

cPa DIXON, WALLER & CO., INC.

LA VETA PUBLIC SCHOOLS

LA VETA, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

DIXON, WALLER & CO., INC.

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LA VETA PUBLIC SCHOOLS

FINANCIAL STATEMENTS

JUNE 30, 2021

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LA VETA PUBLIC SCHOOLS
ROSTER OF SCHOOL OFFICIALS
June 30, 2021

BOARD OF EDUCATION

Eleanor Foley	President
Larry Morgan	Vice-President
Edward Donovan	Member
Polly Nelder	Member
Joe P. Nix	Member

SCHOOL OFFICIALS

Bree Lessar	Superintendent
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FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT

Board of Education
La Veta Public Schools
La Veta, CO 81055

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through xvi and 45 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Veta Public Schools' basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2021, on our consideration of La Veta Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of La Veta Public Schools' 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 La Veta Public Schools' internal control over financial reporting and compliance.



December 16, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

LA VETA SCHOOL DISTRICT RE-2
PO BOX 85, 126 EAST GARLAND
LA VETA, COLORADO 81055
719-742-6411 FAX 719-742-3959

MANAGEMENT'S DISCUSSION AND ANALYSIS
FY 2020/2021

This section of the La Veta School District RE-2's annual financial report offers readers of the La Veta RE-2 School District financial statements, a narrative summary, and an analysis of the District's financial performance during the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

In 2003/2004 La Veta School District RE-2 adopted a financial reporting model promulgated by the Government Accounting Standards Board (GASB). In accordance with GASB Statement 34, *Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments*, the District is required to restate prior financial periods for the purpose of providing a comparative analysis from one fiscal year to the next.

Financial Highlights

- At the close of FY 2021, the District's net position changed from \$1,392,873 at the end of FY 2020 to \$25,443,691 at the end of FY 2021, a change in net position of \$24,040,818. The most significant change in the District's net position is the increase of capital assets from \$14,159,775 to \$40,222,430, due to the construction of the new building. Also affecting the District's net position are the accounting requirements of GASB 68, the Accounting and Financial Reporting for Pensions. GASB 68 affects the financial statement of Colorado PERA-affiliated employers. GASB 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflow of resources, and expenditures for the PERA defined benefit pension plan. GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to the actuarial present value, and attribute that present value to periods of employee service. At the end of FY 2021, LaVeta RE-2 showed \$5,116,053 for its proportionate share of net pension liability and \$2,271,693 of pension deferred inflow of resources. Also reported was net OPEB, other post-employment benefits, liability of \$185,999 and \$70,274 of deferred inflow of OPEB resources. Notes to the financial statement include additional information regarding GASB 68.
- General revenues, primarily property taxes and state equalization payments, account for approximately \$3.28 million or 73.94 percent of operating revenues. Also included in total revenues was \$22,354,718 in BEST Grant funding for the new building. Governmental activity expenses totaling \$2,750,681 were offset by \$1,156,097 of program specific revenues; charges for services, operating grants and contributions.

- The FY 2021 beginning fund balance in the District's General Fund, which includes Fund 10/General Fund and Fund19/Colorado Preschool Program (CPP), was \$881,289. General Fund received \$2,872,437 in revenues and expended \$2,757,027. The FY 2021 ending fund balance in the General Fund was \$996,699, an increase of \$115,410.
- Fund 21, the Food Service Fund, recognized \$130,523 in revenue and expended \$109,331. The FY 2021 ending fund balance in Fund 21, Food Service Fund, was \$33,908, an increase of \$21,192.
- The Government Designated Purpose Grants, Fund 22, accounted for \$854,244 in revenue and expenditures related to governmental activities.
- The Activities Account, Fund 23, received \$41,574 in revenues and expended \$55,793. The ending fund balance in the Activities Account was \$79,922.
- Bond Redemption, Fund 31, had a beginning fund balance of \$254,987. Revenues totaled \$455,638. Bond property taxes accounted for \$453,890 of the total revenues. Principal and interest paid on the Series 2019 Improvement and Refunding Bond totaled \$352,000. The principal balance on the District's bond long term debt at the end of FY 2021 was \$5,590,000. The Bond Redemption fund balance on June 30, 2021 was \$358,624.
- The beginning fund balance in Fund 41, the Building Fund, was \$5,476,546, the balance from the sale of the General Obligations Series 2019 Improvement and Refunding Bond. Revenues, primarily from the BEST Grant totaled \$22,359,153. Expenditures totaled \$26,034,464, leaving an ending fund balance of \$1,801,235 in the Building Fund.
- Fund 43, Capital Reserve/Capital Projects, had a beginning fund balance of \$35,598. General Fund transferred \$40,000 to CRCP. No purchases were made leaving an ending fund balance in the Capital Reserve/Capital Projects Fund of \$75,598.

Overview of the Financial Statements

The Management's Discussion and Analysis statement is intended to serve as an introduction to La Veta School District RE-2's basic financial statements. The basic financial statements consist of three components: (1) District-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. Additionally, this report contains other supplementary information in conjunction with the basic financial statements.

The basic financial statements include two kinds of statements that present different views of the District. The basic financial statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District government, reporting the District's operations in more detail than the government-wide statements.

- The governmental funds statements tell how general government services were financed in the short-term as well as what remain for future spending.
- Proprietary fund statements offer short and long term financial information about the activities that the District operates like businesses. The District no longer has a proprietary fund.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements.

Government-wide Statements

The government-wide statements are designed to provide readers a broad overview of the finances of La Veta School District RE-2, in a manner similar to private-sector business.

The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. The Statement of Net Program presents information on all of the District's assets and liabilities, with the differences between the two reported as net program. Over time, increases or decreases in net program may serve as a useful indicator of whether the financial position of LaVeta School District RE-2 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as the condition of school buildings and other facilities.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net program are reported as soon as the underlying event giving rise to the change that occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All of La Veta RE2's financial activities are included in governmental activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Certain funds are required by law. Other funds control and manage money for particular purposes (such as federal grants or student activity). The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental Funds:** Most of the District's basic services are included in governmental funds, which focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

La Veta School District RE-2 maintains seven governmental funds: General Fund, which includes the Colorado Preschool Program, the Food Service Fund, Government Designated Grants, Student Activities, Bond Redemption, Building Fund, and Capital Reserve Capital Projects. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for these funds. Included in the required supplementary information section is budget-to-actual information for all government funds as required by State law.

- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.

La Veta School District RE-2 currently does not have any proprietary funds.

- **Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is responsible for ensuring the assets reported in these funds are used only for their intended purposes stated by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

La Veta School District RE-2 currently does not have any fiduciary funds

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This includes budget-to-actual information for all funds as dictated by State law.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

All financial activities of the District are reported on the accrual basis of accounting. This section explains the differences between the current and prior year's assets, liabilities, and changes in the net assets.

Table 1 provides a comparison of the District's net position from June 30, 2020 to June 30, 2021.

Table 1
La Veta School District RE-2
Condensed Statement of Net Position as of June 30, 2021

NET POSITION	FY 2020			FY 2021		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
ASSETS						
Current and Other Assets	8,807,753	-	8,807,753	9,327,301	-	9,327,301
Capital Assets	14,159,775	-	14,159,775	40,222,430	-	40,222,430
Accumulated Depreciation	(5,928,000)	-	(5,928,000)	(6,191,162)	-	(6,191,162)
Total Assets	17,039,528	-	17,039,528	43,358,569	-	43,358,569
DEFERRED OUTFLOW OF RESOURCES						
District Contributions Subsequent to Pension Measurement Date	1,038,707	-	1,038,707	1,570,650	-	1,570,650
Difference in Actual & Projected Pension Investment Earnings	-	-	-	-	-	-
Other Post-Employment Benefits (OPEB)	19,958	-	19,958	15,513	-	15,513
Total Deferred Outflow of Resources	1,058,665	-	1,058,665	1,586,163	-	1,586,163
LIABILITIES						
Current and Other Liabilities	6,234,749	-	6,234,749	5,581,814	-	5,581,814
Net PERA Pension Liability	223,234	-	223,234	5,116,053	-	5,116,053
Net OPEB Liability	761,076	-	761,076	185,999	-	185,999
Unamortized Bond Premium	-	-	-	695,208	-	695,208
Current Debt Payable	125,000	-	125,000	205,000	-	205,000
Long Term Liabilities	5,590,000	-	5,590,000	5,385,000	-	5,385,000
Total Liabilities	12,934,059	-	12,934,059	17,169,074	-	17,169,074
DEFERRED INFLOW OF RESOURCES						
Difference in Pension Expected & Actual Experience	3,771,261	-	3,771,261	2,341,967	-	2,341,967
NET POSITION						
Invested in capital assets, Net of Related Debt	7,993,322	-	7,993,322	28,441,268	-	28,441,268
Restricted for:						
Tabor Reserve	229,000	-	229,000	780,000	-	780,000
Multi Year Obligations	-	-	-	-	-	-
Preschool	-	-	-	18,791	-	18,791
Food Service	3,051	-	3,051	25,105	-	25,105
Insurance	-	-	-	-	-	-
Debt	254,986	-	254,986	358,624	-	358,624
Capital Outlay	5,476,547	-	5,476,547	1,801,235	-	1,801,235
Unrestricted	(12,564,033)	-	(12,564,033)	(5,991,332)	-	(5,991,332)
TOTAL NET POSITION	1,392,873	-	1,392,873	25,433,691	-	25,433,691

The Statement of Net Position reports all financial and capital resources. The statement presents assets and liabilities in order of relative liquidity. All liabilities reported are current as of June 30, 2021, consisting of accounts payable, accrued salaries and benefits, and internal payables. The difference between the District's assets and liabilities is its net position. In FY 2021, the District-wide net position was 25,433,691.

Changes in Net Program

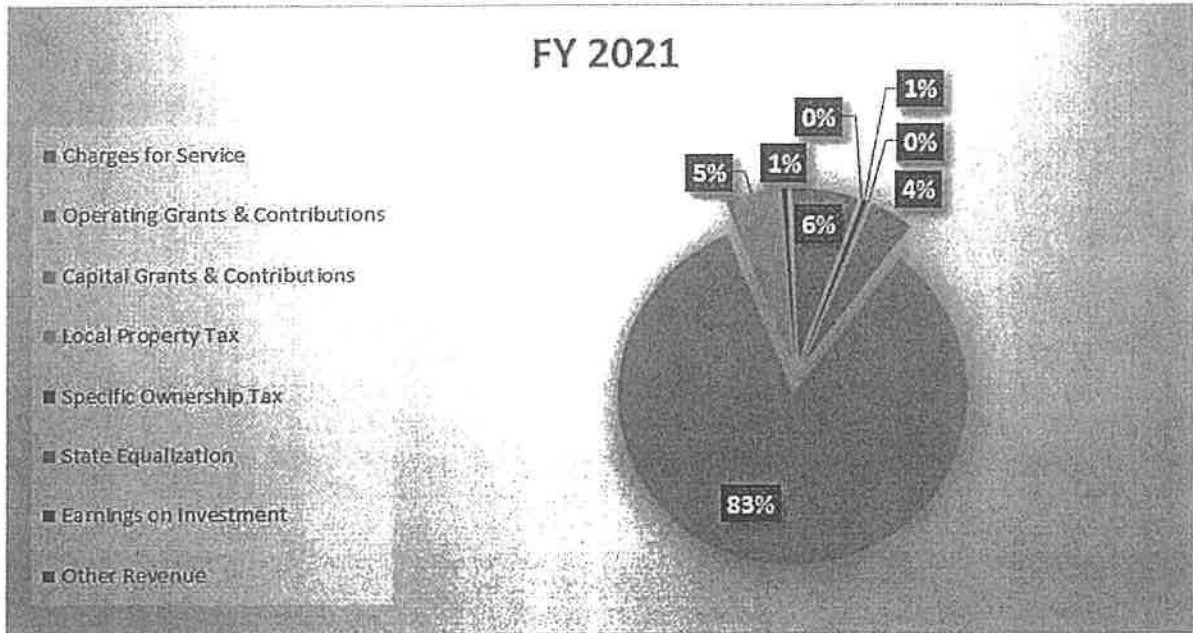
The District's Governmental Activities are reported on the accrual basis of accounting. A condensed financial comparison of revenues and expenditures from FY 2020 to FY 2021 shows the District's net program in total government activities increased by \$24,040,818.

Table 2 provides a summary and comparison of the changes in the net program from FY 2020 to FY 2021.

Changes in Net Program	2,020			2,021		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
Revenues						
Charges for Services	141,011	-	141,011	45,853	-	45,853
Operating Grants and Contributions	514,733	-	514,733	1,110,244	-	1,110,244
Capital Grants and Contributions	4,376,605	-	4,376,605	22,354,718	-	22,354,718
Property taxes	1,280,974	-	1,280,974	1,310,108	-	1,310,108
Specific Ownership Taxes	135,251	-	135,251	149,992	-	149,992
Equalization	1,783,792	-	1,783,792	1,670,407	-	1,670,407
Earnings on investments	94,585	-	94,585	5,799	-	5,799
Other Revenues	94,887	-	94,887	144,378	-	144,378
Transfers	-	-	-	-	-	-
TOTAL REVENUES	8,421,838	-	8,421,838	26,791,499	-	26,791,499
Expenses						
Instructional Services	1,961,653	-	1,961,653	1,507,216	-	1,507,216
Student Support	186,893	-	186,893	217,182	-	217,182
Instructional Staff	97,397	-	97,397	914,810	-	914,810
District Administration	235,125	-	235,125	258,178	-	258,178
School Administration	203,603	-	203,603	201,756	-	201,756
Business Support	170,464	-	170,464	170,753	-	170,753
Operation and Maintenance of Facilities	391,810	-	391,810	368,792	-	368,792
Transportation	29,775	-	29,775	49,972	-	49,972
Central Support	178,357	-	178,357	208,533	-	208,533
Capital Outlay	-	-	-	-	-	-
Food Service	140,781	-	140,781	110,551	-	110,551
Interest on Long Term Liabilities	156,265	-	156,265	160,682	-	160,682
Issuance Costs	149,500	-	149,500	-	-	-
Net Pension Changes	(819,698)	-	(819,698)	(1,401,275)	-	(1,401,275)
Net OPEB (Other Post -Employment Benefits)	(5,112)	-	(5,112)	(16,469)	-	(16,469)
TOTAL EXPENSES	3,076,813	-	3,076,813	2,750,681	-	2,750,681
Change in Net Position	5,345,025	-	5,345,025	24,040,818	-	24,040,818
Net Position, Beginning (As Restated)	(3,952,152)	-	(3,952,152)	1,392,873	-	1,392,873
Prior Period Adjustment	-	-	-	-	-	-
Net Position, Ending	1,392,873	-	1,392,873	25,433,691	-	25,433,691

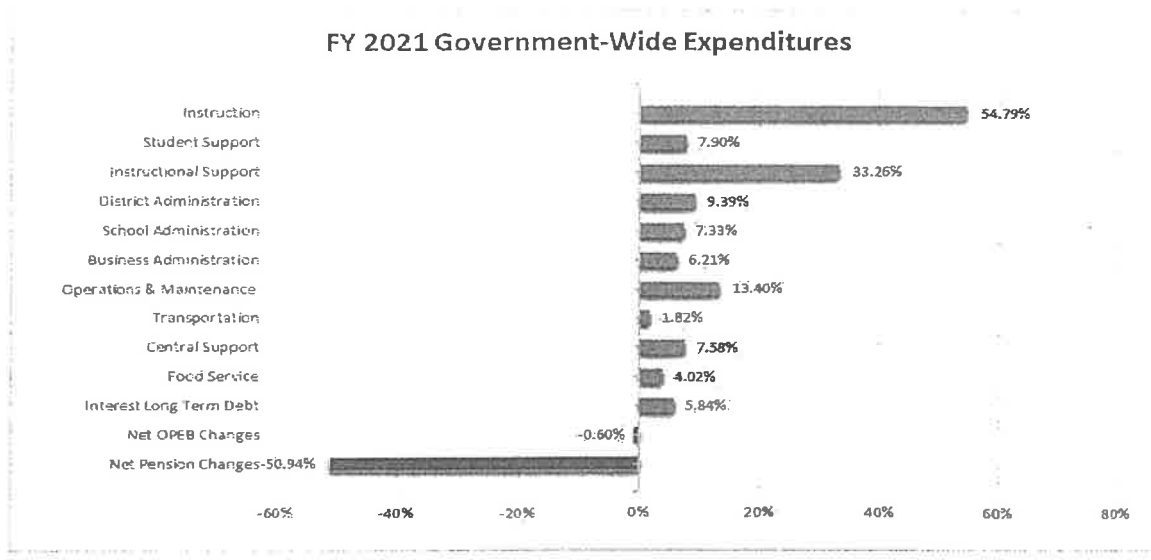
TABLE 3

La Veta School District RE-2
Government-Wide
Total Revenues FY 2021



PRIMARY GOVERNMENT REVENUE	
(Government Activities and Business Type Activities)	
FY 2021	
Charges for Services	45,853
Operating Grants and Contributions	1,110,244
Capital Grants and Contributions	22,354,718
Local Property Tax	1,310,108
Specific Ownership Tax	149,992
Equalization	1,670,407
Earnings on Investment	5,799
Other Revenue	144,378
Total Primary Government Revenue	26,791,499

Table 4
La Veta School District RE-2
Government-Wide
Total Expenditures FY 2021



Primary Government Expenditures
(Includes Government Activities and Business-Type Activities)
FY 2021

Instruction	1,507,216
Student Support	217,182
Instructional Support	914,810
District Administration	258,178
School Administration	201,756
Business Support	170,753
Operation & Maintenance	368,792
Transportation	49,972
Central Support	208,533
Food Service	110,551
Interest on Long Term Debt	160,682
Net Pension Changes	(1,401,275)
Net OPEB Changes	(16,469)
Total Primary Government Expenditures	2,750,681

**FY 2021
Governmental Activities**

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this Act, after rescissions, the District received \$12,098.68 per funded in-school student in FY 2021. The per-funded pupil amount included a 12.77% budget stabilization factor adjustment which totaled (\$382,373). Total program per-pupil funding would have been \$13,875.28 without the budget stabilization factor. The total funded pupil count for FY 2021 was 215.8, which included 5 CPP half-day slots and 15 half-day ECare slots.

Funding for the School Finance Act comes from property taxes, specific ownership taxes, and state equalization. In the General Fund, the District received \$3,130,507 in funding from these sources: 53.36% from state equalization, 41.85% from local property taxes, and 4.79% from specific ownership taxes.

The statement of activities provides the cost of program services and the related changes for services and grants offsetting those costs. Table 5 reflects each programs net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs).

Governmental Activities by Major Function	2020			2021		
	Total Cost of Service	Program Revenue & Aid	Net Cost of Service	Total Cost of Service	Program Revenue & Aid	Net Cost of Service
Governmental Activities						
Instructional Services	1,961,653	424,286	(1,537,367)	1,507,216	1,015,608	(491,608)
Support Services						
Student Support	186,893	126,463	(60,430)	217,182	41,574	(175,608)
Instructional Staff	97,397		(97,397)	914,810		(914,810)
District Administration	235,125		(235,125)	258,178		(258,178)
School Administration	203,603		(203,603)	201,756		(201,756)
Business Support	170,464		(170,464)	170,753		(170,753)
Operation and Maintenance of Facilities	391,810		(391,810)	368,792		(368,792)
Transportation	29,775	7,822	(21,953)	49,972	8,392	(41,580)
Central Support	178,357		(178,357)	208,533		(208,533)
Food Service	140,781	97,173	(43,608)	110,551	90,523	(20,028)
Capital Outlay	-	4,376,605	4,376,605	-	22,354,718	22,354,718
Interest on Long Term Liabilities	156,265		(156,265)	160,682		(160,682)
Issuance Costs	149,500		(149,500)	0		-
Net Pension Changes	(819,698)		819,698	(1,401,275)		1,401,275
Net OPEB Changes	(5,112)		5,112	(16,469)		16,469
Business-Type Activities						
	\$ -		-	\$ -		-
Total	3,076,813	5,032,349	1,955,536	2,750,681	23,510,815	20,760,134

Table 6 is a summary and a comparison from FY 2020 to FY 2021 of the Districts capital assets.

	Governmental FY 2020	Business Type FY 2020	Total FY 2020	Governmental FY 2021	Business Type FY 2021	Total FY 2021
Capital Assests Not Being Depreciated						
Land & Sites	332,177		332,177	332,177		332,177
Construction in Progress	5,146,084		5,146,084	31,180,548		31,180,548
Capital Assests Being Depreciated						
Buildings & Improvements	2,528,562		2,528,562	2,308,572		2,308,572
Equipment & Vehicles	220,076		220,076	206,315		206,315
Food Service	4,876		4,876	3,656		3,656
Total Capital Assets	8,231,775	-	8,231,775	34,031,268	-	34,031,268

Table 7 is a summary of the La Veta School District RE-2 long-term debt transactions in FY 2021. The 2019 General Obligation Improvement & Refunding Bonds were sold in July 2019. The balance on the 2019 General Obligations Bonds is \$5,590,000.

	Balance 7/1/2020	Additions	Reductions	Balance 6/30/2021	Current
Compensated Absences	\$ 14,113		\$ 3,623	\$ 10,490	
2019 General Obligation Improvement & Refunding Bond Series	\$ 5,715,000		\$ 125,000	\$ 5,590,000	\$ 205,000
Unamortized Bond Premium	\$ 761,076		\$ 65,868	\$ 695,208	
Total	\$ 6,490,189	\$ -	\$ 194,491	\$ 6,295,698	\$ 205,000
Accrued Interest at 06/30/2021					\$ 18,600.00

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

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

General Fund (Includes Fund 10/General Fund and Fund 19/Colorado Preschool Program (CPP))

The General Fund is the major operating fund of the District, providing the majority of the resources for the education and support programs. The Board of Education approved a budget in June 2020 based on a funded pupil count of 213.4 for the 2020/2021 school year.

In January 2021, the Board of Education approved a revised/finalized issuance of the budget. The primary reasons for the revision were a more precise student enrollment count and an updated beginning fund balance. The FY 2021 October pupil count was 206, the FTE count 196. After using five-year averaging, the total funded pupil-count for FY 2021 was 215.8.

On July 1, 2020 the beginning fund balance in the Fund 10, General Fund, was \$881,289. Revenues for the General Fund totaled \$2,745,075, including (\$40,000) transfers to both the Food Service and CRCP. Expenditures totaled \$2,648,456. The fund balance in the General Fund at the end of FY 2021 was \$977,097 an increase of \$96,618. This increase was largely due to Cares Act, ESSER I, and ESSER II funding received from the federal government. These funds helped offset remote learning and expenditures incurred because of COVID-19 regulations and mandates. These expenses would have been absorbed in General Fund. There was also savings recognized because of the cancellation of sporting events, field trips, and social events.

CPP – Colorado Preschool Program (Fund 19)

Fund 19 accounts for revenue and expenditures associated with the preschool program. In FY 2021, the required CPP direct allocation, \$120,987, was transferred from General Fund. The preschool October count was 11. Because the District operates full-day preschool, we received funding for 5 CPP slots and 15 E-Care slots. Funding for one CPP special education student was also received. Total CPP expenditures totaled \$108,571, leaving a carry-over fund balance of \$18,791.

Food Service (Fund 21)

Operating revenues in the Food Service Fund totaled \$130,523 which included \$437 in student revenue, \$4,279 in adult revenue, \$80,067 in federal aid, and \$4,440 in commodities. Because of the ongoing pandemic, the Federal government allowed the continuation of reimbursable free meals to all students during the 2020/2021 school year. The District's General Fund subsidized the food service program with a \$40,000 transfer in FY 2021. The ending fund balance in the Food Service Fund was \$33,908, an increase of \$21,192.

Government Designated Grants (Fund 22)

Fund 22, Government Designated Purpose Grants, is used to record financial transactions for grants received for designated programs funded by federal, state, and local sources. In FY 2021, Fund 22 accounted for 854,244 in revenue and expenditures related to governmental activities. The Federal Title Programs accounted for \$139,757 of these revenues and expenditures. The District received \$210,422 in federal CARES Act Funds, \$87,156 in ESSER I funds, and \$354,940 in ESSER II funds used to offset remote learning and expenditures related to the COVID-19 pandemic. The CDPHE School Nurse Grant, \$30,042, is used to enable the District to afford the critical need for a full-time school nurse. Carl Perkins Grant funding, \$7,677, was used to purchase curriculum packages and engines for teaching small engine repairs.

Student Activity (Fund 23)

The Student Activity Fund is used to record financial transactions related to school-sponsored pupil intra-scholastic and inter-scholastic athletics and other related activities. These activities are supported in whole or in part by revenue generated from fund-raising activities and donations. The FY 2021 beginning fund balance in the Student Activity Fund was \$94,141. Revenues in Activities totaled \$41,574, including a \$15,000 donation from an anonymous donor for food insecurity and a \$1,200 donation from SPHC Foundation for anatomy and physiology field trips. Activity expenditures totaled \$55,793, leaving a fund balance of \$79,922 in the Student Activity Fund as of June 30, 2021.

Bond Redemption (Fund 31)

In November 2018, District voters approved the General Obligations Series 2019 Improvement and Refunding Bond, \$5,715,000, for the construction of a new PK-12 school and refunding the balance owed on the General Obligation Bonds, Series 2002. This general obligation bond provided the local match required for the District to receive BEST Grant funding. The District was awarded a BEST Cash Grant in August 2019. In December 2020, the Bond Redemption mill levy was certified at 14.159 mills to provide property tax revenue sufficient for the principal and interest payments required by the bond amortization schedule.

Revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest, are recorded in the Bond Redemption Fund, but are administered by a third-party custodian. The District's approved third-party custodian for the Bond Redemption Fund is UMB Corporate Trust Services. Property tax revenue in the Bond Redemption Fund totaled \$453,890. Specific ownership tax revenues generated by the bond mill levy are deposited directly into the General Fund account. A bond principal payment of \$125,000 and bond interest payments totaling \$227,000 were made in FY 2021. The balance owed on the Series 2019 Improvement and Refunding Bond at the end of FY 2021 was \$5,590,000. The fund balance in Bond Redemption as of June 30, 2021 was \$358,624.

Building Fund (Fund 41)

The Building Fund is used to account for all resources available for acquiring capital sites, buildings, and equipment. It is required that Fund 41 be used for Bond sales reported for capital acquisitions.

The 2019 General Obligation Improvement and Refunding Bonds were sold in July 2019. Bond proceeds of \$5,500,000 and \$803,678 in bond premium/discounts were deposited in the Building Fund. These funds provided the local match required for the \$35,978,781 BEST Grant approved for the construction of the new La Veta PK-12 school. Funds from the BEST Grant are accounted for in the Building Fund.

In FY 2021, revenue and expenditures on the new building totaling \$22,339,718 were recognized from the BEST Grant. The District's match for these expenditures was \$3,415,025.

Unable to resolve differences pertaining to the change in use of the District's annexed property, in July 2020, the District submitted a de-annexation petition to the Town of LaVeta. The petition was accepted, but was neither "approved" or "denied" by the Town Board on August 4, 2020. After a joint session with the Town Board on August 25, 2020, the School Board resolved to disconnect its property from the Town. Additionally, the School Board took action to rescind the water tap application submitted to the Town Board. Independent of the Town, the District's intent was to develop a well and a sanitary sewer system as permitted by the Colorado Department of Public Health and the Environment.

The District spent \$200,000 of the bond premium/discount revenue for the acquisition of a 1/60th interest in the Coler Ditch & Reservoir for the purpose of augmenting a commercial well. Because the District's amended annexation petition was not approved by the Town, the school district was unable to connect to the Town's water/sewer systems, therefore, approximately \$90,000 was expended for the delivery of water in order for construction of the new building to continue. Additionally, approximately \$75,000 was spent on expenses related to developing the District's water/sewer system.

In November, 2020, the Town denied the District's de-annexation petition. In early 2021, the Town filed a formal complaint against the District. The District requested that the parties engage in mediation, which was undertaken in April 2021. After legal proceedings in April, 2021, an amended annexation agreement was signed by the LaVeta School District and the Town of LaVeta. It was negotiated that the school district's property will remain annexed in the Town. The District will pay the Town \$355,000 for the water tap/connection fees and also pay \$268,500 for sewer/connection fees. Additionally, the District will convey the Coler Ditch water right, valued at \$200,000, and a parcel of property known as the "old football field," valued at \$125,000 to the Town in lieu of additional cash fees.

With the signed agreement from the Town on the amended annexation, the District hopes the new building will be completed and a Certificate of Occupancy issued by the end of December 2021. The District's goal is to begin classes in the new building in January 2022.

Because of the added expense to secure water and sewer, contingency funds included in the BEST Grant will be exhausted. It is anticipated the project will go over the allotted budget.

The ending fund balance in the Building Fund on June 30, 2021 was \$1,801,235.

Capital Reserve/Capital Projects (Fund 43)

Capital Reserve/Capital Project Fund (Fund 43) is used to account for the acquisitions of sites, buildings, equipment, and vehicles.

The FY 2021 beginning fund balance in Fund 43, Capital Reserve Capital Projects was \$35,598. No money was expended, but in an effort to continue to build the fund balance, the General Fund transferred \$40,000 to CRCP. The ending fund balance in the CRCP fund was \$75,598.

Governmental Activities
FY 2021 Budget-to-Actual Summary Statement

	FY 2021 Original Budget (June 2020)	FY 2021 Final Budget (January 2021)	FY 2021 Actual	Variance
General Fund (Fund 10) BFB -July 1,2020	1,019,629	881,289	881,289	
General Fund Revenue	2,469,980	2,767,329	2,946,062	178,733
General Fund Direct CPP Allocation	(108,535)	(118,954)	(120,987)	(2,033)
General Fund Operating Transfers (In/Out)	(40,000)	(80,000)	(80,000)	0
General Fund Operating Expenditures	2,841,074	2,820,553	2,648,456	172,097
General Fund Reserves	500,000	629,111	0	629,111
General Fund EFB - June 30, 2021	0	0	977,908	
General Fund - Change in Fund Balance				96,619
Colorado Preschool Program (Fund 19) BFB-July 1, 2020	0	0	0	
CPP - Preschool Revenue	0	3,375	6,375	
CPP Allocation from General Fund	108,535	118,954	120,987	2,033
CPP Transfers (In/Out)	0	0	0	0
CPP Expenditures	108,535	122,329	108,571	13,758
CPP EFB - June 30, 2021	0	0	18,791	
CPP Change in Fund Balance				18,791
Food Service (Fund 21) BFB-July 1, 2020	6,564	12,716	12,716	
Food Service Revenue	77,010	88,000	90,523	2,523
Food Service Transfer (In/Out)	40,000	40,000	40,000	0
Food Service Expenditures	123,574	140,716	109,331	31,385
Food Service EFB - June 30, 2021	0	0	33,908	
Food Service - Change in Fund Balance				21,192
Designated Grants (Fund 22) BFB-July 1, 2020	0	0	0	
Designated Grants Revenue	271,675	859,034	854,244	(4,790)
Designated Grants Expenditures	271,675	859,034	854,244	4,790
Designated Grants EFB - June 30, 2021	0	0	0	
Designated Grants - Change in Fund Balance				0
Pupil Activity Fund (Fund 23) BFB-July 1, 2020	94,141	94,141	94,141	
Pupil Activity Fund Revenue	84,949	89,549	41,574	(47,975)
Pupil Activity Fund Transfer (In/Out)	0	0	0	0
Pupil Activity Fund Expenditures	179,090	183,690	55,792	127,898
Pupil Activity EFB - June 30, 2021	0	0	79,923	
Pupil Activity Fund - Change in Fund Balance				(14,218)
Bond Redemption (Fund 31) BFB-July 1, 2020	245,457	254,987	254,986	
Bond Redemption Revenues	438,500	437,500	455,638	18,138
Bond Redemption Expenditures	351,800	351,800	352,000	(200)
Bond Redemption Reserve	332,157	340,687	0	340,687
Bond Redemption EFB - June 30, 2021	0	0	358,624	
Bond Redemption Fund - Change in Fund Balance				103,638
Bldg Fund (Fund 41) BFB-July 1, 2020	5,852,161	5,476,546	5,476,547	
Bldg Fund Revenues	33,087,509	31,607,173	22,359,153	(9,248,020)
Bldg Transfer (In/Out)	0	0	0	0
Bldg Expenditures	38,939,670	37,083,719	26,034,465	11,049,254
Bldg Reserves	0	0	0	0
Bldg EFB - June 30, 2021	0	0	1,801,235	
Bldg Fund - Change in Fund Balance				(3,675,312)
CRCP (Fund 43) BFB-July 1, 2020	41,958	35,598	35,598	
CRCP Revenues	0	0	0	0
CRCP Transfer (In/Out)	0	40,000	40,000	0
CRCP Expenditures	41,958	75,598	0	75,598
CRCP Reserves	0	0	0	0
CRCP EFB - June 30, 2021	0	0	75,598	
CRCP - Change in Fund Balance				40,000

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

- Uncertainty of per-pupil school funding continues to be a concern for the District. Colorado Senate Bill, SB 21-268, will increase the base per-pupil funding for FY 2022 by \$141.67 to \$7,225.28 per student, which reflects a 2.0 percent inflation rate. Even though the FY 2022 base per-pupil funding will increase, total program funding for LaVeta RE2 will be reduced by approximately \$210,000 due to the State's budget stabilization factor.
- Due to the pandemic and the associated negative economic impact in our rural community, it is anticipated the enrollment in FY 2021/2022 will drop between 5-10 students. This will also cause a decrease in total program funding.
- Small rural funding was not cut for FY 2022, therefore, the District will receive \$83,961 in small rural funding. This is secured in perpetuity by Prop EE.
- In response to the COVID-19 pandemic, Congress passed stimulus bills in FY 2020 and FY 2021 that included funding for education, the CARES Act, ESSER I, and ESSER II. In FY 2021, the District used these funds to offset expenditures related to the pandemic and to compensate current staff for additional time needed to mitigate learning loss. Because of the stress, anxiety, and depression students have experienced during the pandemic, additional staff was hired to address mental health wellness. Under the American Rescue Plan, school districts around the country will receive additional funding, ESSER III, to address the continued impact of COVID-19 on students' academic, social, emotional and mental health needs. The District will receive approximately \$798,000 in ESSER III funds which will be used in FY 2022 and FY 2023.
- The teacher's salary base in LaVeta RE-2 continues to be low in comparison to other schools in the State. The Board approved to increase the teacher's base salary schedule to \$34,000 in FY 2022. In order to continue to improve our competitive position with other regional school districts, the District's administration believes it is desirable to again increase the teacher's base salary by 1% to 2% for FY 2023. Because of this increase, the District's share of PERA will also increase.
- Assuring good health insurance for the employees remains a priority. The current insurance offered to the employees is the BEST Health Plan, a self-funded trust. However, there have been substantial increases to the premiums over the last two years. The District currently pays 100% of the individual premium for an employee's plan. Premiums for the single plan increased \$960.00 per employee in FY 2022. The District will remain with BEST Health in FY 2022 but will determine if it is necessary to shop for a different plan for FY 2023.
- Future budget considerations for FY 2023 and FY 2024 need to include increases to building and liability insurance, electricity, propane, water, and maintenance related to the upkeep of the new building and the continuing maintenance of the JH Complex/Roger Brunelli Gymnasium. Other District owned legacy facilities may also require continuing maintenance until there is a change in ownership.

**CONTACTING THE FINANCIAL MANAGEMENT TEAM OF
LA VETA SCHOOL DISTRICT RE-2**

This financial report is designed to provide the District's taxpayers, citizens, investor, and creditors with a general overview of the District's financial status and to demonstrate the District's accountability for the money it receives.

If there are questions regarding this report or additional information is needed, please contact Superintendent Bree Jones or Business Manager Toni Brgoch at La Veta School District, 126 East Garland, La Veta, CO 81055, 719-742-6411.

BASIC FINANCIAL STATEMENTS

LA VETA PUBLIC SCHOOLS
STATEMENT OF NET POSITION
June 30, 2021

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Investments	3,309,937	3,309,937
Accounts Receivable	10,286	10,286
Grants Receivable	5,505,275	5,505,275
Property Taxes Receivable	493,000	493,000
Prepaid Assets	-	-
Inventories	8,803	8,803
Capital Assets	40,222,430	40,222,430
Accumulated Depreciation	<u>(6,191,162)</u>	<u>(6,191,162)</u>
<u>TOTAL ASSETS</u>	<u>43,358,569</u>	<u>43,358,569</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	1,570,650	1,570,650
Other Post Employment Benefits	<u>15,513</u>	<u>15,513</u>
<u>TOTAL DEFERRED OUTFLOW OF RESOURCES</u>	<u>1,586,163</u>	<u>1,586,163</u>
 <u>LIABILITIES</u>		
Accounts Payable	5,286,558	5,286,558
Accrued Salaries	256,888	256,888
Accrued Interest Payable	18,600	18,600
Compensated Absences	10,490	10,490
Unearned Revenue	9,278	9,278
Net Pension Liability	5,116,053	5,116,053
Net OPEB Liability	185,999	185,999
Unamortized Bond Premium	695,208	695,208
Debt Payable – Current	205,000	205,000
Debt Payable – Long-Term	<u>5,385,000</u>	<u>5,385,000</u>
<u>TOTAL LIABILITIES</u>	<u>17,169,074</u>	<u>17,169,074</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	2,271,693	2,271,693
Other Post Employment Benefits	<u>70,274</u>	<u>70,274</u>
<u>TOTAL DEFERRED INFLOW OF RESOURCES</u>	<u>2,341,967</u>	<u>2,341,967</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	28,441,268	28,441,268
Restricted for:		
TABOR Reserve	780,000	780,000
Preschool	18,791	18,791
Food Service	25,105	25,105
Debt	358,624	358,624
Capital Outlay	1,801,235	1,801,235
Unrestricted	<u>(5,991,332)</u>	<u>(5,991,332)</u>
<u>TOTAL NET POSITION</u>	<u>25,433,691</u>	<u>25,433,691</u>

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

LA VETA PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues</u>	<u>Net (Expenses) Revenue and Changes in Net Position in Primary Government</u>
			<u>Operating Grants & Contributions</u> <u>Capital Grants and Contributions</u>	<u>Governmental Activities</u> <u>Total</u>
<u>FUNCTIONS/PROGRAMS</u>				
<u>Governmental Activities</u>				
Instructional Services	1,507,216	-	1,015,608	(491,608)
Supporting Services:				
Students	217,182	41,574	-	(175,608)
Instructional Staff	914,810	-	-	(914,810)
District Administration	258,178	-	-	(258,178)
School Administration	201,756	-	-	(201,756)
Business	170,753	-	-	(170,753)
Operation & Maintenance of Facilities	368,792	-	-	(368,792)
Transportation	49,972	-	8,392	(41,580)
Central Support	208,533	-	-	(208,533)
Food Service	110,551	4,279	86,244	(20,028)
Capital Outlay	-	-	22,354,718	22,354,718
Interest on Long Term Liabilities	160,682	-	-	(160,682)
Issue Costs	-	-	-	-
Net Pension Changes	(1,401,275)	-	-	1,401,275
Net OPEB Changes	(16,469)	-	-	16,469
<u>Total Governmental Activities</u>	<u>2,750,681</u>	<u>45,853</u>	<u>1,110,244</u>	<u>20,760,134</u>
<u>Total School District</u>	<u>2,750,681</u>	<u>45,853</u>	<u>1,110,244</u>	<u>20,760,134</u>
<u>General Revenues</u>				
Property Taxes Levied for General Purposes				1,310,108
Specific Ownership Taxes				149,992
Equalization				1,670,407
Earnings on Investments				5,799
Other Revenues				144,378
<u>Total General Revenues and Transfers</u>				<u>3,280,684</u>
<u>Change in Net Position</u>				<u>24,040,818</u>
<u>Net Position - Beginning</u>				<u>1,392,873</u>
<u>Net Position, Ending</u>				<u>25,433,691</u>

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

LA VETA PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Designated Purpose Grants Fund</u>	<u>Bond Fund</u>	<u>Building Fund</u>
<u>ASSETS</u>				
Cash and Investments	842,966	38,189	335,889	1,926,048
Accounts Receivable	10,207	-	-	-
Grants Receivable	9,543	392,883	-	5,094,674
Due From Other Funds	362,439	148	-	-
Property Taxes Receivable	406,800	-	86,200	-
Prepaid Assets	-	-	-	-
Inventories	-	-	-	-
<u>Total Assets</u>	<u>1,631,955</u>	<u>431,220</u>	<u>422,089</u>	<u>7,020,722</u>
<u>LIABILITIES</u>				
Accounts Payable	52,098	13,969	-	5,219,487
Accrued Salaries	204,030	52,858	-	-
Due To Other Funds	14,003	360,374	-	-
Interest Payable	-	-	-	-
Unearned Revenue	-	4,019	-	-
<u>Total Liabilities</u>	<u>270,131</u>	<u>431,220</u>	<u>-</u>	<u>5,219,487</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	<u>365,125</u>	<u>-</u>	<u>63,465</u>	<u>-</u>
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	-	-
Restricted for:				
Emergencies	780,000	-	-	-
Preschool	18,791	-	-	-
Food Service	-	-	-	-
Capital Outlay	-	-	-	1,801,235
Debt Service	-	-	358,624	-
Committed for:				
Capital Outlay	-	-	-	-
Assigned for:				
Pupil Activities	-	-	-	-
Unassigned	197,908	-	-	-
<u>Total Fund Balances</u>	<u>996,699</u>	<u>-</u>	<u>358,624</u>	<u>1,801,235</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
	<u>1,631,955</u>	<u>431,220</u>	<u>422,089</u>	<u>7,020,722</u>

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

Other Governmental Funds	Total Governmental Funds
166,845	3,309,937
79	10,286
8,175	5,505,275
14,003	376,590
-	493,000
-	-
<u>8,803</u>	<u>8,803</u>
<u>197,905</u>	<u>9,703,891</u>
1,004	5,286,558
-	256,888
2,213	376,590
-	-
<u>5,259</u>	<u>9,278</u>
<u>8,476</u>	<u>5,929,314</u>
-	<u>428,590</u>
8,803	8,803
-	780,000
-	18,791
25,105	25,105
-	1,801,235
-	358,624
75,598	75,598
79,923	79,923
-	<u>197,908</u>
<u>189,429</u>	<u>3,345,987</u>
<u>197,905</u>	<u>9,703,891</u>

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

LA VETA PUBLIC SCHOOLS
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2021

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

<u>TOTAL FUND BALANCE - GOVERNMENTAL FUNDS</u>	3,345,987
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The cost of the assets is \$40,222,430 and the accumulated depreciation is \$6,191,162.	34,031,268
Property tax revenue is recognized when earned (claim to resources established) rather than when "available". All of the deferred property tax revenue is not available.	428,590
Accrued interest that is not due and payable on long term debt is not reported in the funds.	(18,600)
Compensated absences are not reported as a liability in the funds.	(10,490)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(5,590,000)
Unamortized bond premium is not reported as a liability in the funds.	(695,208)
The District's portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(5,116,053)
The District's portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(185,999)
Deferred flows for contributions made toward the net pension obligation from December 31, 2020 until June 30, 2021 is not reported in the funds.	200,601
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2020 until June 30, 2021 is not reported in the funds.	10,292
Net deferred pension flows – Plan Level	(1,212,875)
Net deferred pension flows – Employer Level	311,231
Net deferred OPEB flows – Plan Level	(58,012)
Net deferred OPEB flows – Employer Level	<u>(7,041)</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>25,433,691</u>

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

LA VETA PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For the Year Ended June 30, 2021

	General Fund	Designated Purpose Grants Fund	Bond Fund	Building Fund
<u>REVENUES</u>				
Property Taxes	818,288	-	453,890	-
Specific Ownership Taxes	149,992	-	-	-
Earnings on Investments	1,347	-	17	4,435
Other Local Sources	196,712	18,481	1,731	15,000
State Aid	1,776,555	35,811	-	22,339,718
Federal Aid	9,543	799,952	-	-
<u>Total Revenues</u>	<u>2,952,437</u>	<u>854,244</u>	<u>455,638</u>	<u>22,359,153</u>
<u>EXPENDITURES</u>				
Current:				
Instructional Services	1,304,891	854,244	-	-
Supporting Services:				
Students	161,390	-	-	-
Instructional Staff	58,626	-	-	-
District Administration	258,133	-	-	45
School Administration	201,756	-	-	-
Business	170,753	-	-	-
Operation & Maintenance of Facilities	357,895	-	-	-
Transportation	35,050	-	-	-
Central Support	208,533	-	-	-
Food Service	-	-	-	-
Debt Service:				
Principal Retirement	-	-	125,000	-
Interest and Fiscal Charges	-	-	227,000	-
Capital Outlay	-	-	-	26,034,420
<u>Total Expenditures</u>	<u>2,757,027</u>	<u>854,244</u>	<u>352,000</u>	<u>26,034,465</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>195,410</u>	<u>-</u>	<u>103,638</u>	<u>(3,675,312)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	(80,000)	-	-	-
Proceeds from Debt	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Issue Costs	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>115,410</u>	<u>-</u>	<u>103,638</u>	<u>(3,675,312)</u>
<u>FUND BALANCES – Beginning</u>	<u>881,289</u>	<u>-</u>	<u>254,986</u>	<u>5,476,547</u>
<u>FUND BALANCES – Ending</u>	<u>996,699</u>	<u>-</u>	<u>358,624</u>	<u>1,801,235</u>

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

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
-	1,272,178
-	149,992
-	5,799
46,290	278,214
1,300	24,153,384
<u>84,507</u>	<u>894,002</u>
<u>132,097</u>	<u>26,753,569</u>
-	2,159,135
55,792	217,182
-	58,626
-	258,178
-	201,756
-	170,753
-	357,895
-	35,050
-	208,533
109,331	109,331
-	125,000
-	227,000
-	<u>26,034,420</u>
<u>165,123</u>	<u>30,162,859</u>
<u>(33,026)</u>	<u>(3,409,290)</u>
80,000	-
-	-
-	-
-	-
<u>80,000</u>	<u>-</u>
46,974	(3,409,290)
<u>142,455</u>	<u>6,755,277</u>
<u>189,429</u>	<u>3,345,987</u>

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

LA VETA PUBLIC SCHOOLS
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES .
 For the Year Ended June 30, 2021

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

Net Change in Fund Balances – Total Governmental Funds (3,409,290)

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

	26,062,655	
Capital Outlays more than \$5,000		
Depreciation Expense	<u>(263,162)</u>	25,799,493

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

Deferred property tax revenues increased this year. 37,930

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences increased by this amount. 3,623

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

	-	
Debt Proceeds		
Premium on Debt	-	
Accrued Interest		450
Debt Payment		125,000
Premium Amortization		65,868

The statement of activities reports net pension obligation which is not reported in the fund financial statements.

	(576,283)	
Change in net pension obligation		
Change in net OPEB obligation		37,235

	1,977,558	
Deferred flows from net pension obligation		
Deferred flows from net OPEB obligation	<u>(20,766)</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 24,040,818

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A. Reporting Entity

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

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

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds (General Fund, Bond Fund, Building Fund and Designated Purpose Grants Fund) and individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

• Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Designated Purpose Grants Fund – this fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.
3. Bond Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.
4. Building Fund – used to account for the acquisition of sites, buildings, and improvements.

E. Cash and Investments

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

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

F. Receivables

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

G. Inventories

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Capital Assets

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

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

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

I. Long-Term Obligations

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

Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

J. Constitutional Amendment

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

In November of 1999 the registered voters approved a ballot resolution authorizing the District to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Constitutional Amendment (Continued)

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2021 the District reserved \$780,000 for this purpose.

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

K. Property Taxes

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

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

L. Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2021 the District has recorded an estimated liability of \$10,490 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u>
	<u>July 1, 2020</u>			<u>June 30, 2021</u>
Accumulated Sick Leave	<u>14,113</u>	<u>-</u>	<u>3,623</u>	<u>10,490</u>

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)
Order of Fund Balance Spending Policy (Continued)

Fund Balance Classification by Fund:

	General Fund	Designated Purpose Grant Fund	Bond Fund	Building Fund	Capital Reserve Capital Project	Food Service	Student Activity	Total Governmental Funds
<u>Nonspendable</u>								
Inventories	-	-	-	-	-	8,803	-	8,803
<u>Restricted:</u>								
Emergencies	780,000	-	-	-	-	-	-	780,000
Preschool	18,791	-	-	-	-	-	-	18,791
Multi Year Obligation	-	-	-	-	-	-	-	-
Debt Service	-	-	358,624	-	-	-	-	358,624
Capital Outlay	-	-	-	1,801,235	-	-	-	1,801,235
Food Service	-	-	-	-	-	25,105	-	25,105
<u>Committed:</u>								
Capital Outlay	-	-	-	-	75,598	-	-	75,598
<u>Assigned:</u>								
Pupil Activities	-	-	-	-	-	-	79,923	79,923
<u>Unassigned</u>	<u>197,908</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>197,908</u>
<u>Total Fund Balances</u>	<u>996,699</u>	<u>-</u>	<u>358,624</u>	<u>1,801,235</u>	<u>75,598</u>	<u>33,908</u>	<u>79,923</u>	<u>3,345,987</u>

O. Deferred Outflows / Inflows of Resources

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

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

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were not included in the government wide statements during the consolidation of governmental activities.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

	Items Eliminated	
	Due From Other Funds	Due To Other Funds
General Fund	362,439	14,003
Designated Purpose Grants Fund	148	360,374
Food Service	14,003	148
Capital Reserve Capital Projects	-	2,065
Pupil Activity Fund	-	-
	<u>376,590</u>	<u>376,590</u>
	<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>
General Fund	80,000	-
Food Service	-	40,000
Capital Reserve Capital Projects	-	40,000
	<u>80,000</u>	<u>80,000</u>

NOTE 3 BUDGETARY INFORMATION

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 4 CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	427,379	469,480
Cash with County Treasurer	110,811	-
Cash with Fiscal Agent	275,307	-
Cash on Hand	960	-
<u>Total Cash and Deposits</u>	<u>1,064,457</u>	<u>719,480</u>

As presented above, deposits with a bank balance of \$469,480 and a carrying balance of \$427,379 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

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

	<u>Investment</u>	<u>Maturity</u>	<u>Value</u>
COLOTRUST	State Pool	Under 60 Day Average	2,245,480

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

Credit Risk – State Law limits the type of investments allowable. The investment in COLOTRUST were rated AAAM by Standard & Poor's.

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

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

The District has no recurring fair value measurements as of June 30, 2021;

- COLOTRUST – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2021</u>
<u>Capital Assets Not Being</u>				
<u>Depreciated</u>				
Land	332,177	-	-	332,177
Construction in Progress	<u>5,146,084</u>	<u>26,034,464</u>	-	<u>31,180,548</u>
<u>Total Capital Assets Not Being</u>				
<u>Depreciated</u>	<u>5,478,261</u>	<u>26,034,464</u>	-	<u>31,512,725</u>
 <u>Capital Assets Being Depreciated</u>				
Buildings &				
Site Improvements	7,118,367	-	-	7,118,367
Equipment & Vehicles	1,527,935	28,191	-	1,556,126
Food Service	<u>35,212</u>	-	-	<u>35,212</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>8,681,514</u>	<u>28,191</u>	-	<u>8,709,705</u>
 <u>Less Accumulated</u>				
<u>Depreciation for:</u>				
Building &				
Site Improvements	4,589,805	219,990	-	4,809,795
Equipment & Vehicles	1,307,859	41,952	-	1,349,811
Food Service	<u>30,336</u>	<u>1,220</u>	-	<u>31,556</u>
<u>Total Accumulated Depreciation</u>	<u>5,928,000</u>	<u>263,162</u>	-	<u>6,191,162</u>
 <u>Total Capital Assets Being</u>				
<u>Depreciated, Net</u>	<u>2,753,514</u>	<u>(234,971)</u>	-	<u>2,518,543</u>
 <u>Governmental Activities</u>				
<u>Capital Assets, Net</u>	<u>8,231,775</u>	<u>25,799,493</u>	-	<u>34,031,268</u>

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

Governmental Activities

Instruction	234,183
Instructional Support	1,940
Operations and Maintenance	10,897
Transportation	14,922
Food Service	<u>1,220</u>
<u>Total Depreciation Expense – Governmental Activities</u>	<u>263,162</u>

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

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

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

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

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

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 PENSION PLAN (Continued)

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the La Veta Public Schools is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from La Veta Public Schools were \$378,500 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 La Veta Public Schools proportion of the net pension liability was based on La Veta Public Schools 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.

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 PENSION PLAN (Continued)

At June 30, 2021, the La Veta Public Schools reported a liability of \$5,116,053 for its proportionate share of the net pension liability. The amount recognized by the La Veta Public Schools as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with La Veta Public Schools were as follows:

La Veta Public Schools proportionate share of the net pension liability	\$5,116,053
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the La Veta Public Schools	\$ -
Total	\$5,116,053

At December 31, 2020, the La Veta Public Schools proportion was 0.034 percent, which was an increase of 0.0035 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the La Veta Public Schools recognized pension income of \$1,401,275 and revenue of \$-0- for support from the State as a nonemployer contributing entity. At June 30, 2021, the La Veta Public Schools reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	281,102	-
Changes of assumptions or other inputs	492,148	(859,965)
Net difference between projected and actual earnings on pension plan investments	-	(1,126,160)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	596,799	(285,568)
Contributions subsequent to the measurement date	200,601	N/A
Total	1,570,650	(2,271,693)

\$200,601 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2021	
2022	(947,180)
2023	209,422
2024	(68,544)
2025	(95,342)
2026	-
Thereafter	-

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

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

NOTE 6 PENSION PLAN (Continued)

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

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

NOTE 6 **PENSION PLAN (Continued)**

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	6,978,715	5,116,053	3,563,841

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

Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$8,749.

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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

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

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 7 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the La Veta Public Schools is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from La Veta Public Schools were \$19,420 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 La Veta Public Schools reported a liability of \$185,999 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 La Veta Public Schools proportion of the net OPEB liability was based on La Veta Public Schools 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 La Veta Public Schools proportion was 0.0196 percent, which was a decrease of 0.0003 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the La Veta Public Schools recognized OPEB income of \$16,469. At June 30, 2021, the La Veta Public Schools 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	494	(40,891)
Changes of assumptions or other inputs	1,390	(11,405)
Net difference between projected and actual earnings on OPEB plan investments	-	(7,600)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,337	(10,378)
Contributions subsequent to the measurement date	10,292	N/A
Total	15,513	(70,274)

\$10,292 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2021	
2022	(14,966)
2023	(13,903)
2024	(15,075)
2025	(15,134)
2026	(5,619)
Thereafter	(356)

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

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

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

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

	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Plan			
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.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

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

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

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

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

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

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

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

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

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

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

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

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

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	181,191	185,999	191,595

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.

LA VETA PUBLIC SCHOOLS
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 7 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the La Veta Public Schools 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	213,065	185,999	162,873

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

NOTE 8 RISK MANAGEMENT

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

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

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

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

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 10 LONG TERM DEBT

The following is a summary of the transaction in the School District's long-term debt:

	Beginning Balance <u>7-1-2020</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6-30-2021</u>	Current Portion
2019 General Obligation Improvement and Refunding Bonds	5,715,000	-	125,000	5,590,000	205,000
Unamortized Bond Premium	<u>761,076</u>	<u>-</u>	<u>65,868</u>	<u>695,208</u>	<u>-</u>
	<u>6,476,076</u>	<u>-</u>	<u>190,868</u>	<u>6,285,208</u>	<u>205,000</u>

2019 General Obligation Improvement and Refunding Bonds

During the fiscal year ended June 30, 2020, the District issued \$5,715,000 in general obligation bonds for the purpose of building a new school and calling and paying off the outstanding balance on the 2002 general obligation bonds. These bonds will be paid annually over a 20 year period beginning in December of 2020 with an interest rate of 4%.

Refunding proceeds of \$287,375 were used to call and pay the remaining principal and interest of the series 2012 general obligation bonds.

The repayment schedule of the 2019 General Obligation Bonds as of June 30, 2021 is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	205,000	219,500	424,500
2023	205,000	211,300	416,300
2024	220,000	202,800	422,800
2025	230,000	193,800	423,800
2026	235,000	184,500	419,500
2027	245,000	174,900	419,900
2028	255,000	164,900	419,900
2029	265,000	154,500	419,500
2030	275,000	143,700	418,700
2031	285,000	132,500	417,500
2032	300,000	120,800	420,800
2033	310,000	108,600	418,600
2034	325,000	95,900	420,900
2035	335,000	82,700	417,700
2036	350,000	69,000	419,000
2037	365,000	54,700	419,700
2038	380,000	39,800	419,800
2039	395,000	24,300	419,300
2040	<u>410,000</u>	<u>8,200</u>	<u>418,200</u>
<u>Total</u>	<u>5,590,000</u>	<u>2,386,400</u>	<u>7,976,400</u>

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 11 INVENTORIES

Food Service Fund inventories at June 30, 2021, consisted of USDA, purchased food, and non-food amounted to \$8,803. Purchased inventories are state at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 12 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid at June 30, 2021 are estimated to be \$256,888. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 13 LITIGATION

None.

NOTE 14 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

NOTE 15 JOINT VENTURES

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

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

Total Assets and Deferred Outflows	<u>3,689,456</u>
Total Liabilities and Deferred Inflows	<u>10,634,768</u>
Net Position	<u>(6,945,312)</u>
Revenues	4,988,060
Expenditures	<u>3,289,007</u>
Excess (Deficiency)	<u>1,699,053</u>

LA VETA PUBLIC SCHOOLS
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 15 JOINT VENTURES (Continued)

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

NOTE 16 INTERFUND BALANCES AND TRANSFERS

<u>Interfund Balances</u>	<u>Due From</u>	<u>Due To</u>
<u>Major Governmental Funds</u>		
General Fund	362,439	14,003
Designated Purpose Grants Fund	148	360,374
<u>Non Major Governmental Funds</u>		
Pupil Activity Fund	-	2,065
Food Service	14,003	-
Capital Reserve Capital Projects	-	148
	<u>376,590</u>	<u>376,590</u>

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

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

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
<u>Major Governmental Fund</u>		
General Fund	-	80,000
<u>Non Major Governmental Funds</u>		
Food Service	40,000	-
Capital Reserve Capital Projects	40,000	-
	<u>80,000</u>	<u>80,000</u>

Transfers were made from the General Fund for the purpose of assisting operations.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

MAJOR GOVERNMENTAL FUNDS

General Fund

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

Designated Purpose Grant Fund

The Designated Purpose Grant Fund is provided to maintain a separate accounting for federal and state grant funded programs which normally have a different fiscal period than that of the District.

Pension Trend Data

Other Post Employment Benefit Trend Data

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	848,336	854,438	818,288	(36,150)
Specific Ownership Taxes	107,500	89,349	149,992	60,643
Earnings on Investments	10,000	1,500	1,347	(153)
Delinquent Taxes & Interest	2,500	2,500	3,894	1,394
Other	102,160	93,766	192,818	99,052
<u>State Sources</u>				
Equalization	1,234,884	1,626,533	1,670,407	43,874
Transportation	-	7,961	8,392	431
Vocational Education	22,000	17,000	17,091	91
Other	60,975	80,657	80,665	8
<u>Federal Sources</u>				
Other	<u>85,000</u>	<u>-</u>	<u>9,543</u>	<u>9,543</u>
<u>TOTAL REVENUES</u>	<u>2,473,355</u>	<u>2,773,704</u>	<u>2,952,437</u>	<u>178,733</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	960,821	949,964	875,048	74,916
Employee Benefits	351,781	344,406	298,515	45,891
Purchased Services – Professional	750	750	4,352	(3,602)
Purchased Services - Property	3,875	500	3,064	(2,564)
Purchased Services – Other	77,600	77,600	31,296	46,304
Supplies and Materials	51,650	60,525	48,258	12,267
Property	13,014	13,514	39,782	(26,268)
Other Objects	10,580	8,789	4,576	4,213
<u>Total Instruction</u>	<u>1,470,071</u>	<u>1,456,048</u>	<u>1,304,891</u>	<u>151,157</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	96,545	96,545	97,361	(816)
Employee Benefits	28,970	28,970	28,970	-
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	-	-	-	-
Purchased Services - Other	29,799	29,799	26,344	3,455
Supplies and Materials	6,500	8,800	8,496	304
Property	-	-	-	-
Other Objects	700	700	219	481
<u>Total Student Services</u>	<u>162,514</u>	<u>164,814</u>	<u>161,390</u>	<u>3,424</u>
<u>Instructional Staff</u>				
Salaries	16,754	35,546	39,924	(4,378)
Employee Benefits	4,386	9,694	10,964	(1,270)
Purchased Services - Professional	125	125	134	(9)
Purchased Services - Property	-	-	-	-
Purchased Services - Other	3,600	4,100	4,671	(571)
Supplies and Materials	4,800	4,800	2,858	1,942
Property	-	-	-	-
Other Objects	750	750	75	675
<u>Total Instructional Staff</u>	<u>30,415</u>	<u>55,015</u>	<u>58,626</u>	<u>(3,611)</u>
<u>General Administration</u>				
Salaries	151,850	151,850	156,050	(4,200)
Employee Benefits	55,278	55,278	55,331	(53)
Purchased Services - Professional	15,250	18,250	31,899	(13,649)
Purchased Services - Property	-	-	-	-
Purchased Services - Other	15,000	15,000	7,469	7,531
Supplies and Materials	10,500	10,500	6,409	4,091
Property	1,500	1,500	-	1,500
Other Objects	6,750	6,750	975	5,775
<u>Total General Administration</u>	<u>256,128</u>	<u>259,128</u>	<u>258,133</u>	<u>995</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	177,581	145,016	141,739	3,277
Employee Benefits	66,820	55,846	56,004	(158)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	1,644	(1,644)
Supplies and Materials	2,500	2,500	1,272	1,228
Property	1,000	1,000	255	745
Other Objects	1,550	1,550	842	708
<u>Total School Administration</u>	<u>249,451</u>	<u>205,912</u>	<u>201,756</u>	<u>4,156</u>
 <u>Business Services</u>				
Salaries	103,835	103,835	105,460	(1,625)
Employee Benefits	30,600	30,600	30,811	(211)
Purchased Services – Professional	13,500	10,750	10,994	(244)
Purchased Services - Property	16,000	16,000	13,788	2,212
Purchased Services - Other	3,200	3,200	354	2,846
Supplies and Materials	9,500	9,500	9,346	154
Property	1,500	1,500	-	1,500
Other Objects	500	500	-	500
<u>Total Business Services</u>	<u>178,635</u>	<u>175,885</u>	<u>170,753</u>	<u>5,132</u>
 <u>Operations and Maintenance</u>				
Salaries	101,727	113,606	112,865	741
Employee Benefits	44,914	47,570	47,971	(401)
Purchased Services - Professional	-	-	-	-
Purchased Services - Property	45,000	50,500	38,241	12,259
Purchased Services - Other	500	500	79	421
Supplies and Materials	165,000	165,000	147,246	17,754
Property	10,000	10,000	11,493	(1,493)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>367,141</u>	<u>387,176</u>	<u>357,895</u>	<u>29,281</u>

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

LA VETA PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	10,000	10,000	11,549	(1,549)
Employee Benefits	2,235	2,235	2,286	(51)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	10,000	10,000	1,539	8,461
Purchased Services – Other	12,750	12,750	9,517	3,233
Supplies and Materials	22,000	22,000	10,114	11,886
Property	2,500	2,500	-	2,500
Other Objects	-	-	45	(45)
<u>Total Student Transportation</u>	<u>59,485</u>	<u>59,485</u>	<u>35,050</u>	<u>24,435</u>
<u>Central Support</u>				
Salaries	22,566	8,713	13,338	(4,625)
Employee Benefits	6,078	2,202	4,612	(2,410)
Purchased Services – Professional	15,000	34,560	34,975	(415)
Purchased Services – Property	1,000	1,000	-	1,000
Purchased Services – Other	124,000	125,444	147,992	(22,548)
Supplies and Materials	8,500	8,500	5,574	2,926
Property	2,000	2,000	2,042	(42)
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>179,144</u>	<u>182,419</u>	<u>208,533</u>	<u>(26,114)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,482,913</u>	<u>1,489,834</u>	<u>1,452,136</u>	<u>37,698</u>
<u>APPROPRIATED RESERVES</u>	<u>500,000</u>	<u>629,111</u>	<u>-</u>	<u>629,111</u>
<u>TOTAL EXPENDITURES</u>	<u>3,452,984</u>	<u>3,574,993</u>	<u>2,757,027</u>	<u>817,966</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(979,629)</u>	<u>(801,289)</u>	<u>195,410</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(40,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES)</u>	<u>(1,019,629)</u>	<u>(881,289)</u>	<u>115,410</u>	
<u>FUND BALANCE, Beginning</u>	<u>1,019,629</u>	<u>881,289</u>	<u>881,289</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>996,699</u>	

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

LA VETA PUBLIC SCHOOLS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES – BUDGET (GAAP BASIS) AND ACTUAL
DESIGNATED PURPOSE GRANTS – MAJOR SPECIAL REVENUE FUND
For the Year Ended June 30, 2021

	<u>Budget</u>		<u>Actual</u>	Variance- Favorable (Unfavorable)
	<u>Original</u>	<u>Budget</u>		
<u>REVENUES:</u>				
Local Sources	10,000	7,500	18,481	10,981
State Sources	35,752	35,768	35,811	43
Federal Sources	<u>425,176</u>	<u>815,766</u>	<u>799,952</u>	<u>(15,814)</u>
<u>Total Revenues</u>	<u>470,928</u>	<u>859,034</u>	<u>854,244</u>	<u>(4,790)</u>
<u>EXPENDITURES:</u>				
Salaries	339,856	384,616	420,066	(35,450)
Employee Benefits	97,024	161,372	139,911	21,461
Purchased Services - Professional	955	41,543	42,178	(635)
Purchased Services – Property	-	-	7,768	(7,768)
Purchased Services - Other	3,423	4,423	1,560	2,863
Supplies and Materials	17,170	108,600	98,218	10,382
Property	12,000	125,943	68,802	57,141
Other Objects	<u>500</u>	<u>32,537</u>	<u>75,741</u>	<u>(43,204)</u>
<u>Total Expenditures</u>	<u>470,928</u>	<u>859,034</u>	<u>854,244</u>	<u>4,790</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCES, July 1</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>-</u>	<u>-</u>	

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.0338%	0.0304%	0.0317%	0.0353%	0.0356%	0.0339%	0.0330%	0.0344%	-	-
District's proportionate share of the net pension liability (asset)	\$5,116,053	\$4,539,770	\$5,613,769	\$11,440,988	\$10,591,063	\$5,194,071	\$4,475,632	\$4,387,968	-	-
State's proportionate share of the net pension liability associated with the District**	-	\$575,811	\$767,607	-	-	-	-	-	-	-
District's covered payroll	\$1,903,923	\$1,804,061	\$1,757,008	\$1,693,983	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	269%	252%	319%	675%	661%	334%	311%	326%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%	-	-	-

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

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 378,500	\$ 349,627	\$ 336,116	\$ 320,003	\$ 294,527	\$ 276,322	\$ 243,349	\$ 215,166	\$ 214,098	-
Contributions in relation to the contractually required contributions	<u>\$ (378,500)</u>	<u>\$ (349,627)</u>	<u>\$ (336,116)</u>	<u>\$ (320,003)</u>	<u>\$ (294,527)</u>	<u>\$ (276,322)</u>	<u>\$ (243,349)</u>	<u>\$ (215,166)</u>	<u>\$ (214,098)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
District's covered payroll	\$1,903,923	\$1,804,061	\$1,757,008	\$1,693,983	\$1,601,884	\$1,556,819	\$1,439,809	\$1,345,399	\$1,418,319	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.39%	17.75%	16.90%	15.99%	15.10%	-

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net OPEB liability (asset)	0.020%	0.020%	0.021%	0.0201%	0.0202%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$185,999	\$223,234	\$280,374	\$261,264	\$262,151	-	-	-	-	-
District's covered payroll	\$1,903,923	\$1,804,061	\$1,757,008	\$1,693,983	\$1,601,884	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.7%	12.37%	15.95%	15.42%	16.37%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-

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

LA VETA PUBLIC SCHOOLS
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contributions	\$ 19,420	\$ 18,401	\$ 17,921	\$ 17,279	\$ 16,339	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (19,420)</u>	<u>\$ (18,401)</u>	<u>\$ (17,921)</u>	<u>\$ (17,279)</u>	<u>\$ (16,339)</u>	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-	-
District's covered payroll	\$1,903,923	\$1,804,061	\$1,757,008	\$1,693,983	\$1,601,884	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Building Fund – Capital Project Fund

This fund is used to account for the proceeds of general obligation bonds and matching grants to fund the construction of District facilities.

Debt Service Fund

Bond Fund

This fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

NON MAJOR GOVERNMENTAL FUNDS

Capital Project Funds

Capital Reserve - Capital Project Fund

This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Special Revenue Funds

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

Pupil Activity Fund

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

Food Service Fund

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

LA VETA PUBLIC SCHOOLS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2021

	<u>Capital Reserve Capital Projects Fund</u>	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total NonMajor Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	77,663	80,619	8,563	166,845
Accounts Receivable	-	-	79	79
Grants Receivable	-	-	8,175	8,175
Due From Other Funds	-	-	14,003	14,003
Property Taxes Receivable	-	-	-	-
Inventories	-	-	8,803	8,803
<u>Total Assets</u>	<u>77,663</u>	<u>80,619</u>	<u>39,623</u>	<u>197,905</u>
<u>LIABILITIES</u>				
Accounts Payable	-	548	456	1,004
Accrued Salaries	-	-	-	-
Due To Other Funds	2,065	148	-	2,213
Unearned Revenue	-	-	5,259	5,259
<u>Total Liabilities</u>	<u>2,065</u>	<u>696</u>	<u>5,715</u>	<u>8,476</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	-	-	-	-
<u>FUND BALANCES</u>				
Nonspendable:				
Inventories	-	-	8,803	8,803
Restricted:				
Debt Service	-	-	-	-
Food Service	-	-	25,105	25,105
Committed:				
Capital Outlay	75,598	-	-	75,598
Assigned:				
Pupil Activities	-	79,923	-	79,923
Unassigned	-	-	-	-
<u>Total Fund Balances</u>	<u>75,598</u>	<u>79,923</u>	<u>33,908</u>	<u>189,429</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCES</u>				
	<u>77,663</u>	<u>80,619</u>	<u>39,623</u>	<u>197,905</u>

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

LA VETA PUBLIC SCHOOLS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

	Capital Reserve Capital Projects Fund	Pupil Activity	Food Service	Total NonMajor Governmental Funds
<u>REVENUES:</u>				
Property Taxes	-	-	-	-
Specific Ownership Taxes	-	-	-	-
Earnings on Investments	-	-	-	-
Other Local Sources	-	41,574	4,716	46,290
State Aid	-	-	1,300	1,300
Federal Aid	-	-	<u>84,507</u>	<u>84,507</u>
<u>Total Revenues</u>	<u>-</u>	<u>41,574</u>	<u>90,523</u>	<u>132,097</u>
<u>EXPENDITURES:</u>				
Current:				
Instructional Services	-	-	-	-
Supporting Services:				
Students	-	55,792	-	55,792
Instructional Staff	-	-	-	-
District Administration	-	-	-	-
School Administration	-	-	-	-
Business	-	-	-	-
Operation & Maintenance of Facilities	-	-	-	-
Transportation	-	-	-	-
Central	-	-	-	-
Food Service	-	-	109,331	109,331
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>-</u>	<u>55,792</u>	<u>109,331</u>	<u>165,123</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>(14,218)</u>	<u>(18,808)</u>	<u>(33,026)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>40,000</u>	<u>-</u>	<u>40,000</u>	<u>80,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>40,000</u>	<u>(14,218)</u>	<u>21,192</u>	<u>46,974</u>
<u>FUND BALANCES, Beginning</u>	<u>35,598</u>	<u>94,141</u>	<u>12,716</u>	<u>142,455</u>
<u>FUND BALANCES, Ending</u>	<u>75,598</u>	<u>79,923</u>	<u>33,908</u>	<u>189,429</u>

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

LA VETA PUBLIC SCHOOLS
BUILDING – CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Earnings on Investments	5,000	4,435	(565)
Other Local	-	15,000	15,000
Grant Revenue	<u>31,602,173</u>	<u>22,339,718</u>	<u>(9,262,455)</u>
<u>Total Revenues</u>	<u>31,607,173</u>	<u>22,359,153</u>	<u>(9,248,020)</u>
<u>EXPENDITURES:</u>			
Land and Land Sites	-	-	-
Building and Improvements	37,083,719	26,034,420	11,049,299
Equipment	-	-	-
Vehicles	-	-	-
Other	-	45	(45)
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>37,083,719</u>	<u>26,034,465</u>	<u>11,049,254</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(5,476,546)</u>	<u>(3,675,312)</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	-	-	-
Proceeds From Debt	-	-	-
Issue Costs	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(5,476,546)</u>	<u>(3,675,312)</u>	
<u>FUND BALANCE, July 1</u>	<u>5,476,546</u>	<u>5,476,547</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>1,801,235</u>	

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

LA VETA PUBLIC SCHOOLS
 BOND – DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	435,000	453,890	18,890
Earnings on Investments	500	17	(483)
Other Local	<u>2,000</u>	<u>1,731</u>	<u>(269)</u>
<u>Total Revenues</u>	<u>437,500</u>	<u>455,638</u>	<u>18,138</u>
<u>EXPENDITURES:</u>			
Debt Service:			
Principal Retirement	125,000	125,000	-
Interest and Fiscal Charges	226,800	227,000	(200)
Other	-	-	-
Contingency	<u>340,687</u>	<u>-</u>	<u>340,687</u>
<u>Total Expenditures</u>	<u>692,487</u>	<u>352,000</u>	<u>340,487</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(254,987)</u>	<u>103,638</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	-	-	-
Proceeds From Debt	-	-	-
Issue Costs	-	-	-
Payment to Refunded Bond Escrow Agent	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(254,987)</u>	<u>103,638</u>	
<u>FUND BALANCE, Beginning</u>	<u>254,987</u>	<u>254,986</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>358,624</u>	

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

LA VETA PUBLIC SCHOOLS
 CAPITAL RESERVE – CAPITAL PROJECT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Grant Revenue	-	-	-
Other Local	-	-	-
<u>Total Revenues</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>EXPENDITURES</u>			
Land and Land Sites	75,598	-	75,598
Building and Improvements	-	-	-
Equipment	-	-	-
Vehicles	-	-	-
Other	-	-	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Contingency Reserves	-	-	-
<u>Total Expenditures</u>	<u>75,598</u>	<u>-</u>	<u>75,598</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(75,598)</u>	<u>-</u>	
<u>OTHER FINANCING SOURCES (USES):</u>			
Transfers	40,000	40,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(35,598)</u>	<u>40,000</u>	
<u>FUND BALANCE, July 1</u>	<u>35,598</u>	<u>35,598</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>75,598</u>	

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

LA VETA PUBLIC SCHOOLS
PUPIL ACTIVITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Local Sources	183,690	41,574	(142,116)
<u>Total Revenues</u>	<u>183,690</u>	<u>41,574</u>	<u>(142,116)</u>
<u>EXPENDITURES:</u>			
Student Activities	183,690	55,792	127,898
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>183,690</u>	<u>55,792</u>	<u>127,898</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>(14,218)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>(14,218)</u>	
<u>FUND BALANCE, July 1</u>	<u>-</u>	<u>94,141</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>79,923</u>	

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

LA VETA PUBLIC SCHOOLS
 FOOD SERVICE – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION
 BUDGET AND ACTUAL
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	2,000	4,716	2,716
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	1,500	1,300	(200)
<u>Federal Sources</u>			
School Lunches	80,000	80,067	67
Commodities	4,500	4,440	(60)
<u>Total Revenues</u>	<u>88,000</u>	<u>90,523</u>	<u>2,523</u>
 <u>EXPENDITURES</u>			
Salaries	33,641	33,738	(97)
Employee Benefits	14,914	14,609	305
Purchased Services – Professional	-	190	(190)
Purchased Services – Property	1,000	35	965
Purchased Services - Other	250	-	250
Supplies and Materials	72,540	56,319	16,221
Capital Outlay	3,800	-	3,800
Other	-	-	-
Commodities	14,571	4,440	10,131
<u>Total Expenditures</u>	<u>140,716</u>	<u>109,331</u>	<u>31,385</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(52,716)	(18,808)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>40,000</u>	<u>40,000</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(12,716)	21,192	
<u>FUND BALANCE, Beginning</u>	<u>12,716</u>	<u>12,716</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>33,908</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 1400 - La Veta Re-2
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	6700-6799 & 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	881,289	2,745,075	2,648,456	977,907
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	127,362	108,571	18,791
Sub-Total	881,289	2,872,437	2,757,027	996,698
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	12,716	130,523	109,331	33,908
22 Govt Designate-Purpose Grants Fund	0	854,244	854,244	0
23 Pupil Activity Special Revenue Fund	94,141	41,574	55,793	79,922
24 Full Day Kindergarten: Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	254,887	455,038	352,000	354,624
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	5,476,546	22,359,153	26,034,464	1,801,235
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	35,598	40,000	0	75,598
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	6,755,276	26,753,453	30,163,859	3,345,996
Proprietary				
50 Other Enterprise Funds	0	0	0	0
54 (63) 63%-Related Activity Fund	0	0	0	0
50,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trusts 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 Grant Stipend Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1400 - La Veta Re-2

Fiscal Year 2020-21

Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap. Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	764,884	0	27,854	118,808	0	0	8,563	275,307	2,003,711	0	0	0	0	0	0	3,199,126
Cash with Fiscal Agent (8105)	50,228	0	0	0	0	0	0	60,583	0	0	0	0	0	0	0	110,811
Taxes Receivable (8121,8122)	406,800	0	0	0	0	0	0	86,200	0	0	0	0	0	0	0	493,000
Interfund Loans Receivable (8131,8132)	362,439	0	0	148	0	0	14,003	0	0	0	0	0	0	0	0	376,590
Grants Accounts Receivable (8142)	9,543	0	0	392,883	0	0	8,175	0	5,094,674	0	0	0	0	0	0	5,505,274
Other Receivables (8151-8154,8161)	10,207	0	0	0	0	0	79	0	0	0	0	0	0	0	0	10,286
Inventories (8171,8172,8173)	0	0	0	0	0	0	8,804	0	0	0	0	0	0	0	0	8,804
Prepaid Expenses (8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	1,604,100	0	27,854	511,839	0	0	19,673	422,089	7,098,385	0	0	0	0	0	0	9,703,890

	Governmental						Proprietary				Fiduciary				
	General Funds 10.12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	14,003	0	0	360,522	0	0	0	2,065	0	0	0	0	0	0	376,590
Other Payables (7421-7423)	47,250	0	4,848	14,517	0	0	456	5,219,487	0	0	0	0	0	0	5,286,559
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	199,815	0	4,215	52,858	0	0	0	0	0	0	0	0	0	0	256,887
Unearned Revenue (7481)	0	0	0	0	0	0	5,260	0	0	0	0	0	0	0	5,260
Grants Deferred Revenue (7482)	0	0	0	4,019	0	0	0	0	0	0	0	0	0	0	4,019
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	365,125	0	0	0	0	0	0	0	0	0	0	0	0	0	428,590
Total Liabilities	626,193	0	9,063	431,917	0	0	5,715	63,465	5,221,552	0	0	0	0	0	6,357,905

Governmental

Proprietary

Fiduciary

FUND EQUITY

	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	8,804	0	0	0	0	0	0	0	8,804
Restricted Fund Balance 6720	0	0	0	0	0	0	25,104	358,624	1,801,235	0	0	0	0	0	2,184,963
TABOR 3% Emergency Reserve 6721	780,000	0	0	0	0	0	0	0	0	0	0	0	0	0	780,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CEPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	18,791	0	0	0	0	0	75,598	0	0	0	0	0	94,389
Assigned Fund Balance 6760	0	0	0	79,922	0	0	0	0	0	0	0	0	0	0	79,922
Unassigned Fund Balance 6770	197,907	0	0	0	0	0	0	0	0	0	0	0	0	0	197,907
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	977,907	0	18,791	79,922	0	0	33,908	358,624	1,876,833	0	0	0	0	0	0,334,598

	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Total Liabilities & Fund Equity	1,604,100	0	27,854	511,839	0	0	39,623	422,089	7,098,385	0	0	0	0	0	9,703,892

	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Foundations Fund 85	Totals
Total Liabilities & Fund Equity	1,604,100	0	27,854	511,839	0	0	39,623	422,089	7,098,385	0	0	0	0	0	9,703,892

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

Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes Yes

SINGLE AUDIT SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
La Veta Public Schools
La Veta, CO 81055

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of La Veta Public Schools as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise La Veta Public Schools' basic financial statements, and have issued our report thereon dated December 16, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered La Veta Public Schools' 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 La Veta Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the La Veta Public Schools' 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 La Veta Public Schools' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



December 16, 2021

164 E. MAIN
TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Education
La Veta Public Schools
La Veta, CO 81055

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

In our opinion, La Veta Public Schools complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

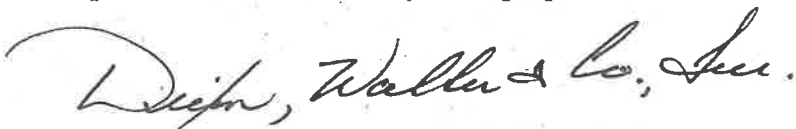
Report on Internal Control Over Compliance

Management of La Veta Public Schools 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 La Veta Public Schools' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of La Veta Public Schools' internal control over compliance.

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

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

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



December 16, 2021

LA VETA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of La Veta Public Schools.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of La Veta Public Schools were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified report has been issued on La Veta Public Schools compliance for major programs.

Audit Findings

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

Major Programs

Education Stabilization Fund Under the Coronavirus Aid, Relief, and Economic Security Act 84.425D

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as low-risk auditee

The District does not qualify as a low-risk auditee for fiscal year 2020/2021.

LA VETA PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

LA VETA PUBLIC SCHOOLS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

None

LA VETA PUBLIC SCHOOLS
Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor</i>	<i>State Code</i>	<i>Federal Expenditures</i>
<u>Child Nutrition Cluster-Cluster</u>				
<u>United States Department of Agriculture</u>				
Summer Food Service Program for Children	10.559	Colorado Department of Education	4559	62,837
Summer Food Service Program for Children	10.559	Colorado Department of Education	4559 (COVID-19)	17,230
Summer Food Service Program for Children	10.559	Colorado Department of Human Services	4559	4,440
<u>Total Summer Food Service Program for Children</u>				<u>84,507</u>
<u>Total United States Department of Agriculture</u>				<u>84,507</u>
<u>Total Child Nutrition Cluster-Cluster</u>				<u>84,507</u>
<u>Other Programs</u>				
<u>Department of Education</u>				
Title I Grants to Local Educational Agencies	84.010	Colorado Department of Education	4010	101,254
<u>Total Title I Grants to Local Educational Agencies</u>				<u>101,254</u>
Career and Technical Education -- Basic Grants to States	84.048	Trinidad State Junior College		7,677
<u>Total Career and Technical Education -- Basic Grants to States</u>				<u>7,677</u>
Rural Education	84.358A			16,315
<u>Total Rural Education</u>				<u>16,315</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Colorado Department of Education	4367	11,969
<u>Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)</u>				<u>11,969</u>
Student Support and Academic Enrichment Program	84.424	Colorado Department of Education	4424	10,219
<u>Total Student Support and Academic Enrichment Program</u>				<u>10,219</u>
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425D	Colorado Department of Education	4425	87,156
Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425D	Colorado Department of Education	4420	354,940
<u>Total Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act</u>				<u>442,096</u>
<u>Total Department of Education</u>				<u>589,530</u>
<u>Department of the Treasury</u>				
Coronavirus Relief Fund	21.019	Colorado Department of Education	4012	210,422
Coronavirus Relief Fund	21.019	Colorado Department of Education	5012	9,543
<u>Total Coronavirus Relief Fund</u>				<u>219,965</u>
<u>Total Department of the Treasury</u>				<u>219,965</u>
<u>Total Other Programs</u>				<u>809,495</u>
<u>Total Expenditures of Federal Awards</u>				<u>\$ 894,002</u>

The accompanying notes are an integral part of this schedule

LA VETA PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

NOTE 1 BASIS OF PRESENTATION

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

NOTE 2 INDIRECT COST RATES

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

NOTE 3 FOOD DISTRIBUTION

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

NOTE 4 SUBRECIPIENT PAYMENTS

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