

OURAY COUNTY SCHOOL DISTRICT R-1
OURAY, COLORADO

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
June 30, 2021

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Board of Education
Ouray County School District R-1
Ouray, Colorado

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Ouray County School District R-1 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 of 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 and each major fund of the Ouray County School District R-1 as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity 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, the budgetary comparison information and the pension disclosure information, listed as "required supplementary information" in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Ouray County School District R-1's basic financial statements. The combining and individual fund financial statements and additional schedules listed as "other supplemental information" in the table of contents are for purposes of additional analysis and are not a required part of the basic financial statements. The electronic financial data integrity check figures and reconciliation are presented for purposes of additional analysis as required by the Colorado Department of Education, and are also not required parts of the basic financial statements. The information is the responsibility of management and is derived from and relate directly to the underlying accounting and other records used to prepare the 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

A handwritten signature in black ink that reads "Maggard & Hood, P.C." in a cursive, slightly slanted script.

MAGGARD & HOOD, P.C.
Glenwood Springs, Colorado
February 22, 2022

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Ouray School was originally built in 1883, although the history of education in Ouray began in the summer of 1876 with Elizabeth King as the first teacher in Ouray. Today the Ouray County School District R-1 is a public school district providing K-12 education which strives to maintain an overall goal of being in the top 10% District as categorized by the Colorado Department of Education.

The discussion and analysis of the Ouray County School District R-1's financial performance provides an overall review of the District's financial activities for the fiscal year. The intent of this discussion and analysis is to look at the District's financial performance as a whole and should be read in conjunction with the basic financial statements and notes to enhance the reader's understanding of the District's overall financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for the fiscal year ended June 30, 2021 are as follows:

- Governmental Accounting Standards require the District to report its proportionate share of the State total PERA net pension liability and its proportionate share of the State total PERA Health Care Trust Fund net OPEB liability in its government-wide financial statements. As of June 30, 2021, the District's share of the PERA net pension liability is approximately \$5.15 million and the District's share of the PERA HCTF net OPEB liability is \$187 thousand.
- The District's overall net position is positive with governmental assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by \$5.58 million after application of GASB Statements No. 68 and No. 75 which are discussed in more detail on page 11 and in the notes to the financial statements. Fund level financial statements are not impacted by GASB 68 and 75 reporting.
- The District's total net position of governmental activities increased by \$2.12 million, primarily due to the impacts of GASB Statements No. 68 and No. 75, which is a contrast to its increase in governmental fund balances of \$704 thousand. A reconciliation of the differences between changes in governmental fund balances and changes in net position is found on page 17 and a discussion of the differences between the two accounting methodologies is discussed below.

USING THE BASIC FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Ouray County School District R-1 as a financial whole, or as an entire operating activity.

The statement of net position and statement of activities provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For the Ouray County School District R-1, the General Fund is the most significant fund. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the reporting entity. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

REPORTING THE DISTRICT AS A WHOLE

Statement of Net Position and Statement of Activities

While this report contains all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and asks the question, "How did we do financially during the current fiscal year?" The statement of net position and the statement of activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting system used by most private sector companies. The basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash was received or paid.

The focus of government-wide financial statements is on the overall financial position of the District. These statements are constructed around the concept of a primary government, the District and report the District's net position and changes therein. This change is important because it identifies whether the financial position of the District has improved or diminished as a whole. The cause of this change may be the result of many factors, some financial, some not. Nonfinancial factors include the District's property tax base, current property tax laws, enrollment levels, statutorily required reserves, facility conditions, required educational programs and other factors. These statements reflect only Governmental Activities as the District has no Business-type activities:

Governmental Activities – Governmental activities are generally financed through taxes, intergovernmental revenues and other non-exchange revenues. All of the School District's programs and services are reported here including instruction, support services, operation and maintenance, pupil transportation, and extracurricular activities.

FUND FINANCIAL STATEMENTS

Fund financial reports provide detailed information about the District's major funds. The District considers all funds as significant, or major, funds. Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations. The District's funds financial statements are made up of governmental funds as it currently has no proprietary funds.

Governmental Funds – The District's activities in governmental funds focus on how monies flow into and out of those funds and the balances left at fiscal year-end for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent in the near future to finance educational programs. The relationship, or differences, between government-wide activities and the governmental funds is reconciled in the financial statements. The District's major governmental funds are the:

General Fund – The General Fund is the District's primary operating fund and accounts for the majority of the District's instruction and support operations.

Food Service Fund – The Food Service Fund is a special revenue fund which accounts for the District's general food service activities with revenue sources specifically designated for such activities.

Student Activities Fund – The Student Activities Fund is a special revenue fund which accounts for student activities with revenue sources raised specifically from such activities.

Bond Redemption Fund – The Bond Redemption Fund accounts for transactions related to debt service of the District's general obligation bonds and interest.

Capital Reserve Fund – The Capital Reserve Fund accounts for acquisition of capital items such as land, vehicles, equipment and improvements to existing structures.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

NOTES TO THE FINANCIAL STATEMENTS

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

SUPPLEMENTARY & SUPPLEMENTAL INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information required by U.S. generally accepted accounting principles, as well as other supplemental information to assist the reader in a full understanding of the financial statements and additional schedules required by the Colorado Department of Education.

THE DISTRICT AS A WHOLE

The perspective of the statement of net position is of the District as a whole. Following is a summary of the District's net position for the fiscal years ending June 30, 2021 compared to 2020.

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>ASSETS:</u>						
Current and Other Assets	\$ 3,329	\$ 2,769	\$ -	\$ -	\$ 3,329	\$ 2,769
Capital Assets, Net	11,082	11,291	-	-	11,082	11,291
	14,411	14,060	-	-	14,411	14,060
<u>DEFERRED OUTFLOWS:</u>						
Related to Pensions	1,710	601	-	-	1,710	601
Related to OPEBs	20	24	-	-	20	24
	1,730	625	-	-	1,730	625
<u>LIABILITIES:</u>						
Current & Other Liabilities	586	704	-	-	586	704
Long-term Liabilities	2,187	2,315	-	-	2,187	2,315
Net Pension Liability	5,147	4,573	-	-	5,147	4,573
Net OPEB Liability	187	225	-	-	187	225
	8,107	7,817	-	-	8,107	7,817
<u>DEFERRED INFLOWS:</u>						
Related to Pensions	2,375	3,348	-	-	2,375	3,348
Related to OPEBs	79	60	-	-	79	60
	2,454	3,408	-	-	2,454	3,408
<u>NET POSITION:</u>						
Invested in Capital Assets,						
Net of Related Debt	8,761	8,846	-	-	8,761	8,846
Restricted	762	632	-	-	762	632
Unrestricted	(3,943)	(6,018)	-	-	(3,943)	(6,018)
	\$ 5,580	\$ 3,460	\$ -	\$ -	\$ 5,580	\$ 3,460

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and equipment) less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Resources to repay debt on these assets must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Restricted balances are amounts set aside for food services and to satisfy debt service requirements and statutorily required emergency reserves.

The District's Statement of Net Position also includes the District's proportionate share of the unfunded liability in the Public Employees Retirement Association (PERA) future retiree pension and PERA Health Care Trust Fund (OPEB). The related negative unrestricted assets balance merely represents that there are *long-term* obligations, including pensions, in excess of *currently* available resources.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

THE DISTRICT AS A WHOLE -- CONTINUED

The statement of activities reflects the cost of program services and the charges for services and sales, grants, and contributions offsetting those services. The following detail reflects the total cost of services supported by program revenues and general property taxes, unrestricted state entitlements, and other general revenues, resulting in the overall change in net position for the current fiscal year:

<i>(In Thousands)</i>	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<u>REVENUES:</u>						
Program Revenues:						
Charges for Services & Sales	\$ 154	\$ 193	\$ -	\$ -	\$ 154	\$ 193
Operating Grants & Contributions	582	263	-	-	582	263
Capital Grants and Contributions	110	185	-	-	110	185
Total Program Revenues	<u>846</u>	<u>641</u>	<u>-</u>	<u>-</u>	<u>846</u>	<u>641</u>
General Revenues:						
Property and Ownership Taxes	2,158	2,071	-	-	2,158	2,071
State Equalization, Net	1,415	1,445	-	-	1,415	1,445
Interest & Investment Earnings	9	-	-	-	9	-
Other General Revenues	-	46	-	-	-	46
Total General Revenues	<u>3,582</u>	<u>3,562</u>	<u>-</u>	<u>-</u>	<u>3,582</u>	<u>3,562</u>
Total Revenues	<u>4,428</u>	<u>4,203</u>	<u>-</u>	<u>-</u>	<u>4,428</u>	<u>4,203</u>
<u>PROGRAM EXPENSES:</u>						
Instruction	2,255	1,973	-	-	2,255	1,973
Support Services:						
Student Support	114	82	-	-	114	82
Instructional Staff	73	189	-	-	73	189
General Administration	153	305	-	-	153	305
School Administration	177	200	-	-	177	200
Business Support Services	60	-	-	-	60	-
Operations and Maintenance	291	294	-	-	291	294
Transportation	48	64	-	-	48	64
Central Support	41	-	-	-	41	-
Insurance	99	89	-	-	99	89
Food Services	134	110	-	-	134	110
Student Activities	130	161	-	-	130	161
Other	-	-	-	-	-	-
Unallocated Depreciation/Facilities	184	167	-	-	184	167
Unallocated PERA Actuarial Adj.	(1,507)	(995)	-	-	(1,507)	(995)
Unallocated OPEB Actuarial Adj.	(16)	(5)	-	-	(16)	(5)
Interest and Fiscal Charges	72	75	-	-	72	75
Total (Expenses)	<u>2,308</u>	<u>2,709</u>	<u>-</u>	<u>-</u>	<u>2,308</u>	<u>2,709</u>
Increase (Decrease) in Net Position	<u>\$ 2,120</u>	<u>\$ 1,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,120</u>	<u>\$ 1,494</u>

Most of the District's revenues come from the Public School Finance Act of 1994 (SFA), which is comprised of general property taxes, specific ownership taxes and state equalization based on the statewide formula for pupil funding. For the fiscal year 2021, the net position of the District's governmental activities increased by approximately \$2.12 million primarily resulting from the District's allocated portion of actuarial adjustments to PERA net pension and OPEB liabilities. The District currently has no business-type activities.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

THE DISTRICT AS A WHOLE -- CONTINUED

THE DISTRICT AS A WHOLE -- NET COST OF SERVICES

As indicated above, the statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The following table summarizes the information from the statement of activities, reflecting the total cost of program services and the remaining net cost of program services supported by taxes and other general revenues:

<i>(In Thousands)</i>	Fiscal Year 2021		Fiscal Year 2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction	\$ 2,255	\$ 1,702	\$ 1,973	\$ 1,744
Support Services:				
Student Support	114	114	82	81
Instructional Staff	73	70	189	183
General Administration	153	43	305	117
School Administration	177	177	200	197
Business Support Services	60	60	-	-
Operations and Maintenance	291	291	294	292
Transportation	48	39	64	58
Central Support	41	41	-	-
Insurance	99	99	89	89
Food Services	134	43	110	42
Student Activities	130	51	161	24
Other	-	-	-	-
Unallocated Depreciation/Facilities	184	184	167	167
Unallocated PERA Actuarial Adj.	(1,507)	(1,507)	(995)	(995)
Unallocated OPEB Actuarial Adj.	(16)	(16)	(5)	(5)
Interest and Fiscal Charges	72	72	75	75
NET COST OF SERVICES	\$ 2,308	\$ 1,463	\$ 2,709	\$ 2,069

The dependence on general revenues for governmental activities is apparent with approximately 63% and 76% of instruction activities supported in 2021 and 2020, respectively, through taxes and other general revenues. The community as a whole is the primary support for the District's students.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds are accounted for using the modified accrual basis of accounting.

Governmental Funds –

General Fund

The General Fund had an overall increase in fund balance of \$566,142. After current year required restrictions of fund balance of \$88,000, the remaining unassigned fund balance of \$2,022,976 is the amount available for future spending.

Food Service Fund

The Food Service Fund had an overall increase in fund balance of \$7,974. The ending fund balance of \$11,664 is the amount available for future spending on food service programs.

Student Activities Fund

The Student Activities Fund had an overall increase in fund balance of \$4,172. The ending fund balance of \$210,839 is the amount available for future spending.

Bond Redemption Fund

The Bond Redemption Fund had an overall increase in fund balance of \$4,701. The ending fund balance of \$186,800 is the amount available for future debt service.

Capital Reserve Fund

The Capital Reserve Fund had an overall increase in fund balance of \$120,656. The ending fund balance of \$268,407 is the amount available for future spending.

GENERAL FUND BUDGETING HIGHLIGHTS

The District's procedures in establishing the budgetary data reflected in the financial statements is summarized in *Note 1(E)* of the financial statements. The District uses a line-item based budget which is designed to control line-item expenditures, but provide flexibility for overall budgetary management. During the course of the current fiscal year the District amended its General Fund budget as needed.

For the General Fund, actual revenues and other financing sources of \$3,965,964 were above final budgetary expectations of \$3,517,198 by \$448,766.

The District's General fund actual expenditures and other financing uses of \$3,510,772 were less than the final appropriated balance of \$5,035,577 by \$1,524,805 primarily due to unused appropriated contingency reserves.

The Board of Directors and District management continue to strive to budget appropriate amounts for each individual line item and to provide services in the most economical manner. It is not anticipated that this year's budgetary variances will have a significant impact on future services or liquidity.

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

CAPITAL ASSETS

At the end of fiscal year 2021, the District had a total of \$11,081,958 invested in capital assets, net of accumulated depreciation. The following reflects the balances of the current and prior fiscal year:

<i>(In Thousands)</i>	Governmental Activities	
	2021	2020
<i>Net of Depreciation:</i>		
Land and Improvements	\$ 234	\$ 234
Buildings & Improvements	10,751	10,924
Equipment & Vehicles	<u>97</u>	<u>133</u>
	<u>\$ 11,082</u>	<u>\$ 11,291</u>

DEBT ADMINISTRATION

At June 30, 2021 the District had \$2,314,837 in outstanding bonds, net of premium, of which the current principal portion to be paid in the next fiscal year is \$115,000 and premium amortization of \$12,403. The bonds are being paid from a mill levy in the Bond Redemption fund over a 20 year period with the last payment due in fiscal year 2035.

Other long-term obligations consist of the District's proportionate share of the State PERA Net Pension Liability in the amount of \$5,147,285 and Net OPEB Liability of \$187,076 (see the Notes to the Financial Statements).

OURAY COUNTY SCHOOL DISTRICT R-1
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Fiscal Year Ended June 30, 2021

CURRENT ISSUES, ECONOMIC CONDITION AND OUTLOOK

In early 2020, a worldwide pandemic arose caused by the coronavirus (Covid-19). Management has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report.

The Public-School Finance Act of 1994 (SFA) is the largest source of revenue for the District's operating funds. The SFA calculates per-pupil funding by school district based upon a formula using a number of factors including cost of living, number of students, district size, personnel vs. non-personnel costs, and number of at-risk students. The purpose of the SFA was to establish a financial base of support for public education, to move towards a uniform mill levy tax state-wide for all districts, and to limit future growth of and reliance upon property tax to support public education. Funding sources for the SFA are derived by the following formula:

$$\textit{Total Program Funding} = \textit{local property taxes} + \textit{general specific ownership taxes} + \textit{state equalization}$$

The District has implemented many cost-savings measures, as well as planning for utilization of existing fund balances, to maintain faculty staffing levels. The Board and Administration continue to carefully review spending to maintain a careful balance between education and fiscal responsibility.

According to Colorado PERA, the overall statewide collective net pension liability for the PERA School Division Trust Fund is \$15.1 billion, an increase of approximately \$200 million from the prior year. This and the effect of other actuarial changes (primarily the net difference between actual and projected pension investment earnings), have decreased the District's proportionate share of the collective net pension liability. In addition, the overall statewide collective PERA Health Care Trust Fund Net OPEB liability decreased from \$1.1 billion to \$950 million, with a corresponding decrease in the District's proportionate share thereof. During the 2018 legislative session, the Colorado General Assembly passed significant pension reform with the goal of eliminating the unfunded actuarial accrued liability and reaching a 100 percent funded ratio within the next 30 years. The State passed further legislation during the 2020 legislative session and signed by Governor Polis on June 29, 2020, to suspend the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

It is important to note that the requirements for the reporting of the proportionate share of the net pension and net OPEB liabilities do not necessarily reflect the financial condition of a governmental entity because the liabilities cannot be made immediately due and payable. Furthermore, the District has no legal obligation to fund PERA's unfunded accrued actuarial liability nor does the District have any ability to affect funding, benefits or annual required contribution decisions made by PERA in administering the defined pension plan. It is also important to note that the reporting requirements have no impact on the District's fund level financial statements which are used for internal and budgetary use; rather, the change only effects the District's government-wide financial statement reporting (a long-term perspective) in the year-end audited financial statements.

See the accompanying financial statement notes for the full disclosures related to PERA and OPEB.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, taxpayers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional information, please contact the:

Ouray County School District R-1
Attn: Business Office
400 7th Avenue; P.O. Box N
Ouray, CO 81427
Tel: (970) 325-4505
Fax: (970) 325-7343

GOVERNMENT-WIDE FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF NET POSITION

June 30, 2021

	<u>Total Governmental Activities</u>
ASSETS:	
Current Assets	
Cash and Cash Equivalents	\$ 2,947,436
Cash with County Treasurer	31,845
Receivables:	
Taxes	211,862
Intergovernmental	134,293
Inventories	<u>3,678</u>
Total Current Assets	<u>3,329,114</u>
Capital Assets:	
Capital Assets, Non-Depreciable	233,514
Capital Assets, Net of Depreciation	<u>10,848,444</u>
Total Capital Assets, Net	<u>11,081,958</u>
TOTAL ASSETS	<u><u>14,411,072</u></u>
DEFERRED OUTFLOWS:	
Deferred Outflows Related to Pensions	1,710,380
Deferred Outflows Related to OPEBs	<u>20,163</u>
TOTAL DEFERRED OUTFLOWS	<u>1,730,543</u>
LIABILITIES:	
Accounts Payable	9,819
Accrued Salaries and Benefits	362,001
Accrued Interest Payable	6,297
Unearned Grant Revenues	80,017
Long-term Debt:	
Portion Due or Payable within One Year, Net	127,403
Portion Due or Payable After One Year, Net	2,187,434
Net Pension Liability	5,147,285
Net OPEB Liability	<u>187,076</u>
TOTAL LIABILITIES	<u>8,107,332</u>
DEFERRED INFLOWS:	
Deferred Inflows Related to Pensions	2,375,225
Deferred Inflows Related to OPEBs	<u>79,202</u>
TOTAL DEFERRED INFLOWS	<u>2,454,427</u>
NET POSITION	
Invested in Capital Assets, Net of Related Debt	8,760,824
<i>Restricted for:</i>	
Food Service	7,986
Student Activities	210,839
Debt Service	186,800
Capital Projects	268,407
Emergencies	88,000
Unrestricted	<u>(3,943,000)</u>
TOTAL NET POSITION	<u><u>\$ 5,579,856</u></u>

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

OURAY COUNTY SCHOOL DISTRICT R-1

STATEMENT OF ACTIVITIES

For the Fiscal Year Ended June 30, 2021

	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges For Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
GOVERNMENTAL ACTIVITIES:				
Instruction	\$ 2,255,217	\$ 67,835	\$ 485,190	\$ -
General Support Services:				
- Student Based	114,394	-	-	-
- Instructional Staff	73,303	-	3,500	-
- General Administration	153,362	-	-	110,000
- School Administration	177,248	-	-	-
- Business Support Service	59,652	-	-	-
- Operations and Maintenance	290,834	-	-	-
- Transportation	47,825	4,250	5,458	-
- Central Support	41,164	-	-	-
Insurance	98,541	-	-	-
Food Services	133,798	3,057	87,356	-
Student Activities	129,778	78,950	-	-
Unallocated Depreciation	184,037	-	-	-
Unallocated PERA Actuarial Adjustment	(1,507,101)	-	-	-
Unallocated OPEB Actuarial Adjustment	(15,705)	-	-	-
Interest and Other Fiscal Charges	71,817	-	-	-
	<u>2,308,164</u>	<u>154,092</u>	<u>581,504</u>	<u>110,000</u>
TOTAL PRIMARY GOVERNMENT	\$ <u>2,308,164</u>	\$ <u>154,092</u>	\$ <u>581,504</u>	\$ <u>110,000</u>

GENERAL REVENUES:

Taxes:

Property Taxes, Levied for General Purposes

Property Taxes, Levied for Debt Service

Specific Ownership Taxes

Grants and Entitlements Not Restricted To Specific Programs

Federal Mineral/Forest Leasing Revenues

Unrestricted Interest and Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Position

NET POSITION – BEGINNING OF YEAR

NET POSITION – END OF YEAR

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

NET (EXPENSE) REVENUE AND
CHANGES IN NET POSITION

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (1,702,192)	<i>(no business activities)</i>	\$ (1,702,192)
(114,394)		(114,394)
(69,803)		(69,803)
(43,362)		(43,362)
(177,248)		(177,248)
(59,652)		(59,652)
(290,834)		(290,834)
(38,117)		(38,117)
(41,164)		(41,164)
(98,541)		(98,541)
(43,385)		(43,385)
(50,828)		(50,828)
(184,037)		(184,037)
1,507,101		1,507,101
15,705		15,705
<u>(71,817)</u>		<u>(71,817)</u>
<u>(1,462,568)</u>		<u>(1,462,568)</u>
<u>(1,462,568)</u>		<u>(1,462,568)</u>
1,750,507		1,750,507
194,580		194,580
212,749		212,749
1,414,972		1,414,972
2		2
9,892		9,892
<u>-</u>		<u>-</u>
<u>3,582,702</u>		<u>3,582,702</u>
2,120,134		2,120,134
<u>3,459,722</u>		<u>3,459,722</u>
<u>\$ 5,579,856</u>		<u>\$ 5,579,856</u>

FUND FINANCIAL STATEMENTS

OURAY COUNTY SCHOOL DISTRICT R-1

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2021

	<u>General Fund</u>	<u>Food Service (Special Revenue) Fund</u>	<u>Student Activities Fund</u>	<u>Bond Redemption Fund</u>
ASSETS:				
Cash and Cash Equivalents	\$ 2,265,491	\$ 18,846	\$ 220,558	\$ 174,134
Cash with County Treasurer	30,069	-	-	1,776
Receivables:				
Taxes	112,381	-	-	10,890
Intergovernmental	134,293	-	-	-
Inventories	<u>-</u>	<u>3,678</u>	<u>-</u>	<u>-</u>
 TOTAL ASSETS	 <u>\$ 2,542,234</u>	 <u>\$ 22,524</u>	 <u>\$ 220,558</u>	 <u>\$ 186,800</u>
 LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 1,464	\$ 761	\$ 7,594	\$ -
Accrued Salaries and Benefits	349,777	10,099	2,125	-
Unearned Revenues	<u>80,017</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Liabilities	 <u>431,258</u>	 <u>10,860</u>	 <u>9,719</u>	 <u>-</u>
 Fund Balances:				
Non-spendable	-	3,678	-	-
Restricted for:				
Food Service	-	7,986	-	-
Student Activities	-	-	210,839	-
Debt Service	-	-	-	186,800
Capital Projects	-	-	-	-
Emergencies	88,000	-	-	-
Unassigned	<u>2,022,976</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total Fund Balances	 <u>2,110,976</u>	 <u>11,664</u>	 <u>210,839</u>	 <u>186,800</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 2,542,234</u>	 <u>\$ 22,524</u>	 <u>\$ 220,558</u>	 <u>\$ 186,800</u>

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

Capital Reserve Fund	TOTAL
\$ 268,407	\$ 2,947,436
-	31,845
-	123,271
-	134,293
-	3,678
\$ 268,407	\$ 3,240,523

\$ -	\$ 9,819
-	362,001
-	80,017
-	451,837

-	3,678
-	7,986
-	210,839
-	186,800
268,407	268,407
-	88,000
-	2,022,976
268,407	2,788,686

\$ 268,407	\$ 3,240,523
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OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES \$ 2,788,686

Amounts reported for governmental activities on the Statement of Net Position are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Governmental Capital Assets	\$ 13,766,357	
Less Accumulated Depreciation	<u>(2,684,399)</u>	11,081,958

Some liabilities are not due and payable in the current year and therefore, are not reported in the governmental funds.

Accrued Interest Payable	\$ (6,297)	
Current Portion of Bond Premium	(12,403)	
Current Portion of Long-Term Debt	<u>(115,000)</u>	(133,700)

Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the governmental funds:

Bond Premium-Noncurrent Portion	\$ (167,434)	
Bonds Payable-Noncurrent Portion	(2,020,000)	
Net Pension Liability	(5,147,285)	
Net OPEB Liability	(187,076)	
Deferred Outflows of Resources Pension	1,710,380	
Deferred Inflows of Resources Pension	(2,375,225)	
Deferred Outflows of Resources - OPEB	20,163	
Deferred Inflows of Resources - OPEB	<u>(79,202)</u>	<u>(8,245,679)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 5,579,856

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Food Service (Special Revenue) Fund</u>	<u>Student Activities Fund</u>	<u>Bond Redemption Fund</u>
REVENUES:				
Local Sources	\$ 2,056,842	\$ 3,057	\$ 78,950	\$ 199,526
Intermediate Sources	2	-	-	-
State Sources	1,510,918	691	-	-
Federal Sources	<u>398,202</u>	<u>86,665</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>3,965,964</u>	<u>90,413</u>	<u>78,950</u>	<u>199,526</u>
EXPENDITURES:				
Instructional	2,245,002	-	-	-
Supporting Services:				
Student Based	114,394	-	-	-
Instructional Staff	73,303	-	-	-
General Administration	153,362	-	-	-
School Administration	171,654	-	-	-
Business Support	59,652	-	-	-
Operations and Maintenance	290,834	-	-	-
Transportation	34,616	-	-	-
Insurance	98,541	-	-	-
Central Support	41,164	-	-	-
Food Services	-	132,439	-	-
Student Activities	-	-	129,778	-
Debt Service:				
Principal	-	-	-	110,000
Interest	-	-	-	84,775
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
Total Expenditures	<u>3,282,522</u>	<u>132,439</u>	<u>129,778</u>	<u>195,125</u>
Excess of Revenues Over (Under) Expenditures	683,442	(42,026)	(50,828)	4,401
OTHER FINANCING SOURCES (USES):				
Transfers In	-	50,000	55,000	300
Transfers (Out)	<u>(117,300)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(117,300)</u>	<u>50,000</u>	<u>55,000</u>	<u>300</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	566,142	7,974	4,172	4,701
FUND BALANCES – Beginning	<u>1,544,834</u>	<u>3,690</u>	<u>206,667</u>	<u>182,099</u>
FUND BALANCES – Ending	<u>\$ 2,110,976</u>	<u>\$ 11,664</u>	<u>\$ 210,839</u>	<u>\$ 186,800</u>

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

<u>Capital Reserve Fund</u>	<u>TOTAL</u>
\$ 4,250	\$ 2,342,625
-	2
110,000	1,621,609
-	484,867
114,250	4,449,103
-	2,245,002
-	114,394
-	73,303
-	153,362
5,594	177,248
-	59,652
-	290,834
-	34,616
-	98,541
-	41,164
-	132,439
-	129,778
-	110,000
-	84,775
-	350
5,594	3,745,458
108,656	703,645
12,000	117,300
-	(117,300)
12,000	-
120,656	703,645
147,751	2,085,041
\$ 268,407	\$ 2,788,686

OURAY COUNTY SCHOOL DISTRICT R-1
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2021

NET CHANGE IN FUND BALANCES – TOTAL GOVERNMENTAL FUNDS \$ 703,645

Amounts reported for governmental activities on the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures, however, on the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. The net book value of asset dispositions is an adjustment to gain (loss) on the Statement of Activities. This is the amount by which capital outlay exceeded depreciation expense and loss on asset dispositions in the current period:

Depreciation Expense	\$ <u>(208,820)</u>	(208,820)
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In Governmental Funds, revenues for property taxes are measured by the amount of current financial resources provided, including amounts due within 60 days after the end of the year; whereas, in the Statement of Activities, property taxes are measured as the revenue is earned. This is the amount by which current property taxes to be received after 60 days from the end of the year decreased from the previous fiscal year:

(20,805)

Interest expense is recognized as an expenditure in the governmental funds when it is due as it requires the use of current financial resources; however, in the Statement of Activities interest expense is recognized as the interest accrues regardless of when due. This is the amount by which accrued interest decreased from the previous fiscal year:

905

Proceeds from the issuance of long-term debt provide current financial resources to governmental funds, but issuing long-term debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Current Period Debt Repayment	\$ <u>110,000</u>	110,000
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Premiums on the issuance of long-term debt increase current financial resources to governmental funds; however, on the Statement of Activities, the premium is allocated over the term of the long-term debt as accretion of bond premium. This is the amount of accretion of bond premiums recognized on the current year statement of activities.

12,403

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in Net Pension Liability	\$ (574,605)	
Change in Net OPEB Liability	37,784	
Change in Deferred Outflows Pension	1,109,409	
Change in Deferred Outflows - OPEB	(3,691)	
Change in Deferred Inflows Pension	972,297	
Change in Deferred Inflows - OPEB	<u>(18,388)</u>	<u>1,522,806</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,120,134

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Ouray County School District R-1 are prepared in accordance with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District is discussed below.

A. Financial Reporting Entity

The Ouray County School District R-1 is organized under the laws of the State of Colorado and is governed by an elected five member Board of Education. Board of Education members are elected by the citizens of Ouray County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District's budget adoption process. The District meets the criteria of a primary government; its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent with the authority to: a) determine its budget without another government's authority to approve or modify; b) levy taxes or charges without another government's approval; and, c) issue bonded debt without approval by another government.

The Governmental Accounting Standards Board (GASB) has specified the criteria to be used in defining a governmental entity for financial reporting purposes.

The reporting entity consists of (a) the primary government; i.e., the District, and (b) organizations for which the District is financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to other organizations that are fiscally dependent; i.e., unable to adopt a budget, levy taxes, or issue debt without approval by the District. Organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete are also included in the reporting entity.

Based on these criteria, the District's financial statements do not include any component units, nor do they exclude any potential component units requiring inclusion in the District's reporting entity. The District is not a component unit of any other governmental reporting entity. The District's financial statements include the accounts of all District operations.

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a regional education service unit created under the "Board of Cooperative Services Act of 1965" and is governed by a board consisting of representatives from each participating district. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. Additional information regarding the District's participation is provided in *Note 8*.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net position and statement of activities, and fund financial statements which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

The statement of net position presents the financial condition of the governmental activities of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from general revenues of the District.

FUND FINANCIAL STATEMENTS

During the fiscal year, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance by segregating transactions related to certain governmental functions or activities. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

C. Fund Accounting

Governmental accounting systems are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses. The District's funds are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations based upon the purposes for which they are to be spent and by the means by which spending activities are controlled.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting - continued

The various funds are grouped, in the financial statements, as follows:

GOVERNMENTAL FUNDS – those though which most governmental functions of the District are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between the governmental fund assets and liabilities is reported on the balance sheet as fund balance.

General Fund – used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to general statutory laws.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources other than special assessments and expendable trusts that are legally restricted to expend funds for specified purposes. The special revenue fund revenues/resources for the Food Service Fund account for grants and other revenues raised from general food services. The special revenue fund revenues/resources for the Student Activities Fund are amounts from revenues raised from various student activities. The special revenue fund resources for the Capital Reserve Fund are available balances restricted for capital outlay activities.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term bond obligation principal, interest and related costs. The Bond Redemption Fund is a Debt Service Fund.

D. Measurement Focus and Basis of Accounting

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District are included on the statement of net position. 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.

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current expendable financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reflect the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide and governmental fund statements.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Measurement Focus and Basis of Accounting - continued

BASIS OF ACCOUNTING

While the measurement focus identifies *which* transactions and events should be recorded on the financial statements, the basis of accounting determines *when* transactions and economic events are reflected in financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting.

Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Under the modified accrual basis of accounting, revenues are recorded when they are both measurable and available (often referred to as *susceptible to accrual*). Revenues are measurable when they are subject to reasonable estimation, while the available criterion is satisfied when revenues are collectible during the period and the actual collection will occur either (a) during the current period or (b) after the end of the period but in time to pay fund liabilities. The District considers revenues to be available if they are expected to be collected within 60 days of the end of the year.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements and donations. Grants, entitlements, and interest are recorded when they are susceptible to accrual. Expenditure-based grants are recorded as revenue when the conditions of the grants are satisfied. Property tax revenues are recognized when they are levied. Expenditures, if measurable, are recorded when they have used or are expected to use current expendable financial resources, except unmatured interest on general long-term debt is recorded when due.

Government-wide financial statements are prepared using the accrual basis of accounting.

Governmental funds use the modified accrual basis of accounting and the flow of expendable financial resources (measurement focus).

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets and Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by Colorado School District Budget Law for all funds of the District. The District legally adopted annual budgets for all of the District's funds.
- Prior to June 30, the budgets are adopted and appropriations made by formal resolution for the ensuing fiscal year commencing July 1. A public hearing on the proposed budget is held by the Board prior to adoption of the budget.
- Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds.
- Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in the total budget of any fund. Budget amounts included in the financial statements are based on the final, legally amended budget.
- Appropriations lapse at the end of each year, and the District's Board may adopt supplemental appropriations during the year. The Board legally amended the budget and adopted a supplemental appropriation of the budgeted ending fund balance during the year as reflected in the budgetary comparison schedules which are included as required and other supplemental information.
- Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation is utilized by the District for management purposes and internal budgetary control during the year, but is not used for financial reporting purposes. Encumbrances outstanding at year end are closed out and the fund balance is not reserved for any encumbrances outstanding. All appropriations lapse at year-end whether or not encumbered.

F. Assets, Liabilities and Fund Equity/Net Position

- 1) Cash and Investments – The District's policy in determining which items are treated as cash equivalents include cash, demand deposits, treasury bills and other short-term, highly liquid investments that are readily convertible to cash and have original maturities of three months or less. Investments are reported at fair value which is determined using selected bases. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last quoted market price. Cash deposits are reported at carrying amounts which reasonably estimates fair value.
- 2) Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.
- 3) Internal Balances – Internal balances arise from outstanding amounts due to/from the District's various funds. Interfund balances within governmental activities are eliminated on the government-wide Statement of Net Position.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity/Net Position - continued

- 4) Inventory – Inventory of the District’s Food Service Fund is valued as follows: Purchased food and non-food items are valued at cost, and U.S.D.A. donated commodity items are valued at U.S.D.A. unit pricing, substantially on a first in-first out basis. Inventory items are charged to expenditures as consumed.

- 4) Property Taxes and Property Tax Revenue – Property taxes are assessed on a calendar year basis. Property taxes attach as an enforceable lien on property as of January 1. They may be paid in either one installment (no later than April 30th) or two equal installments (no later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th. Property taxes are levied and collected on behalf of the District by Ouray County and are reported as revenue when received by the county treasurer.

Taxes receivable represent the 2020 assessed taxes yet to be collected in 2021. Amounts collectible subsequent to August 2021 have been accrued on the government-wide Statement of Net Position.

<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>		<u>Percent Collected</u>
		<u>Levied</u>	<u>Recognized</u>	
General Fund:				
\$62,655,990	26.985	\$ 1,690,772	\$ 1,608,530	95%
Bond Redemption:				
\$62,655,990	3.113	\$ 195,048	\$ 188,699	97%

The District considers all amounts to be materially collectible; therefore, an allowance for estimated uncollectible taxes is not considered necessary.

- 6) Capital Assets – Capital assets purchased or acquired with an original cost in excess of the capitalization threshold of \$3,000 set by the School District are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on capital assets is provided on the straight-line basis over the following estimated useful lives:

Buildings & Improvements	20-75 years
Equipment	4-25 years
Vehicles	10 years

- 7) Compensated Absences – Vacation and personal leave do not vest or accumulate. All employees of the district work on a contract basis that provides for an agreed number of working days per year, so there is no paid vacation. District policy provides for 8 days sick leave and 4 days discretionary leave annually for all personnel. Unused leave can accumulate to a maximum of 30 days at which time the excess over 30 days is paid to employees at an established rate of 75% of the daily substitute teacher’s salary. All leave over 30 days is paid before year-end; therefore, there is no accrued liability because no unpaid leave has been vested.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

- 8) Accrued Liabilities and Long-term Obligations – All payables, accrued liabilities and long-term obligations are reported on the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year.

Accrued Salaries and Benefits – Salaries of teachers and other contracted personnel are accrued as required by the Revised Financial Policies and Procedures Handbook. Teachers' salaries are typically paid over a twelve-month period but are earned over a period of approximately nine months. This results in an outstanding liability at the end of the fiscal year. Accrued salaries at June 30 were \$362,001 with the incremental change charged to expenditures.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. When applicable, bonds premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. When applicable, bond issuance and any refunding costs are reported as deferred charges and amortized over the term of the related debt

In the governmental fund financial statements, bonds are recognized as a liability on the fund financial statements when due. The face amount of debt issued is reported as other financing sources. When applicable, premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. When applicable, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

- 9) Net Position (government-wide financial statements) –

In the government-wide financial statements, net position is classified in the following categories:

Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.

Restricted – assets are reported as *restricted* when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.

Unrestricted – represents the amount which is not restricted for any purpose. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Fund Equity (continued)

10) Fund Net Position (fund financial statements) –

In the fund financial statements, fund balances of governmental funds are classified in the following categories:

Nonspendable – amounts that cannot be spent because they are either in non-spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of permanently restricted funds to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, prepaid items, and property acquired for resale, when applicable.

Restricted – when constraints are placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the Board of Education). These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself (the Board of Education), or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. It is the District's policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

At June 30, 2021, restricted fund balances were for food service programs, student activities, debt service, capital projects and Tabor Emergency reserves.

G. Unearned Revenues

When applicable, unearned revenues consist of revenue received before all eligibility requirements or allocable expenditures have been met or incurred.

H. Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods that will be recognized as an expense or expenditure in future periods. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to future periods and will be recognized as revenue in future periods.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Defined Benefit Pension Plan

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

Special Funding Situation:

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2021.

J. Defined Benefit Other Post Employment Benefit (OPEB) Plan

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

K. On-Behalf Payments

GAAP requires that direct on-behalf payments for fringe benefits and salaries made by one entity to a third-party recipient for the employees of another, legally separate entity be recognized as revenue and expenditures by the employer government.

When required, the State of Colorado makes direct on-behalf payments for retirement benefits to Colorado PERA and PERA allocates the contribution to the trust funds of the State, School, Denver Public Schools, and Judicial Division Trust Funds of PERA, as proportionate to the annual payroll of each division.

Under Senate Bill 18-200, beginning on July 1, 2018, the State of Colorado was required to make an annual payment equal to \$225 million on July 1st of each year thereafter until there are no unfunded actuarial accrued liabilities of any division of PERA that receives the direct distribution; however, the State passed further legislation during the 2020 legislative session to suspend the \$225 million direct distribution ; however, the State passed further legislation during the 2020 legislative session to suspend the \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200. Therefore, no on-behalf payments were made for the District by the State of Colorado for the year ended June 30, 2021.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Inter-fund Transactions

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues, when applicable. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as inter-fund transfers. Inter-fund transfers are reported as other financing sources/uses in the governmental funds and are non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

M. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Board of Education recognizes the importance of prudent and profitable investment of District monies and its responsibility in overseeing finances. It is District policy to invest public funds in a manner which will ensure the safety of funds, ensure that adequate funds are available at all times to meet the financial obligations of the District when due, ensure a market rate of return on the funds available for investment throughout the budget cycle, and ensure that all funds are deposited and invested in accordance with all federal, state and local statutes governing the investment of public funds.

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. The eligible depository is required to pledge to the Colorado Division of Banking a pool of collateral having a market value that at all times exceeds 102 percent of uninsured aggregate public deposits. The eligible collateral is determined by the PDPA, which includes obligations of the United States, the State of Colorado, Local Colorado governments, and obligations secured by first lien mortgages on real property located in the state. PDPA allows the institution to create a single collateral pool for all public funds. The pool is maintained by another institution or held in trust for all uninsured public deposits as a group. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

There is no custodial credit risk for public deposits collateralized under PDPA.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - CASH AND INVESTMENTS (continued)

The District's bank deposits were entirely covered by federal depository insurance (FDIC) or uninsured but collateralized under PDPA in accordance with state statute, and had total bank balances of \$2,987,843 of which \$500,000 was covered by FDIC insurance and \$2,487,873 by PDPA as described above. A summary of the Districts cash and cash equivalents follows:

Checking/Bank Deposits	\$ 2,648,558
Certificates of Deposit	<u>339,285</u>
Total Balances	2,987,843
Net Outstanding Items	<u>(40,407)</u>
Total Cash and Cash Equivalents	<u>\$ 2,947,436</u>

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

- Obligations of the United States and certain U.S. governmental agency securities, including securities issued by FNMA (federal national mortgage association), GNMA (governmental national mortgage association), FHLMC (federal home loan mortgage corporation), the federal farm credit bank, the federal land bank, the export-import bank, and by the Tennessee Valley authority, and certain international agency securities, including the World Bank.
- General obligation and revenue bonds of U.S. local government entities, the District of Columbia, and territorial possessions of the U.S. rated in the highest two rating categories by two or more nationally recognized rating agencies.
- Bankers' acceptances of certain banks
- Certain securities lending agreements
- Commercial paper
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed Investment contracts
- Local government investment pools
- The investing local government's own securities including certificates of participation and lease obligations.

Risk Disclosures

Additional investment and deposit disclosures for credit risk, interest rate risk, and foreign currency risk, as required by GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, are included in the notes below.

To minimize custodial credit risk, or the risk that an insurer or other counterparty to an investment will not fulfill its obligations, state law limits investments to those where the issuer is rated in one of the three highest rating categories by one or more nationally recognized organizations that rate such issuers.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 2 - CASH AND INVESTMENTS (continued)

Risk Disclosures (continued)

The concentration of credit risk, or the risk of loss attributed to the magnitude of a government's investment in a single issuer, occurs when deposits are not diversified. The District's policy places no limit on the amount the District may invest in any one issuer; however the District maintains general guidelines for investments to ensure proper diversification by security type and institution. All investments are issued or explicitly guaranteed by securities of the U.S. government, or insured by the Public Depository Protection Act, or are investments in mutual fund or external investment pools, and therefore are not subject to concentration of credit risk.

Interest rate risk is the extent to which changes in interest rates will adversely affect the fair value of an investment. The District maintains an investment policy that limits investment maturities to three years as means of managing its exposure to fair value losses arising from increasing interest rates and to avoid undue concentration in any sector of the yield curve. Exceptions to this structure may be allowed where maturities can be structured to accommodate readily identifiable cash flows. Investments subject to interest rate risk disclosures are shown below:

	<u>Fair Value</u>	<u>Accrued Interest</u>	<u>Maturity</u>
Certificate of Deposit	\$ 339,285	\$ 2,530	Aug. 30, 2021

The District was not subject to foreign currency risk as of June 30, 2021.

Additional disclosures for deposits and investments are included in *Note 1*.

NOTE 3 - FAIR VALUES OF FINANCIAL INSTRUMENTS

The District has a number of financial instruments, including cash and equivalents, receivables, and accounts payable, none of which are held for trading purposes. The District estimates that the fair values of its financial instruments at year end does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 - CAPITAL ASSETS

Capital asset activity for fiscal year ended June 30, 2021 was as follows:

	Balances June 30, 2020	Additions	Reclassifications Transfers and Dispositions	Balances June 30, 2021
<u>GOVERNMENTAL ACTIVITIES</u>				
Land and Improvements	\$ 233,514	\$ -	\$ -	\$ 233,514
Depreciable Capital Assets:				
Buildings and Improvements	12,906,431	-		12,906,431
Equipment	152,034	-	-	152,034
Transportation Equipment	452,438		-	415,368
Food Service Equipment	59,010	-	-	59,010
Total Capital Assets	13,803,427	-	-	13,766,357
Less Accumulated Depreciation	<u>(2,512,649)</u>	<u>(208,820)</u>	<u>-</u>	<u>(2,684,399)</u>
<u>GOVERNMENTAL ACTIVITIES</u>				
CAPITAL ASSETS, NET	<u>\$ 11,290,778</u>	<u>\$ (208,820)</u>	<u>\$ -</u>	<u>\$ 11,081,958</u>

Depreciation expense was charged to functions/programs as follows:

Instructional	\$ 10,215
Transportation	13,209
Food Service	1,359
Facilities/Unallocated	<u>184,037</u>
Total for Governmental Activities	<u>\$ 208,820</u>

NOTE 5 - LONG-TERM OBLIGATIONS

All long-term obligations of the District are reported in Governmental Activities. Changes in the District's long-term debt during the fiscal year are as follows:

	Balance at 06/30/20	Additions	Reductions	Balance at 06/30/21	Amounts Due Within One Year
<u>General Obligation Bonds:</u>					
Series 2014-B	\$ 2,245,000	\$ -	\$ (110,000)	\$ 2,135,000	\$ 115,000
Premium	192,239	-	(12,402)	179,837	12,403
TOTAL	<u>\$ 2,437,239</u>	<u>\$ -</u>	<u>\$ (122,402)</u>	<u>\$ 2,314,837</u>	<u>\$ 127,403</u>

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 5 - LONG-TERM OBLIGATIONS (continued)

General Obligation Bonds Series 2014-B

General Obligation Bonds in the face amount of \$2,695,000, plus premium of \$260,453 amortized over the term of the bonds, were issued in December 2014 to acquire, construct, repair and improve District capital assets and pay costs of issuing the Bonds. All taxable property within the boundaries of the District is subject to ad valorem taxation without limitation as to rate and in an amount sufficient to pay principal and interest on the Bonds when due. The Bonds require semiannual payments of interest at a net effective interest rate of 3.18%, with principal due on December 1 of each year with the final payment due December 1, 2035. Debt service of the Bonds is recorded in the Bond Redemption Fund. The Bond registrar and paying agent is UMB Bank, N.A. The annual requirements to amortize the Series 2014-B Bonds are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,000	\$ 81,475	\$ 194,475
2023	115,000	77,812	192,812
2024	120,000	73,700	193,700
2025	125,000	69,100	194,100
2026	130,000	64,000	194,000
2027-2031	725,000	236,500	961,500
2032-2036	810,000	77,800	887,800
TOTAL	<u>\$ 2,135,000</u>	<u>\$ 630,387</u>	<u>\$ 2,815,387</u>

The Bonds maturing: on or before December 1, 2024 are not subject to redemption prior to their respective maturity dates; on or after December 1, 2025 are subject to redemption prior to maturity at the option of the District, in whole or in part, and if in part, in such order of maturity as the District shall determine and by lot within any maturity in such manner as the paying agent shall determine, on December 1, 2024 and on any date thereafter, at a redemption price (expressed as a percentage of principal amount) of 100%, plus accrued interest to the redemption date; on December 1, 2028, December 1, 2030, December 1, 2033 and December 1, 2035 are subject to mandatory sinking fund redemption, prior to maturity, in part, by lot in such manner as the bond registrar shall determine, on December 1 of each year, upon payment of par and accrued interest, without redemption premium, in the amounts set forth below:

<u>Year (Maturing) / Redemption</u>	<u>Principal Amount</u>
(2028) / 2027	\$ 140,000
(2028) / 2028	145,000
(2030) / 2028	150,000
(2030) / 2028	155,000
(2033) / 2028	165,000
(2033) / 2028	170,000
(2033) / 2028	175,000
(2035) / 2028	180,000
(2035) / 2035 (final maturity)	120,000

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 6 - COMMITMENTS

The District leases various office equipment. The leases contain an annual cancellation provision and are subject to annual appropriation, therefore future minimum lease payments are not applicable. The District's rental expense for the year ended June 30, 2021 was immaterial in relation to the financial statements taken as a whole.

NOTE 7 - CONTINGENCIES

The District participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of the financial statements, the District was not aware of any amounts to be refunded to the Colorado Department of Education. The District believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the District.

The District was not subject to any claims at the date of the financial statements. The District believes that any potential claims against the District, not covered by insurance, would not materially affect the financial statements of the District.

NOTE 8 - JOINTLY GOVERNED ORGANIZATION

The District is a member of the Uncompahgre Board of Cooperative Educational Services (UnBOCES). The UnBOCES is a jointly governed organization of five regional school districts, including the Ouray County School District, with each member district appointing a member to the UnBOCES board of directors whom are in control of budgeting and finance. The UnBOCES does not meet the criteria for inclusion within the reporting entity of the District due to the lack of an ongoing financial interest. The UnBOCES financial statements can be obtained directly by contacting them via their website: www.unboces.org.

NOTE 9 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to, or destruction of assets; errors and omissions; injuries to employees; or acts of God. The District covers its employees, due to injury, under Colorado Compensation Insurance Authority (CCIA). The District maintains commercial insurance for other risks of loss. There have been no significant reductions in coverage and settled claims have not exceeded coverage in any of the past three years. In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

In the ordinary course of operations, the District can be involved in various litigation. In the opinion of management, any liability from claims or proceedings in excess of the amount covered by insurance would not have a material adverse effect on the District's net position, changes in position or cash flows.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Colorado Public Employees' Retirement Association (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 (CAFR) that can be obtained at: www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2020. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. Section 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% match on eligible amounts as of the retirement date. This amount is then annualized into a monthly benefit based on life expectancy and other actuarial factors.

It is possible for employees participating in the SCHDTF to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer; therefore the DPS Benefit Structure is shown below, where the lifetime retirement benefit for all eligible retiring employees under the DPS Benefit Structure is the greater of the:

- *Highest average salary multiplied by 2.5 percent and the 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% of the highest average salary and cannot exceed the maximum benefit allowed by the 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 benefits earned. If eligible, the member may receive a match of either 50% or 100% 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - DEFINED BENEFIT PENSION PLAN (continued)

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

Disability benefits are available for eligible employees once they reach 5 years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

Contributions Provisions as of June 30, 2021. Eligible employees and the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. Section 24-51-401, *et seq*, and Section 24-51-413. Eligible employees are required to contribute 10.00% 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:

	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. Sec 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. Sec 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. Sec 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	19.88%

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

As specified in C.R.S. Section 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 - DEFINED BENEFIT PENSION PLAN - continued

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$362,253 for the year ended June 30, 2021.

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a non-employer 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. Sec. 24-51-414 the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the District reported a liability of \$5,147,285 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District follows:

The District's proportionate share of the net pension liability	\$ 5,147,285
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	\$ -
Total	\$ 5,147,285

At December 31, 2020, the District's proportion was 0.0340474335% which was an increase of 0.0034400259% from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$(966,328) and revenue of \$0 for support from the State as a non-employer contributing entity. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected & actual experience	\$ 282,818	\$ -
Changes of assumptions or other inputs	495,153	865,215
Net difference between projected and actual earnings on pension plan investments	-	1,133,035
Changes in proportion and differences between contributions recognized and proportionate share of contributions	574,965	376,975
Contributions subsequent to the measurement date	357,444	-
Total	\$ 1,710,380	\$ 2,375,225

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

The amount of \$357,444 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2022	\$ 232,865	\$ 286,702
2023	219,872	90,273
2024	122,228	-
2025	-	-
2026	-	-
Thereafter	-	-

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40 percent
Real Wage Growth	1.10 percent
Wage Inflation	3.50 percent
Salary Increases, including wage inflation	3.50 – 9.70 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25 percent compounded annually
PERA Benefit Structure hired after 12/31/06 *	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 reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

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

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

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

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

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS - continued

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

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 percent
Real Wage Growth	0.70 percent
Wage Inflation	3.00 percent
Salary Increases, including wage inflation	3.40 – 11.00 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Post-retirement benefit increases:	
PERA Benefit Structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25 percent compounded annually
PERA Benefit Structure hired after 12/31/06 *	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-disable beneficiary mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

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

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

Disability 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

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 or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020. As a result of the November 20, 2020 PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

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

Several factors were 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 by the investment consultant 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 affirmation of the long-term expected 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 following table.

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 rate of return assumption of 7.25%.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. 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%.
- 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 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 the 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 there 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 on 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 fiduciary net position 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 fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the SCHDTF's fiduciary net position was projected to 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 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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 11 - PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS
- continued

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

Sensitivity of the Net Pension Liability	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net Pension Liability	\$ 7,021,319	\$ 5,147,285	\$ 3,585,598

Pension Plan Fiduciary Net Position. Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 12 - DEFINED CONTRIBUTION PENSION PLAN: Voluntary Investment Program

Plan Description. Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available 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. The District currently has no matching contributions for covered salary as determined by the Internal Revenue Service. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2021 program members contributed a total of \$11,453 for the Voluntary Investment Program.

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN

General Information about the OPEB Plan

Plan Description. Eligible employees of the District are provided with OPEB through the Health Care Trust Fund (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 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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN - continued

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

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

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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 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. Sec 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 13 - DEFINED BENEFIT OTHER POST-EMPLOYMENT BENEFIT (OPEB) PLAN - continued

Denver Public Schools (DPS) Benefit Structure. *It is possible for employees to have earned service credit under the Denver Public Schools (DPS) Benefit Structure while working for a previous employer. Under the DPS Benefit Structure:*

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$18,586 for the year ended June 30, 2021.

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB

At June 30, 2021, the District reported a liability of \$187,076 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.0196875882%, which was a decrease of 0.0003177563% from its proportion measured at December 31, 2019.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

For the year ended June 30, 2021, the District recognized OPEB expense of \$32,481. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 497	\$ 41,128
Changes of assumptions or other inputs	1,398	11,471
Net difference between projected and actual earnings on OPEB plan investments	-	7,644
Changes in proportion and differences between contrib recognized and proportionate share of contributions	9,088	18,959
Contributions subsequent to the measurement date	9,180	-
Total	\$ 20,163	\$ 79,202

The amount of \$9,180 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:

<u>Year Ended June 30,</u>	<u>Outflows</u>	<u>Inflows</u>
2022	\$ 2,990	\$ 4,569
2023	2,991	4,567
2024	3,107	4,435
2025	-	4,413
2026	-	924
Thereafter	-	51

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

Actuarial Cost Method	Entry Age
Price Inflation	2.40 percent
Real Wage Growth	1.10 percent
Wage Inflation	3.50 percent
Salary Increases, including wage inflation	3.50 percent in aggregate
Long-term investment Rate of Return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
Health care cost trend rates / PERA Benefit Structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 percent in 2020, gradually decreasing to 4.50 percent in 2029
Medicare Part A premiums	3.50 percent in 2020, gradually increasing to 4.50 percent in 2029
<i>DPS Benefit Structure:</i>	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

OURAY COUNTY SCHOOL DISTRICT R-1
NOTES TO FINANCIAL STATEMENTS
 June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	\$621	\$232	\$586

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

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

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

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

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

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 are 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

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

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

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 Govt 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. Sec 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

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

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

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 mortality assumptions were based upon the Pub-2010 Contingent Survivor Table, adjusted as follows:

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

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

Disabled mortality assumptions 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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

The following health care cost 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 A premiums.

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

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

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

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and 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 weighing 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 below:

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.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

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

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

<i>Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trend Rates</i>	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	\$ 182,241	\$ 187,076	\$ 192,705

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020 measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- 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 used by the plan 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 fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25 percent on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25 percent.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 14 - OPEB LIABILITIES, OPEB EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB - continued

Sensitivity of the District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

<i>Sensitivity of the Net OPEB Liability To Changes in the Discount Rate</i>	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate Share of the Net OPEB Liability	\$ 214,299	\$ 187,076	\$ 163,816

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

NOTE 15 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Compliance Requirements

The District appears to be in compliance with material legal, contractual and accounting provisions, as prescribed by Federal and State laws and statutes.

B. TABOR Amendment – Tax, Spending and Debt Limitations

In November 1992, the voters of Colorado approved Amendment 1, commonly known as the Taxpayer's Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado constitution. TABOR contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all Colorado local governments. The initial base for local government spending and revenue limits was June 30, 1993 Fiscal Year Spending. Future spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

TABOR requires, with certain exceptions, voter approval prior to imposing new taxes, increasing a tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government. Except for bond refinancing at a lower interest rate or adding employees to existing pension plans, TABOR specifically prohibits the creation of multiple-fiscal year debt or other financial obligations without voter approval or without irrevocably pledging present cash reserves for all future payments. In November 1998 the District's electorate passed a ballot issue allowing the District to collect, retain and expend revenues not withstanding any of TABOR'S limitations.

TABOR requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service and expenditures of Federal Awards). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. The total emergency reserve was \$88,000 as of June 30, 2021.

OURAY COUNTY SCHOOL DISTRICT R-1

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 15 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY- continued

B. TABOR Amendment – Tax, Spending and Debt Limitations- continued

The District's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

NOTE 16 - NEW AND FUTURE ACCOUNTING PRONOUNCEMENTS

Future accounting pronouncements that are being reviewed by management include the delayed GASB Statement No. 87, *Leases*, that will now be required to be included in the District's financial statements for the year ended June 30, 2022.

NOTE 17 - SUBSEQUENT EVENTS

Management of the District has evaluated events subsequent to June 30, 2021 through the issuance date of this report. In early 2020, a worldwide pandemic arose caused by the coronavirus (Covid-19). Management has acknowledged the threat of the coronavirus; however, the long-term impact on operations is currently unknown as of the date of the auditor's report. There have been no additional material events noted during this period that would either impact the results reflected in this report or the District's results going forward.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES FOR THE
GENERAL FUND AND SPECIAL REVENUE FUNDS

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

	GENERAL FUND			
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:				
Local Sources:				
General Property Taxes	\$ 1,707,043	\$ 1,694,807	\$ 1,766,398	\$ 71,591
Specific Ownership Taxes	114,713	132,202	212,749	80,547
Other Local Revenues	55,940	50,481	77,695	27,214
Intergovernmental:				
Intermediate Sources	5,695	5,695	2	(5,693)
State Sources	1,280,089	1,462,577	1,510,918	48,341
Federal Sources	66,682	171,436	398,202	226,766
Total Revenues	<u>3,230,162</u>	<u>3,517,198</u>	<u>3,965,964</u>	<u>448,766</u>
EXPENDITURES:				
Instructional	2,342,850	2,654,877	2,245,002	409,875
Supporting Services:				
Student Based	117,569	39,053	114,394	(75,341)
Instructional Staff	185,822	88,672	73,303	15,369
General Administration	213,824	139,694	153,362	(13,668)
School Administration	227,908	175,788	171,654	4,134
Business Support	-	57,053	59,652	(2,599)
Operations and Maintenance	272,992	275,163	290,834	(15,671)
Transportation	65,365	56,486	34,616	21,870
Central Support	5,908	43,796	41,164	2,632
Insurance	103,750	110,950	98,541	12,409
Appropriated Reserves	969,574	1,166,095	-	1,166,095
Total Expenditures	<u>4,505,562</u>	<u>4,807,627</u>	<u>3,282,522</u>	<u>1,525,105</u>
Excess of Revenues Over (Under) Expenditures	(1,275,400)	(1,290,429)	683,442	1,973,871
OTHER FINANCING SOURCES (USES):				
Operating Transfers (Out)	<u>(132,029)</u>	<u>(117,000)</u>	<u>(117,300)</u>	<u>(300)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(1,407,429)	(1,407,429)	566,142	1,973,571
FUND BALANCE – BEGINNING	<u>1,407,429</u>	<u>1,407,429</u>	<u>1,544,834</u>	<u>137,405</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,110,976</u>	<u>\$ 2,110,976</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – FOOD SERVICE FUND
For the Fiscal Year Ended June 30, 2021

	FOOD SERVICE FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Charges for Services	\$ 41,600	\$ 3,550	\$ 3,057	\$ (493)
Intergovernmental:				
State Sources	1,600	1,600	691	(909)
Federal Sources	22,500	92,500	86,665	(5,835)
Total Revenues	<u>65,700</u>	<u>97,650</u>	<u>90,413</u>	<u>(7,237)</u>
EXPENDITURES:				
Food Services:				
Salaries	47,147	51,062	58,395	(7,333)
Employee Benefits	26,365	31,617	28,705	2,912
Purchased Services	3,000	2,900	1,658	1,242
Supplies and Materials:				
Purchased Food/Supplies	37,150	52,050	37,445	14,605
Donated Commodities	-	-	5,804	(5,804)
Capital Outlay/Other	2,038	10,021	432	9,589
Total Expenditures	<u>115,700</u>	<u>147,650</u>	<u>132,439</u>	<u>15,211</u>
Excess of Revenues Over (Under) Expenditures	(50,000)	(50,000)	(42,026)	7,974
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Out)	50,000	50,000	50,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	-	-	7,974	7,974
FUND BALANCE – BEGINNING	<u>-</u>	<u>-</u>	<u>3,690</u>	<u>3,690</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,664</u>	<u>\$ 11,664</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – STUDENT ACTIVITIES FUND
For the Fiscal Year Ended June 30, 2021

	STUDENT ACTIVITIES FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Charges for Services	\$ 13,002	\$ 193,171	\$ 78,950	\$ (114,221)
Total Revenues	<u>13,002</u>	<u>193,171</u>	<u>78,950</u>	<u>(114,221)</u>
EXPENDITURES:				
Salaries	43,998	29,973	38,127	(8,154)
Employee Benefits	10,577	9,431	12,127	(2,696)
Purchased Services	21,575	12,575	13,117	(542)
Supplies and Materials	8,975	173,345	61,790	111,555
Capital Outlay	300	-	-	-
Other Expenditures	8,700	10,610	4,617	5,993
Other Uses	13,877	37,237	-	37,237
Total Expenditures	<u>108,002</u>	<u>273,171</u>	<u>129,778</u>	<u>143,393</u>
Excess of Revenues Over (Under) Expenditures	(95,000)	(80,000)	(50,828)	29,172
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	<u>70,000</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(25,000)	(25,000)	4,172	29,172
FUND BALANCE – BEGINNING	<u>25,000</u>	<u>25,000</u>	<u>206,667</u>	<u>181,667</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,839</u>	<u>\$ 210,839</u>

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

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL REVENUE FUND – CAPITAL RESERVE FUND
For the Fiscal Year Ended June 30, 2021

	CAPITAL RESERVE FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Grant Revenues	\$ -	\$ -	\$ 4,250	\$ 4,250
State Sources	100,000	100,000	110,000	10,000
Total Revenues	100,000	100,000	114,250	14,250
EXPENDITURES:				
Administration – Capital Outlay	25,000	25,000	5,594	19,406
Transportation – Capital Outlay	55,000	55,000	-	55,000
Facilities – Capital Outlay	254,897	254,897	-	254,897
Total Expenditures	334,897	334,897	5,594	329,303
Excess of Revenues Over (Under) Expenditures	(234,897)	(234,897)	108,656	343,553
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	12,000	12,000	12,000	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(222,897)	(222,897)	120,656	343,553
FUND BALANCE – BEGINNING	222,897	222,897	147,751	75,146
FUND BALANCE – ENDING	\$ -	\$ -	\$ 268,407	\$ 418,699

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

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

Colorado PERA:	Reporting Fiscal Year / (Measurement Date)						
	2021 / (2020)	2020 / (2019)	2019 / (2018)	2018 / (2017)	2017 / (2016)	2016 / (2015)	2015 / (2014)
District's proportion (percentage) of the collective net pension liability	0.0340474335%	0.0306074076%	0.0333518216%	0.0357373168%	0.0358380852%	0.0428215549%	0.0391249321%
District's proportionate share of the collective pension liability	\$ 5,147,285	\$ 4,572,680	\$ 5,905,625	\$ 11,556,178	\$ 10,670,384	\$ 6,549,255	\$ 5,302,743
District's covered payroll	\$ 1,820,602	\$ 1,798,797	\$ 1,833,529	\$ 1,672,128	\$ 1,748,528	\$ 1,753,123	\$ 1,699,573
District's proportionate share of the net pension liability as a percentage of its covered payroll	283%	254.2%	322.1%	691.1%	610.2%	373.5%	312.0%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.84 %

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
JUNE 30, 2021

	Reporting Fiscal Year						
	2021	2020	2019	2018	2017	2016	2015
Colorado PERA:							
Statutorily required contribution	\$ 362,254	\$ 346,725	\$ 365,666	\$ 300,565	\$ 317,978	\$ 309,924	\$ 304,465
District contributions in relation to the statutorily required contribution	<u>(362,254)</u>	<u>(346,725)</u>	<u>(365,666)</u>	<u>(300,565)</u>	<u>(317,978)</u>	<u>(309,924)</u>	<u>(304,465)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,822,201	\$ 1,789,084	\$ 1,911,481	\$ 1,591,111	\$ 1,729,489	\$ 1,753,123	\$ 1,699,573
District's contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.89%	18.39%	17.68%	17.9%

2020 and 2019 contributions include \$43,928 and \$47,961 respectively from the special funding situation with the State of Colorado as a nonemployer contributing entity per SB 18-200.

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

AND

SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
JUNE 30, 2021

<u>Colorado PERA HCTF:</u>	<u>Reporting Fiscal Year / (Measurement Date)</u>				
	<u>2021 / (2020)</u>	<u>2020 / (2019)</u>	<u>2019 / (2018)</u>	<u>2018 / (2017)</u>	<u>2017 / (2016)</u>
District's proportion of the Net OPEB Liability	0.0196875882%	0.0200053445 %	0.0216788739%	.0203058000%	.0203707967%
District's proportionate share of the Net OPEB Liability	\$ 187,076	\$ 224,860	\$ 294,950	\$ 263,894	\$ 264,114
District's covered payroll	\$ 1,820,602	\$ 1,798,797	\$ 1,833,529	\$ 1,672,128	\$ 1,748,528
District's proportionate share of the Net OPEB Liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	15.78%	15.10%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	64.52%	17.03%	17.53%	16.72%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF THE DISTRICT'S PERA COLORADO HEALTH CARE TRUST FUND CONTRIBUTIONS
JUNE 30, 2021

	Reporting Fiscal Year				
	2021	2020	2019	2018	2017
Colorado PERA:					
Contractually Required Contribution	\$ 18,586	\$ 18,249	\$ 19,497	\$ 16,230	\$ 17,641
District Contributions in relation to the contractually required contribution	<u>(18,586)</u>	<u>(18,249)</u>	<u>(19,497)</u>	<u>(16,230)</u>	<u>(17,641)</u>
District contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 1,822,201	\$ 1,789,084	\$ 1,911,481	\$ 1,591,155	\$ 1,729,489
District's contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, the District is presenting information for those years for which information is available.

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES – BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Revenue from Local Sources:			
Property Taxes	\$ 1,694,807	\$ 1,766,398	\$ 71,591
Specific Ownership Taxes	132,202	212,749	80,547
Tuitions and Fees	42,481	67,835	25,354
Interest Earnings	8,000	9,860	1,860
Total Revenue from Local Sources	<u>1,877,490</u>	<u>2,056,842</u>	<u>179,352</u>
Revenue from Intermediate Sources:			
Mineral and Forest Leasing	5,695	2	(5,693)
Total Revenue from Intermediate Sources	<u>5,695</u>	<u>2</u>	<u>(5,693)</u>
Revenue from State Sources:			
State Equalization	1,369,066	1,414,972	45,906
ELPA	5,369	3,944	(1,425)
ELPA Grants	1,670	3,521	1,851
Transportation Grant	-	5,458	5,458
National Board Certification Grant	1,600	-	(1,600)
Library Grant	3,500	3,500	-
Small Rural School Grant	54,561	54,561	-
At Risk Supplemental Grant	-	876	876
Kinder FFE Grant	-	50	50
Read Act	9,900	5,769	(4,131)
Vocational Education	11,452	18,267	6,815
Computer Science Grant	5,459	-	(5,459)
Total Revenue from State Sources	<u>1,462,577</u>	<u>1,510,918</u>	<u>48,341</u>
Revenue from Federal Sources:			
Title I	19,558	2,512	(17,046)
Covid Relief – Cares Act	-	263,035	263,035
Title IIA – Teacher Quality	3,877	-	(3,877)
Title IIIA	1,617	399	(1,218)
Title IV	10,000	3,030	(6,970)
ESSER I	18,237	18,237	-
ESSER II	63,763	41,922	(21,841)
ESSER III	2,240	-	(2,240)
CRF At Risk	13,272	13,272	-
IDEA – D	14,788	33,509	18,721
REAP Grant	17,492	-	(17,492)
Connecting CO Students Grant	4,092	4,092	-
Carl Perkins	2,500	16,817	14,317
Title III – ELA Enhancement	-	1,377	1,377
Total Revenue from Federal Sources	<u>171,436</u>	<u>398,202</u>	<u>226,766</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u><u>\$ 3,517,198</u></u>	<u><u>\$ 3,965,964</u></u>	<u><u>\$ 448,766</u></u>

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:			
<i>INSTRUCTION:</i>			
Salaries	\$ 1,683,316	\$ 1,446,447	\$ 236,869
Employee Benefits	599,557	493,989	105,568
Purchased Services	197,225	155,428	41,797
Supplies and Materials	87,002	75,066	11,936
Capital Outlay	65,439	60,068	5,371
Other Expenditures	22,338	14,004	8,334
<i>TOTAL INSTRUCTION</i>	<i>2,654,877</i>	<i>2,245,002</i>	<i>409,875</i>
<i>GENERAL SUPPORT SERVICES:</i>			
<i>Student Based:</i>			
Salaries	4,900	84,566	(79,666)
Employee Benefits	31,726	28,522	3,204
Purchased Services	527	204	323
Supplies and Materials	1,600	854	746
Other Expenditures	300	248	52
Subtotal	39,053	114,394	(75,341)
<i>Instructional Staff:</i>			
Salaries	36,214	38,233	(2,019)
Employee Benefits	10,498	10,301	197
Purchased Services	5,567	3,770	1,797
Supplies and Materials	34,893	19,529	15,364
Capital Outlay	1,000	980	20
Other Expenditures	500	490	10
Subtotal	88,672	73,303	15,369
<i>General Administration:</i>			
Salaries	81,811	88,176	(6,365)
Employee Benefits	10,956	9,723	1,233
Purchased Services	32,327	31,504	823
Supplies and Materials	2,600	2,468	132
Capital Outlay	1,000	-	1,000
Other Expenditures	11,000	21,491	(10,491)
Subtotal	139,694	153,362	(13,668)
<i>School Administration:</i>			
Salaries	86,922	88,995	(2,073)
Employee Benefits	86,376	80,999	5,377
Purchased Services	740	41	699
Supplies	1,100	436	664
Other Expenditures	650	1,183	(533)
Subtotal	175,788	171,654	4,134
<i>TOTAL GENERAL SUPPORT</i>	<i>443,207</i>	<i>512,713</i>	<i>(69,506)</i>

(continued on next page)

OURAY COUNTY SCHOOL DISTRICT R-1
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2021

<i>(continued)</i>	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>BUSINESS SUPPORT SERVICES:</i>			
Business Services:			
Salaries	\$ 40,000	\$ 42,197	\$ (2,197)
Employee Benefits	16,944	17,419	(475)
Purchased Services	<u>109</u>	<u>36</u>	<u>73</u>
Subtotal	<u>57,053</u>	<u>59,652</u>	<u>(2,599)</u>
Operation and Maintenance:			
Salaries	103,643	111,216	(7,573)
Employee Benefits	47,029	47,981	(952)
Purchased Services	53,991	58,181	(4,190)
Supplies and Materials	69,000	73,456	(4,456)
Capital Outlay	1,000	-	1,000
Other Expenditures	<u>500</u>	<u>-</u>	<u>500</u>
Subtotal	<u>275,163</u>	<u>290,834</u>	<u>(15,671)</u>
<i>TOTAL BUSINESS SUPPORT</i>	<u>332,216</u>	<u>350,486</u>	<u>(18,270)</u>
<i>TRANSPORTATION:</i>			
Salaries	14,903	11,634	3,269
Employee Benefits	5,035	2,928	2,107
Purchased Services	27,048	13,860	13,188
Supplies and Materials	<u>9,500</u>	<u>6,194</u>	<u>3,306</u>
<i>TOTAL TRANSPORTATION</i>	<u>56,486</u>	<u>34,616</u>	<u>21,870</u>
<i>CENTRAL SUPPORT SERVICES:</i>			
Employee Benefits	19,020	16,388	2,632
Other Expenditures	<u>24,776</u>	<u>24,776</u>	<u>-</u>
<i>TOTAL CENTRAL SUPPORT</i>	<u>43,796</u>	<u>41,164</u>	<u>2,632</u>
<i>INSURANCE:</i>			
Purchased Services	<u>110,950</u>	<u>98,541</u>	<u>12,409</u>
<i>TOTAL INSURANCE</i>	<u>110,950</u>	<u>98,541</u>	<u>12,409</u>
<i>APPROPRIATED RESERVES</i>	<u>1,166,095</u>	<u>-</u>	<u>1,166,095</u>
<i>OTHER FINANCING USES – Transfers Out</i>	<u>117,000</u>	<u>117,300</u>	<u>(300)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 4,924,627</u>	<u>\$ 3,399,822</u>	<u>\$ 1,524,805</u>

OURAY COUNTY SCHOOL DISTRICT R-1
COMBINING BALANCE SHEET
GENERAL FUND (FUND 10: GENERAL AND FUND 18: INSURANCE RESERVE FUND)
For the Fiscal Year Ended June 30, 2021

	<u>GENERAL (FUND 10)</u>	<u>PRESCHOOL (FUND 19)</u>	<u>TOTAL GENERAL FUND</u>
ASSETS:			
Cash and Cash Equivalents	\$ 2,253,082	\$ 12,409	\$ 2,265,491
County Treasurer	30,069	-	30,069
Receivables:			
Property Taxes, Net	112,381	-	112,381
Intergovernmental Grants	<u>134,293</u>	<u>-</u>	<u>134,293</u>
 TOTAL ASSETS	 <u>\$ 2,529,825</u>	 <u>\$ 12,409</u>	 <u>\$ 2,542,234</u>
 LIABILITIES AND FUND BALANCES:			
Liabilities:			
Accounts Payable	\$ 1,464	\$ -	\$ 1,464
Accrued Salaries and Benefits	349,777	-	349,777
Unearned Revenues	<u>80,017</u>	<u>-</u>	<u>80,017</u>
 Total Liabilities	 <u>431,258</u>	 <u>-</u>	 <u>431,258</u>
 Fund Balances:			
Restricted for Emergencies	88,000	-	88,000
Unassigned	<u>2,010,567</u>	<u>12,409</u>	<u>2,022,976</u>
 Total Fund Balances	 <u>2,098,567</u>	 <u>12,409</u>	 <u>2,110,976</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 2,529,825</u>	 <u>\$ 12,409</u>	 <u>\$ 2,542,234</u>

OURAY COUNTY SCHOOL DISTRICT R-1
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND (FUND 10: GENERAL AND FUND 18: INSURANCE RESERVE FUND)
For the Year Ended June 30, 2021

	<u>GENERAL (FUND 10)</u>	<u>INSURANCE RESERVE (FUND 18)</u>	<u>TOTAL GENERAL FUND</u>
REVENUES:			
Local Sources	\$ 2,046,982	\$ -	\$ 2,046,982
Intermediate Sources	2	-	2
State Sources	1,510,918	-	1,510,918
Federal Sources	398,202	-	398,202
Interest Earnings	<u>9,860</u>	<u>-</u>	<u>9,860</u>
Total Revenues	<u>3,965,964</u>	<u>-</u>	<u>3,965,964</u>
EXPENDITURES:			
Instructional	2,245,002	-	2,245,002
Supporting Services:			
General Support	512,713	-	512,713
Business Support	350,486	-	350,486
Transportation	34,616	-	34,616
Central Support	41,164	-	41,164
Insurance	<u>-</u>	<u>98,541</u>	<u>98,541</u>
Total Expenditures	<u>3,183,981</u>	<u>98,541</u>	<u>3,282,522</u>
Excess of Revenues Over (Under) Expenditures	781,983	(98,541)	683,442
OTHER FINANCING SOURCES (USES):			
Transfers In (Out)	<u>(228,250)</u>	<u>110,950</u>	<u>(117,300)</u>
Excess of Revenues and Other Financings Sources Over (Under) Expenditures and Other Financing (Uses)	553,733	12,409	566,142
FUND BALANCES – Beginning	<u>1,544,834</u>	<u>-</u>	<u>1,544,834</u>
FUND BALANCES – Ending	<u>\$ 2,098,567</u>	<u>\$ 12,409</u>	<u>\$ 2,110,976</u>

OTHER SUPPLEMENTAL INFORMATION

BOND REDEMPTION (DEBT SERVICE) FUND

OURAY COUNTY SCHOOL DISTRICT R-1
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BOND REDEMPTION FUND
For the Fiscal Year Ended June 30, 2021

	BOND REDEMPTION FUND			Variance Favorable (Unfavorable)
	Original Budget	Final Budget	Actual	
REVENUES:				
Local Sources:				
Property Taxes	\$ 195,075	\$ 195,075	\$ 199,494	\$ 4,419
Interest Earnings	-	-	32	32
Total Revenues	<u>195,075</u>	<u>195,075</u>	<u>199,526</u>	<u>4,451</u>
EXPENDITURES:				
Debt Service:				
Principal	110,000	110,000	110,000	-
Interest	84,775	84,775	84,775	-
Fees	300	300	350	(50)
Contingency	181,832	181,832	-	181,832
Total Expenditures	<u>376,907</u>	<u>376,907</u>	<u>195,125</u>	<u>181,782</u>
Excess of Revenues Over (Under) Expenditures	(181,832)	(181,832)	4,401	186,233
OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>300</u>	<u>300</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(181,832)	(181,832)	4,701	186,533
FUND BALANCE – BEGINNING	<u>181,832</u>	<u>181,832</u>	<u>182,099</u>	<u>267</u>
FUND BALANCE – ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 186,800</u>	<u>\$ 186,800</u>

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

COLORADO DEPARTMENT OF EDUCATION REQUIREMENTS

ELECTRONIC FINANCIAL DATA
INTEGRITY CHECK FIGURES

AND

BOLDED BALANCE SHEET REPORT



Colorado Department of Education

Auditors Integrity Report

District: 2580 - Ouray R-1

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	1,544,834	3,730,956	3,177,223	2,098,567
18 Risk Mgmt Sub-Fund of General Fund	0	110,950	98,541	12,409
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	1,544,834	3,841,906	3,275,764	2,110,976
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	3,690	140,413	132,438	11,664
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	206,667	133,949	129,778	210,838
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	182,099	199,827	195,125	186,800
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	147,751	126,250	5,594	268,407
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,085,040	4,442,345	3,738,700	2,788,686
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.



Colorado Department of Education

Bolded Balance Sheet Report

District: 2580 - Ouray R-1

Fiscal Year 2020-21

Colorado School District/BOCES

Governmental

Proprietary

Fiduciary

ASSETS	Governmental						Proprietary						Fiduciary		Totals	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	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
Cash and Investments (8100-8104,8111)	2,265,491	0	0	220,558	0	0	18,845	174,134	268,407	0	0	0	0	0	0	2,947,435
Cash with Fiscal Agent (8105)	30,069	0	0	0	0	0	0	1,776	0	0	0	0	0	0	0	31,845
Taxes Receivable (8121,8122)	112,381	0	0	0	0	0	0	10,890	0	0	0	0	0	0	0	123,271
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	134,293	0	0	0	0	0	0	0	0	0	0	0	0	0	0	134,293
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	0	3,678	0	0	0	0	0	0	0	0	3,678
Prepaid Expenses 8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,542,234	0	0	220,558	0	0	22,524	186,800	268,407	0	0	0	0	0	0	3,240,522

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY	Governmental							Proprietary					Fiduciary		Totals
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	1,464	0	0	7,594	0	0	761	0	0	0	0	0	0	0	9,819
Accrued Expenses (7461)	181,046	0	0	1,070	0	0	4,539	0	0	0	0	0	0	0	186,655
Payroll Ded. and Withholdings (7471-7473)	168,920	0	0	1,045	0	0	5,559	0	0	0	0	0	0	0	175,524
Grants Deferred Revenue (7482)	79,278	0	0	0	0	0	0	0	0	0	0	0	0	0	79,278
Other Current Liabilities (7491,7492,7499)	550	0	0	11	0	0	0	0	0	0	0	0	0	0	561
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	431,258	0	0	9,719	0	0	10,859	0	0	0	0	0	0	0	451,836

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	3,678	0	0	0	0	0	0	0	0	3,678
Restricted Fund Balance 6720	0	0	0	210,838	0	0	7,986	186,801	268,407	0	0	0	0	0	0	674,033
TABOR 3% Emergency Reserve 6721	88,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	88,000
TABOR Multi-Year 6722	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
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	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
Total Program Reserve 6728	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
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	2,022,976	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,022,975
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
Restricted Net Assets 6791	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
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,110,976	0	0	210,838	0	0	11,664	186,800	268,407	0	0	0	0	0	0	2,788,686

	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
Total Liabilities & Fund Equity	2,542,234	0	0	220,558	0	0	22,524	186,800	268,407	0	0	0	0	0	0	3,240,522

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