</u>    | <u>(1,509,975)</u>   | <u>14,249,935</u>         |
| Governmental activities capital assets, net | <u>\$ 13,716,297</u>         | <u>\$ 17,221,314</u> | <u>\$ 16,053,773</u> | <u>\$14,883,838</u>       |

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

|                               |                   |
|-------------------------------|-------------------|
| Governmental activities:      |                   |
| Instructional services        | \$ 373,762        |
| Pupil transportation services | <u>12,501</u>     |
| Total depreciation expense    |                   |
| Governmental activities       | <u>\$ 386,263</u> |

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE E – LONG-TERM DEBT**

Changes in the District's long-term obligations during the year end June 30, 2021 were as follows:

|                          | <u>Beginning<br/>Balance</u> | <u>Addition</u> | <u>Reductions</u>  | <u>Ending<br/>Balance</u> | <u>Amounts<br/>Due Within<br/>One Year</u> |
|--------------------------|------------------------------|-----------------|--------------------|---------------------------|--------------------------------------------|
| General obligation bonds |                              |                 |                    |                           |                                            |
| Series 2019              | \$ 3,890,000                 | \$ —            | \$ (55,000)        | \$ 3,835,000              | \$ 55,000                                  |
| Bond premium             | <u>413,423</u>               | <u>—</u>        | <u>(21,759)</u>    | <u>391,664</u>            | <u>21,759</u>                              |
| Total                    | <u>\$ 4,303,423</u>          | <u>\$ —</u>     | <u>\$ (76,759)</u> | <u>\$ 4,226,664</u>       | <u>\$ 76,759</u>                           |

General Obligation Bonds, Series 2019

In 2019 the District issued \$3,950,000 of General Obligation Series 2019 Bonds. The proceeds of the bond issue were used to build a gymnasium, and additional classroom and administration space at the school. The bonds will be paid over 20 years with interest rates varying from 4.00 to 5.00 percent. The bonds were sold at a premium of \$435,182.

Debt service for the bonds is accounted for in the Bond Redemption Fund. UMB Corporate Services is the bond registrar and paying agent for the 2001 and 2019 bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the District.

Debt service requirements to maturity for the Series 2019 General Obligation Bonds are as follows:

| <u>Year</u> | <u>Principal</u>    | <u>Interest</u>     | <u>Total</u>        | <u>Interest Rate</u> |
|-------------|---------------------|---------------------|---------------------|----------------------|
| 2022        | \$ 55,000           | 166,200             | \$ 221,200          | 4.00%                |
| 2023        | 155,000             | 162,000             | 317,000             | 4.00%                |
| 2024        | 160,000             | 155,700             | 315,700             | 4.00%                |
| 2025        | 175,000             | 149,000             | 324,000             | 4.00%                |
| 2026        | 175,000             | 142,000             | 317,000             | 4.00%                |
| 2027 - 2031 | 985,000             | 593,250             | 1,578,250           | 4.00%                |
| 2032 - 2036 | 1,245,000           | 326,500             | 1,571,500           | 5.00%                |
| 2037 - 2039 | 885,000             | 53,900              | 938,900             | 5.00%                |
|             | <u>\$ 3,835,000</u> | <u>\$ 1,748,550</u> | <u>\$ 5,583,550</u> |                      |

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE F – DEFINED BENEFIT PENSION PLAN**

**General Information about the Pension Plan**

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

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.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED**

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 eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average 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 retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

*Contributions provisions as of June 30, 2021:* Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 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:

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED**

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

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Districts Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$194,786 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 District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED**

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

At June 30, 2021, the District reported a liability of \$2,549,117 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

|                                                                                                                                |             |
|--------------------------------------------------------------------------------------------------------------------------------|-------------|
|                                                                                                                                |             |
| The District's proportionate share of the net pension liability                                                                | \$2,549,117 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District | \$0         |
| Total                                                                                                                          | \$2,549,117 |

At December 31, 2020, the District proportion was .01686149 percent, which was an increase of .00135422 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(602,848). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

## Hinsdale County School District RE-1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED**

|                                                                                                                 | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows of Resources</u> |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------|
| Difference between expected and actual experience                                                               | \$ 140,061                                | \$ –                                 |
| Changes of assumptions or other inputs                                                                          | 245,217                                   | 428,485                              |
| Net difference between projected and actual earnings on pension plan investments                                | –                                         | 561,119                              |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 65,577                                    | 44,257                               |
| Contributions subsequent to the measurement date                                                                | 101,908                                   | N/A                                  |
| Total                                                                                                           | \$ 552,763                                | \$1,033,861                          |

\$101,908 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year ended June 30, 2021:</b> |           |
|----------------------------------|-----------|
| 2022                             | (533,490) |
| 2023                             | 110,504   |
| 2024                             | (71,500)  |
| 2025                             | (88,520)  |
| 2026                             | –         |
| Thereafter                       | –         |

*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:

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED**

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

<sup>1</sup> 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 reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

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

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

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

The actuarial assumptions used in the December 31, 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 the PERA Board during the November 18, 2016, Board meeting.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE F – DEFINED BENEFIT PENSION PLAN - CONTINUED**

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

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

<sup>1</sup> 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.
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Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED**

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

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

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

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

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

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

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

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

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED**

| <b>Asset Class</b>       | <b>Target Allocation</b> | <b>30 Year Expected Geometric Real Rate of Return</b> |
|--------------------------|--------------------------|-------------------------------------------------------|
| Global Equity            | 54.00%                   | 5.60%                                                 |
| Fixed Income             | 23.00%                   | 1.30%                                                 |
| Private Equity           | 8.50%                    | 7.10%                                                 |
| Real Estate              | 8.50%                    | 4.40%                                                 |
| Alternative <sup>1</sup> | 6.00%                    | 4.70%                                                 |
| <b>Total</b>             | <b>100.00%</b>           |                                                       |

<sup>1</sup> 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 rate of return assumption of 7.25%.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 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

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE F – DEFINED BENEFIT PENSION PLAN – CONTINUED**

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.

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

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

|                                                  | 1% Decrease<br>(6.25%) | Current Discount<br>Rate (4.78%) | 1% Increase<br>(5.78%) |
|--------------------------------------------------|------------------------|----------------------------------|------------------------|
| Proportionate share of the net pension liability | \$3,477,205            | \$2,549,117                      | \$1,775,715            |

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the School 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.

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

*PERA Benefit Structure*

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

*DPS Benefit Structure*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$9,994 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$93,651 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

## Hinsdale County School District RE-1

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was .009855 percent, which was a decrease of .0002804 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$144. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                                                                 | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows of<br/>Resources</u> |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Difference between expected and actual experience                                                               | \$249                                     | \$20,589                                 |
| Changes of assumptions or other inputs                                                                          | 700                                       | 5,743                                    |
| Net difference between projected and actual earnings on OPEB plan investments                                   | —                                         | 3,827                                    |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | —                                         | 8,450                                    |
| Contributions subsequent to the measurement date                                                                | 5,229                                     | N/A                                      |
| Total                                                                                                           | \$6,178                                   | \$38,609                                 |

\$5,229 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN – CONTINUED**

| <b>Year ended June 30, 2021:</b> |           |
|----------------------------------|-----------|
| 2022                             | \$(8,774) |
| 2023                             | (8,239)   |
| 2024                             | (9,674)   |
| 2025                             | (7,673)   |
| 2026                             | (3,104)   |
| Thereafter                       | (196)     |

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

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

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

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

health care costs and their related trends are analyzed and reviewed by PERA’s actuary, as discussed below.

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

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

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

| Year  | PERACare<br>Medicare Plans | Medicare Part A<br>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.

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:

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

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

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

The actuarial assumptions used in the December 31, 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% <sup>1</sup> | N/A               |

<sup>1</sup> 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.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for the School Division were based upon the PubT-2010 Health 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.

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 measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 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.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

Actuarial assumptions pertaining to per capital 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 or 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 rate 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:

| <b>Asset Class</b>        | <b>Target Allocation</b> | <b>30 Year Expected Geometric Real Rate of Return</b> |
|---------------------------|--------------------------|-------------------------------------------------------|
| 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 <sup>1</sup> | 6.00%                    | 4.70%                                                 |
| <b>Total</b>              | <b>100.00%</b>           |                                                       |

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

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

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

|                                       | 1%<br>Decrease in<br>Trend<br>Rates | Current<br>Trend<br>Rates | 1% Increase<br>in Trend<br>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                    | \$ 91,230                           | \$ 93,651                 | \$ 96,469                        |

*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.
- 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.

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE G – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - CONTINUED**

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

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

|                                               | 1% Decrease<br>(6.25%) | Current Discount<br>Rate (7.25%) | 1% Increase<br>(8.25%) |
|-----------------------------------------------|------------------------|----------------------------------|------------------------|
| Proportionate share of the net OPEB liability | \$107,279              | \$93,651                         | \$82,007               |

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

**NOTE H – RISK MANAGEMENT**

The District insures against loss or damage to property; pays premiums on loss insurances; and pays judgments, administrative and legal claims. This activity occurs in the General Fund.

The District is exposed to various risks of loss related to torts; errors and omissions; violation of civil rights; theft of, damage to, and destruction of assets; and natural disasters. These risks are covered by the District's participation as a member of the Colorado School District Self-Insurance Pool, which operates as a risk-sharing public entity risk pool comprised of various school districts and other related public educational entities within the State of Colorado. The Pool provides the District with general, property and vehicle liability insurance. In the event of the impairment or insolvency of the Pool the District may be assessed such amounts as may be necessary to ensure the solvency of the Pool. The likelihood of an event of this type occurring is remote. For the fiscal year ended June 30, 2021 the District paid premiums of \$50,245. In the event of impairment or insolvency of the Pool, the District may be assessed such

Hinsdale County School District RE-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE H – RISK MANAGEMENT – CONTINUED**

amounts as may be necessary to ensure the solvency of the Pool. The likelihood of an event of this type occurring is remote.

**NOTE I – TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. The voters approved a ballot issue in a general election which allows the District to exceed revenue limitations required by the amendment.

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 restrict emergency reserves to be used for declared emergencies only. TABOR requires local governments to restrict 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 restricted fund balances are required to be three percent or more of fiscal year spending (excluding bonded debt service and other items specifically listed in the Amendment).

HINSDALE COUNTY SCHOOL DISTRICT RE-1

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended June 30, 2021

|                              | Budget     |            | Actual     | Variance with                       |
|------------------------------|------------|------------|------------|-------------------------------------|
|                              | Original   | Final      |            | Final Budget<br>Positive (Negative) |
| Revenues                     |            |            |            |                                     |
| Local sources:               |            |            |            |                                     |
| Property taxes               | \$ 925,551 | \$ 925,551 | \$ 961,575 | \$ 36,024                           |
| Specific ownership tax       | 52,986     | 52,986     | 84,595     | 31,609                              |
| Interest and penalties       | 9,500      | 9,500      | 4,741      | (4,759)                             |
| Investment income            | 15,000     | 15,000     | 2,577      | (12,423)                            |
| Other local revenue          | 177,130    | 177,130    | 90,386     | (86,744)                            |
| Total local sources          | 1,180,167  | 1,180,167  | 1,143,874  | (36,293)                            |
| State sources:               |            |            |            |                                     |
| State equalization           | 505,799    | 505,799    | 353,106    | (152,693)                           |
| COVID-19 State Share         | 3,500      | 3,500      | 96,222     | 92,722                              |
| Other state sources          | 55,125     | 55,125     | 244,187    | 189,062                             |
| Total state sources          | 564,424    | 564,424    | 693,515    | 129,091                             |
| Federal sources              |            |            |            |                                     |
| ESSER Funds                  | 18,539     | 18,539     | 18,672     | 133                                 |
| Coronavirus Relief Funds     | 152,960    | 152,960    | 149,251    | (3,709)                             |
| Other federal sources        | 45,133     | 45,133     | 54,515     | 9,382                               |
| Total federal sources        | 216,632    | 216,632    | 222,438    | 5,806                               |
| Total revenues               | 1,961,223  | 1,961,223  | 2,059,827  | 98,604                              |
| Expenditures                 |            |            |            |                                     |
| Instructional services:      |            |            |            |                                     |
| Elementary                   | 271,408    | 271,408    | 288,320    | (16,912)                            |
| Middle School                | 214,981    | 214,981    | 177,272    | 37,709                              |
| High School                  | 278,136    | 278,136    | 224,644    | 53,492                              |
| Preschool                    | 74,495     | 74,495     | 62,789     | 11,706                              |
| Special education            | 171,876    | 171,876    | 136,075    | 35,801                              |
| Total instructional services | 1,010,896  | 1,010,896  | 889,100    | 121,796                             |

(continued)

HINSDALE COUNTY SCHOOL DISTRICT RE-1

GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year ended June 30, 2021

|                                                                                          | Budget       |              | Actual       | Variance with<br>Final Budget<br>Positive (Negative) |
|------------------------------------------------------------------------------------------|--------------|--------------|--------------|------------------------------------------------------|
|                                                                                          | Original     | Final        |              |                                                      |
| Instructional support:                                                                   |              |              |              |                                                      |
| Student support                                                                          | \$ 86,903    | \$ 86,903    | \$ 49,011    | \$ 37,892                                            |
| Instructional staff                                                                      | 107,675      | 107,675      | 287,148      | (179,473)                                            |
| General administration                                                                   | 223,725      | 223,725      | 207,279      | 16,446                                               |
| Business support                                                                         | 75,151       | 75,151       | 73,620       | 1,531                                                |
| Operations and maintenance                                                               | 245,206      | 245,206      | 218,790      | 26,416                                               |
| Student transportation                                                                   | 56,274       | 56,274       | 29,590       | 26,684                                               |
| Other support services                                                                   | 5,400        | 5,400        | 9,794        | (4,394)                                              |
| Capital outlay                                                                           | -            | -            | 500          | (500)                                                |
| Total support services                                                                   | 800,334      | 800,334      | 875,732      | (75,398)                                             |
| Total expenditures                                                                       | 1,811,230    | 1,811,230    | 1,764,832    | 46,398                                               |
| Excess (deficiency) of revenues<br>over (under expenditures)                             | 149,993      | 149,993      | 294,995      | 145,002                                              |
| Other financing (uses)                                                                   |              |              |              |                                                      |
| Transfer to other funds                                                                  | (40,014)     | (40,014)     | (191,267)    | (151,253)                                            |
| Excess (deficiency) of revenues<br>over (under expenditures) and other<br>financing uses | 109,979      | 109,979      | 103,728      | (6,251)                                              |
| Fund balance, beginning of year                                                          | 1,573,867    | 1,652,894    | 1,652,894    | -                                                    |
| Fund balance, end of year                                                                | \$ 1,683,846 | \$ 1,762,873 | \$ 1,756,622 | \$ (6,251)                                           |

## HINSDALE COUNTY SCHOOL DISTRICT RE-1

## SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

June 30, 2021

|                   | Employer<br>proportion of NPL | Employer<br>proportionate<br>share of NPL | Nonemployer<br>contributing entity<br>proportionate share<br>of NPL associated<br>with employer | Employer<br>covered payroll | Employer<br>proportionate<br>share of NPL as<br>a percentage of<br>covered payroll | Pension plan's<br>fiduciary net<br>position as a<br>percentage of<br>total pension<br>liability |
|-------------------|-------------------------------|-------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------|------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| Measurement date: |                               |                                           |                                                                                                 |                             |                                                                                    |                                                                                                 |
| December 31, 2020 | 0.0155072639%                 | \$ 2,549,117                              | \$ -                                                                                            | \$ 901,354                  | 283%                                                                               | 67%                                                                                             |
| December 31, 2019 | 0.0155072639%                 | \$ 2,316,752                              | \$ 260,775.00                                                                                   | \$ 911,399                  | 254%                                                                               | 65%                                                                                             |
| December 31, 2018 | 0.0159436221%                 | \$ 2,823,146                              | \$ 339,591.00                                                                                   | \$ 876,505                  | 322%                                                                               | 57%                                                                                             |
| December 31, 2017 | 0.0196027792%                 | \$ 6,338,842                              |                                                                                                 | \$ 907,274                  | 699%                                                                               | 44%                                                                                             |
| December 31, 2016 | 0.0189305383%                 | \$ 5,636,353                              |                                                                                                 | \$ 905,249                  | 623%                                                                               | 43%                                                                                             |
| December 31, 2015 | 0.0182344538%                 | \$ 2,788,831                              |                                                                                                 | \$ 849,636                  | 328%                                                                               | 59%                                                                                             |
| December 31, 2014 | 0.0182254143%                 | \$ 2,470,156                              |                                                                                                 | \$ 763,513                  | 324%                                                                               | 63%                                                                                             |

HINSDALE COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

June 30, 2021

|               | Required<br>employer<br>contribution | Employer<br>contributions<br>recognized by the<br>plan | Difference | Employer<br>covered payroll | Contributions as<br>a percentage of<br>employer<br>covered payroll |
|---------------|--------------------------------------|--------------------------------------------------------|------------|-----------------------------|--------------------------------------------------------------------|
| June 30, 2021 | \$ 194,786                           | \$ 194,786                                             | \$ -       | \$ 979,805                  | 19.88%                                                             |
| June 30, 2020 | \$ 171,042                           | \$ 171,042                                             | \$ -       | \$ 882,565                  | 19.38%                                                             |
| June 30, 2019 | \$ 168,428                           | \$ 168,428                                             | \$ -       | \$ 880,436                  | 19.13%                                                             |
| June 30, 2018 | \$ 168,627                           | \$ 168,627                                             | \$ -       | \$ 892,819                  | 18.89%                                                             |
| June 30, 2017 | \$ 166,474                           | \$ 166,474                                             | \$ -       | \$ 904,888                  | 18.40%                                                             |
| June 30, 2016 | \$ 145,175                           | \$ 145,175                                             | \$ -       | \$ 818,556                  | 17.74%                                                             |
| June 30, 2015 | \$ 129,990                           | \$ 129,990                                             | \$ -       | \$ 769,760                  | 16.89%                                                             |

HINSDALE COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

June 30, 2021

|                          | Employer<br>proportion of<br>NOPEBL | Employer<br>proportionate<br>share of<br>NOPEBL | Employer<br>covered<br>payroll | Employer<br>proportionate<br>share of NOPEBL<br>as a percentage of<br>covered payroll | OPEB plan's<br>fiduciary net<br>position as a<br>percentage of<br>total OPEB<br>liability |
|--------------------------|-------------------------------------|-------------------------------------------------|--------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <u>Measurement date:</u> |                                     |                                                 |                                |                                                                                       |                                                                                           |
| December 31, 2020        | 0.0098556681%                       | \$ 93,651                                       | \$ 901,354                     | 10%                                                                                   | 33%                                                                                       |
| December 31, 2019        | 0.0101361359%                       | \$ 113,930                                      | \$ 911,399                     | 13%                                                                                   | 24%                                                                                       |
| December 31, 2018        | 0.0103634338%                       | \$ 140,999                                      | \$ 876,505                     | 16%                                                                                   | 17%                                                                                       |
| December 31, 2017        | 0.0111384768%                       | \$ 144,756                                      | \$ 904,274                     | 16%                                                                                   | 18%                                                                                       |

HINSDALE COUNTY SCHOOL DISTRICT RE-1

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

June 30, 2021

|               | Required<br>employer<br>contribution | Employer<br>contributions<br>recognized by the<br>plan | Difference | Employer<br>covered<br>payroll | Contributions as a<br>percentage of<br>employer covered<br>payroll |
|---------------|--------------------------------------|--------------------------------------------------------|------------|--------------------------------|--------------------------------------------------------------------|
| June 30, 2021 | \$ 9,994                             | \$ 9,994                                               | \$ -       | \$ 979,805                     | 1.02%                                                              |
| June 30, 2020 | \$ 9,002                             | \$ 9,002                                               | \$ -       | \$ 882,565                     | 1.02%                                                              |
| June 30, 2019 | \$ 8,980                             | \$ 8,980                                               | \$ -       | \$ 880,436                     | 1.02%                                                              |
| June 30, 2018 | \$ 9,107                             | \$ 9,107                                               | \$ -       | \$ 892,818                     | 1.02%                                                              |

## HINSDALE COUNTY SCHOOL DISTRICT RE-1

DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL

Year ended June 30, 2021

|                                                                                          | Budget     |            | Actual     | Variance with<br>Final Budget<br>Positive (Negative) |
|------------------------------------------------------------------------------------------|------------|------------|------------|------------------------------------------------------|
|                                                                                          | Original   | Final      |            |                                                      |
| Revenues                                                                                 |            |            |            |                                                      |
| Local sources:                                                                           |            |            |            |                                                      |
| Property taxes                                                                           | 223,400    | 223,400    | \$ 226,276 | \$ 2,876                                             |
| Specific ownership taxes                                                                 | -          | -          | 19,893     | 19,893                                               |
| Investment income                                                                        | 2,500      | 2,500      | 108        | (2,392)                                              |
| Total revenues                                                                           | 225,900    | 225,900    | 246,277    | 20,377                                               |
| Expenditures                                                                             |            |            |            |                                                      |
| Current:                                                                                 |            |            |            |                                                      |
| Debt Service                                                                             |            |            |            |                                                      |
| Principal                                                                                | 55,000     | 55,000     | 55,000     | -                                                    |
| Interest                                                                                 | 168,400    | 168,400    | 168,400    | -                                                    |
| Fees                                                                                     | 1,200      | 1,200      | 900        | 300                                                  |
| Total debt services                                                                      | 224,600    | 224,600    | 224,300    | 300                                                  |
| Other financing sources                                                                  |            |            |            |                                                      |
| Transfers in                                                                             | -          | -          | -          | -                                                    |
| Excess (deficiency) of revenues<br>over (under expenditures) and<br>other sources (uses) | 1,300      | 1,300      | 21,977     | 20,677                                               |
| Fund balance, beginning of year                                                          | 132,174    | 132,174    | 148,061    | (15,887)                                             |
| Fund balance, end of year                                                                | \$ 133,474 | \$ 133,474 | \$ 170,038 | \$ 4,790                                             |

## HINSDALE COUNTY SCHOOL DISTRICT RE-1

CAPITAL CONSTRUCTION FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL

Year ended June 30, 2021

|                                                                                          | Budget      |              |              | Variance with<br>Final Budget<br>Positive (Negative) |
|------------------------------------------------------------------------------------------|-------------|--------------|--------------|------------------------------------------------------|
|                                                                                          | Original    | Final        | Actual       |                                                      |
| Revenues                                                                                 |             |              |              |                                                      |
| Local sources:                                                                           |             |              |              |                                                      |
| BEST grant                                                                               | \$ -        | \$ 3,176,887 | \$ 1,850,717 | \$ (1,326,170)                                       |
| Investment income                                                                        | -           | 1,142        | 1,159        | 17                                                   |
| Total revenues                                                                           | -           | 3,178,029    | 1,851,876    | (1,326,153)                                          |
| Expenditures                                                                             |             |              |              |                                                      |
| Construction                                                                             | 2,468,096   | 4,430,055    | 3,508,989    | 921,066                                              |
| Total expenditures                                                                       | 2,468,096   | 4,430,055    | 3,508,989    | 921,066                                              |
| Excess (deficiency) of revenues<br>over (under) expenditures                             | (2,468,096) | (1,252,026)  | (1,657,113)  | (405,087)                                            |
| Other financing sources (uses)                                                           |             |              |              |                                                      |
| Transfers in                                                                             | -           | -            | 151,253      | 151,253                                              |
| Excess (deficiency) of revenues<br>over (under) expenditures and other<br>financing uses | (2,468,096) | (1,252,026)  | (1,505,860)  | (253,834)                                            |
| Fund balance, beginning of year                                                          | 2,468,096   | 1,505,860    | 1,505,860    | -                                                    |
| Fund balance, end of year                                                                | \$ -        | \$ 253,834   | \$ -         | \$ (253,834)                                         |

## HINSDALE COUNTY SCHOOL DISTRICT RE-1

FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL

Year ended June 30, 2021

|                                                                                                    | Budget    |           | Actual    | Variance with<br>Final Budget<br>Positive (Negative) |
|----------------------------------------------------------------------------------------------------|-----------|-----------|-----------|------------------------------------------------------|
|                                                                                                    | Original  | Final     |           |                                                      |
| Revenues                                                                                           |           |           |           |                                                      |
| Local sources                                                                                      |           |           |           |                                                      |
| Charges and other                                                                                  | \$ 19,112 | \$ 19,112 | \$ 32,639 | \$ 13,527                                            |
| State Sources                                                                                      |           |           |           |                                                      |
| Grants                                                                                             | 864       | 864       | -         | (864)                                                |
| Federal sources                                                                                    |           |           |           |                                                      |
| Grants                                                                                             | 9,015     | 9,015     | 4,382     | (4,633)                                              |
| Total revenues                                                                                     | 28,991    | 28,991    | 37,021    | 8,030                                                |
| Expenditures                                                                                       |           |           |           |                                                      |
| Food service                                                                                       | 77,777    | 77,777    | 73,137    | 4,640                                                |
| Total expenditures                                                                                 | 77,777    | 77,777    | 73,137    | 4,640                                                |
| Excess (deficiency) of revenues<br>over (under) expenditures                                       | (48,786)  | (48,786)  | (36,116)  | 12,670                                               |
| Transfers in                                                                                       | 40,014    | 40,014    | 40,014    | -                                                    |
| Excess (deficiency) of revenues<br>over (under) expenditures and<br>other financing sources (uses) | (8,772)   | (8,772)   | 3,898     | 12,670                                               |
| Fund balance, beginning of year                                                                    | 9,341     | 9,341     | -         | 9,341                                                |
| Fund balance, end of year                                                                          | \$ 569    | \$ 569    | \$ 3,898  | \$ 22,011                                            |



**Colorado Department of Education**  
**Auditors Integrity Report**  
District: 1380 - Hinsdale County RE 1  
Fiscal Year 2020-21  
Colorado School District/BOCES

Page: 1

**Revenues, Expenditures, & Fund Balance by Fund**

| Fund Type & Number |                                                      | Beg Fund Balance & Prior Per Adj (6880*) | 1000 - 5999 Total Revenues & Other Sources | 0001-0999 Total Expenditures & Other Uses | 6700-6799 & Prior Per Adj (6880*) Ending Fund Balance |
|--------------------|------------------------------------------------------|------------------------------------------|--------------------------------------------|-------------------------------------------|-------------------------------------------------------|
| Governmental       |                                                      | +                                        |                                            | -                                         | =                                                     |
| 10                 | General Fund                                         | 1,652,894                                | 1,868,559                                  | 1,764,831                                 | 1,756,623                                             |
| 18                 | Risk Mgmt Sub-Fund of General Fund                   | 0                                        | 0                                          | 0                                         | 0                                                     |
| 19                 | Colorado Preschool Program Fund                      | 0                                        | 0                                          | 0                                         | 0                                                     |
| Sub- Total         |                                                      | 1,652,894                                | 1,868,559                                  | 1,764,831                                 | 1,756,623                                             |
| 11                 | Charter School Fund                                  | 0                                        | 0                                          | 0                                         | 0                                                     |
| 20,26-29           | Special Revenue Fund                                 | 0                                        | 0                                          | 0                                         | 0                                                     |
| 06                 | Supplemental Cap Const, Tech, Main. Fund             | 0                                        | 0                                          | 0                                         | 0                                                     |
| 07                 | Total Program Reserve Fund                           | 0                                        | 0                                          | 0                                         | 0                                                     |
| 21                 | Food Service Spec Revenue Fund                       | 0                                        | 77,034                                     | 73,137                                    | 3,897                                                 |
| 22                 | Govt Designated-Purpose Grants Fund                  | 0                                        | 0                                          | 0                                         | 0                                                     |
| 23                 | Pupil Activity Special Revenue Fund                  | 0                                        | 0                                          | 0                                         | 0                                                     |
| 24                 | Full Day Kindergarten Mill Levy Override             | 0                                        | 0                                          | 0                                         | 0                                                     |
| 25                 | Transportation Fund                                  | 0                                        | 0                                          | 0                                         | 0                                                     |
| 31                 | Bond Redemption Fund                                 | 148,061                                  | 246,276                                    | 224,300                                   | 170,038                                               |
| 39                 | Certificate of Participation (COP) Debt Service Fund | 0                                        | 0                                          | 0                                         | 0                                                     |
| 41                 | Building Fund                                        | 1,505,861                                | 2,003,129                                  | 3,508,989                                 | 0                                                     |
| 42                 | Special Building Fund                                | 0                                        | 0                                          | 0                                         | 0                                                     |
| 43                 | Capital Reserve Capital Projects Fund                | 0                                        | 0                                          | 0                                         | 0                                                     |
| 46                 | Supplemental Cap Const, Tech, Main Fund              | 0                                        | 0                                          | 0                                         | 0                                                     |
| Totals             |                                                      | 3,306,816                                | 4,194,999                                  | 5,571,257                                 | 1,930,558                                             |
| Proprietary        |                                                      |                                          |                                            |                                           |                                                       |
| 50                 | Other Enterprise Funds                               | 0                                        | 0                                          | 0                                         | 0                                                     |
| 64 (63)            | Risk-Related Activity Fund                           | 0                                        | 0                                          | 0                                         | 0                                                     |
| 60,65-69           | Other Internal Service Funds                         | 0                                        | 0                                          | 0                                         | 0                                                     |
| Totals             |                                                      | 0                                        | 0                                          | 0                                         | 0                                                     |
| Fiduciary          |                                                      |                                          |                                            |                                           |                                                       |
| 70                 | Other Trust and Agency Funds                         | 0                                        | 0                                          | 0                                         | 0                                                     |
| 72                 | Private Purpose Trust Fund                           | 0                                        | 0                                          | 0                                         | 0                                                     |
| 73                 | Agency Fund                                          | 0                                        | 0                                          | 0                                         | 0                                                     |
| 74                 | Pupil Activity Agency Fund                           | 0                                        | 0                                          | 0                                         | 0                                                     |
| 79                 | GASB 34:Permanent Fund                               | 0                                        | 0                                          | 0                                         | 0                                                     |
| 85                 | Foundations                                          | 0                                        | 0                                          | 0                                         | 0                                                     |
| Totals             |                                                      | 0                                        | 0                                          | 0                                         | 0                                                     |

FINAL