

cPa DIXON, WALLER & CO., INC.

KIM SCHOOL DISTRICT RE-88

KIM, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

DIXON, WALLER & CO., INC.

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KIM SCHOOL DISTRICT RE-88

FINANCIAL STATEMENTS

JUNE 30, 2021

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KIM SCHOOL DISTRICT RE-88
ROSTER OF SCHOOL OFFICIALS
June 30, 2021

BOARD OF EDUCATION

Nikki Shannon	President
John Cranson	Vice-President
Tate Watkins	Secretary/Treasurer
Brandi Jackson	Member
Rommel Moismann	Member

SCHOOL OFFICIALS

Paul Blanford	Superintendent
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FINANCIAL SECTION

164 E. MAIN
TRINIDAD, COLORADO 81082
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education
Kim School District RE-88
Kim, Colorado 81049

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kim School District RE-88, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kim School District RE-88, 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 vi and 44 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Kim School District RE-88's basic financial statements. The combining and individual fund 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 combining and individual fund statements, other schedules, and state required schedules 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 statements, other schedules, and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.



Trinidad, Colorado
November 18, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

Kim School District RE-88 – Management Discussion and Analysis

This is the Management Discussion and analysis (MD&A) for the Kim School District RE-88. It offers the reader management’s perspective of the financial activities of the school district for the year ended June 30, 2021. The focus of this discussion is the primary government (general) fund.

The MD&A is an element of reporting put forth by the Government Accounting Standards Board (GASB), in Accordance with GASB Statement No. 34, Basic Financial Statement and Management Discussion and Analysis for State and Local Governments.

Financial Highlights

In government-wide activities the District’s net position totaled \$10,024,999 at the end of 2021 fiscal Year.

Governmental funds revenue was \$1,538,274; expenditures totaled 1,458,777, with an ending fund balance of \$2,054,284.

Overview of the Financial Statements

The Management’s Discussion & Analysis is presented as an introduction into the Kim School District’s Basic financial information. This information is comprised in the following three components:

- 1) Government-wide financial statements
- 2) Fund Financial Statements
- 3) Supplemental Information

Government-Wide Financial Statements

Government-wide statements provide an overall view of the District’s financial status specific to those activities directly related to the education of our students. The government-wide statements report assets and liabilities. The difference between the assets and liabilities is reported as net assets. The statements of net assets are one way to measure the financial position of the District. Over time, changes in net assets may serve as a useful indicator of whether the financial position is improving or deteriorating.

The district-wide statements are divided into two categories: Governmental activities’ and Business-type activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been “set apart” for specific activities. The fund financial statements provide detailed information about the District’s funds. These statements focus on those specific funds, not the District as a whole. Kim School District RE-88, like other governmental agencies, uses fund accounting to demonstrate and ensure compliance.

Governmental Funds: The District’s basic services are reported in governmental funds. This information is reported using an accounting method call modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. Governmental fund accounting may help the reader determine whether there are more or less financial resources that can be spent in the near future. The differences between governmental activities and governmental funds are reconciled in the financial statement’s.

Supplemental Information; In addition to the financial statements and accompanying notes the District’s Financial audit also contains more detailed financial information and other supplemental information concerning the District’s non-major governmental funds.

Financial Analysis of the Governmental Funds: the focus of the District’s governmental funds is to provide information on balances of available (spendable) resources. Such information is useful in assessing the Districts financing requirements. In particular, unreserved fund balance may serve as a useful tool in measuring the District’s net resources available for spending at the end of the fiscal year. Then combined general fund is the major governmental fund of the Kim School District. The combined general fund under GASB 34 reporting requirements involves the general fund (\$1,714,031) and the Preschool (\$217). As of June 30, 2021 the combined general fund shows an ending fund balance of \$1,714,248.

Capital Assets and Debt Administration: The District’s investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$11,734,165. This is a total capital assets of \$15,328,619 less accumulated depreciation of \$3,234,707.

The District’s total net position on June 30, 2021 was \$10,024,999. Of the District’s \$13,909,964 in assets, \$15,391,142 reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The district currently has a negative unrestricted net position of -30,673. The district was awarded the Best grant in the amount of \$7,923,336. The grant was matched with a local 20 year bond initiative in the amount of \$2,717,118. This maximizes the bonding capacity of the district. The bond long-term debt on June 30, 2021 was \$2,004,533 current debt \$114,353.

Table 1:

NET POSITION

	2021		2020	
	Governmental Activities	Total	Governmental Activities	Total
ASSETS				
Current and Other Assets	2,175,799	2,175,799	2,180,852	2,180,852
Capital Assets - Net	11,734,165	11,734,165	12,093,912	12,093,912
Deferred Outflows	403,792	403,792	303,903	303,903
Total Assets and Flows	14,313,756	14,313,756	14,578,667	14,578,667
LIABILITIES				
Current and Other Liabilities	235,837	235,837	1,674,724	1,674,724
Long Term Liabilities	3,367,769	3,367,769	2,004,533	2,004,533
Deferred Inflows	685,151	685,151	1,127,011	1,127,011
Total Liabilities and Flows	4,288,757	4,288,757	4,806,268	4,806,268
NET POSITION				
Net Investment in Capital Assets	9,729,632	9,729,632	9,975,026	9,975,026
Restricted for:				
Tabor Reserve	36,000	36,000	37,000	37,000
Preschool	217	217	1,687	1,687
Food Service	13,749	13,749	10,027	10,027
Debt	276,074	276,074	249,850	249,850
Capital Outlay	-	-	-	-
Unrestricted	(30,673)	(30,673)	(501,191)	(501,191)
	10,024,999	10,024,999	9,772,399	9,772,399

JUNE 30, 2021
KIM SCHOOL DISTRICT RE-88 – MANAGEMENT DISCUSSION AND ANALYSIS

Table 2:
Changes in Net Position

	2021		2020	
	Governmental Activities	Total	Governmental Activities	Total
Revenues				
Charges for Services	64,011	64,011	19,437	19,437
Operating Grants and Contributions	198,103	198,103	137,401	137,401
Capital Grants and Contributions	-	-	-	-
Property taxes	669,030	669,030	623,790	623,790
Specific Ownership Taxes	81,968	81,968	77,623	77,623
Equalization	496,623	496,623	594,124	594,124
Earnings on investments	12,768	12,768	19,150	19,150
Other Revenues	5,831	5,831	51,701	51,701
Transfers	-	-	-	-
TOTAL REVENUES	1,528,334	1,528,334	1,523,226	1,523,226
Expenses				
Instructional services	875,154	875,154	935,257	935,257
Students	-	-	-	-
Instructional staff	20,075	20,075	26,623	26,623
District administration	333,859	333,859	242,041	242,041
School administration	-	-	-	-
Business	-	-	-	-
Operation and maintenance of facilities	170,400	170,400	175,655	175,655
Transportation	72,374	72,374	88,507	88,507
Central	89,912	89,912	102,045	102,045
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	86,690	86,690	91,400	91,400
Food Service	55,464	55,464	44,494	44,494
Pension and OPEB Changes	(428,194)	(428,194)	(259,324)	(259,324)
TOTAL EXPENSES	1,275,734	1,275,734	1,446,698	1,446,698
Increase (Decrease in Net Position)	252,600	252,600	76,528	76,528

The following table shows the net cost (total cost less revenues generated by activities) of the District’s major functions.

Table - 3 Governmental Activities by Major Function

	2021		2020	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	-663190	(828,939)	935257	(828,939)
Students	-	-	-	-
Instructional staff	-20075	(26,623)	26623	(26,623)
District administration	-333859	(242,041)	242041	(242,041)
School administration	-	-	-	-
Business	-	-	-	-
Operation and maintenance of facilities	(157,379)	(165,065)	175655	(165,065)
Transportation	(56,914)	(68,208)	88507	(68,208)
Central	(89,912)	(102,045)	102045	(102,045)
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	(86,690)	(91,400)	91,400	(91,400)
Food Service	(33,795)	(24,863)	44494	(24,863)
Pension and OPEB Changes	428,194	259,324	-259324	259,324
Total	<u>(1,013,620)</u>	<u>(1,289,860)</u>	<u>1,446,698</u>	<u>(1,289,860)</u>

The cost of all governmental activities this year was \$2,175,883.

The federal and state governmental subsidized certain programs with grants and contributions of \$171,029. Most of the District’s costs, however, were financed by Districts and State taxpayers with \$678,970 in state equalization from the school finance act, \$ 760,938 (including the bond fund) in taxes, and \$31,620 in investment earnings and other miscellaneous revenue.

The food service program had revenue of \$44,669 (including a transfer of \$23,000 from the General Fund) and expenses of \$40,947.

Financial Analysis of the District’s Funds

General Fund Budgetary Highlights

The District’s budget is prepared according to Colorado law and based on accounting for certain Transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is The General Fund.

Total revenues in the General Fund were \$5,108 more than the preceding year. The district must maintain a 3% emergency reserve as part of TABOR Amendment (Taxpayer Bill Of Rights). On June 30, 2021 the District’s TABOR reserve amounted to \$36,000.

June 30, 2021
KIM SCHOOL DISTRICT RE-88 – MANAGEMENT DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

The District’s net investment in capital assets for its governmental activities as of June 30, 2021 Amount to \$9,729,632.

Table 4: Capital Assets (Net of Depreciation)

	Governmental <u>2020-2021</u>	Governmental <u>2019-2020</u>
Land & Sites	10,030	10,030
Buildings & Improvements	11,550,764	11,862,361
Equipment & Vehicles	173,371	221,521
Total Capital Assets	<u>11,734,165</u>	<u>12,093,912</u>

Economic Factors

As a result of the stewardship of the board of Education the District enjoys an above average fund balance. The state general funds has remained relatively consistent and has not declined due the enrollment decreasing. Occasionally, the District enrollment is above the 50-student mark and receives additional funding. The Board of Education and the Administration has governed the district with great care and focus. Maintaining the integrity of the district’s for the long term.

General obligation bonds were issued December 9, 2013 for the purpose of constructing and remodeling District’s facilities. The Series 2013 matching money bonds of \$2,717,119 were used to match \$7,923,336 in State of Colorado BEST program Series 2013 projected funds. These bonds were issued at an interest rate of 4.187817%.

CHANGES IN LONG TERM DEBT

	Balance <u>7/1/20</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/21</u>
2013 General Obligation Matching Bonds	2,118,886	-	114,353	2,004,533
Totals	<u>2,118,886</u>	<u>-</u>	<u>114,353</u>	<u>2,004,533</u>

June 30, 2021

KIM SCHOOL DISTRICT RE-88 – MANAGEMENT DISCUSSION AND ANALYSIS

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

Paul Blanford
Superintendent of Schools
Kim School District Re-88
425 State Street/ P.O. Box 100
Kim, CO 81049

BASIC FINANCIAL STATEMENTS

KIM SCHOOL DISTRICT RE-88
STATEMENT OF NET POSITION
June 30, 2021

	<u>Governmental Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash and Investments	2,132,775	2,132,775
Accounts Receivable	6,081	6,081
Grants Receivables	2,344	2,344
Property Taxes Receivable	26,000	26,000
Inventories	8,599	8,599
Capital Assets	15,391,142	15,391,142
Accumulated Depreciation	<u>(3,656,977)</u>	<u>(3,656,977)</u>
<u>Total Assets</u>	<u>13,909,964</u>	<u>13,909,964</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	398,553	398,553
Other Post Employment Benefits	<u>5,239</u>	<u>5,239</u>
<u>Total Deferred Outflow of Resources</u>	<u>403,792</u>	<u>403,792</u>
<u>LIABILITIES</u>		
Accounts Payable	7,945	7,945
Accrued Salaries	59,314	59,314
Accrued Interest	6,995	6,995
Compensated Absences	1,185	1,185
Unearned Revenue	41,256	41,256
Net Pension Liability	1,430,370	1,430,370
Net OPEB Liability	52,008	52,008
Debt – Current	119,142	119,142
Debt – Long Term	<u>1,885,391</u>	<u>1,885,391</u>
<u>Total Liabilities</u>	<u>3,603,606</u>	<u>3,603,606</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	661,797	661,797
Other Post Employment Benefits	<u>23,354</u>	<u>23,354</u>
<u>Total Deferred Inflow of Resources</u>	<u>685,151</u>	<u>685,151</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	9,729,632	9,729,632
Restricted for:		
TABOR Reserve	36,000	36,000
Preschool	217	217
Debt Service	276,074	276,074
Food Service	13,749	13,749
Unrestricted	<u>(30,673)</u>	<u>(30,673)</u>
<u>TOTAL NET POSITION</u>	<u>10,024,999</u>	<u>10,024,999</u>

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

KIM SCHOOL DISTRICT RE-88
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2021

	Net (Expenses) Revenue and Changes in Net Position			
	Expenses	Program Revenues		Primary Government
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities
				Total
<u>FUNCTIONS/PROGRAMS</u>				
Instructional Services	875,154	40,935	171,029	(663,190)
Supporting Services:				
Students	-	-	-	-
Instructional Staff	20,075	-	-	(20,075)
District Administration	333,859	-	-	(333,859)
School Administration	-	-	-	-
Business	-	-	-	-
Operation & Maintenance of Facilities	170,400	13,021	-	(157,379)
Transportation	72,374	-	15,460	(56,914)
Central	89,912	-	-	(89,912)
Food Service	55,464	10,055	11,614	(33,795)
Capital Outlay	-	-	-	-
Interest and Fees	86,690	-	-	(86,690)
Net Pension Activity	(422,606)	-	-	422,606
Net OPEB Activity	(5,588)	-	-	5,588
Total Governmental Activities	<u>1,275,734</u>	<u>64,011</u>	<u>198,103</u>	<u>(1,013,620)</u>
Total School District	<u>1,275,734</u>	<u>64,011</u>	<u>198,103</u>	<u>(1,013,620)</u>
General Revenues				
Property Taxes Levied for General Purposes				669,030
Specific Ownership Taxes				81,968
Equalization				496,623
Earnings on Investments				12,768
Other Revenues				5,831
Total General Revenues and Transfers				<u>1,266,220</u>
Change in Net Position				252,600
Net Position, Beginning				9,772,399
Net Position, Ending				<u>10,024,999</u>

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

KIM SCHOOL DISTRICT RE-88
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	1,805,068	271,074	56,633	2,132,775
Accounts Receivable	4,865	-	1,216	6,081
Grants Receivable	261	-	2,083	2,344
Property Taxes Receivable	16,600	9,400	-	26,000
Inventories	-	-	8,599	8,599
<u>Total Assets</u>	<u>1,826,794</u>	<u>280,474</u>	<u>68,531</u>	<u>2,175,799</u>
<u>LIABILITIES</u>				
Accounts Payable	6,477	-	1,468	7,945
Accrued Salaries	56,213	-	3,101	59,314
Unearned Grant Revenue	41,256	-	-	41,256
<u>Total Liabilities</u>	<u>103,946</u>	<u>-</u>	<u>4,569</u>	<u>108,515</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Deferred Property Taxes	8,600	4,400	-	13,000
<u>Total Deferred Inflow of Resources</u>	<u>8,600</u>	<u>4,400</u>	<u>-</u>	<u>13,000</u>
<u>FUND BALANCES</u>				
Nonspendable				
Inventories	-	-	8,599	8,599
Restricted				
Emergencies	36,000	-	-	36,000
Preschool	217	-	-	217
Capital Outlay	-	-	-	-
Debt Service	-	276,074	-	276,074
Food Service	-	-	5,150	5,150
Assigned				
Student Activities	-	-	50,213	50,213
Unassigned	1,678,031	-	-	1,678,031
<u>Total Fund Balances</u>	<u>1,714,248</u>	<u>276,074</u>	<u>63,962</u>	<u>2,054,284</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>1,826,794</u>	<u>280,474</u>	<u>68,531</u>	<u>2,175,799</u>

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

KIM SCHOOL DISTRICT RE-88
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
June 30, 2021

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

<u>Total Fund Balance – Governmental Funds</u>	2,054,284
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$15,391,142 and the accumulated depreciation is \$3,656,977.	11,734,165
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.	13,000
Compensated absences are not reported as a liability in the funds.	(1,185)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(2,004,533)
Accrued interest on long term debt is not reported in the funds.	(6,995)
The Districts 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.	(1,430,370)
The Districts portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(52,008)
Deferred flows for contributions made toward the net pension obligation from December 31, 2020 until June 30, 2021 is not reported in the funds.	65,675
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2020 until June 30, 2021 is not reported in the funds.	3,205
Deferred employer and plan level pension flows are not reported in the funds.	(328,919)
Deferred employer and plan level OPEB flows are not reported in the funds.	<u>(21,320)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>10,024,999</u>

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

KIM SCHOOL DISTRICT RE-88
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2021

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	452,010	226,960	-	678,970
Specific Ownership Taxes	81,968	-	-	81,968
Earnings on Investments	12,749	19	-	12,768
Other Local Sources	39,633	688	51,026	91,347
State Aid	547,296	-	591	547,887
Federal Aid	<u>114,347</u>	<u>-</u>	<u>10,987</u>	<u>125,334</u>
<u>Total Revenues</u>	<u>1,248,003</u>	<u>227,667</u>	<u>62,604</u>	<u>1,538,274</u>
EXPENDITURES				
Current:				
Instructional Services	493,024	-	-	493,024
Supporting Services:				
Students	-	-	31,856	31,856
Instructional Staff	20,075	-	-	20,075
District Administration	328,947	-	-	328,947
School Administration	-	-	-	-
Business	-	-	-	-
Operation & Maintenance of Facilities	195,464	-	-	195,464
Transportation	57,109	-	-	57,109
Central	89,912	-	-	89,912
Food Service	-	-	40,947	40,947
Facility	-	-	-	-
Debt Service:				
Principal Retirement	-	114,353	-	114,353
Interest and Fiscal Charges	-	87,090	-	87,090
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>1,184,531</u>	<u>201,443</u>	<u>72,803</u>	<u>1,458,777</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES				
	<u>63,472</u>	<u>26,224</u>	<u>(10,199)</u>	<u>79,497</u>
OTHER FINANCING SOURCES (USES)				
Transfers	(23,000)	-	23,000	-
Proceeds From Debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(23,000)</u>	<u>-</u>	<u>23,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES				
	40,472	26,224	12,801	79,497
FUND BALANCES – Beginning				
	<u>1,673,776</u>	<u>249,850</u>	<u>51,161</u>	<u>1,974,787</u>
FUND BALANCES – Ending				
	<u>1,714,248</u>	<u>276,074</u>	<u>63,962</u>	<u>2,054,284</u>

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

KIM SCHOOL DISTRICT RE-88
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 79,497

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 used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays More Than \$5,000	62,523	
Depreciation Expense	<u>(422,270)</u>	(359,747)

Property tax revenues received prior to the year for which the are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred property tax revenues increased this year. (9,940)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. (157)

The governmental funds report debt proceeds as another 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:

Principal Payment		114,353
Accrued Interest		400

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

Change in net pension obligation		(125,721)
Change in net OPEB obligation		12,166

Deferred flows from net pension obligations		548,327
Deferred flows from net OPEB obligations		<u>(6,578)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 252,600

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

NOTES TO BASIC FINANCIAL STATEMENTS

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Kim School District RE-88 (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 Kim School District RE-88. The District receives funding from local, state, and federal government sources and must comply with the 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 basis financial statements present the District (the primary government) and its component units.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 unreserved 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.

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 to collect 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 statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

D. Fund Accounting

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

- Major Governmental Funds
 1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
 2. Bond Fund – used to account for the activities associated with the payment of debt obligations.

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Cash and Investments (Continued)

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.

H. Capital Assets

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

On November 4, 1997 the registered voters approved a ballot resolution authorizing Kim School District RE-88 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2021, the District reserved \$36,000 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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Las Animas County was as follows:

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

L. Accumulated Sick Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2021, the District has recorded an estimated liability of \$1,185 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Accumulated Sick Leave	<u>1,028</u>	<u>157</u>	<u>-</u>	<u>1,185</u>

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activities</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	8,599	-	8,599
<u>Restricted:</u>					
Emergencies	36,000	-	-	-	36,000
Preschool	217	-	-	-	217
Debt Service	-	276,074	-	-	276,074
Capital Reserve	-	-	-	-	-
Food Service	-	-	5,150	-	5,150
<u>Committed:</u>					
Capital Outlay	-	-	-	-	-
<u>Assigned:</u>					
Student Activities	-	-	-	50,213	50,213
<u>Unassigned:</u>					
	<u>1,678,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,678,031</u>
<u>Total Fund Balances</u>	<u>1,714,248</u>	<u>276,074</u>	<u>13,749</u>	<u>50,213</u>	<u>2,054,284</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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

<u>Items Eliminated</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	-	-	23,000
Bond Fund	-	-	-	-
Building Fund	-	-	-	-
Food Service Fund	-	-	23,000	-

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, Capital Projects Fund, Bond Fund and Special Revenue Fund.
6. Budgets for the General Fund, Capital Projects Fund, Bond Fund and Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgets have been adopted for Trust and Agency Funds although measurement of operations is not required in the financial statements.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 3 BUDGETARY INFORMATION (continued)

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

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

NOTE 4 CASH AND EQUIVALENTS

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	1,606,188	1,608,866
Cash with County Treasurer	7,864	-
Cash with Fiscal Agent	268,473	-
Cash on Hand	<u>250</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>2,132,775</u>	<u>1,858,866</u>

As presented above, deposits with a bank balance of \$1,608,866 and a carrying balance of \$1,606,188 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>Capital Assets Not Being Depreciated</u>					
Land	10,030	-	-	-	10,030
<u>Capital Assets Being Depreciated:</u>					
Buildings & Site Improvements	14,283,469	62,523	-	-	14,345,992
Equipment & Vehicles	1,035,120	-	-	-	1,035,120
Construction in Progress	-	-	-	-	-
<u>Total Capital Assets Being Depreciated</u>	<u>15,318,589</u>	<u>62,523</u>	<u>-</u>	<u>-</u>	<u>15,381,112</u>
<u>Less Accumulated Depreciation:</u>					
Buildings & Site Improvements	2,421,108	374,120	-	-	2,795,228
Equipment & Vehicles	813,599	48,150	-	-	861,749
<u>Total Accumulated Depreciation</u>	<u>3,234,707</u>	<u>422,270</u>	<u>-</u>	<u>-</u>	<u>3,656,977</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>12,083,882</u>	<u>(359,747)</u>	<u>-</u>	<u>-</u>	<u>11,724,135</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>12,093,912</u>	<u>(359,747)</u>	<u>-</u>	<u>-</u>	<u>11,734,165</u>

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

Governmental Activities:

Instruction	350,117
Student Support	-
Instructional Support	-
General Administration Support	4,912
School Administration Support	-
Business Services Support	-
Operations and Maintenance	37,459
Transportation	15,265
Food Service	14,517
<u>Total Depreciation Expense – Governmental Activities</u>	<u>422,270</u>

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Kim School District RE-88 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 Kim School District RE-88 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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, Kim School District RE-88 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.

KIM SCHOOL DISTRICT RE-88
 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 Kim School District RE-88 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Kim School District RE-88 were \$102,823 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 Kim School District RE-88 proportion of the net pension liability was based on Kim School District RE-88 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 PENSION PLAN (Continued)

At June 30, 2021, the Kim School District RE-88 reported a liability of \$1,430,370 for its proportionate share of the net pension liability. The amount recognized by the Kim School District RE-88 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 Kim School District RE-88 were as follows:

Kim School District RE-88 proportionate share of the net pension liability	\$ 1,430,370
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Kim School District RE-88	-
Total	\$ 1,430,370

At December 31, 2020, the Kim School District RE-88 proportion was 0.0094 percent, which was an increase of 0.0007 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Kim School District RE-88 recognized pension income of \$422,606 and revenue of \$-0- for support from the State as a nonemployer contributing entity. At June 30, 2021, the Kim School District RE-88 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	78,592	-
Changes of assumptions or other inputs	137,597	(240,433)
Net difference between projected and actual earnings on pension plan investments	-	(314,857)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	116,689	(106,507)
Contributions subsequent to the measurement date	65,675	N/A
Total	398,553	(661,797)

\$65,675 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	(284,355)
2023	46,338
2024	(41,232)
2025	(49,670)
2026	-
Thereafter	-

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 6 PENSION PLAN (Continued)

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

Sensitivity of the Kim School District RE-88 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	1,951,142	1,430,370	996,395

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 Kim School District RE-88 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 \$875.

NOTE 7 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Kim School District RE-88 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 Kim School District RE-88 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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Kim School District RE-88 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Kim School District RE-88 were \$5,276 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 Kim School District RE-88 reported a liability of \$52,008 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 Kim School District RE-88 proportion of the net OPEB liability was based on Kim School District RE-88 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 Kim School District RE-88 proportion was 0.0055 percent, which was a decrease of 0.0002 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Kim School District RE-88 recognized OPEB income of \$5,588. At June 30, 2021, the Kim School District RE-88 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	138	(11,434)
Changes of assumptions or other inputs	389	(3,189)
Net difference between projected and actual earnings on OPEB plan investments	-	(2,125)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,507	(6,606)
Contributions subsequent to the measurement date	3,205	N/A
Total	5,239	(23,354)

\$3,205 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	(4,892)
2023	(4,595)
2024	(4,795)
2025	(4,980)
2026	(1,935)
Thereafter	(123)

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
 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.

KIM SCHOOL DISTRICT RE-88
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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

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.

KIM SCHOOL DISTRICT RE-88
 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 Kim School District RE-88 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	50,664	52,008	53,573

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.

KIM SCHOOL DISTRICT RE-88
 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 Kim School District RE-88 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	59,576	52,008	45,542

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.

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 RISK MANAGEMENT

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

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

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

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

KIM SCHOOL DISTRICT RE-88
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2021

NOTE 9 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

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

NOTE 10 FOOD INVENTORIES

Food Service Fund inventories at June 30, 2021, consisted of purchased, non-food and donated commodities amounting to \$8,599. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 11 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 \$59,314. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12 LITIGATION

None.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 13 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 14 JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the Southeastern 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:

Assets and Deferred Outflows	<u>2,365,312</u>
Liabilities and Deferred Inflows	<u>5,603,650</u>
Net Position	<u>(3,238,338)</u>
Revenues	<u>3,199,012</u>
Expenditures	<u>2,572,870</u>
Change In Net Position	<u>626,142</u>

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

NOTE 15 INTERFUND BALANCES AND TRANSFERS

<u>INTERFUND BALANCES</u>	<u>Due To</u>	<u>Due From</u>
Major Funds	-	-
Nonmajor Funds	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	23,000
Food Service Fund	<u>23,000</u>	<u>-</u>
	<u>23,000</u>	<u>23,000</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting operations. Due To and Due From are to be repaid within three months of year end.

KIM SCHOOL DISTRICT RE-88
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2021

NOTE 16 LONG-TERM DEBT – GENERAL OBLIGATION BONDS

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>6/30/2021</u>	<u>Current</u> <u>Portion</u>
G.O. Matching Money Bonds 2013	<u>2,118,886</u>	<u>-</u>	<u>114,353</u>	<u>2,004,533</u>	<u>119,142</u>

Series 2013 General Obligation Matching Money Bonds

These general obligation bonds were issued December 9, 2013 for the purpose of constructing District facilities. The Series 2013 matching money bonds of \$2,717,118 were used to match \$7,923,336 in State of Colorado – BEST Program Series 2013 Project funds. These bonds were issued at an interest rate of 4.187817%.

Below is a schedule of debt service to maturity:

<u>Year Ended</u> <u>6-30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	119,142	81,451	200,593
2023	124,131	76,358	200,489
2024	129,329	71,050	200,379
2025	134,746	65,521	200,267
2026	140,388	59,760	200,148
2027-2031	795,212	203,576	998,788
2032-2034	<u>561,585</u>	<u>35,921</u>	<u>597,506</u>
	<u>2,004,533</u>	<u>593,637</u>	<u>2,598,170</u>

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS 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.

Pension and Other Post Employment Benefits Trend Data

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET 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>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	377,000	377,000	452,010	75,010
Specific Ownership Taxes	77,000	77,000	81,968	4,968
Earnings on Investments	13,210	13,210	12,749	(461)
Delinquent Taxes and Interest	1,000	1,000	1,199	199
Other	45,216	45,216	38,434	(6,782)
<u>State Sources</u>				
Equalization	478,255	478,255	496,623	18,368
Transportation	14,685	14,685	15,460	775
Vocational Education	12,000	414	310	(104)
Other	23,397	23,397	34,903	11,506
<u>Federal Sources</u>				
Other	54,892	54,892	114,347	59,455
<u>TOTAL REVENUES</u>	<u>1,096,655</u>	<u>1,085,069</u>	<u>1,248,003</u>	<u>162,934</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
<u>Regular Programs</u>				
Salaries	299,856	305,621	306,118	(497)
Employees Benefits	128,287	139,020	120,045	18,975
Purchased Services-Professional	6,450	700	405	295
Purchased Services-Property	1,800	-	-	-
Purchased Services-Other	15,100	35,106	29,125	5,981
Supplies and Materials	11,038	24,783	21,507	3,276
Property	-	-	-	-
Other Objects	500	31,113	15,824	15,289
<u>Total Instruction</u>	<u>463,031</u>	<u>536,343</u>	<u>493,024</u>	<u>43,319</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

<u>SUPPORTING SERVICES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget- Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	15,579	15,579	11,932	3,647
Employee Benefits	944	944	4,574	(3,630)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	350	350	3,569	(3,219)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>16,873</u>	<u>16,873</u>	<u>20,075</u>	<u>(3,202)</u>
<u>General Administration</u>				
Salaries	166,965	166,965	161,684	5,281
Employee Benefits	42,198	42,198	48,505	(6,307)
Purchased Services-Professional	32,975	32,975	35,062	(2,087)
Purchased Services-Property	-	-	-	-
Purchased Services-Other	3,200	3,200	951	2,249
Supplies and Materials	14,473	14,473	80,839	(66,366)
Property	-	-	-	-
Other Objects	<u>(26,608)</u>	<u>(111,506)</u>	<u>1,906</u>	<u>(113,412)</u>
<u>Total General Administration</u>	<u>233,203</u>	<u>148,305</u>	<u>328,947</u>	<u>(180,642)</u>
<u>Operations and Maintenance</u>				
Salaries	27,941	27,941	25,016	2,925
Employees Benefits	10,297	10,297	8,344	1,953
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	99,000	99,000	29,473	69,527
Purchased Services-Other	4,000	4,000	4,326	(326)
Supplies and Materials	59,000	59,000	65,782	(6,782)
Property	-	-	62,523	(62,523)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>200,238</u>	<u>200,238</u>	<u>195,464</u>	<u>4,774</u>

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

KIM SCHOOL DISTRICT RE-88
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2021

<u>Supporting Services (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	19,000	19,000	19,265	(265)
Employee Benefits	7,000	7,000	7,224	(224)
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	-	-	-	-
Purchased Services-Other	12,000	12,000	11,067	933
Supplies and Materials	25,500	25,500	19,553	5,947
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>63,500</u>	<u>63,500</u>	<u>57,109</u>	<u>6,391</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services-Professional	-	-	-	-
Purchased Services-Property	-	-	-	-
Purchased Services-Other	89,810	89,810	89,701	109
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	-	-	211	(211)
<u>Total Central Support</u>	<u>89,810</u>	<u>89,810</u>	<u>89,912</u>	<u>(102)</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>603,624</u>	<u>518,726</u>	<u>691,507</u>	<u>(172,781)</u>
<u>APPROPRIATED RESERVES</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>1,500,000</u>
<u>TOTAL EXPENDITURES</u>	<u>2,566,655</u>	<u>2,555,069</u>	<u>1,184,531</u>	<u>1,370,538</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(1,470,000)</u>	<u>(1,470,000)</u>	<u>63,472</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>(30,000)</u>	<u>(30,000)</u>	<u>(23,000)</u>	<u>7,000</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>40,472</u>	
<u>FUND BALANCE, July 1</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,673,776</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>1,714,248</u>	

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

KIM SCHOOL DISTRICT RE-88
 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)	0.0095%	0.0087%	0.0094%	0.0103%	0.0105%	0.0102%	0.0107%	0.0106%	-	-
	\$1,430,370	\$1,304,649	\$1,663,539	\$3,345,761	\$3,130,930	\$1,561,381	\$1,454,664	\$1,358,164	-	-
District's proportionate share of the net pension liability (asset)										
State's proportionate share of the net pension liability associated with the District**	-	\$165,478	\$227,466	-	-	-	-	-	-	-
District's covered payroll	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	\$455,545	\$450,519	\$424,049	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	277%	259%	315%	665%	670%	343%	323%	320%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	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.

KIM SCHOOL DISTRICT RE-88
 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	\$ 102,823	\$ 97,626	\$ 101,049	\$ 95,082	\$ 85,828	\$ 80,837	\$ 76,052	\$ 74,813	\$ 70,134	-
Contributions in relation to the contractually required contributions	<u>\$(102,823)</u>	<u>\$(97,626)</u>	<u>\$(101,049)</u>	<u>\$(95,082)</u>	<u>\$(85,828)</u>	<u>\$(80,837)</u>	<u>\$(76,052)</u>	<u>\$(74,813)</u>	<u>\$(70,134)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	\$455,545	\$450,519	\$424,049	\$398,838	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.38%	17.74%	16.88%	17.64%	17.58%	-

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

KIM SCHOOL DISTRICT RE-88
 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)	0.0055%	0.0057%	0.0061%	0.0058%	0.0059%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$52,008	\$64,174	\$83,084	\$76,403	\$77,497	-	-	-	-	-
District's covered payroll	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.05%	12.74%	15.73%	15.18%	16.59%	-	-	-	-	-
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.

KIM SCHOOL DISTRICT RE-88
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 5,276	\$ 5,138	\$ 5,388	\$ 5,135	\$ 4,764	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (5,276)</u>	<u>\$ (5,138)</u>	<u>\$ (5,388)</u>	<u>\$ (5,135)</u>	<u>\$ (4,764)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered payroll	\$517,219	\$503,744	\$528,224	\$503,447	\$467,021	-	-	-	-	-
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

MAJOR GOVERNMENTAL FUNDS

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

Special Revenue Funds

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

Food Service Fund

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

Pupil Activity Fund

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

KIM SCHOOL DISTRICT RE-88
COMBINING BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2021

	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>			
Cash and Investments	4,952	51,681	56,633
Accounts Receivable	1,216	-	1,216
Grants Receivable	2,083	-	2,083
Property Taxes Receivable	-	-	-
Inventories	<u>8,599</u>	<u>-</u>	<u>8,599</u>
<u>Total Assets</u>	<u>16,850</u>	<u>51,681</u>	<u>68,531</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities</u>			
Accounts Payable	-	1,468	1,468
Accrued Salaries	3,101	-	3,101
Due To Other Funds	-	-	-
Other Payables	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Liabilities</u>	<u>3,101</u>	<u>1,468</u>	<u>4,569</u>
 <u>Fund Balances</u>			
Nonspendable:			
Inventories	8,599	-	8,599
Restricted:			
Food Service	5,150	-	5,150
Assigned:			
Pupil Activities	<u>-</u>	<u>50,213</u>	<u>50,213</u>
<u>Total Fund Balances</u>	<u>13,749</u>	<u>50,213</u>	<u>63,962</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>16,850</u>	 <u>51,681</u>	 <u>68,531</u>

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

KIM SCHOOL DISTRICT RE-88
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2021

	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES</u>			
Property Taxes	-	-	-
Specific Ownership Taxes	-	-	-
Earnings on Investments	-	-	-
Other Local Sources	10,091	40,935	51,026
State Aid	591	-	591
Federal Aid	<u>10,987</u>	-	<u>10,987</u>
<u>Total Revenues</u>	<u>21,669</u>	<u>40,935</u>	<u>62,604</u>
<u>EXPENDITURES</u>			
Current:			
Instructional Services	-	-	-
Supporting Services:			
Students	-	31,856	31,856
Instructional Staff	-	-	-
District Administration	-	-	-
School Administration	-	-	-
Business	-	-	-
Operation and Maintenance of Facilities	-	-	-
Transportation	-	-	-
Central	-	-	-
Food Service	<u>40,947</u>	-	<u>40,947</u>
<u>Total Expenditures</u>	<u>40,947</u>	<u>31,856</u>	<u>72,803</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(19,278)</u>	<u>9,079</u>	<u>(10,199)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>23,000</u>	-	<u>23,000</u>
<u>Total Other Financing Sources (Uses)</u>	<u>23,000</u>	-	<u>23,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	3,722	9,079	12,801
<u>FUND BALANCE, Beginning</u>	<u>10,027</u>	<u>41,134</u>	<u>51,161</u>
<u>FUND BALANCE, Ending</u>	<u>13,749</u>	<u>50,213</u>	<u>63,962</u>

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

KIM SCHOOL DISTRICT RE-88
 BOND REDEMPTION 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>			
Property Taxes	207,584	226,960	19,376
Specific Ownership Taxes	-	-	-
Earnings on Investments	-	19	19
Other Local Sources	-	688	688
<u>Total Revenues</u>	<u>207,584</u>	<u>227,667</u>	<u>20,083</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal Retirement	103,750	114,353	(10,603)
Interest and Fiscal Charges	96,000	87,090	8,910
Other	-	-	-
Contingency	<u>172,834</u>	-	<u>172,834</u>
<u>Total Expenditures</u>	<u>372,584</u>	<u>201,443</u>	<u>171,141</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(165,000)	26,224	
<u>FUND BALANCE, July 1</u>	<u>16,500</u>	<u>249,850</u>	
<u>FUND BALANCE, June 30</u>	<u>(148,500)</u>	<u>276,074</u>	

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

KIM SCHOOL DISTRICT RE-88
FOOD SERVICE – 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>OPERATING REVENUES</u>			
<u>Local Sources</u>			
Food Sales	9,200	10,055	855
Earnings on Investments	-	-	-
Other	-	36	36
<u>State Sources</u>			
School Lunches	875	591	(284)
<u>Federal Sources</u>			
School Lunches	13,925	10,987	(2,938)
Commodities	-	-	-
<u>Total Operating Revenues</u>	<u>24,000</u>	<u>21,669</u>	<u>(2,331)</u>
<u>OPERATING EXPENDITURES</u>			
Salaries	26,000	16,360	9,640
Employee Benefits	4,500	3,668	832
Purchased Services – Professional	-	-	-
Purchased Services – Property	-	-	-
Purchased Services - Other	-	-	-
Supplies and Materials	25,500	20,835	4,665
Capital Outlay	-	-	-
Other	4,800	84	4,716
Commodities	-	-	-
<u>Total Expenditures</u>	<u>60,800</u>	<u>40,947</u>	<u>19,853</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(36,800)	(19,278)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers from General Fund	30,000	23,000	(7,000)
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(6,800)	3,722	
<u>FUND BALANCE, July 1</u>	<u>6,800</u>	<u>10,027</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>13,749</u>	

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

KIM SCHOOL DISTRICT RE-88
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>OPERATING REVENUES</u>			
Local Sources	60,000	40,935	(19,065)
State Sources	-	-	-
Federal Sources	-	-	-
<u>Total Operating Revenues</u>	<u>60,000</u>	<u>40,935</u>	<u>(19,065)</u>
 <u>OPERATING EXPENDITURES</u>			
Purchased Services-Other	-	20,653	(20,653)
Supplies and Materials	<u>60,000</u>	<u>11,203</u>	<u>48,797</u>
<u>Total Operating Expenditures</u>	<u>60,000</u>	<u>31,856</u>	<u>28,144</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	9,079	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Operating Transfers In (Out)	-	-	-
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	9,079	
 <u>FUND BALANCE, July 1</u>	-	41,134	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>50,213</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 1760 - Kim Reorganized 88
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental				
10 General Fund	1,072,089	1,201,086	1,159,144	1,714,031
16 Risk Mgmt Sub-fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	1,587	23,916	35,386	217
Sub Total	1,073,776	1,225,002	1,184,530	1,714,249
11 Charter School Fund	0	0	0	0
20 24-29 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
2 Food Service Spec Revenue Fund	10,028	44,670	46,548	13,750
32 Govt Designated Purpose Grants Fund	0	0	0	0
23 Pub Activity Special Revenue Fund	41,134	40,935	31,858	50,213
24 Full Day Kindergarten Multi-Year Overide	0	0	0	0
35 Transportation Fund	0	0	0	0
37 Bond Redemption Fund	249,850	227,667	201,444	276,074
29 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
4 Building Fund	0	0	0	0
11 Special Bonding Fund	0	0	0	0
42 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const Tech Main Fund	0	0	0	0
Totals	1,323,716	1,452,667	1,386,478	2,050,266
Proprietary				
59 Other Encumbrance Funds	0	0	0	0
64 63 Risk-Related Activity Fund	0	0	0	0
60 65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Public Activity Agency Fund	0	0	0	0
79 GASB 34 Retirement Fund	0	0	0	0
65 Foundations	0	0	0	0
Totals	0	0	0	0



Colorado Department of Education

Balanced Budget Report

District: 1760 - Kim Reorganized 88

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						
																	Totals	Totals				
Cash and Investments (8100-8104, 8111)	1,796,997	0	2,840	51,681	0	0	4,952	0	0	0	0	0	0	0	0	1,856,470	0	0				
Cash with Fiscal Agent (8105)	5,231	0	0	0	0	0	0	271,074	0	0	0	0	0	0	0	276,305	0	0				
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Taxes Receivable (8121, 8122)	16,600	0	0	0	0	0	0	9,400	0	0	0	0	0	0	0	26,000	0	0				
Interfund Loans Receivable (8131, 8132)	84	0	0	0	0	0	0	0	0	0	0	0	0	0	84	0	0	0				
Grants Accounts Receivable (8142)	261	0	0	0	0	0	2,083	0	0	0	0	0	0	0	2,345	0	0	0				
Other Receivables (8151-8154, 8161)	4,865	0	0	0	0	0	1,216	0	0	0	0	0	0	0	6,081	0	0	0				
Inventories (8171, 8172, 8173)	0	0	0	0	0	0	8,599	0	0	0	0	0	0	0	8,599	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	0	0				
Total Assets	1,824,038	0	2,840	51,681	0	0	16,851	280,474	0	0	0	0	0	0	2,175,883	0	0	0				

Governmental

Proprietary

Fiduciary

FUND EQUITY	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	Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Non-spendable Fund Balance 6710	0	0	0	0	0	0	8,599	0	0	0	0	0	0	0	0	8,599	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,599
Restricted Fund Balance 6720	0	0	0	0	0	0	5,151	276,074	0	0	0	0	0	0	0	281,225	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	281,225
TABOR 3% Emergency Reserve 6721	36,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	36,000	
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Colorado Preschool Program (CPP) Reserve 6724	0	0	217	0	0	0	0	0	0	0	0	0	0	0	0	217	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	217	
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	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	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assigned Fund Balance 6760	0	0	0	50,213	0	0	0	0	0	0	0	0	0	0	0	50,213	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,213	
Unassigned Fund Balance 6770	1,678,031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,678,031	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,678,031	
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Prior Period Adjustment 6830	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Fund Equity	1,714,031	0	217	50,213	0	0	13,750	276,074	0	0	0	0	0	0	0	2,054,286	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,054,286		

Total Liabilities & Fund Equity	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	Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
1,824,038	0	0	2,840	51,681	0	0	16,851	280,474	0	0	0	0	0	0	0	2,175,884	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,175,884

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

Yes Yes