

**DURANGO SCHOOL DISTRICT 9-R
DURANGO, COLORADO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

Prepared by the Finance Department

*Samantha Gallagher, CPA, Chief Financial Officer
Kira Horenn, Accounting Manager*

**DURANGO SCHOOL DISTRICT 9-R
DURANGO, COLORADO**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2021

Prepared by the Finance Department

*Samantha Gallagher, CPA, Chief Financial Officer
Kira Horenn, Accounting Manager*



**Wall,
Smith,
Bateman** Inc.
Certified Public Accountants

DURANGO SCHOOL DISTRICT 9-R

TABLE OF CONTENTS

June 30, 2021

	<u>Page</u>
<u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i - v
<u>FINANCIAL SECTION</u>	
Independent Auditors' Report	vi
Management's Discussion and Analysis	ix
Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements	
Balance Sheet - Governmental Funds	3
Reconciliation of the Governmental Funds	4
Balance Sheet to the Statement of Net Position	
Statement of Revenues, Expenditures, and	5
Changes in Fund Balances - Governmental Funds	
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	6
Fund Balances of the Governmental Funds to the Statement of Activities	
Notes to the Basic Financial Statements	7
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General Fund	34
Governmental Designated Grants Fund	35
Schedule of District's Proportionate Share of the Net Pension Liability - PERA SCHDTF Pension Plan	36
Schedule of District Contributions - PERA SCHDTF Pension Plan	37
Schedule of District's Proportionate Share of the Net OPEB Liability - PERA Healthcare Trust Fund	38
Schedule of District Contributions - PERA Healthcare Trust Fund	39
Notes to the Required Supplementary Information	40
Supplementary Information	
Governmental Non-Major Funds	
Combining Balance Sheet	42
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	43
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Food Service Fund	44
Interscholastic Activities Fund	45
Student Activities Fund	46
After School Enrichment Program Fund	47
Capital Reserve Capital Projects Fund	48
Debt Service Fund	49
Capital Projects Fund - Building Fund	50

DURANGO SCHOOL DISTRICT 9-R

TABLE OF CONTENTS

June 30, 2021

	<u>Page</u>
<u>STATISTICAL SECTION</u>	
Financial Trends	
Net Position by Component	51
Changes in Net Position	52
Fund Balances of Governmental Funds	53
Changes in Fund Balances of Governmental Funds	54
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	55
Property Tax Rates - Direct and Overlapping Governments	56
Principal Property Tax Payers	57
Property Tax Levies and Collections	58
Debt Capacity	
Legal Debt Margin Information	59
Ratio of General Bonded Debt to Assessed Value and Bonded Debt Per Capita	60
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Fund Expenditures	61
Ratio of Outstanding Debt by Type	62
Computation of Direct and Overlapping Debt	63
Demographic and Economic Information	
Demographic and Economic Statistics	64
Principal Employers for the La Plata County	65
Operating Information	
Capital Assets by Function	66
Full-Time Equivalent District Employees by Fund and Employee Type	67
Nutrition Services- Facts and Figures	68
Miscellaneous Statistical Data	69
<u>SINGLE AUDIT SECTION</u>	
Schedule of Expenditures of Federal Awards	70
Notes to the Schedule of Expenditures of Federal Awards	72
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	73
Independent Auditors' Report on Compliance for each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	75
Schedule of Findings and Questioned Costs	77
Summary Schedule of Prior Audit Findings	78
<u>CDE COMPLIANCE SECTION</u>	
Colorado School District Auditor's Integrity Report	



201 East 12th Street
Durango, Colorado 81301
(970) 247-5411
durangoschools.org

October 27, 2021

Board of Education and Citizens
Durango School District 9-R
201 E. 12th Street
Durango, CO 81301

To the Board of Education, Citizens, Employees and Students of Durango School District 9-R:

Introduction

The Comprehensive Annual Financial Report of the Durango School District 9-R (the District) is submitted in compliance with the 29-1-603 of the Colorado Revised Statutes and the applicable by-laws of the District's Board of Education. This Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2021 was prepared by the Financial Services Department and includes the report of the independent auditors Wall, Smith, Bateman Inc. The responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, remains with the District. Accordingly, the District has established and continues to refine a comprehensive framework of controls to protect the District's assets and to compile sufficiently reliable information for the preparation of the District's financial statements in conformity with generally accepted accounting principles (GAAP). The cost of controls should not outweigh their benefit; accordingly, the District's financial framework has been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, to the best of our knowledge and belief, we assert that the data presented is accurate in all material respects and is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds. The District received an unmodified opinion of the financial statements for the year ended June 30, 2021 as the independent auditors concluded that there was reasonable assurance the financial statements are free of material misstatement. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A.

This CAFR is presented in five sections: introductory, financial, statistical, single audit and Colorado Department of Education Compliance.

- The introductory section contains this letter of introduction that includes the District leadership structure and organizational chart.
- The financial section includes the independent auditor’s report, Management’s Discussion and Analysis, basic financial statements, required supplementary information, and supplementary information.
- The statistical section contains supplemental financial and other statistical information that is generally presented on a multi-year basis.
- The single audit section reports not only on the fair presentation of the financial statements but also on legal compliance and internal control.
- The Colorado Department of Education Compliance section address specific state requirements and expectations for our district.

PROFILE OF THE DISTRICT

The District’s financial operations support Durango School District 9-R’s mission. Durango School District 9-R serves more than 5,000 students in twelve schools in La Plata County.

The District is a fiscally and politically independent subdivision operating under the applicable laws of the State of Colorado governed by a five-member Board of Education (the “Board”). The Board is empowered to establish annual operating and capital budgets; determine the K-12 educational programs and services to be carried on in the schools of the District; employ all personnel necessary to maintain District operations; determine staffing levels and compensation thereof; and to prescribe the curriculum of any course of instruction or study through the District’s educational programs and services. The District receives funding from local, state and federal government sources and must comply with the requirements of such funding sources.

In defining and determining the District as an appropriate reporting entity, the District has considered the scope of public services of various associations and entities. Using the above considerations the District’s charter school, The Juniper School is included as a discretely presented component unit.

ECONOMIC CONDITIONS AND OUTLOOK

The current model of state funding creates one of the largest obstacles for the District to provide the financial resources necessary for educators to achieve the District’s academic goals. In November 2000, Colorado voters approved a constitutional amendment (commonly known as “Amendment 23”) that sets minimum levels of increase in the statewide base per pupil funding amount and the total state funding for categorical programs. Amendment 23 stipulates that the General Assembly must adjust that base each year by the rate of inflation increase plus one-percent for the ten year period beginning FY 2001-02, and by at least the rate of inflation thereafter.

Colorado has a very complex public school funding formula that was developed in 1994 called the Public School Finance Act. School districts in Colorado are funded on a per pupil basis. The state calculates each district’s PPR based on a number of factors including at-risk enrollment (i.e. high poverty), size of the district, cost of personnel, and cost of living. From a very high level, the state calculates each district’s PPR, subtracts the amount of funding generated by local property taxes, and then funds the remaining balance through an allocation called “State Equalization”. This combined state equalization and local property tax funding amount is termed “Total Program”.

Local property tax revenue makes up 36% of public school funding in the state. Beginning with the recession in 2008, assessed valuations across the state declined as a result of lower property tax collections while tax receipts from state income and sales/use also declined due to the economic downturn. The state is strained since it is responsible to backfill any funding losses from declines in local property taxes (i.e. "State Equalization"). Given that K-12 funding makes up close to 40% of the State of Colorado's budget, the state was forced to make a choice between fully funding K-12 education or continuing to fund other vital public services such as Corrections, Healthcare/Medicaid, Higher Education, and Human Services. Beginning in FY2010-11, the state introduced the "Negative Factor" to reduce school funding to a level that it could afford. For FY2021-22, the Negative Factor reduces annual funding for K-12 education by \$572 million below fully funded or \$4.5 million for Durango School District 9-R.

State statute allows school districts to levy general fund taxes at a general or special Override Election Mill Levy. The maximum amount of the revenue increase may not exceed 25% of the District's formula funding, plus a cost of living adjustment from 2002. In 2010 and 2016 the voters of Durango approved mill levy overrides. The 2010 mill levy override was a fixed dollar amount of \$3.2 million. The 2016 Override Election mill levy has a variable mill amount, which can be adjusted annually as long as the total revenue amount for all mills does not exceed the maximum collection amount of 25% of revenue plus cost of living adjustment.

The District has been able to limit the impact of these complications on our classrooms by effectively managing costs. As a result of uncertain economic conditions, Per Pupil Revenue (PPR) in FY2021-22 is expected to stay level or decrease slightly. Durango School District 9-R manages the funding gaps and improves the educational offerings for our students through prudent fiscal management, the support of local voters through mill levy overrides and state, federal and private grants received. The District continues to manage fund balances to ensure that future uncertainties can be addressed without major interruptions to core educational services.

FINANCIAL INFORMATION

Internal Control

The management team of the District is responsible for establishing and maintaining effective internal control to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. The District's system of internal control is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived from its implementation; and, (2) the valuation of costs and benefits require estimates and judgement by management.

Single Audit

As a recipient of federal, state and local financial assistance, the District is also responsible for maintaining effective internal control to ensure compliance with applicable laws and regulations related to those programs. This system of internal control is subject to periodic evaluation by management.

As part of the District's single audit, tests are made to determine the adequacy of its internal control, including that portion related to federal financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

Accounting and Budgetary Controls

The District maintains its records on the full accrual basis for proprietary funds and on the modified accrual basis for all other funds. For financial statement presentation purposes, the modified accrual basis of accounting is followed for all governmental funds and similar fiduciary fund types. The management's discussion and analysis and the notes to the financial statements expand upon this and other accounting policies. The financial statements are prepared in accordance with the standards of the Governmental Accounting Standards Board. All of the District's funds are presented in this report and have been audited by the District's independent auditors, Wall Smith & Bateman Inc. The Local Government Audit Law requires Colorado local governments to have an annual audit of their financial statements. The law states that the audit must be performed by an independent Certified Public Accountant and be in accordance with generally accepted auditing standards. The auditor's role is to conduct an independent audit and render to outside parties an opinion on the fair presentation of the financial statements. Budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is maintained at the total fund level for each fund.

2020-2021 Leadership Structure (as of June 30, 2021)

Each of Colorado's 178 school districts is governed by a Board of Education comprised of people elected by the residents of the district. It is the Board's responsibility to establish and maintain a system of education in the district, as prescribed by the constitution and laws of the state. School board members are community volunteers who give freely of their time to govern public schools. Durango School District 9-R is governed by a five-member board.

The Durango 9-R School Board chose to use Coherent Governance as its governance model approximately ten years ago. This model helps to clarify the roles of both the school board (policy making and oversight) and the superintendent (academic and management leader).

Under Coherent Governance, the Board is responsible for clearly defining what students should know and be able to do by the time they graduate from high school. The Board consciously stays out of the district's day-to-day management decisions and adopts policies that give the superintendent the authority to select the resources, teachers, and educational programs that he or she believes best serve student-learning needs. The Board takes a strong oversight role by holding the superintendent accountable for ensuring that students are making reasonable progress toward meeting the district's educational goals.

Board of Education

Kristin Smith	President
Erika Brown	Vice President
Andrea Parmenter	Secretary
Mick Souder	Treasurer
Theresa Rodriguez	Board Member

Administration

Karen Cheser	Superintendent
Laura Galido	Executive Director of Human Capital
Samantha Gallagher	Chief Financial Officer
Dylan Connell	Executive Director of Instruction
Vanessa Giddings	Executive Director of Student Services

Conformance with State Accounting Regulations

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles.

District Expectation for Financial Transparency

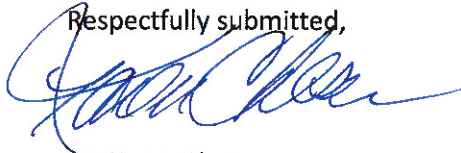
It is very important to Durango School District 9-R that we use our resources in the most efficient manner to meet the goals of the community. It is also a core value of the Finance Department that we are transparent and have appropriate controls in place to make sure we create accurate and timely financial statements and maintain effective and efficient administrative controls.

Acknowledgements

This report could not have been possible without the dedicated services of the District's Finance Department. We would like to express our sincere gratitude to all members of the District who assisted and contributed to the preparation of this report as well as to dedicated and professional services from the independent auditors from Wall, Smith & Bateman.

We would also like to express our appreciation to the Durango School District 9-R Board of Education for their continued support in leading the District's finances in a responsible and prudent manner.

Respectfully submitted,



Dr. Karen Cheser
Superintendent of Schools



Samantha Gallagher, CPA
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT



Wall,
Smith,
Bateman Inc.

To the Board of Education
Durango School District 9-R
Durango, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Durango School District 9-R (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 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The discretely presented component unit was not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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.

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial schedules, statistical section, and the Colorado School District Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

November 30, 2021

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021

This discussion and analysis of Durango School District 9-R's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2021 are as follows:

- The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$(17,588,708) (net position). The District's unrestricted net position without the pension & OPEB liability and related deferred inflows/outflows would be \$92,327,374.
- The District's total net position increased by \$34,663,494. The significant change is the result of pension reporting requirements from the Governmental Accounting Standards Board (GASB). A deficit pension expense of \$22,406,164 has been recognized as the District's proportionate share of the net pension liability changes reported by the Colorado Public Employees' Retirement Association (PERA) – School Division Trust Fund and Other Post-Employment Benefits by the Colorado Public Employees' Retirement Association (PERA) - Health Care Trust Fund.
- Total General Fund revenues increased \$10,373,164 of which property tax revenues increased \$1,534,011 or 6.31% and state equalization aid increased \$9,527,672 or 27.25%. This increase in state equalization is being driven by an increase in students at Colorado Connections Academy.
- At the close of the current fiscal year, the District's governmental funds reported combined fund balance of \$149,368,835 an increase of \$124,178,205 in comparison with the prior year. Of the combined fund balance, approximately 6.5% or \$9,756,860 is available for spending at the District's discretion (unassigned fund balance).
- At the end of the current fiscal year, the total of all components of fund balance for the general fund was \$17,673,316 or approximately 28.1% of total general fund expenditures.
- The District's total outstanding long-term debt increased by \$107,765,487 to \$137,121,250 as a result of the successful passage and issuance of additional capital bonds.
- The District increased Instructional Service expenses by \$9,128,661 or 23.3% and Support Service expenditures decreased by \$726,748 or 1%

Durango School District 9-R
Management’s Discussion and Analysis
For the fiscal year ended June 30, 2021

Financial Statement Overview

This annual report consists of a series of financial statements and notes to those financial statements. These statements are organized so the reader can understand the Durango School District 9-R as a financial whole, or as an entire operating entity.

The basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also includes required and other supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements

The district-wide financial statements are designed to provide the reader of the District’s comprehensive annual financial report a broad overview of the financial activities in a manner similar to a private sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The statement of net position presents financial information on all of the District’s assets, liabilities and deferred inflows and outflows, with the difference 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 District’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. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused sick leave).

Typically, both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities), and 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 the General Fund, Capital Projects Fund – Capital Reserve, Capital Projects Fund – Building Fund, Governmental Designated Grants Fund, Interscholastic Activities Fund, Food Service Fund, Student Activities Fund, Debt Service Fund and After School Enrichment Program Fund. The District does not have any business type activities.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities and objectives. The District only reports governmental funds.

Durango School District 9-R
Management’s Discussion and Analysis
For the fiscal year ended June 30, 2021

Governmental Funds. Governmental funds are used to account for essentially the same functions reported in the governmental activities in the district-wide financial statements. However, unlike the district-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 assessing a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District’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 maintains ten individual governmental funds. The major funds are the General Fund, Debt Service Fund, Governmental Designated Grants Fund and Capital Projects- Building Fund. They are presented separately in the fund financial statements with the remaining governmental funds combined into a single aggregated presentation labeled “other governmental funds”. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is necessary to acquire a full understanding of the data provided in the district-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the District. The District adopts an annual appropriation budget for all its funds. Budgetary comparison schedules, with adopted and final revised budgets, have been provided for the General Fund and all other funds to demonstrate compliance with the budgeted amounts.

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021

District-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. The District's liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$17,588,708 at the close of the most recent fiscal year.

The District's investment in capital assets (e.g., land, buildings, machinery, equipment, and vehicles), less any related outstanding debt that was used to acquire those assets represents approximately \$55.8 million. The District uses these capital assets to provide educational services to its citizens. Accordingly, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$17.9 million of the District's net position represents resources that are subject to external restrictions, such as debt service, future building at Three Springs and the TABOR reserve.

In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liabilities are required to supplement the basic financial statements.

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021

Durango School District 9-R
Condensed Statement of Net Position

	Governmental Activities	
	2021	2020
<u>Assets</u>		
Current and Other Assets	159,057,168	38,310,030
Net Capital Assets	80,210,727	83,596,773
Total Assets	239,267,895	121,906,803
 <u>Deferred Outflows of Resources</u>		
Pensions (Note 10)	21,309,967	10,576,907
OPEB (Note 11)	417,392	524,397
Total Def. Outflows	21,727,359	11,101,304
 <u>Liabilities</u>		
Current and Other Liabilities	9,819,268	12,480,996
Long-Term	229,092,179	116,630,605
Total Liabilities	238,911,447	129,111,601
 <u>Deferred Inflows of Resources</u>		
Pensions (Note 10)	38,253,254	55,253,698
OPEB (Note 11)	1,419,260	895,007
Total Def. Inflows	39,672,514	56,148,705
 <u>Net Position</u>		
Net Investment in Capital Assets	55,835,444	55,870,286
Restricted	130,623,544	15,304,321
Unrestricted (Deficit)	(204,047,696)	(123,426,807)
Total Net Position	(17,588,708)	(52,252,200)

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The dependence upon tax revenue is apparent. Over 99% of general revenue is supported through property taxes, vehicle registrations, and state equalization. The District's combined net position, not including the Pension Liability or OPEB Liability of \$92,327,374 was larger on June 30, 2021 than it was the year before. The combined net position, including the Pension and OPEB Liability, increased from the prior year to (\$17,588,708). Most of the underlying increase in the District's financial position, excluding the accounting change for the pension and OPEB liability, came from the capital bond issuance. The Pension and OPEB Liability amounts tend to obscure the District position in a given year.

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021

The effect of the PERA pension and OPEB expense of the District's total net position for the Fiscal Year 2021 and 2020 is summarized below:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
Net Position (GAAP Basis)	\$ (17,588,708)	\$ (52,252,199)
GASB 68 - Pension	105,686,972	127,861,446
GASB 75 - OPEB	4,229,108	4,460,797
Net Position Excluding Pension and OPEB	<u>\$ 92,327,372</u>	<u>\$ 80,070,044</u>

The effect of the PERA pension and OPEB expense of the District's unrestricted net position for the Fiscal Year 2021 and 2020 is summarized below:

	<u>Fiscal Year 2021</u>	<u>Fiscal Year 2020</u>
Unrestricted Net Position (GAAP Basis)	\$ (204,047,696)	\$ (123,426,806)
GASB 68 - Pension	105,686,972	127,861,446
GASB 75 - OPEB	4,229,108	4,460,797
Unrestricted Net Position Excluding Pension and OPEB	<u>\$ (94,131,616)</u>	<u>\$ 8,895,437</u>

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021

Durango School District 9-R
Condensed Statement of Changes in Net Position from Operating Results

Revenues	Governmental Activities	
	2021	2020
<u>Program Revenues</u>		
Charges for Services	532,413	995,417
Operating Grants and Contributions	11,836,058	8,869,430
Capital Grants and Contributions	58,334	622,671
<u>General Revenues</u>		
Taxes	33,572,523	32,537,813
State Equalization	44,480,144	34,952,471
Investment Earnings	64,905	343,091
Miscellaneous		-
Total Revenues	90,544,377	78,320,893
 Expenses		
<u>Governmental Activities</u>		
Instructional Services	36,206,510	32,897,539
Pupil Support Services	5,207,072	6,690,178
Administration	3,141,882	4,098,573
Business Services	471,982	584,918
Operations and Maintenance	4,020,168	5,445,609
Transportation	1,188,683	1,295,264
Central Supporting Services	1,808,115	2,736,312
Food Service	1,158,421	1,469,169
Other Supporting Services	1,516,099	1,072,123
Interest and Fiscal Charges	1,161,951	680,767
Total Expenses	55,880,883	56,970,452
 Net Revenue/(Expenses) before Transfers	 34,663,494	 21,350,441
Transfers	-	-
Change in Net Position	34,663,494	21,350,441
Net Position, Beginning of Year	(52,252,202)	(73,602,645)
Net Position, End of Year	(17,588,708)	(52,252,204)

**Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021**

Financial Analysis of Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the District itself, or a group or individual that has been delegated authority to assign resources to be used for particular purposes by the Board of Education.

At June 30, 2021, the District's governmental funds reported combined fund balances of \$149,368,834 an increase of \$124,178,205 in comparison with the prior year. Approximately \$9,756,860 or 6.5% of the combined fund balance constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form \$129,358 2) restricted for particular purposes \$130,623,544 3) committed for particular purposes \$8,279,195 or 4) assigned for particular purposes \$579,878.

The General Fund is the main operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,756,860 while total fund balance increased to \$17,673,316. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 15.5% of total General Fund expenditures, while total fund balance represents approximately 28.1% of the same amount.

General Fund Budgeting Highlights

The District's budget is prepared according to Colorado State law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. Budget Resolutions are approved by the Board of Education in January and when needed. In reviewing budget to actual variance, the following criteria have been set to determine variances that are significant: line item variance amounts (amended budget to actual) that are greater than 10% of the corresponding budget for that line item and greater than .1% of total budgeted fund revenue or expense amount.

A review of total actual revenues compared to the appropriations in the final budget yield variances totaling \$1,335,753 or 1.9% of total revenues. This variance is driven by higher than anticipated specific ownership tax collections and deferred property tax collections. There was also a late fiscal period adjustment to equalization revenue.

Durango School District 9-R
Management's Discussion and Analysis
For the fiscal year ended June 30, 2021

A review of total actual expenditures compared to the appropriations in the final budget yield variances totaling \$6,615,814 under budget or 9.5% of total expenditures. This underspend is due to schools having impacted learning models during the year due to COVID quarantines. There were no professional development opportunities offered and fewer substitutes employed during that period of time and vacancies were held open unless critical.

Capital Assets and Debt Administration

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2021 amounts to \$55,835,444 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, equipment and vehicles, and projects in progress. The total change in the District's investment in capital assets for the current fiscal year was a decrease of \$34,843.

Additional information on the District's capital assets can be found in Note 4 to the financial statements.

Long-term Debt

At June 30, 2021, the District had \$109,495,000 in general obligation bonds and \$2,249,229 in capital leases outstanding. The District was successful in passing a \$90 million dollar bond issuance in November of 2020. In August 2012, the District entered into an energy conservation project funded through a long-term capital lease. The DHS stadium project was funded by a capital lease in June 2016. More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.

Economic Factors and Next Year's Budget

An increase in per pupil funding by at least inflation is provided by Amendment 23 to the State Constitution, passed by the voters in November 2000. During the 2010 legislative session, the state legislator introduced a new factor into the school financial funding formula. This new factor is a negative factor, which allows the state to reduce its funding to K-12 education in the state. This factor reduced the funding the District would have received from the state under the old formula by \$4.5 million the 2021-2022 school year. The budget stabilization factor continues to have an adverse impact on the district's budget; state funding has not been restored to the level that would have occurred if the state could fully fund the school finance formula. If sufficient revenue were available in Colorado's General Fund, the district would receive \$9,296 per pupil, compared to the projected amount of \$8,903.

Additionally, COVID-19 pandemic and resulting disruptions have caused significant economic uncertainty and volatility in financial markets, U.S. economy and local economy. It is expected that the disruptions could create shortfalls for school funding for the next several years.

**Durango School District 9-R
Management’s Discussion and Analysis
For the fiscal year ended June 30, 2021**

The 2021 Bond construction program has several components that will begin in 2021-2022 and is scheduled to complete by the end of fiscal 2024. Per approved ballot language the District will be installing secure vestibules in all schools, address highest priority deferred maintenance HVAC and roofing needs across all buildings, build a “new” Miller Middle School and construct a Career and Innovation Center located at Durango High School. The bond also allocated \$7.5 million dollars to local charter schools, including two Charter school institute schools.

Enrollment for Durango School District 9-R will continue to evolve in 2021-2022. The online charter school called Connections Academy whose partnership began with the District in 2016-17 decreased due to an enrollment cap that was agreed upon with the Board of Education and Connections Academy to 1200 students. These are students who reside all over the state, and very few come from the district’s boundaries. Durango School District 9-R collects the PPR for this program and passes on 95% with the remaining 5% used to support administration of the this partnership. In 2021-2022, The Juniper School, which is chartered through Durango School District 9-R has a stable enrollment of 142 students enrolled, and the district passes all but 3% of the students PPR directly to their organization.

The 2021-2022 General Fund budget includes \$66,684,200 in revenue, less transfers, and \$61,669,303 in expenditures.

Component Units

The District has one component unit, a district authorized charter school, named The Juniper School. Separately issued financial statements can be obtained by visiting their website <http://juniper.durangoschools.org/>

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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Samantha Gallagher, CPA
Chief Financial Officer
Durango School District 9-R
201 East 12th Street
Durango, Colorado 81301

DURANGO SCHOOL DISTRICT 9-R

BASIC FINANCIAL STATEMENTS

DURANGO SCHOOL DISTRICT 9-R

STATEMENT OF NET POSITION

June 30, 2021

	Primary Government Governmental Activities	Component Unit
ASSETS		
Cash and Cash Equivalents	\$ 155,829,075	\$ 224,797
Accounts Receivable	1,546,737	159,223
Property Taxes Receivable	1,551,997	-
Prepaid Expenses	20,112	4,055
Materials and Supplies Inventory	109,246	-
Capital Assets		
Nondepreciable	6,602,378	4,216,369
Depreciable, Net	73,608,349	788,423
Total Assets	239,267,895	5,392,867
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	21,309,967	831,863
OPEB	417,392	25,322
Total Deferred Outflows of Resources	21,727,359	857,185
LIABILITIES		
Accounts Payable	1,083,301	5,934
Accrued Salaries and Benefits	5,933,837	72,629
Unearned Grant Revenue	1,991,963	-
Accrued Interest Payable	810,167	-
Long-Term Liabilities		
Due Within One Year	6,551,107	102,960
Due In More Than One Year	130,570,147	3,577,892
Net Pension Liability	88,743,685	1,885,545
Net OPEB Liability	3,227,240	68,498
Total Liabilities	238,911,447	5,713,458
DEFERRED INFLOWS OF RESOURCES		
Pensions	38,253,254	792,050
OPEB	1,419,260	25,200
Total Deferred Inflows of Resources	39,672,514	817,250
NET POSITION		
Net Investment in Capital Assets	55,835,444	1,323,940
Restricted for		
TABOR	2,267,250	42,000
Debt Service	14,998,511	-
Three Springs Schools	665,860	-
Capital Projects	112,691,923	-
Unrestricted	(204,047,696)	(1,646,596)
Total Net Position	\$ (17,588,708)	\$ (280,656)

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total	Component Unit
Primary Government:							
Governmental Activities							
Instructional Services	\$ 36,206,510	\$ 321,841	\$ 7,506,795	\$ -	\$ (28,377,874)	\$ (28,377,874)	
Pupil Support Services	5,207,072	76,977	1,059,115	-	(4,070,980)	(4,070,980)	
Administration	3,141,882	39,747	-	-	(3,102,135)	(3,102,135)	
Business Services	471,982	10,000	-	-	(461,982)	(461,982)	
Operations and Maintenance	4,020,168	20,000	919,305	58,334	(3,022,529)	(3,022,529)	
Transportation	1,188,683	-	439,294	-	(749,389)	(749,389)	
Central Supporting Services	1,808,115	-	125,766	-	(1,682,349)	(1,682,349)	
Food Services	1,158,421	63,848	1,613,066	-	518,493	518,493	
Other Supporting Services	1,516,099	-	172,716	-	(1,343,383)	(1,343,383)	
Interest and Fiscal Charges	1,161,951	-	-	-	(1,161,951)	(1,161,951)	
Total Governmental Activities	<u>55,880,883</u>	<u>532,413</u>	<u>11,836,058</u>	<u>58,334</u>	<u>(43,454,079)</u>	<u>(43,454,079)</u>	
Total Primary Government	<u>\$ 55,880,883</u>	<u>\$ 532,413</u>	<u>\$ 11,836,058</u>	<u>\$ 58,334</u>	<u>\$ (43,454,079)</u>	<u>\$ (43,454,079)</u>	
Component Unit							
The Juniper School	\$ 1,227,261	\$ -	\$ 434,813	\$ 835,134			\$ 42,686
Total Component Unit	<u>\$ 1,227,261</u>	<u>\$ -</u>	<u>\$ 434,813</u>	<u>\$ 835,134</u>			<u>42,686</u>
General Revenues							
Property Taxes					30,684,139	30,684,139	231,815
Specific Ownership Taxes					2,888,384	2,888,384	-
State Equalization					44,480,144	44,480,144	1,111,787
Investment Earnings					64,905	64,905	-
Miscellaneous					-	-	38,863
Total General Revenues					<u>78,117,573</u>	<u>78,117,573</u>	<u>1,382,465</u>
CHANGE IN NET POSITION					34,663,494	34,663,494	1,425,151
NET POSITION, Beginning of Year					<u>(52,252,202)</u>	<u>(52,252,202)</u>	<u>(1,705,807)</u>
NET POSITION, End of Year					<u>\$ (17,588,708)</u>	<u>\$ (17,588,708)</u>	<u>\$ (280,656)</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2021

	General Fund	Debt Service Fund	Governmental Designated Grants Fund	Capital Projects Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Equity in Pooled Cash and Investments	\$ 22,557,537	\$ 14,777,284	\$ 2,002,242	\$ 112,745,970	\$ 3,746,043	\$ 155,829,075
Receivables						
Accounts	487,938	-	617,116	-	441,683	1,546,737
Property Taxes	1,212,721	339,276	-	-	-	1,551,997
Prepaid Expenses	-	-	-	-	20,112	20,112
Materials and Supplies Inventory	84,509	-	-	-	24,737	109,246
Total Assets	<u>\$ 24,342,705</u>	<u>\$ 15,116,560</u>	<u>\$ 2,619,358</u>	<u>\$ 112,745,970</u>	<u>\$ 4,232,575</u>	<u>\$ 159,057,168</u>
LIABILITIES, DEFERRED INFLOWS OF OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 884,956	\$ -	\$ 126,866	\$ 54,047	\$ 17,432	\$ 1,083,301
Accrued Salaries and Benefits	5,223,251	-	500,529	-	210,057	5,933,837
Unearned Grant Revenues	-	-	1,991,963	-	-	1,991,963
Total Liabilities	<u>6,108,207</u>	<u>-</u>	<u>2,619,358</u>	<u>54,047</u>	<u>227,489</u>	<u>9,009,101</u>
Deferred Inflows of Resources						
Unavailable Revenue - Property Tax	561,182	118,049	-	-	-	679,231
Fund Balances						
Nonspendable						
Inventory	84,509	-	-	-	24,737	109,246
Prepaid Expenses	-	-	-	-	20,112	20,112
Restricted for						
TABOR 3% Reserve	2,267,250	-	-	-	-	2,267,250
Debt Service	-	14,998,511	-	-	-	14,998,511
Three Springs Schools	-	-	-	-	665,860	665,860
Capital Projects	-	-	-	112,691,923	-	112,691,923
Committed for						
Board Designated Reserve	4,984,819	-	-	-	-	4,984,819
Food Service	-	-	-	-	693,892	693,892
Activities	-	-	-	-	624,332	624,332
Capital Projects	-	-	-	-	1,976,152	1,976,152
Assigned for						
Instructional	370,598	-	-	-	-	370,598
Support Services	141,429	-	-	-	-	141,429
Transportation	9,068	-	-	-	-	9,068
Technology	58,783	-	-	-	-	58,783
Unassigned	9,756,860	-	-	-	-	9,756,860
Total Fund Balances	<u>17,673,316</u>	<u>14,998,511</u>	<u>-</u>	<u>112,691,923</u>	<u>4,005,086</u>	<u>149,368,835</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 24,342,705</u>	<u>\$ 15,116,560</u>	<u>\$ 2,619,358</u>	<u>\$ 112,745,970</u>	<u>\$ 4,232,575</u>	<u>\$ 159,057,168</u>

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2021

Total Governmental Fund Balances		\$ 149,368,835
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		80,210,727
Deferred results and contributions to pension and OPEB plans made after the measurement date are recorded as expenditures in the governmental funds, but must be deferred in the statement of net position.		21,727,359
Unavailable revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.		679,231
Long-term liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds:		
General Obligation Bonds	\$ (109,495,000)	
Capital Lease Agreements	(2,249,229)	
Accrued Interest Payable	(810,167)	
Compensated Absences	<u>(1,398,352)</u>	
		(113,952,748)
Bond discounts are expensed when incurred in the governmental funds and deferred and amortized in the statement of activities. Similarly, bond premiums are recognized as revenue when issued and are deferred and amortized in the statement of activities. The net unamortized portion of these long-term debt related items is included in the governmental activities.		(23,978,671)
Net pension and OPEB liabilities are not due and payable in the current period and are not reported in the funds.		(91,970,925)
Certain amounts related to the net pension and OPEB liabilities are deferred and amortized over time. These are not reported in the funds.		<u>(39,672,516)</u>
Net Position of Governmental Activities		<u><u>\$ (17,588,708)</u></u>

DURANGO SCHOOL DISTRICT 9-R
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Fiscal Year Ended
June 30, 2021

	General Fund	Debt Service Fund	Governmental Designated Grants Fund	Capital Projects Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 25,818,777	\$ 7,900,387	\$ -	\$ -	\$ -	\$ 33,719,164
Intergovernmental						
Federal Sources	111,259	-	4,908,598	-	1,599,458	6,619,315
State Sources	46,210,532	-	1,787,179	-	121,360	48,119,071
Intermediate Sources	-	-	-	-	701,454	701,454
Local Sources	792,742	-	110,893	-	563,473	1,467,108
Interest on Investments	27,631	16,859	-	20,416	-	64,906
Total Revenues	72,960,941	7,917,246	6,806,670	20,416	2,985,745	90,691,017
EXPENDITURES						
Current Operating						
Instructional Services	43,256,282	-	4,325,194	-	703,039	48,284,515
Supporting Services						
Pupil Support Services	4,626,948	-	1,946,151	-	346,796	6,919,895
Administration	4,299,870	-	199,656	-	-	4,499,526
Business Services	673,445	-	-	635	-	674,080
Operations and Maintenance	5,552,126	-	331,248	-	59,720	5,943,094
Transportation	1,545,392	-	1,998	-	-	1,547,390
Central Supporting Services	2,456,673	1,000	-	-	-	2,457,673
Food Services	-	-	-	-	1,641,172	1,641,172
Other Supporting Services	238,885	-	2,423	-	198,597	439,905
Community Services	2,335	-	-	-	-	2,335
Facilities Acquisition and Construction	-	-	-	991,395	568,992	1,560,387
Debt Service	295,498	5,698,805	-	543,450	212,074	6,749,827
Total Expenditures	62,947,454	5,699,805	6,806,670	1,535,480	3,730,390	80,719,799
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,013,487	2,217,441	-	(1,515,064)	(744,645)	9,971,218
OTHER FINANCING SOURCES (USES)						
Transfers/Allocation In	-	-	-	-	3,210,000	3,210,000
Transfers/Allocation Out	(3,210,000)	-	-	-	-	(3,210,000)
Bond Proceeds	-	-	-	90,000,000	-	90,000,000
Premium on bonds	-	-	-	24,206,987	-	24,206,987
Total Other Financing Sources (Uses)	(3,210,000)	-	-	114,206,987	3,210,000	114,206,987
NET CHANGE IN FUND BALANCES	6,803,487	2,217,441	-	112,691,923	2,465,355	124,178,205
FUND BALANCE, Beginning of Year	10,869,829	12,781,070	-	-	1,539,731	25,190,630
FUND BALANCE, End of Year	\$ 17,673,316	\$ 14,998,511	\$ -	\$ 112,691,923	\$ 4,005,086	\$ 149,368,835

The accompanying notes are an integral part of this financial statement.

DURANGO SCHOOL DISTRICT 9-R
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended
June 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 124,178,205

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 the assets is allocated over their estimated useful lives as depreciation expense. This is the difference between capital outlay and depreciation in the current period.

Capital Outlay	\$ 802,142	
Loss on Disposal	(8,351)	
Depreciation expense	<u>(4,179,838)</u>	(3,386,047)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (146,641)

Issuance of debt - the issuance of debt and related premium provides current financial resources to the governmental funds, but has no effect on the change in net position of the governmental activities (114,206,987)

Repayment of bond and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

2010 G.O. Refunding Bonds	\$ 4,070,000	
2011 G.O. Refunding Bonds	-	
Accrued Interest Payable	(622,700)	
Capital Lease Payments	<u>446,515</u>	3,893,815

Governmental funds report the effect of premiums, discounts, and other similar items when debt is first issued; whereas these amounts are in the statement of activities. This amount is the deferred and amortized in the treatment of long-term related items.

Bond Premium Amortization 1,694,061

In the statement of activities, certain operating expenses - compensated absences and special termination benefits - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used. This amount represents the net effect of compensated absences payable on the statement of net position. 230,924

Certain items reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds. This item consists of the change in pension and OPEB expenses. 22,406,163

Change in Net Position of Governmental Activities \$ 34,663,494

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Durango School District 9-R (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units and the Financial Policies and Procedures Handbook as prescribed by State law. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's more significant accounting policies are described below.

Reporting Entity

The District was organized under the provisions of Colorado statutes for the purpose of operating elementary and secondary schools, primarily in La Plata County. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Pursuant to the definition of component units in GASB Statements 14, 39, and 61, the District's Board of Education has included one component unit, The Juniper School (a District Authorized Charter School).

Related Organizations: The Durango Foundation for Educational Excellence provides opportunities for individuals and groups beyond what the schools can offer. Its mission is to preserve, support, and improve educational opportunities with the community by developing a community partnership among schools, businesses and individuals. Financial activity for the Foundation is not included within the District's financial statements. Financial statements may be obtained at the Foundation's offices.

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. For the most part, the effect of interfund activity has been removed from these statements. The interfund services provided and used are not eliminated in the process of the consolidation. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues.

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 within 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*.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. The District defines this as 60 days. Revenues are considered to be *available* when they are collectible

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

within the current period or soon enough thereafter to pay liabilities in the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. The District does not allocate indirect expenses.

Property taxes 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:

- *General Fund* is the District’s primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- *Debt Service Fund* – This fund accounts for servicing of general long-term debt not being financed by proprietary funds.
- *Governmental Designated Grants Fund*- This fund accounts for the proceeds of specific revenue sources that are restricted to expenditure for specified purposes other than debt service or capital projects. The federal, state and local grants account for revenue and expenses specifically related to grants which have various restrictions based on the specific grant.
- *Capital Projects Building Fund* - This fund is used to account for and report bond funded financial resources that are restricted to expenditure of capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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

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

Deposits and Investments

For the purposes of the statement of cash flows, the District considers all highly liquid investment purchases with an original maturity of three months or less to be cash equivalents. The District pools all cash on an entity-wide basis for management and investment purposes. Each fund has an interest in the pool, which is available upon demand.

Investments in securities are stated at fair value. Investments in joint ventures by governmental funds are recorded as expenditures at the time the investment is made.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund receivables/ payables” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Interfund receivables/payables within governmental activities are eliminated in the statement of net position. All other interfund transactions are reported as transfers.

Property taxes are levied by the Board of Education. The levy is based on assessed valuations determined by the County Assessor generally as of January 1st of each year. The levy is set by December 15th by certification to the County Commissioners to put the tax lien on the individual properties as of December of each year. The County Treasurer collects the determined taxes during the ensuing calendar year. The taxes are payable by April 30th or, in equal installments, at the taxpayer’s election, on February 28th and June 15th.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Delinquent taxpayers are notified in August and tax sales of the liens on delinquent properties are held in November. The County Treasurer generally remits the taxes collected monthly to the District.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid items are recognized using the consumption method.

Inventories

Inventories are held by the General Fund and the Food Service Fund and are valued at cost using the first-in/first-out (FIFO) method. The District utilizes the purchase method of accounting for inventory. The Federal government donates surplus commodities to supplement the National School Lunch and Breakfast Programs. Such commodities are recorded as revenues when expended.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities column in the Government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are valued at their estimated fair value at the date of donation.

The capitalization level is \$5,000 in all funds. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50-100
Buildings- Improvements	20-30
Land Improvements	20-30
Equipment and Vehicles	5-20
Computer Software	5

Compensated Absences

Each employee of the District may accumulate a total of 90 days of sick leave; however, employees are paid for the accumulated sick leave upon retirement.

The District accrues a liability for compensated absences, which meet the following criteria:

- The District's obligation relating to employee rights to receive compensation for future absences is attributable to employee services already rendered.
- The obligation relates to rights that vest or accumulate.
- Payment of the compensation is probable.
- The amount can be reasonably estimated.

The District budgets the available financial resources for that year's anticipated payments for compensated absences.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Unearned Grant Revenue

Revenues on grants, which are restricted by the grant document for specific purposes, are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as unearned revenues.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period.

In addition to liabilities, the balance sheet reports a separate section of deferred inflows of resources. This represents an acquisition of fund balance that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that period.

Certain amounts related to pensions and OPEB must be deferred.

Accrued Salaries and Benefits

Salaries and benefits to teachers and certain other employees are paid over a twelve-month period from September 1 to August 31, but are earned over a school year of approximately nine months. The salaries earned, but unpaid, at June 30, 2021, are reflected in the financial statements as an accrued liability.

Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities column of the statement of net position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the effective interest method.

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

Pensions

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

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Other Post Employment Benefits

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

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- *Net investment in capital assets* – consists of capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt should be included in this component of net position.
- *Restricted* – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets consist of assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- *Unrestricted* – consists of the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

Fund Balance

Fund balances are reported by classification based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent. Fund balances are classified in one of the five categories:

- *Nonspendable Fund Balance* – are amounts that cannot be spent because they are not in spendable form – such as inventory and prepaid expenditures.
- *Restricted Fund Balance* – are amounts restricted when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance* – are amounts that can only be used for specific purposes as a result of constraints imposed through adopted resolution by the Board of Education, the highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes those constraints by taking the same type of action. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- *Assigned Fund Balance* – are amounts a government intends to use for a specific purpose; intent can be expressed by the Board of Education or by an official or body to which the governing body delegates the authority.
- *Unassigned Fund Balance* – are amounts that are available for any purpose; these amounts are reported only in the General Fund.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

When an expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Education has provided otherwise in its commitment or assignment actions.

In the General Fund, the District strives to maintain a committed fund balance of no less than 10% of the general fund budgeted revenues.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from these estimates. The District believes the techniques and assumptions used in establishing these estimates are appropriate.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all funds. All annual appropriations lapse at fiscal year-end. The operating budget includes proposed expenditures and the means of financing them for the upcoming year, along with estimates for current year and actual data for the prior year.

Budgets are required by Colorado State Statute for all funds. During April, the Superintendent of Schools submits to the Board of Education, a proposed budget for all funds for the fiscal year commencing the following July 1. Public hearings are conducted by the Board of Education to obtain taxpayer comments. Prior to June 30, the budget is adopted by formal resolution.

The Chief Financial Officer is required by District policy to present a quarterly report to the Board of Education explaining any variances from the approved budget.

Formal budgetary integration is employed as a management control device during the year for the governmental and proprietary funds. The appropriated budget is prepared by fund. The District's department heads may not make transfers of appropriations. The legal level of control is the fund level. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund, and the reallocation of budget line items within any department, within any fund, rests with the Superintendent of Schools. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.

Appropriations are based on total funds expected to be available in each budget year, including beginning fund balances and reserves, as established by the Board of Education. Variances between budget and actual result from the non-expenditure of reserves, nonoccurrence of anticipated events, scheduling of capital projects, and normal operating variances. All budgets are adopted on a basis consistent with US generally accepted accounting principles (GAAP), except for the General Fund.

The Board of Education may authorize supplemental appropriations during the year. The Board of Education approved supplemental appropriations during the fiscal year ended June 30, 2021, which are reflected within the financial statements.

Stewardship

Total expenditures exceeded budgeted appropriations in the following funds:

Debt Service Fund	\$ 630,442
-------------------	------------

This may be a violation of Colorado State Statute 22-44-115(1).

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 2 CASH AND CASH EQUIVALENTS

At June 30, 2021, the District’s cash, deposits, and investments had a bank balance and carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Cash on Hand and in Banks	\$ 9,005,546	\$ 8,244,301
COLOTRUST	147,584,775	147,584,775
Total Deposits	<u>\$ 156,590,321</u>	<u>\$ 155,829,077</u>
Governmental Funds		\$ 155,829,077
Total Cash and Deposits on the Statement of Net Position		<u>\$ 155,829,077</u>

Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The fair value of the collateral must be at least equal to 102 percent of the uninsured deposits.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. At June 30, 2021, \$8,755,546 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging financial institutions through PDPA.

The District does not have a policy relating to interest rate risk.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local governments may invest, which include the following:

- Obligations of the United States and certain U.S. government agencies’ securities
- Certain international agencies’ securities
- General obligation and revenue bonds of U.S. local government entities
- Banker’s acceptance of certain banks
- Commercial paper holding the highest credit rating category and with a maturity within 180 days
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

As of June 30, 2021, the District had the following investments:

<u>Investments</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Rating</u>
COLOTRUST	Less than 1 year	\$ 147,584,775	AAAm

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

State law limits investments for school districts to U.S. treasury issues, other federally backed notes and credits, and other agency offerings. Other investment instruments, including bank obligations, general obligation bonds, and commercial paper, are limited to at least one of the highest rating categories of at least one nationally recognized rating agency. State law further limits investments in money market funds to those institutions with over \$1 billion in assets or the highest credit rating from one or more of the nationally recognized rating agencies. COLOTRUST has over \$1 billion in assets, is rated AAAM by Standard and Poors, and maintains a constant net asset value of \$1 per share. The State Securities Commissioner administers and enforces all State statutes governing COLOTRUST. Financial statements for COLOTRUST are available on www.colotrust.com.

NOTE 3 INTERFUND TRANSACTIONS AND INTERNAL BALANCES

Significant interfund transfers included are for activities supported by General Fund revenues. Interfund transfers recorded at the fund level and eliminated at the government-wide level at June 30, 2021, are as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 3,210,000
Food Service Fund	350,000	-
Interscholastic Activities Fund	1,200,000	-
Capital Projects Fund	1,500,000	-
After School Enrichment Program Fund	160,000	-
Total	<u>\$ 3,210,000</u>	<u>\$ 3,210,000</u>

All interfund transfers are results of supporting operations within the food service fund, interscholastic activities fund and afterschool enrichment program fund. The transfer for capital projects is designed to set aside funding for necessary capital repairs within the District.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 CAPITAL ASSETS

The following is a summary of changes in the governmental capital assets for the year ended June 30, 2021:

<i>Governmental Activities</i>	Balance 6/30/2020	Additions	Deletions	Balance 6/30/2021
Non-depreciable				
Land and Improvements	\$ 6,415,255	\$ -	\$ -	\$ 6,415,255
Construction in Progress	306,401	170,423	(289,701)	187,123
Total Non-depreciable	6,721,656	170,423	(289,701)	6,602,378
Depreciable				
Land Improvements	4,468,528	98,586	-	4,567,114
Buildings and Improvements	144,822,645	733,601	-	145,556,246
Equipment and Vehicles	10,157,375	89,233	(36,268)	10,210,340
Total Depreciable	159,448,548	921,420	(36,268)	160,333,700
Accumulated Depreciation				
Land Improvements	(1,013,193)	(244,770)	-	(1,257,963)
Buildings and Improvements	(73,226,841)	(3,539,122)	-	(76,765,963)
Equipment and Vehicles	(8,333,397)	(395,945)	27,917	(8,701,425)
Total Accumulated Depreciation	(82,573,431)	(4,179,837)	27,917	(86,725,351)
Net Depreciable Capital Assets	76,875,117	(3,258,417)	(8,351)	73,608,349
Total Capital Assets	\$ 83,596,773	\$ (3,087,994)	\$ (298,052)	\$ 80,210,727

Depreciation expense was charged to the following functions:

Instructional Services	\$2,778,728
Pupil Support Services	383,275
Administration	5,302
Business Services	2,087
Operations and Maintenance	127,890
Transportation	110,011
Central Supporting Services	94,893
Food Services	14,375
Facilities Acquisition and Construction	663,276
Total	\$4,179,837

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 LONG-TERM OBLIGATIONS

Changes in Long-Term Debt

During the period ended June 30, 2021, the following changes occurred in liabilities reported in long-term debt:

<i>Governmental Activities</i>	<u>6/30/2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>6/30/2021</u>	<u>Due within one year</u>
General Obligation Bonds					
Series 2010 Refunding	\$ 6,365,000	\$ -	\$ 4,070,000	\$ 2,295,000	\$ 2,295,000
Series 2011 Refunding	17,200,000	-	-	17,200,000	1,925,000
Series 2021 Issuance	-	90,000,000	-	90,000,000	-
	<u>23,565,000</u>	<u>90,000,000</u>	<u>4,070,000</u>	<u>109,495,000</u>	<u>4,220,000</u>
Bond Premium	1,465,746	24,206,987	1,694,061	23,978,672	1,694,061
Capital Lease Agreement	2,695,741	-	446,515	2,249,226	457,157
Compensated Absences	<u>1,629,276</u>	<u>-</u>	<u>230,924</u>	<u>1,398,352</u>	<u>179,888</u>
Total	<u>\$29,355,763</u>	<u>\$ 114,206,987</u>	<u>\$ 6,441,500</u>	<u>\$ 137,121,250</u>	<u>\$ 6,551,106</u>

General Obligation Refunding Bond, Series 2010

The District issued General Obligation Refunding Bonds, Series 2010, denominations of \$5,000, dated July 20, 2010, total issue \$26,015,000. The bonds were issued for the purpose of advance refunding a portion of the General Obligation Bonds, Series 2003. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on November 1, 2013. The advance refunding meets the requirements of an in-substance debt defeasance and the term bonds were removed from the government-wide financial statements of the District. The outstanding balance of the defeased bonds was paid in full on November 1, 2013.

Interest, at a rate of 2.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2010 through 2021.

The bonds are not subject to redemption prior to maturity at the option of the District.

General Obligation Refunding Bond, Series 2011

The District issued General Obligation Refunding Bonds, Series 2011 denominations of \$5,000, dated November 29, 2011, total issue \$17,200,000. The bonds were issued for the purpose of advance refunding a portion of the General Obligation Bonds, Series 2003. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities which were deposited into an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on November 1, 2013. The advance refunding meets the requirements of an in-substance debt defeasance and the term bonds were removed from the Government-wide financial statements of the District. The outstanding balance of the defeased bonds was paid in full on November 1, 2013.

Interest, at a rate of 3.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2021 through 2024.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Bonds maturing on or before November 1, 2021, are not subject to redemption prior to maturity. Bonds maturing on November 1, 2022, are subject to redemption prior to maturity, at the option of the District, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, in such a manner as the District may determine, on November 1, 2021, or any date thereafter at a redemption price equal to the principal amount so redeemed plus accrued interest to the redemption date without a redemption premium.

General Obligation Bond, Series 2021

The District issued General Obligation Bonds, Series 2021, denominations of \$5,000, dated March 3, 2021. The bonds were issued for the purpose of major improvement projects to existing facilities. These bond issues were primarily for governmental activities. The issued amount of the 2021 G.O. bonds was \$90,000,000.

Interest, at a rate of 4.0% to 5.0%, is payable each May 1 and November 1. Principal is due annually November 1, 2024 through 2040.

All bonds noted above are general obligations of the District and shall be payable from general and ad valorem taxes required to be levied, without limitation as to rate, and in amounts sufficient to pay the principal and interest on the bonds, on all taxable property of the District, except to the extent other legally available funds are applied for such purpose.

Total debt service requirements to maturity of all bonds outstanding are as follows.

Fiscal Year Ending	Principal	Interest	Total
June 30,			
2022	\$ 4,220,000	\$ 4,742,225	\$ 8,962,225
2023	5,785,000	4,511,350	10,296,350
2024	5,955,000	4,231,488	10,186,488
2025	3,715,000	4,003,175	7,718,175
2026	3,900,000	3,812,800	7,712,800
2027-2031	22,625,000	15,858,375	38,483,375
2032-2036	28,525,000	9,926,025	38,451,025
2037-2040	34,770,000	3,586,000	38,356,000
Total	\$ 109,495,000	\$ 50,671,437	\$ 160,166,437

Capital Lease Agreements

The District obtained an annually renewable equipment lease-purchase agreement, dated August 1, 2012, for \$3,052,303 for equipment required by the McKinstry Energy Performance Contract. The equipment is included in the capital assets at a cost of \$3,052,303, with accumulated depreciation of \$2,289,226. The agreement will be repaid from the General Fund in quarterly payments of principal and interest at 2.6%. The principal balance on the lease as of June 30, 2021 is \$1,251,075.

The District obtained an annually renewable lease purchase agreement for the acquisition, construction, equipping, and installation of track and field improvements at Durango High School and Escalante Middle School, dated June 15, 2016, for \$1,900,000. The capital improvements are included in capital assets at a cost of \$3,136,488, with accumulated depreciation of \$661,026. The agreement will be repaid from the Interscholastic Activity Fund in annual payments of principal and interest at 2.05%. The principal balance on the lease as of June 30, 2021 is \$998,151.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

The debt service requirements to maturity on leases outstanding is as follows:

Fiscal Year Ending	Principal	Interest	Total
<u>June 30,</u>			
2022	\$ 457,157	\$ 50,415	\$ 507,572
2023	468,057	39,515	507,572
2024	479,220	28,352	507,572
2025	490,654	16,918	507,572
2026	354,138	5,689	359,827
Total	<u>\$ 2,249,226</u>	<u>\$ 140,889</u>	<u>\$ 2,390,115</u>

Compensated Absences

Compensated absences are liquidated by the General Fund, Governmental Designated Grant Fund, Interscholastic Activity Fund, After School Enrichment Program Fund, and Food Service Fund.

NOTE 6 SHORT-TERM DEBT

It was necessary for the district to participate in the State of Colorado interest-free loan program by borrowing \$3,427,853 throughout the fiscal year to meet cash flow needs since the majority of property taxes are received starting in March. The Board of Education passed a resolution authorizing borrowing up to \$6,512,874. The loan was repaid during the month of March.

June 30, 2020			June 30, 2021
<u>Balance</u>	<u>Borrowed</u>	<u>Repayment</u>	<u>Balance</u>
\$ -	\$ 3,427,853	\$ 3,427,853	\$ -

NOTE 7 TAX, SPENDING, AND DEBT LIMITATION

In November of 1992, Colorado voters approved a State Constitutional amendment, referred to as the Taxpayer’s Bill of Rights (TABOR), containing tax, spending and debt limitations on the state and local governments. TABOR limits increases in revenues and expenditures to the rate of inflation and local growth. In November 1997, a majority of the District’s electors authorized the District to collect and spend or retain in a reserve all currently levied taxes and other revenue of the District without regard to any limitations under TABOR. The Amendment is complex and subject to judicial interpretation.

The District believes it is in compliance with the requirements of this Amendment. TABOR also requires local governments to establish a reserve of 3% of fiscal year spending to be used only for declared emergencies. Net position of \$2,267,250 was restricted at June 30, 2021, to meet this requirement.

NOTE 8 DEFINED BENEFIT PENSION PLAN

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

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

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

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

Contributions provisions as of June 30, 2021- Eligible employees, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDT are established under C.R.S. § 24-51-401, *et seq* and §24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$6,075,549 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 contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

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

At June 30, 2021, the District reported a liability of \$88,743,685 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity.

At December 30, 2020, the District's proportion was 0.59 percent, which was an increase of 0.030 percent from its proportion measured as of December 31, 2019.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

For the year ended June 30, 2021 the District recognized a deficit pension expense of \$(22,174,477) and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 4,876,024	\$ -
Changes of assumptions or other inputs	8,536,867	14,917,062
Net difference between projected and actual earnings on pension plan investments	-	19,534,504
Changes in proportionate share and differences between contributions recognized and proportionate share of share of contributions	4,841,112	3,801,688
Contributions subsequent to the measurement date	<u>3,055,964</u>	<u>-</u>
Total	<u>\$ 21,309,967</u>	<u>\$38,253,254</u>

\$3,055,964 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:

Year Ended June 30,	
2022	(16,394,540)
2023	2,566,988
2024	(3,090,022)
2025	(3,081,678)
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:

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 (compounded annually)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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 were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

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

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

¹ Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

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

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

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

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

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

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

- 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.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

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

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

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

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 121,053,654	\$ 88,743,684	\$ 61,818,833

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

NOTE 9 OTHER POSTEMPLOYMENT BENEFITS

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

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit.

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. 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.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

PERA Benefit Structure

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

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

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 \$311,723 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 \$3,227,240 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on District 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 proportion was .34 percent, which was a decrease of .024 from its proportion measured as of December 31, 2019.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

For the year ended June 30, 2021 the District recognized OPEB expense of (\$231,687). At June 30, 2021, District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,565	\$ 709,502
Changes of assumptions or other inputs	24,114	197,892
Net difference between projected and actual earnings on pension plan investments	-	131,868
Changes in proportionate share and differences between contributions recognized and proportionate share of share of contributions	227,918	379,998
Contributions subsequent to the measurement date	156,795	-
Total	\$ 417,392	\$ 1,419,260

\$156,795 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	
2022	\$ (231,862)
2023	(213,413)
2024	(262,643)
2025	(302,096)
2026	(139,517)
Thereafter	(9,133)

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 4.5 percent in 2029

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

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

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

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

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

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

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

Mortality assumptions 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.

	School Division Trust Fund
Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
 Members other than State Troopers	 3.40%-11.00%

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

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

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

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.

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 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.

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

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

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

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

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

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

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

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,

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

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

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

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

	1% Decreases in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	<u>\$ 3,143,827</u>	<u>\$ 3,227,240</u>	<u>\$ 3,324,344</u>

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.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 3,696,862	\$ 3,227,240	\$ 2,825,986

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

NOTE 10 OTHER RETIREMENT PLANS

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings.

457 Deferred Compensation Plan

The PERA Deferred Compensation Plan (457 Plan) was established July 1, 2009 as a continuation of the State’s deferred compensation plan, which was established for state and local government employees in 1981. At July 1, 2009, the State’s administrative functions for the 457 Plan were transferred to PERA, where all costs of administration and funding are borne by the plan participants. In calendar year 2019, participants were allowed to make contributions of up to 100 percent of their annual gross salary (reduced by the percentage of their PERA contribution) to a maximum of \$19,500. Participants who are age 50 and older, and contributing the maximum amount allowable were allowed to make an additional \$6,500 contribution in 2021. Contributions and earnings are tax-deferred. At December 31, 2020, the Plan had 19,438 participants.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2021

Other Retirement Plans

In addition to facilitating voluntary retirements through PERA, the District offers several other options to employees. These include a 401(K) or Roth IRA through American Fidelity Assurance, a 401(K) or 403 (B) administered through AXA Equitable, and a 403(B) or a Roth IRA administered through Horace Mann Life Insurance. All of them are funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended, the costs are borne by the employees, and the District does not match contributions. Employees are immediately vested in their own contributions and investment earnings.

The District made no contributions to other retirement plans during Fiscal Year 2021.

NOTE 11 RISK OF LOSS

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has property and casualty insurance with the Wright Group. Insurance claims have not exceeded coverage over the past three years.

NOTE 12 CONTINGENCIES AND COMMITMENTS

Pandemic -In March of 2020, the COVID-19 virus was declared a global pandemic. Business continuity throughout the District could be severely impacted for months or more, as significant and unprecedented measures to mitigate the consequences of the pandemic are undertaken. The District has been awarded \$5,210,713 of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding and \$4,756,995 in American Rescue Plan (ARP) funding. During 2020-2021 the District spent \$2,651,256 in Coronavirus Relief Funds and Elementary and Secondary School Emergency Relief Funds. The CARES and ARP funds have various deadlines to fully expend funds with the soonest deadline being December 31, 2021.

Grants - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Bond Proceeds - The 2021 Bond construction program has several components that will begin in 2021-2022 and is scheduled to complete by the end of fiscal 2024. Per approved ballot language the District will be installing secure vestibules in all schools, address highest priority deferred maintenance HVAC and roofing needs across all buildings, build a “new” Miller Middle School and construct a Career and Innovation Center located at Durango High School. The bond also allocated \$7.5 million dollars to local charter schools, including two Charter school institute schools.

Litigation - Various claims and lawsuits are pending against the District. After consideration of applicable insurance policy coverage and relative merits of each claim or lawsuit, it is the opinion of District counsel that the potential ultimate liability resulting from these actions, if any, will not require additional accrued reserves and will not have a material adverse financial effect on the District.

DURANGO SCHOOL DISTRICT 9-R

REQUIRED SUPPLEMENTARY INFORMATION

A budgetary comparison schedule is required for the General Fund and, if applicable, each of the District's major special revenue funds. In addition, pension and OPEB plan contributions and the District's proportionate share of the net pension and OPEB liabilities are required to supplement the basic financial statements.

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Taxes	\$ 22,578,437	\$ 22,429,866	\$ 22,930,393	\$ 500,527
Specific Ownership Taxes	1,956,642	1,686,389	2,888,384	1,201,995
Intergovernmental Revenues				
Federal Sources	120,000	111,259	111,259	-
State Sources				
Equalization	30,526,699	43,523,107	44,480,144	957,037
Transportation	400,000	400,000	439,294	39,294
Other State	270,000	2,148,967	1,291,094	(857,873)
Local Sources	1,325,600	1,325,600	699,180	(626,420)
Interest on Investments	-	-	27,631	27,631
Miscellaneous Revenues				
Other	-	-	93,562	93,562
	<u>57,177,378</u>	<u>71,625,188</u>	<u>72,960,941</u>	<u>1,335,753</u>
EXPENDITURES				
Instructional Services	39,324,822	47,829,557	43,256,282	4,573,275
Supporting Services				
Pupil Support Services	3,933,507	5,116,135	4,626,948	489,187
Administration	3,655,448	4,754,476	4,299,870	454,606
Business Services	572,516	744,645	673,445	71,200
Operations and Maintenance	4,720,028	6,139,128	5,552,126	587,002
Transportation	1,313,784	1,708,780	1,545,392	163,388
Central Supporting Services	2,088,491	2,716,406	2,456,673	259,733
Other Supporting Services	203,083	264,141	238,885	25,256
Community Services	-	-	2,335	(2,335)
Debt Service	290,000	290,000	295,498	(5,498)
	<u>56,101,679</u>	<u>69,563,268</u>	<u>62,947,454</u>	<u>6,615,814</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>1,075,699</u>	<u>2,061,920</u>	<u>10,013,487</u>	<u>7,951,567</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(2,355,000)</u>	<u>(3,210,000)</u>	<u>(3,210,000)</u>	<u>-</u>
	<u>(2,355,000)</u>	<u>(3,210,000)</u>	<u>(3,210,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (1,279,301)</u>	<u>\$ (1,148,080)</u>	6,803,487	<u>\$ 7,951,567</u>
FUND BALANCE, Beginning of Year			<u>10,869,829</u>	
FUND BALANCE, End of Year			<u>\$ 17,673,316</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GOVERNMENTAL DESIGNATED GRANTS FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Intergovernmental				
Federal Sources	\$ 2,500,000	\$ 4,560,000	\$ 4,908,598	\$ 348,598
State Sources	2,500,000	2,500,000	1,787,179	(712,821)
Local Sources	350,000	350,000	110,893	(239,107)
	<u>5,350,000</u>	<u>7,410,000</u>	<u>6,806,670</u>	<u>(603,330)</u>
EXPENDITURES				
Instructional Services	3,399,575	4,708,571	4,325,194	383,377
Supporting Services				
Pupil Support Services	1,529,662	2,118,654	1,946,151	172,503
Administration	156,928	217,353	199,656	17,697
Business Services	-	-	-	-
Operations and Maintenance	260,359	360,609	331,248	29,361
Transportation	1,571	2,176	1,998	177
Central Supporting Services	-	-	-	-
Other Supporting Services	1,904	2,638	2,423	215
Total Expenditures	<u>5,350,000</u>	<u>7,410,000</u>	<u>6,806,670</u>	<u>603,330</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE, Beginning of Year			<u>-</u>	
FUND BALANCE, End of Year			<u>\$ -</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.5870074361%	0.5567996247%	0.5788962262%	0.6167517314%	0.5936487224%	0.6055495021%	0.6308345451%
District's proportionate share of the net pension liability (asset)	\$ 88,743,684	\$ 83,184,656	\$ 102,505,467	\$ 199,435,591	\$ 176,752,181	\$ 92,614,521	\$ 85,499,271
State's proportionate share of the net pension liability	-	10,550,916	14,016,199	-	-	-	-
Total	<u>\$ 88,743,684</u>	<u>\$ 93,735,572</u>	<u>\$ 116,521,666</u>	<u>\$ 199,435,591</u>	<u>\$ 176,752,181</u>	<u>\$ 92,614,521</u>	<u>\$ 85,499,271</u>
District's covered payroll	\$ 31,405,995	\$ 32,720,033	\$ 31,824,104	\$ 28,567,619	\$ 26,643,022	\$ 26,374,119	\$ 26,428,066
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	283%	254%	322%	698%	663%	351%	324%
Plan fiduciary net position as a percentage of the covered payroll	66.99%	64.52%	57.01%	43.96%	43.1%	59.2%	62.8%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

See Notes to Required Supplementary Information

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA SCHDTF PENSION PLAN
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 6,075,549	\$ 6,328,448	\$ 6,209,483	\$ 5,597,074	\$ 5,000,261	\$ 4,694,021	\$ 4,452,661	\$ 3,988,576	\$ 3,742,505	\$ 3,372,726
Contributions in relation to the contractually required contribution	<u>(6,075,549)</u>	<u>(6,328,448)</u>	<u>(6,209,483)</u>	<u>(5,597,074)</u>	<u>(5,000,261)</u>	<u>(4,694,021)</u>	<u>(4,452,661)</u>	<u>(3,988,576)</u>	<u>(3,742,505)</u>	<u>(3,372,726)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,561,105	\$ 32,654,514	\$ 32,391,134	\$ 30,115,278	\$ 26,987,628	\$ 26,482,692	\$ 26,371,360	\$ 26,149,589	\$ 24,788,562	\$ 23,230,173
Contributions as a percentage of covered payroll	19.88%	19.38%	19.17%	18.59%	18.53%	17.72%	16.88%	15.25%	15.10%	14.52%

See Notes to Required Supplementary Information

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF DISTRICT'S PROPORTIONATE
SHARE OF THE NET OPEB LIABILITY
PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.3396290733%	0.3638962698%	0.3762747036%	0.3504359341%	0.3374369636%
District's proportionate share of the net OPEB liability (asset)	\$ 3,227,240	\$ 4,090,187	\$ 5,119,375	\$ 4,554,265	\$ 4,374,985
District's covered payroll	\$ 31,405,995	\$ 32,720,033	\$ 31,824,104	\$ 28,567,619	\$ 26,643,022
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.5%	17.0%	17.5%	16.7%

*The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled the District presents information for those years for which information is available.

See Notes to Required Supplementary Information

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF DISTRICT CONTRIBUTIONS
PERA HEALTHCARE TRUST FUND
For the Years Ended June 30,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contribution	\$ 311,639	\$ 333,076	\$ 330,390	\$ 307,176	\$ 275,274	\$ 270,123	\$ 268,988	\$ 266,726	\$ 252,843	\$ 236,948
Contributions in relation to the contractually required contribution	<u>(311,639)</u>	<u>(333,076)</u>	<u>(330,390)</u>	<u>(307,176)</u>	<u>(275,274)</u>	<u>(270,123)</u>	<u>(268,988)</u>	<u>(266,726)</u>	<u>(252,843)</u>	<u>(236,948)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 30,561,105	\$ 32,654,514	\$ 32,391,134	\$ 30,115,278	\$ 26,987,628	\$ 26,482,692	\$ 26,371,360	\$ 26,149,589	\$ 24,788,562	\$ 23,230,173
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

See Notes to Required Supplementary Information

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2021

NOTE 1 NET PENSION LIABILITY

Changes in assumptions or other inputs effective for the December 31 measurement period for the following years ended:

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.
- 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 changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions were changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to 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 changed to 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.

2019 The post-retirement benefit increases to the PERA benefit structure for those hired prior to 1/1/07 was changed from 0% through 2019 and 1.5% compounded annually thereafter, to 1.25%.

2018 The assumed investment rate of return of 7.25% was used as the discount rate, rather than using the blended rate of 4.78%

2017 The discount rate was lowered from 5.26% to 4.72%.

2016

- The price inflation assumption was lowered from 2.80% to 2.40%.
- The long-term expected rate of return assumption was lowered from 7.50% to 7.25% per year.
- The wage inflation assumption was lowered from 3.90% to 3.50%.
- The mortality tables were changed from RP-2000 Combined Mortality Table for Males and Females, as appropriate, with adjustments for mortality improvements based on a projection scale of Scale AA to 2020 to RP-2014 White Collar Employee Mortality for actively working people, RP-2014 Healthy Annuitant Mortality Table projected to 2020 using the MP-2015 projection scale for retirees, or RP-2014 Disabled Retiree Mortality Table for disabled retirees.
- The discount rate was lowered from 7.50% to 5.26%.

2015 There were no changes in assumptions or other inputs this measurement period compared to the prior year.

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
CHANGES IN BENEFIT TERMS AND ACTUARIAL ASSUMPTIONS
For the Year Ended June 30, 2021

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS LIABILITY

Changes in assumptions or other inputs effective for the December 31 measurement period for the following years ended:

2020

- 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.
- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real wage growth assumption decreased from 1.10 percent per year to 0.70 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.
- 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 for the School Division were changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- Post-retirement non-disabled mortality assumptions for the School Division were changed to the PubT-2010 Healthy Retiree Table, adjusted as follows:
 - Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
 - Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Post-retirement non-disabled beneficiary mortality assumptions were changed to 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 changed to 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.

2019

- 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 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

2018 There were no changes in assumptions or other inputs effective this measurement period compared to the prior year.

2017 The Medicare Part A premiums were raised from 3.00% to 3.25%, as well as the gradual percentage rose from 4.25% in 2023 to 5.00% in 2025.

DURANGO SCHOOL DISTRICT 9-R

SUPPLEMENTARY INFORMATION

The combining financial statements represent the second level of financial reporting for the District. These financial statements present more detailed information for the individual funds in a format that segregates information by fund type.

**DURANGO SCHOOL DISTRICT 9-R
NONMAJOR GOVERNMENTAL FUNDS**

SPECIAL REVENUE FUNDS

Food Service Fund – This fund is used to account for the operations of the school breakfast and lunch programs.

Interscholastic Activities Fund – This fund is used to account for revenues and expenditures associated with interscholastic athletics and activities.

Student Activities Fund- This fund is used to account for revenues and expenditures associated with student activities.

After School Enrichment Fund- This fund is used to account for resources allocated for the after school supervision program.

CAPITAL PROJECTS FUNDS

Capital Reserve Capital Projects Fund - This fund is used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

DURANGO SCHOOL DISTRICT 9-R
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2021

	Special Revenue Funds				Capital Reserve Capital Projects Fund	Totals
	Food Service Fund	Inter-Scholastic Activities Fund	Student Activities Fund	After School Enrichment Fund		
ASSETS						
Equity in Pooled Cash	\$ 615,285	\$ 273,414	\$ 348,493	\$ 84,590	\$ 2,424,261	\$ 3,746,043
Accounts Receivable	223,931	-	-	-	217,752	441,683
Due from Other Funds	-	-	-	-	-	-
Materials and Supplies Inventory	24,737	-	-	-	-	24,737
Prepaid Expenses	-	3,353	-	-	16,760	20,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 863,953</u>	<u>\$ 276,767</u>	<u>\$ 348,493</u>	<u>\$ 84,590</u>	<u>\$ 2,658,772</u>	<u>\$ 4,232,575</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 386	\$ 9,840	\$ 6,828	\$ 379	\$ -	\$ 17,432
Accrued Salaries and Benefits	144,938	38,644	1,372	25,103	-	210,057
Unearned Grant Revenues	-	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>145,324</u>	<u>48,484</u>	<u>8,200</u>	<u>25,482</u>	<u>-</u>	<u>227,489</u>
Fund Balances						
Nonspendable						
Inventory	24,737	-	-	-	-	24,737
Prepaid Expenses	-	3,352	-	-	16,760	20,112
Restricted for						
Three Springs School	-	-	-	-	665,860	665,860
Committed for						
Activities	-	224,931	340,293	59,108	-	624,332
Capital Projects	-	-	-	-	1,976,152	1,976,152
Food Service	693,892	-	-	-	-	693,892
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>718,629</u>	<u>228,283</u>	<u>340,293</u>	<u>59,108</u>	<u>2,658,772</u>	<u>4,005,086</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 863,953</u>	<u>\$ 276,767</u>	<u>\$ 348,493</u>	<u>\$ 84,590</u>	<u>\$ 2,658,772</u>	<u>\$ 4,232,575</u>

DURANGO SCHOOL DISTRICT 9-R
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended
June 30, 2021

	<u>Special Revenue Funds</u>				<u>Capital Reserve Capital Projects Fund</u>	<u>Total</u>
	<u>Food Service Fund</u>	<u>Inter-Scholastic Activities Fund</u>	<u>Student Activities Fund</u>	<u>After School Enrichment Fund</u>		
REVENUES						
Intergovernmental						
Federal Sources	\$ 1,599,458	\$ -	\$ -	\$ -	\$ -	\$ 1,599,458
State Sources	13,608	-	-	-	107,752	121,360
Intermediate Sources	-	-	-	-	701,454	701,454
Local Sources	63,848	146,354	166,194	76,977	110,100	563,473
Total Revenues	<u>1,676,914</u>	<u>146,354</u>	<u>166,194</u>	<u>76,977</u>	<u>919,306</u>	<u>2,985,745</u>
EXPENDITURES						
Instructional Services	-	559,292	143,748	-	-	703,039
Supporting Services						
Pupil Support Services	-	346,796	-	-	-	346,796
Operations and Maintenance	-	-	-	-	59,720	59,720
Transportation	-	-	-	-	-	-
Food Services	1,641,172	-	-	-	-	1,641,172
Other Supporting Services	-	-	-	198,597	-	198,597
Capital Outlay	-	-	-	-	568,992	568,992
Debt Service	-	212,074	-	-	-	212,074
Total Expenditures	<u>1,641,172</u>	<u>1,118,161</u>	<u>143,748</u>	<u>198,597</u>	<u>628,712</u>	<u>3,730,390</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>35,742</u>	<u>(971,807)</u>	<u>22,446</u>	<u>(121,620)</u>	<u>290,595</u>	<u>(744,645)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	350,000	1,200,000	-	160,000	1,500,000	3,210,000
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>1,200,000</u>	<u>-</u>	<u>160,000</u>	<u>1,500,000</u>	<u>3,210,000</u>
NET CHANGE IN FUND BALANCE	385,742	228,193	22,446	38,380	1,790,595	2,465,355
FUND BALANCE, Beginning of Year	332,887	90	317,847	20,728	868,179	1,539,731
FUND BALANCE, End of Year	<u>\$ 718,629</u>	<u>\$ 228,283</u>	<u>\$ 340,293</u>	<u>\$ 59,108</u>	<u>\$ 2,658,774</u>	<u>\$ 4,005,086</u>

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOOD SERVICE FUND
For the Fiscal Year Ended
June 30, 2021

	Budget		Actual	Variance with Budget
	Original	Amended		
REVENUES				
Federal Sources	\$ 575,000	\$ 60,000	\$ 1,599,458	\$ 1,539,458
State Sources	30,000	30,000	13,608	(16,392)
Local Sources	875,000	1,246,175	63,848	(1,182,327)
Total Revenues	1,480,000	1,336,175	1,676,914	340,739
EXPENDITURES				
Supporting Services				
Food Services				
Salaries and Benefits	943,270	1,028,582	888,630	139,952
Purchased Services	23,000	23,000	10,149	12,851
Materials and Supplies				
Food and Milk	860,000	860,000	635,713	224,287
Other Operating	2,500	2,500	106,678	(104,178)
Total Expenditures	1,828,770	1,914,082	1,641,170	272,912
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(348,770)	(577,907)	35,744	613,651
OTHER FINANCING SOURCES (USES)				
Transfers In	275,000	350,500	350,000	(500)
Total Other Financing Sources (Uses)	275,000	350,500	350,000	(500)
NET CHANGE IN FUND BALANCE	\$ (73,770)	\$ (227,407)	385,744	\$ 613,151
FUND BALANCE, Beginning of Year			332,887	
FUND BALANCE, End of Year			\$ 718,631	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
INTERSCHOLASTIC ACTIVITIES FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Miscellaneous Revenues				
Other	\$ 137,000	\$ 100,000	\$ 146,354	\$ 46,354
Total Revenues	<u>137,000</u>	<u>100,000</u>	<u>146,354</u>	<u>46,354</u>
EXPENDITURES				
Instructional Services	1,019,629	1,134,000	559,291	574,709
Supporting Services				
Pupil Support Services	-	-	346,796	(346,796)
Debt Service	212,000	212,000	212,074	(74)
Total Expenditures	<u>1,231,629</u>	<u>1,346,000</u>	<u>1,118,161</u>	<u>227,839</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,094,629)</u>	<u>(1,246,000)</u>	<u>(971,807)</u>	<u>274,193</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,050,000	1,300,000	1,200,000	(100,000)
Total Other Financing Sources (Uses)	<u>1,050,000</u>	<u>1,300,000</u>	<u>1,200,000</u>	<u>(100,000)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (44,629)</u>	<u>\$ 54,000</u>	228,193	<u>\$ 174,193</u>
FUND BALANCE, Beginning of Year			<u>90</u>	
FUND BALANCE, End of Year			<u>\$ 228,283</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
STUDENT ACTIVITIES FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Miscellaneous Revenues				
Other	\$ 500,000	\$ 500,000	\$ 166,194	\$ (333,806)
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>166,194</u>	<u>(333,806)</u>
EXPENDITURES				
Instructional Services	<u>821,756</u>	<u>841,756</u>	<u>143,748</u>	<u>698,008</u>
Total Expenditures	<u>821,756</u>	<u>841,756</u>	<u>143,748</u>	<u>698,008</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(321,756)</u>	<u>(341,756)</u>	<u>22,446</u>	<u>364,202</u>
NET CHANGE IN FUND BALANCE	<u>\$ (321,756)</u>	<u>\$ (341,756)</u>	<u>22,446</u>	<u>\$ 364,202</u>
FUND BALANCE, Beginning of Year			<u>317,847</u>	
FUND BALANCE, End of Year			<u>\$ 340,293</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - BUDGET AND ACTUAL
AFTER SCHOOL ENRICHMENT PROGRAM FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
OPERATING REVENUES				
Charges for Services				
Tuition	\$ 280,000	\$ 60,000	\$ 76,977	\$ 16,977
Total Operating Revenues	<u>280,000</u>	<u>60,000</u>	<u>76,977</u>	<u>16,977</u>
OPERATING EXPENSES				
Salaries and Benefits	295,594	261,300	193,334	67,966
Purchased Services	15,000	5,000	1,993	3,007
Supplies and Materials	6,000	3,000	1,625	1,375
Other	-	-	1,645	(1,645)
Total Operating Expenses	<u>316,594</u>	<u>269,300</u>	<u>198,597</u>	<u>70,703</u>
OPERATING INCOME (LOSS)	(36,594)	(209,300)	(121,620)	87,680
TRANSFERS IN	<u>30,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
CHANGE IN NET POSITION	<u>\$ (6,594)</u>	<u>\$ (49,300)</u>	38,380	<u>\$ 87,680</u>
NET POSITION, Beginning of Year			<u>20,728</u>	
NET POSITION, End of Year			<u>\$ 59,108</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL RESERVE CAPITAL PROJECTS FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Intergovernmental				
State Sources	\$ -	\$ -	\$ 107,752	\$ 107,752
Intermediate Sources	-	-	701,454	701,454
Local Sources	300,000	300,000	110,100	(189,900)
	<u>300,000</u>	<u>300,000</u>	<u>919,306</u>	<u>619,306</u>
Total Revenues				
EXPENDITURES				
Supporting Services				
Operations and Maintenance	-	-	59,720	(59,720)
Transportation	-	-	-	-
Capital Outlay	1,000,000	1,300,000	568,992	731,008
	<u>1,000,000</u>	<u>1,300,000</u>	<u>628,712</u>	<u>671,288</u>
Total Expenditures				
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES				
	<u>(700,000)</u>	<u>(1,000,000)</u>	<u>290,594</u>	<u>1,290,594</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,100,000	1,500,000	1,500,000	-
Transfers Out	(100,000)	-	-	-
	<u>1,000,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Total Other Financing Sources (Uses)				
NET CHANGE IN FUND BALANCE				
	<u>\$ 300,000</u>	<u>\$ 500,000</u>	1,790,594	<u>\$ 1,290,594</u>
FUND BALANCE, Beginning of Year				
			<u>868,179</u>	
FUND BALANCE, End of Year				
			<u>\$ 2,658,773</u>	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND
For the Fiscal Year Ended
June 30, 2021

	Budget		Actual	Variance with Budget
	Original	Amended		
REVENUES				
Taxes	\$ 5,069,363	\$ 5,069,363	\$ 7,900,387	\$ 2,831,024
Interest on Investments	-	-	16,859	16,859
Total Revenues	5,069,363	5,069,363	7,917,246	2,847,883
EXPENDITURES				
Debt Service				
Principal	4,070,000	4,070,000	4,070,000	-
Interest	997,363	997,363	1,628,805	(631,442)
Other	2,000	2,000	1,000	1,000
Total Expenditures	5,069,363	5,069,363	5,699,805	(630,442)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	2,217,441	\$ 2,217,441
FUND BALANCE, Beginning of Year			12,781,070	
FUND BALANCE, End of Year			\$ 14,998,511	

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL PROJECTS - BUILDING FUND
For the Fiscal Year Ended
June 30, 2021

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Budget</u>
	<u>Original</u>	<u>Amended</u>		
REVENUES				
Intergovernmental				
Federal Sources	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-
Local Sources	-	-	20,416	20,416
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	-	-	20,416	20,416
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Instructional Services	-	-	-	-
Supporting Services				
Pupil Support Services	-	-	-	-
Administration	-	-	-	-
Business Services	-	1,166,667	-	1,166,667
Operations and Maintenance	-	-	635	(635)
Transportation	-	-	-	-
Central Supporting Services	-	-	-	-
Other Supporting Services	-	-	-	-
Facilities Acquisition and Construction	-	15,000,000	991,395	14,008,605
Debt Service	-	-	543,450	(543,450)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	-	16,166,667	1,535,480	14,631,187
	<hr/>	<hr/>	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>	<hr/>	<hr/>
	-	(16,166,667)	(1,515,064)	14,651,603
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	115,000,000	90,000,000	(25,000,000)
Bond Premium	-	-	24,206,987	24,206,987
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	115,000,000	114,206,987	(793,013)
	<hr/>	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ 98,833,333	112,691,923	\$ 13,858,590
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE, Beginning of Year			<hr/>	-
			<hr/>	<hr/>
FUND BALANCE, End of Year			<hr/>	\$ 112,691,923
			<hr/>	<hr/>

DURANGO SCHOOL DISTRICT 9-R STATISTICAL SECTION

This part of the Durango School District 9-R Comprehensive Annual Financial Report presents detailed data as a context for understanding the information in the financial statements, note disclosures, and required supplementary information.

Financial Trend Data

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity Data

These schedules contain information to help the reader assess the District's most significant local revenue source, the ad valorem property tax.

Debt Capacity Data

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service data to help the reader understand how the information in the District's financial reports relate to the services the District provides and the activities it performs.

DURANGO SCHOOL DISTRICT 9-R

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 20,979,725	\$ 27,267,945	\$ 32,359,384	\$ 36,000,870	\$ 37,014,006	\$ 43,572,599	\$ 47,485,436	\$ 52,326,437	\$ 55,870,286	\$ 55,835,444
Restricted	13,339,942	10,904,766	11,250,465	10,777,931	12,033,056	12,276,497	12,862,764	13,015,073	15,304,321	130,623,544
Unrestricted	12,140,395	11,117,725	7,854,541	(72,603,748)	(73,252,267)	(102,287,572)	(146,500,800)	(138,944,154)	(123,426,807)	(204,047,696)
Total Governmental Activities										
Net Position	<u>46,460,062</u>	<u>49,290,436</u>	<u>51,464,390</u>	<u>(25,824,947)</u>	<u>(24,205,205)</u>	<u>(46,438,476)</u>	<u>(86,152,600)</u>	<u>(73,602,644)</u>	<u>(52,252,200)</u>	<u>(17,588,708)</u>
Business-Type Activities										
Net Investment in Capital Assets	86,295	65,371	44,447							
Unrestricted	95,834	84,371	48,888	213	9,455	2,420	4,745			
Total Business-Type Activities										
Net Position	<u>182,129</u>	<u>149,742</u>	<u>93,335</u>	<u>213</u>	<u>9,455</u>	<u>2,420</u>	<u>4,745</u>			
Primary Government										
Net Investment in Capital Assets	21,066,020	27,333,316	32,403,831	36,000,870	37,014,006	43,572,599	47,485,436	52,326,437	55,870,286	55,835,444
Restricted	13,339,942	10,904,766	11,250,465	10,777,931	12,033,056	12,276,497	12,862,764	13,015,073	15,304,321	130,623,544
Unrestricted	12,236,229	11,202,096	7,903,429	(72,603,535)	(73,242,812)	(102,285,152)	(146,496,055)	(138,944,154)	(123,426,807)	(204,047,696)
Total Primary Government										
Net Position	<u>\$ 46,642,191</u>	<u>\$ 49,440,178</u>	<u>\$ 51,557,725</u>	<u>\$ (25,824,734)</u>	<u>\$ (24,195,750)</u>	<u>\$ (46,436,056)</u>	<u>\$ (86,147,855)</u>	<u>\$ (73,602,644)</u>	<u>\$ (52,252,200)</u>	<u>\$ (17,588,708)</u>

Source: District Records (Statement of Net Position)

DURANGO SCHOOL DISTRICT 9-R

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction	\$ 25,102,282	\$ 25,670,050	\$ 28,256,393	\$ 30,533,314	\$ 31,160,154	\$ 48,940,646	\$ 60,444,717	\$ 35,556,077	\$ 32,897,540	\$ 36,206,510
Pupil Activities	4,183,619	5,216,886	4,897,196	5,422,972	5,999,118	9,311,883	13,016,266	7,628,000	6,690,178	5,207,072
Instructional Support										
General & School Administration	2,932,044	3,253,769	3,443,568	3,708,965	3,921,263	6,197,572	7,307,791	3,643,225	4,098,573	3,141,882
Business Services	604,429	651,882	623,676	612,474	638,094	1,718,662	1,516,067	853,828	584,918	471,982
Maintenance & Operations	4,150,919	3,906,412	4,055,091	4,804,775	4,809,893	6,395,265	8,637,237	5,916,484	5,445,609	4,020,168
Transportation	1,079,558	1,333,446	1,513,448	1,524,945	1,490,801	2,414,032	2,808,372	1,712,849	1,295,264	1,188,683
Central Services	1,983,212	2,703,123	2,301,344	2,434,996	2,675,149	3,612,387	4,237,587	2,644,356	2,736,312	1,808,115
Food Services				1,547,229	1,414,038	2,121,810	2,540,326	1,664,667	1,469,169	1,158,421
Other Community Services	37,675	40,736		142,220	143,115	507,601	420,260	1,427,361	1,072,123	1,516,099
Interest & Fiscal Charges	3,804,263	2,282,927	2,385,589	2,580,150	1,698,807	1,386,913	1,187,172	909,612	680,767	1,161,951
Total Governmental Activities Expense	43,878,001	45,059,231	47,476,305	53,312,040	53,950,432	82,606,771	102,115,795	61,956,459	56,970,453	55,880,883
Business-Type Activities										
Food Services	1,383,644	1,472,783	1,527,802							
After School Enrichment Program	181,173	195,485	343,591	362,361	361,132	291,059	307,486			
Total Business-Type Activities	1,564,817	1,668,268	1,871,393	362,361	361,132	291,059	307,486			
Total Primary Government Expenses	45,442,818	46,727,499	49,347,698	53,674,401	54,311,564	82,897,830	102,423,281	61,956,459	56,970,453	55,880,883
Program Revenues										
Governmental Activities										
Operating Grants, Contributions & Interest	2,282,646	2,769,917	2,844,832	3,842,531	3,752,647	4,243,764	7,347,380	9,222,859	8,896,428	11,836,058
Capital Grants & Contributions	84,211	56,855	371,338	431,160	2,331	17,000	11,350	825,709	622,671	58,334
Charges for Services and Sales-Tuition	181,412									
Charges for Services and Sales-Other	223,033	423,748	504,353	1,021,198	1,264,208	1,202,262	1,100,685	1,271,053	995,417	532,413
Total Governmental Activities Program Revenue	2,771,302	3,250,520	3,720,523	5,294,889	5,019,186	5,463,026	8,459,415	11,319,621	10,514,516	12,426,805
Business-Type Activities										
Charges for Services and Sales	704,222	698,608	709,095	297,714	319,874	249,024	229,811			
Operating Grants, Contributions & Interest	778,757	814,273	811,391							
Total Business-Type Activities Program Revenue	1,482,979	1,512,881	1,520,486	297,714	319,874	249,024	229,811			
Total Primary Government Program Revenues	4,254,281	4,763,401	5,241,009	5,592,603	5,339,060	5,712,050	8,689,226	11,319,621	10,514,516	12,426,805
Net (Expense)/ Revenue										
Governmental Activities:	(41,106,699)	(41,808,711)	(43,755,782)	(48,017,151)	(48,931,246)	(77,143,745)	(93,656,380)	(50,636,838)	(46,455,937)	(43,454,078)
Business-Type Activities:	(81,838)	(155,387)	(350,907)	(64,647)	(41,258)	(42,035)	(77,675)			
Total Primary Government Net Expense	(41,188,537)	(41,964,098)	(44,106,689)	(48,081,798)	(48,972,504)	(77,185,780)	(93,734,055)	(50,636,838)	(46,455,937)	(43,454,078)
General Revenues & Other Changes in Net Positions										
Governmental Activities										
Taxes	27,762,586	27,299,742	26,479,304	28,584,042	28,936,827	28,819,200	29,580,471	31,272,842	32,537,813	33,572,523
State Equalization	16,851,601	17,038,215	19,138,711	20,074,131	20,874,848	25,383,015	27,946,228	31,118,491	34,952,471	44,480,144
Investment Earnings	118,254	36,479	19,817	16,860	46,438	133,426	279,060	450,653	343,091	64,905
Amortization of Bond Premium										
Gain on Sale Land					142,342					
Miscellaneous	500,063	475,147	586,404	358,521	601,033	609,833	451,548			
Transfer	(123,000)	(123,000)	(294,500)	(63,500)	(50,500)	(35,000)	(80,000)			
Total Governmental Activities	45,109,504	44,726,583	45,929,736	48,970,054	50,550,988	54,910,474	58,177,307	62,841,986	67,833,375	78,117,572
Business-Type Activities:										
Other sources	3,500									
Transfer	123,000	123,000	294,500	63,500	50,500	35,000	80,000			
Total Business-Type Activities	126,500	123,000	294,500	63,500	50,500	35,000	80,000			
Total Primary Government	45,236,004	44,849,583	46,224,236	49,033,554	50,601,488	54,945,474	58,257,307	62,841,986	67,833,375	78,117,572
Changes in Net Position										
Governmental Activities	4,002,805	2,917,872	2,173,954	952,903	1,619,742	(22,233,271)	(35,479,073)	12,205,149	21,350,441	34,663,494
Change in Accounting Principle Governmenta				(78,242,240)				344,806		
Business-Type Activities	44,662	(32,387)	(56,407)	(1,147)	9,242	(7,035)	2,325			
Change in Accounting Principle Business-Typ				(91,975)				(4,745)		
Changes in Net Position	\$ 4,047,467	\$ 2,885,485	\$ 2,117,547	\$(77,382,459)	\$ 1,628,984	\$(22,240,306)	\$(35,476,748)	\$ 12,545,210	\$ 21,350,441	\$ 34,663,494

Source: District Records (Statement of Activities)

DURANGO SCHOOL DISTRICT 9-R
FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 73,981	\$ 82,608	\$ 60,763	\$ 76,261	\$ 58,549	\$ 57,815	\$ 59,273	\$ 60,305	\$ 50,032	\$ 84,509
Restricted	3,990,216	3,574,852	1,975,477	1,300,000	1,355,000	1,509,426	1,873,333	1,918,218	1,980,588	2,267,250
Committed	3,162,615	3,090,898	2,830,018	2,926,702	2,987,919	3,520,375	3,602,876	3,997,586	4,278,232	4,984,819
Assigned	1,985,512	2,117,852	822,535	852,354	696,385	440,119	439,759	459,301	547,648	579,878
Unassigned	1,753,356	436,717	950,296	1,001,744	2,509,889	2,858,934	2,381,504	1,659,461	4,013,331	9,756,860
Total General Fund	<u>10,965,680</u>	<u>9,302,927</u>	<u>6,639,089</u>	<u>6,157,061</u>	<u>7,607,742</u>	<u>8,386,669</u>	<u>8,356,745</u>	<u>8,094,871</u>	<u>10,869,831</u>	<u>17,673,316</u>
All Other Governmental Funds										
Nonspendable					28,720	19,374	20,122	24,621	27,419	24,737
Restricted	12,495,374	12,289,942	9,704,766	10,050,465	9,576,262	12,578,056	10,767,071	11,096,856	13,323,733	128,356,293
Committed				231,682	900,000			490,210	969,651	3,314,488
Assigned	566,783	556,880	1,657,521	1,125,410	466,386	211,735	1,431,227			
Unassigned								4,763		
Total all other governmental funds	<u>13,062,157</u>	<u>12,846,822</u>	<u>11,362,287</u>	<u>11,407,557</u>	<u>10,971,368</u>	<u>12,809,165</u>	<u>12,218,420</u>	<u>11,616,450</u>	<u>14,320,803</u>	<u>131,695,518</u>
Total Governmental Funds	<u>\$ 22,734,890</u>	<u>\$ 23,812,502</u>	<u>\$ 20,665,214</u>	<u>\$ 18,046,646</u>	<u>\$ 17,128,429</u>	<u>\$ 20,416,907</u>	<u>\$ 20,605,089</u>	<u>\$ 19,973,195</u>	<u>\$ 25,190,634</u>	<u>\$149,368,834</u>

Source: District Records (Balance Sheet - Governmental Funds)

DURANGO SCHOOL DISTRICT 9-R
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Taxes	\$ 28,143,157	\$ 27,422,251	\$ 26,729,197	\$ 28,109,416	\$ 28,884,317	\$ 28,429,184	\$ 29,568,039	\$ 31,252,152	\$ 32,303,823	\$ 33,719,164
Intergovernmental:										
Federal	1,142,634	1,125,808	1,447,177	1,892,374	1,716,580	2,019,784	3,045,215	3,323,075	3,248,206	6,619,315
State	17,454,483	17,739,314	20,105,493	21,212,985	22,031,148	26,616,137	31,300,618	35,883,802	39,792,945	48,119,071
County or Intermediate					562,188	392,528	352,848	303,998	212,201	701,454
Local	654,336	1,295,979	1,214,676	2,419,147	2,178,089	2,314,678	2,229,948	2,927,238	2,186,636	1,467,107
Interest	118,254	36,479	19,817	16,860	46,438	133,426	279,060	450,653	343,091	64,906
Miscellaneous	867,064	602,781	678,292	203,035	233,821	322,409	4,368			
Total Revenues	48,379,928	48,222,612	50,194,652	53,853,817	55,652,581	60,228,146	66,780,096	74,140,918	78,086,902	90,691,017
EXPENDITURES										
Current:										
Instructional	23,324,763	23,586,017	25,098,635	25,273,438	25,143,058	27,743,959	33,713,329	38,311,010	39,155,854	48,284,515
Supporting Services	15,491,949	17,310,118	17,498,558	18,775,786	19,422,601	20,813,504	24,088,930	26,557,313	26,729,271	24,125,069
Capital Outlay	725,386	3,611,798	2,042,214	2,705,635	1,997,516	3,060,102	1,953,229	863,065	518,898	1,560,387
Debt Service:										
Principal	5,045,000	7,275,000	5,070,000	4,270,000	5,495,000	5,750,000	7,519,238	7,075,977	5,226,123	4,666,515
Interest	3,057,726	2,825,235	2,569,300	3,392,150	2,035,170	1,872,944	291,613	1,460,229	1,185,831	2,081,313
Other	186,964	156,157	240,013	248,193	366,994	514,455	212,074	33,579	71,449	2,000
Total Expenses	47,831,788	54,764,325	52,518,720	54,665,202	54,460,339	59,754,964	67,778,413	74,301,173	72,887,426	80,719,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	548,140	(6,541,713)	(2,324,068)	(811,385)	1,192,242	473,182	(998,316)	(160,256)	5,199,476	9,971,218
Other Financing Sources (Uses)										
Sale of Fixed Assets or Land	4,449				142,342					
Proceeds of the State										
Loan Program										3,427,853
Payments to the State										(3,427,853)
Loan Program										
Bonds Issued	17,200,000				5,608,890					90,000,000
Bond Refunding	(19,385,162)				(5,794,425)					
Premium on Bond Issued	2,325,499				289,929					24,206,987
Lease Proceeds		3,052,303			1,900,000					
Transfers/ Allocation In	1,444,128	3,811,091	2,378,869	3,133,604	1,657,874	3,550,000	2,296,011	2,674,078	3,025,000	3,210,000
Transfers/ Allocation Out	(1,567,128)	(3,934,091)	(2,673,369)	(3,197,104)	(1,708,374)	(3,835,000)	(2,376,011)	(2,674,078)	(3,025,000)	(3,210,000)
Total Other Financing Sources (Uses)	21,786	2,929,303	(294,500)	(63,500)	2,096,236	(285,000)	(80,000)			114,206,987
Net Change in Fund Balances	\$ 569,926	\$ (3,612,410)	\$ (2,618,568)	\$ (874,885)	\$ 3,288,478	\$ 188,182	\$ (1,078,316)	\$ (160,256)	\$ 5,199,476	\$ 124,178,205
Debt Service as a Percentage of Noncapital Expenditures	16.94%	18.44%	14.55%	14.02%	13.83%	12.76%	11.52%	11.49%	8.80%	8.36%

Source: District Records (Statement of Revenues, Expenditures, and Changes in Net Assets - Governmental Funds)

DURANGO SCHOOL DISTRICT 9-R
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Assessment Year	Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial, Agricultural & Natural Resources	Oil & Gas	State Assessed, Vacant Land & Other	Total Taxable Assessed Value	Total Direct Tax Rate	Total Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Residential Assessment Rate	Oil & Gas Assessment Rate	All Others Assessment Rate
2011	2012	\$488,530,199	\$345,779,979	\$ 50,378,631	\$456,157,156	\$224,363,985	\$1,565,209,950	16.368	\$8,776,262,610	17.83%	7.96%	87.50%	29.00%
2012	2013	468,373,080	329,729,870	30,877,730	474,235,410	190,418,550	1,493,634,640	17.017	8,696,152,210	17.18%	7.96%	87.50%	29.00%
2013	2014	442,086,890	314,865,730	33,388,270	323,115,560	170,362,600	1,283,819,050	19.090	8,084,509,080	15.88%	7.96%	87.50%	29.00%
2014	2015	450,117,610	320,762,010	36,000,160	383,743,340	166,867,230	1,357,490,350	19.090	8,272,720,720	16.41%	7.96%	87.50%	29.00%
2015	2016	509,495,590	331,701,950	36,325,300	443,997,090	168,696,490	1,490,216,420	17.876	9,156,871,230	16.27%	7.96%	87.50%	29.00%
2016	2017	518,261,530	338,626,890	37,755,580	263,427,240	168,565,300	1,326,636,540	19.874	9,031,667,280	14.69%	7.96%	87.50%	29.00%
2017	2018	632,017,000	405,146,000	48,343,640	454,298,000	222,974,000	1,762,779,000	19.874	11,629,844,000	15.16%	7.96%	87.50%	29.00%
2018	2019	643,865,740	407,494,020	51,320,520	517,221,900	212,671,430	1,832,574,000	20.281	11,849,159,000	15.47%	7.96%	87.50%	29.00%
2019	2020	698,220,170	432,163,690	52,039,920	467,800,480	217,555,190	1,867,779,450	21.129	10,694,308,150	17.47%	7.15%	87.50%	29.00%
2020	2021	709,755,000	434,685,000	53,141,000	365,312,000	216,280,150	1,779,172,000	22.787	10,679,613,890	16.66%	7.15%	87.50%	29.00%

Source: La Plata County Assessor's Office (Selected Authority Abstract)

DURANGO SCHOOL DISTRICT 9-R
PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN FISCAL YEARS

Assessment Year	Fiscal Year	Durango School District 9-R				City of	La Plata	Special	Total Direct & Overlapping Rates (1)	
		General Fund Millage	Bond Levy Millage	Override Levy Millage	ADA/Asbestos Abatement	Total District Millage	Total City Millage	Total County Millage		Total Special District Millage
2011	2012	6.601	4.470	5.226	0.071	16.368	2.507	8.674	1.505	29.054
2012	2013	6.601	4.854	5.504	0.058	17.017	2.507	8.500	1.564	29.588
2013	2014	6.601	6.040	6.404	0.045	19.090	2.507	8.500	1.585	31.682
2014	2015	6.601	6.367	6.056	0.066	19.090	2.507	8.500	1.424	31.521
2015	2016	6.601	5.73	5.517	0.028	17.876	2.507	8.500	2.052	30.935
2016	2017	6.601	5.755	7.501	0.017	19.874	2.507	8.500	2.057	32.94
2017	2018	6.601	5.776	7.846	0.058	20.281	2.507	8.500	2.351	33.64
2018	2019	6.601	5.776	8.636	0.062	20.281	5.007	8.500	2.370	36.16
2019	2020	6.601	5.776	8.692	0.060	21.129	5.007	8.500	2.370	37.01
2020	2021	6.601	5.776	10.318	0.092	22.787	5.007	8.500	2.472	38.77

Notes: (1) Overlapping rates are those of local and county governments that apply to property owners within Durango School District 9-R. Not all overlapping rates apply to all District property owners.

Sources: Durango School District 9-R Mill Levy Resolution
 La Plata County Assessor Office

DURANGO SCHOOL DISTRICT 9-R
PRINCIPAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	2020			2021		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed
BP America Production Co.	Energy	\$ 502,170,460	1	26.89%	\$ 497,818,470	1	21.14%
Harvest Four Corners LLC	Energy	159,858,090	2	8.56%			
Red Cedar	Energy	100,109,020	3	5.36%	30,268,780	8	1.29%
Hillcorp San Juan LP	Energy	97,824,530	4	5.24%			
La Plata Electric Association	Energy	74,887,600	5	4.01%	28,529,580	10	1.21%
Red Willow Production Co.	Energy	31,027,070	6	1.66%	20,285,300	9	0.86%
Glacier Property Associates, LLC	Real Estate	20,381,640	7	1.09%			
Catamount Energy Partners LLC	Energy	16,623,260	8	0.89%			
Enduring Resources LLC	Energy	14,480,890	9	0.78%			
Public Service CO of Colorado (XCEL)	Energy	7,021,500	10	0.38%			
XTO Energy Company					109,939,880	2	4.67%
Conoco Phillips Company	Energy				49,910,680	3	2.12%
Burlington Resources Oil & Gas	Energy				45,212,580	4	1.92%
Samson Resources Company	Energy				41,027,370	5	1.74%
Willams Gas Processing	Energy				33,334,180	6	1.42%
Four Star Oil	Energy				33,326,740	7	1.42%
GRVP LLC	Energy						
Chevron Texaco	Energy						
Totals		<u>\$ 1,024,384,060</u>		<u>54.85%</u>	<u>\$ 889,653,560</u>		<u>37.78%</u>
Total Assessed Valuation		\$ 1,867,779,450		100.00%	\$ 2,354,797,050		100.00%

Source: La Plata County Assessor's Office - Top Taxpayers

DURANGO SCHOOL DISTRICT 9-R
PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN CALENDAR YEARS
(Unaudited)

Assessment Year	Collection Year	Current Tax Levy (4)	Current Tax Collections (3)	Percent of Current Taxes Collected	Delinquent Tax Collections (1)	Total Tax Collections	Ratio of Total Tax Collections to Total Tax Levy (5)
2011	2012	\$ 25,619,356	\$ 25,240,988	98.52%	\$ 14,770	\$ 25,255,758	98.58%
2012	2013	25,417,181	25,013,976	98.41%	20,163	25,034,139	98.49%
2013	2014	24,508,106	24,136,969	98.49%	12,309	24,149,278	98.54%
2014	2015	25,914,791	25,291,782	97.60%	11,017	25,302,799	97.64%
2015	2016	26,639,109	26,385,177	99.05%	3,460	26,388,637	99.06%
2016	2017	26,366,052	25,964,047	98.48%	5,370	25,969,417	98.50%
2017	2018	26,809,537	26,238,343	97.87%	4,238	26,242,581	97.89%
2018	2019	28,428,835	27,017,345	95.04%	4,985	27,022,330	95.05%
2019	2020	28,428,689	27,487,667	96.69%	4,985	27,492,652	96.71%
2020	2021	30,995,389	30,316,157	97.81%	6,785	30,322,942	97.83%

Notes:

1. Includes delinquent tax collections collected in current year not reported by county by assessment year.
2. Source: La Plata County Assessor's Office.
3. Taxes collected are from January 1 to August 31.
4. Current tax levy per Durango School District 9-R Mill Levy Resolution.
5. Because taxes are reported in the fiscal year received instead of assessment year this percentage may exceed 100%.

DURANGO SCHOOL DISTRICT 9-R
LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Assessed Value	Debt Limit (1)	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2012	\$1,565,209,950	\$313,041,990	\$ 68,800,000	\$244,241,990	21.98%
2013	1,493,634,640	298,726,928	61,525,000	237,201,928	20.60%
2014	1,283,819,050	256,763,810	56,455,000	200,308,810	21.99%
2015	1,357,490,350	271,498,070	52,185,000	219,313,070	19.22%
2016	1,490,216,420	298,043,284	46,620,000	251,423,284	15.64%
2017	1,326,636,540	265,327,308	40,870,000	224,457,308	15.40%
2018	1,762,779,000	352,555,800	35,005,000	317,550,800	9.93%
2019	1,832,574,000	366,514,800	28,355,000	338,159,800	7.74%
2020	1,832,573,610	366,514,722	23,565,000	342,949,722	6.43%
2021	1,779,099,310	355,819,862	109,495,000	246,324,862	30.77%

(1) Debt limit represents 20% of the assessed valuation of the District. The relevant property taxes collected by the District based on assessed valuation.

Source: La Plata County Assessor's Office (Amended Certification of Values)
 School District 9-R debt service schedules

DURANGO SCHOOL DISTRICT 9-R
RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE
AND BONDED DEBT PER CAPITA

LAST TEN CALENDAR YEARS
(Unaudited)

Fiscal Year Ended June 30	Total Actual Taxable Value	General Bonded Debt	Less: Amounts Available in Debt Service Fund (1)		Percentage of Estimated Actual Taxable Vaule of Property	County Population	Bonded Debt per Capita
				Total			
2012	\$ 8,776,262,610	\$ 68,800,000	\$ 12,289,942	\$ 56,510,058	0.6%	52,305	1,315
2013	8,696,152,210	61,525,000	9,704,766	51,820,234	0.6%	53,334	1,154
2014	8,084,509,080	56,455,000	10,050,465	46,404,535	0.6%	53,989	1,046
2015	8,272,720,720	52,185,000	9,379,652	42,805,348	0.5%	54,688	954
2016	9,156,871,230	46,620,000	10,460,541	36,159,459	0.4%	55,454	841
2017	9,031,667,280	40,870,000	10,486,381	30,383,619	0.3%	55,623	735
2018	11,629,844,000	35,005,000	10,728,481	24,276,519	0.2%	55,589	630
2019	11,849,159,000	28,355,000	10,600,993	17,754,007	0.1%	56,310	504
2020	10,694,308,150	23,565,000	12,781,070	10,783,930	0.1%	56,221	419
2021	10,679,613,890	109,495,000	14,998,511	94,496,489	0.9%	56,065	1,953

Source: La Plata County Assessor's Office.

Durango School District 9-R debt service schedule
US Census Bureau

(1) This is the amount restricted for debt service payments.
2016 County Population figures are estimates

DURANGO SCHOOL DISTRICT 9-R

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO GENERAL FUND EXPENDITURES

LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year Ended June 30</u>	<u>Annual Debt Service Expenditures for General Bonded Debt</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures</u>
2012	\$ 8,249,606	\$ 36,549,075	22.6%
2013	10,102,385	38,470,903	26.3%
2014	7,642,300	41,056,519	18.6%
2015	7,664,400	41,324,915	18.5%
2016	7,632,924	40,270,137	19.0%
2017	7,624,744	44,238,996	17.2%
2018	7,519,238	50,513,474	14.9%
2019	8,062,213	56,446,908	14.3%
2020	6,483,403	57,067,649	11.4%
2021	6,749,827	62,947,454	10.7%

Source: Durango School District 9-R debt service schedule and General Fund
Schedule of Revenues, Expenditures, and Changes in Net Position

DURANGO SCHOOL DISTRICT 9-R
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			County Population	Per Capita	Percentage of Personal Income (1)
	General Obligation Bonds	Capital Lease	Outstanding Debt			
2012	\$ 68,800,000	\$ 38,831	\$ 68,838,831	52,305	\$ 1,316	2.94%
2013	61,525,000	2,995,520	64,520,520	53,334	1,210	2.63%
2014	56,455,000	2,834,861	59,289,861	53,989	1,098	2.33%
2015	52,185,000	2,660,968	54,845,968	54,688	1,003	2.13%
2016	46,620,000	4,364,093	50,984,093	55,454	919	1.83%
2017	40,870,000	3,970,063	44,840,063	55,623	806	1.58%
2018	35,005,000	3,557,841	38,562,841	55,589	694	1.33%
2019	28,355,000	3,131,864	31,486,864	56,310	559	1.06%
2020	23,565,000	2,695,741	26,260,741	56,221	467	0.87%
2021	109,495,000	2,249,229	111,744,229	56,065	1,993	3.63%

Note: The District has similar, but not the same boundaries as La Plata County.

(1) Per capita income is reported on Table 14.

Source: Colorado Division of Local Governments
 La Plata County Assessor's Office
 Durango School District 9-R debt service schedule

DURANGO SCHOOL DISTRICT 9-R

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2021
(Unaudited)

	2020 Assessed Valuation	Entity's General Debt	Percentage Applicable to the District	Amount of Outstanding Debt Applicable to the District
Direct Debt:				
General Obligation Debt	\$1,867,779,450	\$ 109,495,000	100.00%	\$ 109,495,000
Capital Leases		2,249,229	100.00%	2,249,229
Overlapping Debt:				
Aspen Trails Metropolitan District	2,710,200		100.00%	
Durango West Metro District No. 1	4,918,380		100.00%	
Edgemont Ranch Metropolitan District	30,478,300	196,421	100.00%	196,421
El Rancho Florida Metro. District	3,680,530	818,864	100.00%	818,864
La Plata Archuleta Water District	287,812,160	5,366,071	100.00%	5,366,071
La Plata County Palo Verde PID No. 3	919,600		100.00%	
Tamarron Metropolitan District	15,702,110	23,126,999	100.00%	23,126,999
Three Springs Metro. Districts 1	194,488,780		100.00%	
Upper Pine River Fire Protection District	230,204,240	1,462,253	11.18%	163,480
Total Overlapping Debt				<u>29,671,836</u>
Total Direct General Obligation and Overlapping Debt				<u><u>\$ 141,416,065</u></u>
Debt Ratio				5.86%
Debt Ratio with Over-lapping Debt				7.45%

Note: The percentage of overlapping debt is based on the percentage of the entities assessed value that is included in the assessed value of the District.

Source: Durango School District 9-R records
Other district records
Assessors' Offices of La Plata and Archuleta Counties and individual taxing entities

DURANGO SCHOOL DISTRICT 9-R
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	County Population	Unemployment Rate	Per Capita Income	Certified Funded Pupil Count	School Enrollment	Government- wide Governmental Activities Expenses	Cost per Student
2012	52,305	6.6%	43,834	4,443.7	4,559	\$ 43,878,001	\$ 9,624
2013	53,334	5.7%	45,476	4,395.5	4,653	45,059,231	9,684
2014	53,989	4.2%	46,492	4,362.1	4,762	47,476,305	9,970
2015	54,688	3.8%	46,388	4,353.9	4,723	53,312,040	11,288
2016	55,454	3.1%	50,206	4,411.7	4,818	53,950,432	11,199
2017	55,623	2.4%	51,110	4,812.5	5,183	82,606,771	15,938
2018	55,589	2.6%	52,030	4,976.6	5,251	102,115,797	19,447
2019	56,310	2.8%	52,966	4,958.3	5,540	61,956,459	11,183
2020	56,221	10.4%	53,920	4,473.0	5,634	56,970,452	10,112
2021	56,065	7.5%	54,890	6,775.5	6,997	55,880,883	7,986

Source: Colorado Division of Local Governments
 La Plata County records
 Durango School District 9-R enrollment records and Statement of Activities
 Per Capita Income for 2014, 2015, and 2017 unavailable. Estimates based on 1.8% annual growth

DURANGO SCHOOL DISTRICT 9-R
PRINCIPAL EMPLOYERS FOR LA PLATA COUNTY
CURRENT YEAR AND NINE YEARS AGO

Employer	2020		2021	
	Employees	Percentage of Total County Employment	Employees	Percentage of Total County Employment
Southern Ute Indian Tribe	1,545	4.41%	1,500	5.45%
Mercy Regional Medical Center	941	2.69%	625	2.27%
Purgatory Recreation Management LLC	850	2.43%	N/A	0.00%
Durango School District 9-R	788	2.25%	544	1.98%
Fort Lewis College	680	1.94%	535	1.94%
La Plata County	395	1.13%	412	1.50%
Bayfield School District 11JT	390	1.11%	N/A	0.00%
City of Durango	354	1.01%	500	1.82%
Walmart	322	0.92%	353	1.28%
Rocky Mountain Chocolate Factory	190	0.54%	N/A	0.00%
Mercury Payments	N/A		442	1.61%
San Juan Basin Health	N/A		226	0.82%
Durango Mountain Resort	N/A		346	1.26%
Total	<u>6,455</u>	<u>18.44%</u>	<u>5,483</u>	<u>19.91%</u>
Total La Plata County Employment	<u>34,997</u>	<u>100%</u>	<u>27,534</u>	<u>100%</u>

Source: Region 9-Economic Development District of SW Colorado, La Plata County and City of Durango CAFR

Notes: Employer data is not available at the municipal level. Data presented is for La Plata County.

The most recent data available is provided in the schedule.

DURANGO SCHOOL DISTRICT 9-R

CAPITAL ASSETS BY FUNCTION

LAST TEN YEARS

Function:	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Instruction	\$139,016,439	\$136,880,287	\$137,242,054	\$139,694,769	\$141,700,844	\$140,880,916	\$141,704,831	\$141,671,320	\$142,756,855	\$146,765,333
Pupil Activities	245,547	260,551	1,635,056	2,385,518	2,581,405	6,212,754	6,249,088	6,247,610	6,247,610	4,103,882
General Administration	1,136,175	1,224,351	1,224,351	1,238,150	1,238,150	1,270,690	1,278,121	1,277,819	1,277,819	26,512
School Administration	348,674	348,674	348,674	348,674	348,674	348,674	350,713	350,630	350,630	26,447
Business Services	184,164	184,164	184,164	184,164	203,848	235,247	236,623	236,567	236,567	136,999
Maintenance & Operations	613,641	701,388	1,605,973	1,612,099	1,623,049	1,911,657	1,922,837	1,922,382	1,922,382	3,576,607
Transportation	4,331,156	4,482,616	4,379,697	4,467,112	4,692,120	4,748,110	4,775,878	4,774,749	5,317,246	4,203,508
Central Services	1,665,500	1,676,400	712,187	712,187	909,292	909,292	914,610	914,394	914,394	1,254,969
Food Services	276,334	276,334	276,334	134,197	282,133	422,673	425,145	425,044	425,044	275,709
Totals	<u>\$ 147,817,630</u>	<u>\$ 146,034,765</u>	<u>\$ 147,608,490</u>	<u>\$ 150,776,870</u>	<u>\$ 153,579,514</u>	<u>\$ 156,940,013</u>	<u>\$ 157,857,847</u>	<u>\$ 157,820,516</u>	<u>\$ 159,448,548</u>	<u>\$ 160,369,966</u>

Source: Durango School District 9-R capital asset records.

DURANGO SCHOOL DISTRICT 9-R
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUND AND EMPLOYEE TYPE
 LAST TEN YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Administrators										
General Fund	28.0	33.0	36.0	39.0	41.0	39.8	41.0	48.0	45.0	45.0
Food Service	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Kids Camp	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	<u>29.0</u>	<u>34.0</u>	<u>38.0</u>	<u>41.0</u>	<u>43.0</u>	<u>41.8</u>	<u>43.0</u>	<u>50.0</u>	<u>47.0</u>	<u>47.0</u>
Non-Teaching Professionals										
General Fund	202.0	212.7	211.0	213.5	231.5	264.9	194.6	301.6	271.0	258.8
Insurance Reserve	0.5	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Governmental Designated Grant			2.8	0.8	5.4	1.3	15.0	15.0	15.0	30.5
Food Service	22.9	22.4	22.6	24.0	18.1	21.0	23.2	30.5	27.3	22.0
Kids Camp	16.0	12.0	16.0	13.5	9.2	9.9	15.2	10.3	6.0	10.4
	<u>241.4</u>	<u>248.1</u>	<u>252.8</u>	<u>251.8</u>	<u>264.2</u>	<u>297.1</u>	<u>248.0</u>	<u>357.4</u>	<u>319.3</u>	<u>321.6</u>
Teachers										
General Fund	311.1	317.6	317.1	313.4	288.3	317.1	387.0	389.0	348.0	324.8
Governmental Designated Grant	11.2	11.6	13.7	12.9	9.8	3.7	16.0	16.0	16.0	11.1
	<u>322.3</u>	<u>329.2</u>	<u>330.7</u>	<u>326.4</u>	<u>298.1</u>	<u>320.8</u>	<u>403.0</u>	<u>405.0</u>	<u>364.0</u>	<u>335.9</u>
Total - All Funds										
General Fund	541.1	563.3	564.1	566.0	560.8	621.8	622.6	738.6	664.0	628.5
Food Service	23.9	23.4	23.6	25.0	19.1	22.0	24.2	31.5	28.3	23.0
Insurance Reserve	0.5	1.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Governmental Designated Grant	11.2	11.6	16.4	13.7	15.2	5.0	31.0	31.0	31.0	41.6
Kids Camp	16.0	12.0	17.0	14.5	10.2	10.9	16.2	11.3	7.0	11.4
	<u>592.7</u>	<u>611.3</u>	<u>621.5</u>	<u>619.2</u>	<u>605.3</u>	<u>659.7</u>	<u>694.0</u>	<u>812.4</u>	<u>730.3</u>	<u>704.5</u>

Source: Durango School District 9-R human resource and payroll records.

DURANGO SCHOOL DISTRICT 9-R
NUTRITION SERVICES - FACTS AND FIGURES
LAST TEN FISCAL YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
October 1 pupil count	4,559	4,590	4,670	4,564	4,697	5,053	4,999	5,313	5,634	6,997
October 1 count of benefits										
Students on free lunch	1,138	1,109	1,196	1,107	1,173	1,414	1,207	1,123	1,511	1,878
Student on reduced lunch	348	384	287	294	324	327	369	288	356	242
Percentage of students on:										
Free lunch	24.96%	24.16%	25.61%	24.26%	24.97%	27.98%	24.15%	21.14%	26.82%	26.84%
Reduced lunch	7.63%	8.37%	6.15%	6.44%	6.90%	6.47%	7.38%	5.42%	6.32%	3.46%
Total	32.59%	32.53%	31.76%	30.70%	31.87%	34.45%	31.53%	26.56%	33.14%	30.30%

Source: Durango School District 9-R records, CDE October Count - District Summary of Pupil Counts

DURANGO SCHOOL DISTRICT 9-R
MISCELLANEOUS STATISTICAL DATA

June 30, 2021
(Unaudited)

- Year of organization:	1956	<u>Enrollment and Funded Pupil Count</u>		
- Geographical area:	1039 square miles			Funded
- Accreditation:	Colorado Department of Education	<u>School Year</u>	<u>Enrollment</u>	<u>Pupil Count</u>
<u>Number of Schools</u>		2010-2011	4,688	4,496.7
Elementary	8	2011-2012	4,559	4,443.7
Middle	2	2012-2013	4,653	4,395.5
High	2	2013-2014	4,762	4,362.1
		2014-2015	4,723	4,353.9
Totals	<u><u>12</u></u>	2015-2016	4,818	4,411.7
		2016-2017	5,183	4,812.5
		2017-2018	5,251	4,976.6
		2018-2019	5,540	4,958.3
		2019-2020	5,634	4,473.0
		2020-2021	6,997	6,775.5

<u>Summary of Teachers by Education Level</u>			<u>Teacher/Student Ratio</u>			
<u>Education Level</u>	<u>Number of Teachers</u>	<u>Percentage of Total</u>	<u>School Year</u>	<u>Enrollment</u>	<u>Number of Teachers</u>	<u>Ratio</u>
Bachelor of Arts	49.00	12.10%	2010-2011	4,688	329	14.24
Bachelor of Arts + 15	12.00	2.96%	2011-2012	4,559	322	14.15
Bachelor of Arts + 30	6.00	1.48%	2012-2013	4,653	329	14.13
Bachelor of Arts + 45	63.00	15.56%	2013-2014	4,762	331	14.40
Master's Degree	119.00	29.38%	2014-2015	4,723	326	14.47
Master's Degree + 15	25.00	6.17%	2015-2016	4,818	298	16.16
Master's Degree + 30	30.00	7.41%	2016-2017	5,183	321	16.16
Master's Degree + 45	27.00	6.67%	2017-2018	5,251	403	13.03
Master's Degree + 60	74.00	18.27%	2018-2019	5,540	405	13.68
	<u><u>405.00</u></u>	<u><u>100.00%</u></u>	2019-2020	5,634	364	15.48
			2020-2021	6,997	393	17.82

<u>School Building Information</u>					
<u>School</u>	<u>Total Sq. Feet</u>	<u>Total Class Rooms</u>	<u>Year Built</u>	<u>Student Capacity</u>	<u>Percentage of Capacity Used</u>
<u>Elementary</u>					
Florida Mesa	59,381	25	1959	350	100
Animas Valley	59,160	26	1994	250	100
Fort Lewis Mesa	52,647	20	1961	250	90
Needham	70,815	30	1955	350	100
Park	69,305	30	1956	350	100
Riverview	69,700	29	2004	350	100
Sunnyside	54,636	24	1962	250	90
<u>Middle</u>					
Miller	119,695	44	1961	550	100
Escalante	112,800	38	1994	550	100
<u>High</u>					
Durango High	293,886	119	1976	1925	100
Arts & Science	42,278	20	1957	225	75

Note: * information not available

Source: Colorado Department of Education
Durango School District 9-R records

DURANGO SCHOOL DISTRICT 9-R

SINGLE AUDIT SECTION

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
<i>Child Nutrition Cluster</i>			
United States Department of Agriculture			
National School Lunch Program	10.555	Colorado Department of Human Services, 4555	\$ 114,863
COVID-19 - National School Lunch Program	10.555	Colorado Department of Education, 4555	184,242
Summer Food Service Program	10.559	Colorado Department of Education, 4559	1,300,353
<i>Total Child Nutrition Cluster</i>			1,599,458
<i>Forest Service Schools and Roads Cluster</i>			
United States Department of Agriculture			
Schools and Roads - Grants to States	10.665	Colorado Department of Treasury and La Plata County Treasurer, 7665	111,259
<i>Special Education Cluster (IDEA)</i>			
United States Department of Education			
Special Education Grants to States	84.027	Colorado Department of Education, 4027	962,965
Special Education Preschool Grants	84.173	Colorado Department of Education, 4173	19,331
<i>Total Special Education Cluster (IDEA)</i>			982,296
<i>Total All Clusters</i>			2,693,013
<i>Other Programs</i>			
United States Department of Education			
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education, 4010, 5010	612,821
Career and Technical Education -- Basic Grants to States	84.048	Colorado Community College System, 4048	31,601
Indian Education Grants to Local Educational Agencies	84.060	Colorado Department of Education, 4060	36,984

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Special Education- State Personnel Development	84.323	Colorado Department of Education, 5323	22,722
English Language Acquisition State Grants	84.365	Colorado Department of Education, 4365	19,103
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education, 4367	121,626
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education, 4424	33,593
Elementary and Secondary School Emergency Relief Fund	84.425D	Colorado Department of Education, 4425	42,285
Elementary and Secondary School Emergency Relief Fund	84.425D	Colorado Department of Education, 5425	2,928
Colorado Charter School Program - Remote Learning Grant	84.282	Colorado Department of Education, 8282	34,789
<i>Total United States Department of Education</i>			958,452
United States Department of Treasury			
Coronavirus Relief Fund	21.019	Colorado Department of Education, 4012	2,480,277
Coronavirus Relief Fund	21.019	Colorado Department of Education, 5012	125,766
Coronavirus Relief Fund	21.019	Colorado Department of Education, 6012	48,000
<i>Total United States Department of Treasury</i>			2,654,043
Total Other Programs			3,612,495
Total Expenditures of Federal Awards			\$ 6,305,508

DURANGO SCHOOL DISTRICT 9-R
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The District did not elect to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance for the year ended June 30, 2021. In addition, the District did not pass-through federal funds to subrecipients.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Durango School District 9-R under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Durango School District 9-R, it is not intended to and does not present the financial position, changes in net position, or cash flows of Durango School District 9-R.

NOTE 3 FOOD DISTRIBUTION

Nonmonetary assistance is reported in the Schedule at the fair market value of commodities received and disbursed.

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



Wall,
Smith,
Bateman Inc.

To the Board of Education
Durango School District 9-R
Durango, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Durango School District 9-R, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Durango School District 9-R’s basic financial statements, and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Durango School District 9-R’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Durango School District 9-R’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Durango School District 9-R’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Durango School District 9-R’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

Purpose of this Report

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

November 30, 2021

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



**Wall,
Smith,
Bateman Inc.**

To the Board of Education
Durango School District 9-R
Durango, Colorado

Report on Compliance for Each Major Federal Program

We have audited Durango School District 9-R's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Durango School District 9-R's major federal programs for the year ended June 30, 2021. Durango School District 9-R's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Durango School District 9-R's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Durango School District 9-R's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Durango School District 9-R's compliance.

Opinion on Each Major Federal Program

In our opinion, the Durango School District 9-R, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Certified Public Accountants

3001 Adcock Circle PO Box 809 Alamosa, CO 81101 | 719-589-3619 | f 719-589-5492 | www.wsbcpa.com

Report on Internal Control over Compliance

Management of Durango School District 9-R, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Durango School District 9-R's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Durango School District 9-R's internal control over compliance.

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

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

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

Wall, Smith, Bateman Inc.

Wall, Smith, Bateman Inc.
Alamosa, Colorado

November 30, 2021.

DURANGO SCHOOL DISTRICT 9-R
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
- Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? _____ yes X no

Identification of major programs:

<u>Federal Assistance Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 and 84.173	Special Education Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee? X yes _____ no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

DURANGO SCHOOL DISTRICT 9-R
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

Section II – Financial Statement Findings

Finding 2020-001: Internal Control Over Financial Reporting

Type of finding: Internal Control (significant deficiency)

Condition: Internal controls over the reconciliation of year-end cash and accrued liability accounts were not sufficient to prevent and detect financial misstatements.

Status: Implemented.

DURANGO SCHOOL DISTRICT 9-R

CDE COMPLIANCE SECTION



Colorado Department of Education

Auditors Integrity Report

District: 1520 - Durango 9-R

Fiscal Year 2020-21

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	10,869,829	68,639,155	61,835,667	17,673,316
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	10,869,829	68,639,155	61,835,667	17,673,316
11 Charter School Fund	402,275	1,369,048	1,302,019	469,305
20,26-29 Special Revenue Fund	338,576	403,170	342,345	399,401
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	332,886	2,026,914	1,641,171	718,629
22 Govt Designated-Purpose Grants Fund	0	6,806,669	6,806,669	0
23 Pupil Activity Special Revenue Fund	90	1,346,354	1,118,161	228,283
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	12,781,070	7,917,246	5,699,805	14,998,511
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	114,227,403	1,535,481	112,691,922
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	868,178	2,419,305	628,712	2,658,772
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	25,592,905	205,155,265	80,910,030	149,838,139
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	-75	1,317,335	189,255	1,128,006
Totals	-75	1,317,335	189,255	1,128,006
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