Estes Park School District No. R-3

Financial Statements and
Supplementary Information
For the Year Ended June 30, 2021

Estes Park School District No. R-3

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Independent Auditor's Report

Board of Education
Estes Park School District R-3
Estes Park, Colorado

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Estes Park School District R-3 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual major and nonmajor fund financial statements, and budgetary comparison information for the bond redemption and nonmajor funds and Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual major and nonmajor fund financial statements, budgetary comparison information, and Auditor's Integrity Report is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 1, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BDO USA, LLP

March 1, 2022

This section of Estes Park School District's annual financial report presents its discussion and analysis of the District's financial performance during the year ending June 30, 2021.

Financial Highlights

- The liabilities and deferred inflows of resources of Estes Park School District exceeded its assets and deferred outflows of resources at the close of the fiscal year by $10,540,752 (deficit net position). The deficit net position is due to the posting of the "Net Pension Liability" (NPL) of $23,429,308 required pursuant to GASB Statement No. 68. The fund financial statements are not impacted by this reporting requirement. It is important to note that the District does not have a responsibility to pay the amount shown as the District's NPL. The District's direct liability is limited to the annually required contributions established by the State Legislature.
- The District's total net position increased by $6,845,171.
- General revenues accounted for $14,922,471 or 85% of the $17,626,719 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for $2,704,248 or 15% of revenues.
- The General Fund ending fund balance increased $731,491 to $4,075,524.

General Fund Budget Highlights

The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund. As part of the District's midyear budget adjustments the board approved to maintain a $3,000,000 General Fund balance. The District did go out to the voters in the November 2017 elections to ask for a Mill Levy Override (MLO) to the maximum allowable under State law forever. This measure was passed by the voters of the District. The passage of the MLO has helped the District offset the loss of State Equalization and Categorical funding in the current year.

Overview of Financial Statements

The discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. A comparison to the prior year's activity is normally provided in the document. The basic financial statements consist of four components: (1) government-wide financial statements, (2) fund financial statements, (3) notes to the financial statements and, (4) required supplementary information. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Statements

The Government-wide financial statements are designed to provide stakeholders (e.g. taxpayers, state and federal government agencies, and the Board of Education) with a relevant and reliable overview of the District's finances; to assist the reader in their assessment of how the District's resources are acquired and used; to determine whether current resources were sufficient to meet current costs, and to determine whether the District's ability to provide educational services improved or deteriorated from the previous year. With the inclusion of the Net Pension Liability (NPL), stakeholders are provided additional information regarding the unfunded liability status of PERA of Colorado. Though this NPL is not the responsibility of the District, it does provide greater information to the Colorado State Legislature and the District's governmental leadership assisting them in future decisions regarding the School Division Trust Fund associated with PERA.

The statement of net position includes all of the District's assets and deferred outflows of resources and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Though the net position of the District is negative, this occurrence is only due to the posting of the District's proportionate share of the PERA unfunded liability. Again, the District does not have any control over the funding level of the PERA School Division Trust Fund (SCHDTF) nor any control over the investment policies and activities associated with this trust.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and retiree's early retirement bonuses). The governmental activities of the District include instruction and education support services of the District.

The majority of the District's basic services are included here, such as instruction, transportation, maintenance and operations, administration, the food service program, debt service and capital projects. Taxes and intergovernmental revenues principally support these activities.

The government-wide financial statements can be found on pages 10 and 11.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The District has two types of funds: governmental funds and fiduciary funds.

Governmental Funds

Most of the District's basic services are included in the governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine the status of financial resources that can be spent in the near future to finance the District's program.

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

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the General Fund, Designated Purpose Fund and the Bond Redemption Fund, which are considered to be major funds. Data for the other four governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these minor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 12-17 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 18-53 of this report.

Required supplementary information and other supplementary information

This report also presents required supplementary information and other supplementary information concerning the District's annual appropriated budgets with comparison schedules that demonstrate compliance with budgets and required schedule of District's proportionate share of the Net Pension Liability and schedule of District Contributions. This information may be found on pages 54-69.

Financial Analysis of the School District as a Whole

The following table provides a summary of the Governmental net position as of June 30, 2021. Comparative data for June 30, 2020 is also presented. This statement reports that liabilities plus deferred inflow of resources exceeded assets plus deferred outflow of resources by $10,540,752.

The largest portion of the District's assets, about 78.4%, reflects investment in capital assets less accumulated depreciation. The largest portion of current assets, predominately investments, is reported in the General Fund. The investment balances are held for TABOR and Board of Education required reserves as well as the carry-over balances for school and departments. Other large portions of current assets include cash with fiscal agent and receivables. The cash with fiscal agent is largely reported in the Bond Redemption Fund and is available to make the required debt service payments. Receivables are predominately related to property taxes receivable which are levied in December and received in the third quarter of the school year usually between March and June.

	2021	**2020**
Current and other assets	$ 7,129,714	$ 7,300,303
Capital assets	26,246,302	26,517,240
Total assets	33,376,016	33,818,302
Deferred outflows of resources	7,490,354	3,726,823
Total assets and deferred outflows of resources	40,866,370	37,544,366
Long-term liabilities	41,353,689	39,854,869
Other liabilities	683,485	1,430,336
Total liabilities	42,037,174	41,285,205
Deferred inflows of resources	9,369,948	13,645,084
Net positions:		
Net investment in capital assets	12,363,741	10,306,497
Restricted	2,426,486	2,405,706
Unrestricted (deficit)	(25,330,979)	(30,098,126)
Total net position	(10,540,752)	(17,385,923)
Total liabilities, deferred inflows of resources and net position	$ 40,866,370	$ 37,544,366

Following is a summary of the District's change in net position. The District receives its revenues from local property taxes, intergovernmental sources through the state and federal government, charges for services rendered, returns on investment and several other minor sources.

	2021	2020
Revenues		
Charges for services	$ 14,386	$ 160,439
Operating grants and contributions	2,689,862	2,476,777
Earnings on investments	4,449	55,692
Property taxes	14,625,113	15,202,422
State categorical aid	-	1,386
Other	292,909	106,554
Total Revenues	17,626,719	18,003,270
Expenses		
Instruction	5,063,004	6,230,375
Student & Instructional services	980,800	1,357,085
Administration & Business	1,055,422	1,445,603
Operations & Maintenance	1,603,257	1,660,250
Student transportation	338,557	450,217
Other	1,740,508	2,701,075
Total Expenses	10,781,548	13,844,605
Change in net position	$ 6,845,171	$ 4,158,665

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the District received $8,833.38 per funded student. In fiscal year 2020-21 the funded pupil count was 1,066. Funding for the SFA comes from property taxes, specific ownership tax and state equalization. The District did not receive any funding through state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation levied for general purposes generated $11,895,347 in property taxes for fiscal year 2020-2021.

Capital Assets and Debt Administration

The District's capital assets as of June 30, 2021 amounts to $26,246,302 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, equipment, and capital leases all with an original cost greater than $5,000 and a useful life of greater than one year.

Capital asset additions during the current fiscal year include the following:

- Construction in progress $482,704
- Building and improvements $76,213
- Furniture & Equipment $13,365
- Licensed vehicles $96,373

The District's total capital assets at June 30, 2021 net of accumulated depreciation were as follows:

	2021	2020
Land and land improvements	$ 782,185	$ 811,276
Construction in progress	-	1,248,261
Building and improvements	24,758,218	23,722,935
Furniture and equipment	410,125	468,743
Licensed vehicles	295,774	266,025
Total capital assets	$26,246,302	$26,517,240

Additional information on the District's capital assets can be found in Note 5, page 31.

Long-Term Obligations

At year-end, the District's total long-term obligations of $41,353,689 consisted of the following:

Bonds payable	$15,320,000
Net pension liability	23,429,308
Unamortized bond premium	725,629
Net OPEB liability	851,961
Accrued compensated absences	1,026,791
Total long-term debt	$41,353,689

Additional information on the District's long-term debt can be found in Note 8, pages 32 - 33.

Economic Factors

The District General Fund revenue continues to be impacted at the State level through the budget stabilization factor which reduces total program funding. In fiscal year 2021 the District's budget stabilization factor was $724,748 which resulted in per pupil funding amount of $8,833.38. Also as assessed property values increase the District will continue to have to send back Categorical Funds that are received to get per pupil funding to the State's funding formula. In the past the District has experienced declining enrollment but has started to experience a leveling in student count. Due to factors related to the high cost of living, a lack of affordable housing, and insufficient opportunities for year-long employment, and the COVID-19 pandemic it is predicted that student enrollment will decrease in subsequent school years.

Governmental Funds

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

As of the end of the fiscal year, the District's governmental funds reported combined ending fund balances of $6,282,007, an increase of $977,352. The General Fund had a fund balance increase of $731,491. The Capital Projects Fund had an increase of $185,802 to cover the cost of a parking lot project that was completed in July 2021.

Contacting the Districts Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions or need additional information, please contact the Estes Park School District R-3 Administration Office at 1605 Brodie Avenue, Estes Park, Colorado 80517.

Basic Financial Statements

Estes Park School District R-3

Statement of Net Position

June 30, 2021

		Governmental Activities
Assets		
Cash and cash equivalents	$	828,409
Cash with fiscal agent		1,533,423
Investments		3,643,429
Receivables		1,066,548
Inventory		57,905
Capital assets, not being depreciated		378,235
Capital assets, being depreciated, net of depreciation		25,868,067
Total assets		33,376,016
Deferred outflows of resources		
Deferred outflows of resources relating to pensions		6,431,929
Deferred outflows of resources relating to OPEB		80,357
Deferred loss on refunding		978,068
Total deferred outflows of resources		7,490,354
Liabilities		
Accounts payable		63,571
Due to fiduciary fund		1,000
Accrued salaries and benefits		562,553
Unearned grant revenue		14,415
Accrued interest payable		41,946
Noncurrent liabilities:		
Due within one year		1,185,000
Due in more than one year		15,887,420
Net OPEB liability		851,961
Net pension liability		23,429,308
Total liabilities		42,037,174
Deferred inflows of resources		
Deferred Inflows of resources relating to pensions		9,095,592
Deferred Inflows of resources relating to OPEB		274,356
Total deferred inflows of resources		9,369,948
Net position		
Net investment in capital assets		11,178,741
Restricted for:		
Emergencies		436,000
Insurance		533,902
Preschool program		33,653
Debt Service		1,422,931
Unrestricted		(24,145,979)
Total net position	$	(10,540,752)

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

Estes Park School District R-3

Statement of Activities

Year Ended June 30, 2021

		Program Revenues			Net Revenue (Expense) and Change in Net Position
Functions/programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 5,063,004	$ 4,359	$ 2,097,692	$ -	$ (2,960,953)
Supporting services:					
Students	370,752	-	-	-	(370,752)
Instructional staff	610,048	-	11,474	-	(598,574)
General administration	309,097	-	-	-	(309,097)
School administration	560,780	-	-	-	(560,780)
Business services	185,545	-	-	-	(185,545)
Operations and maintenance	1,603,257	-	-	-	(1,603,257)
Student transportation	338,557	-	77,154	-	(261,403)
Central support services	582,795	-	-	-	(582,795)
Other support services	319,773	-	-	-	(319,773)
Food service	3,083	10,027	503,542	-	510,486
Facilities acquisition	301,207	-	-	-	(301,207)
Interest and fiscal charges	533,650	-	-	-	(533,650)
Total governmental activities	$ 10,781,548	$ 14,386	$ 2,689,862	$ -	(8,077,300)
General revenues					
Taxes					
Property taxes, levied for general purposes					11,895,347
Property taxes, levied for debt service					1,697,052
Specific ownership taxes					1,032,714
State equalization aid					-
Earnings on investments					4,449
Other					292,909
Total general revenues					14,922,471
Change in net position					6,845,171
Net position at beginning of year					(17,385,923)
Net position at end of year					$ (10,540,752)

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

Estes Park School District R-3

Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Designated Purpose Grants Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 652,664	$ -	$ -	$ 175,745	$ 828,409
Cash with fiscal agent	129,435	-	1,403,988	-	1,533,423
Investments	3,643,429	-	-	-	3,643,429
Property taxes receivable	552,830	-	84,040	-	636,870
Due from other funds	-	-	-	444,275	444,275
Grants receivable	-	303,849	-	-	303,849
Other receivables	35,415	-	-	90,414	125,829
Inventory	-	-	-	57,905	57,905
Total assets	$ 5,013,773	$ 303,849	$ 1,488,028	$ 768,339	$ 7,573,989
Liabilities, deferred inflows of resources and fund balance					
Liabilities					
Accounts payable	$ 53,450	$ -	$ -	$ 10,121	$ 63,571
Due to other funds	224,168	185,632	35,475	-	445,275
Accrued salaries and benefits	484,085	78,468	-	-	562,553
Unearned grant revenue	-	14,415	-	-	14,415
Total liabilities	761,703	278,515	35,475	10,121	1,085,814
Deferred inflows of resources					
Deferred property tax revenues	176,546	-	29,622	-	206,168
Total deferred inflows of resources	176,546	-	29,622	-	206,168
Fund balances					
Nonspendable:					
Inventory	-	-	-	57,905	57,905
Restricted:					
Emergencies	436,000	-	-	-	436,000
Preschool program	33,653	-	-	-	33,653
Debt Service	-	-	1,422,931	-	1,422,931
Insurance	533,902	-	-	-	533,902
Committed:					
Capital projects	-	-	-	576,568	576,568
Assigned:					
Future expenditures	-	25,334	-	-	25,334
Food service	-	-	-	122,635	122,635
Other	-	-	-	1,110	1,110
Unassigned	3,071,969	-	-	-	3,071,969
Total fund balances	4,075,524	25,334	1,422,931	758,218	6,282,007
Total liabilities, deferred inflows of resources and fund balances	$ 5,013,773	$ 303,849	$ 1,488,028	$ 768,339	$ 7,573,989

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

Estes Park School District R-3

Reconciliation of the Governmental Funds
Balance Sheet with the Government-wide Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balance - governmental funds		$ 6,282,007
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the fund financial statements.		
Capital assets	$ 42,280,656	
Less: accumulated depreciation	(16,034,354)	26,246,302
The deferred loss on refunding is not available to satisfy current obligations, and therefore, is not reported as deferred outflows of resources in the fund financial statements.		978,068
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore, are deferred in the fund financial statements.		206,168
OPEB related deferred outflows of resources and deferred inflows of resources are not available or due and payable in the current year, and therefore, are not reflected in the fund financial statements.		
Deferred outflows of resources	$ 80,357	
Deferred inflows of resources	(274,356)	(193,999)
Pension related deferred outflows of resources and deferred inflows of resources are not available or due and payable in the current year, and therefore, are not reflected in the fund financial statements.		
Deferred outflows of resources	$ 6,431,929	
Deferred inflows of resources	(9,095,592)	(2,663,663)
Long-term liabilities, including bonds payable, net pension and OPEB liabilities and accrued compensated absences, are not due and payable in the current period, and therefore, are not reported as liabilities in the fund financial statements.		
Bonds payable	$ (15,320,000)	
Bond premium	(725,629)	
Accrued interest payable	(41,946)	
Accrued compensated absences	(1,026,791)	
Net OPEB liability	(851,961)	
Net pension liability	(23,429,308)	(41,395,635)
Total net position of governmental activities		$ (10,540,752)

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

Estes Park School District R-3

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

Year Ended June 30, 2021

	General Fund	Designated Purpose Grants Fund	Bond Redemption Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Local sources	$ 13,485,982	$ 2,006	$ 1,698,585	$ 154,149	$ 15,340,722
State sources	393,758	-	-	3,156	396,914
Federal sources	-	1,790,149	-	500,386	2,290,535
Other sources	-	-	-	2,000	2,000
Total revenues	13,879,740	1,792,155	1,698,585	659,691	18,030,171
Expenditures					
Instruction	6,757,925	1,804,813	-	-	8,562,738
Supporting services	5,224,660	58,889	-	557,476	5,841,025
Capital Outlay	295,002	-	-	674,860	969,862
Debt service					
Principal	-	-	1,160,000	-	1,160,000
Interest and fiscal charges	-	-	519,194	-	519,194
Total expenditures	12,277,587	1,863,702	1,679,194	1,232,336	17,052,819
Excess (deficiency) of revenues over under expenditures	1,602,153	(71,547)	19,391	(572,645)	977,352
Other financing sources (uses)					
Transfers in	-	-	-	870,662	870,662
Transfers out	(870,662)	-	-	-	(870,662)
Total other financing sources (uses)	(870,662)	-	-	870,662	-
Net change in fund balance	731,491	(71,547)	19,391	298,017	977,352
Fund balances at beginning of year	3,344,033	96,881	1,403,540	460,201	5,304,655
Fund balances at end of year	$ 4,075,524	$ 25,334	$ 1,422,931	$ 758,218	$ 6,282,007

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

Estes Park School District R-3

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities

Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:		
Total net change in fund balance - governmental funds		$ 977,352
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation. This is the net change resulting from capital outlay and depreciation expense during the current period.		
Depreciation expense	$ (939,593)	
Capital outlay	668,655	(270,938)
Increase in deferred inflows of resources for property taxes receivable collected after the period of availability. These amounts are netted against revenues in the statement of activities.		(403,452)
Increase in accrued compensated absences liability is reflected as an expense on the statement of activities, and not reflected as an expense on the governmental statement of revenues, expenditures and changes in fund balances.		(271,342)
Repayments of bond principal are recorded as expenditures in the governmental funds, but as reductions in long-term liabilities in the statement of net position and does not affect the statement of activities.		1,160,000
Decrease in accrued interest payable is reflected against interest expense on the statement of activities and not reflected on the governmental fund statement of revenues, expenditures and changes in fund balances.		2,362
Amortization of deferred loss on refunding is included in the statement of activities as interest expense, but is not reflected on the statement of revenues, expenditures and changes in fund balances.		(104,472)
Accretion of bond premium is included in the statement of activities against interest expense, but is not reflected on the statement of revenues, expenditures and changes in fund balances.		87,654
Changes in the District's net pension liability, deferred outflows of resources and deferred inflows of resources related to the District's pension plan for the current year are not reported in governmental funds but are included in the statement of activities.		5,596,436
Changes in the District's net OPEB liability, and deferred outflows of resources and deferred inflows of resources related to the District's OPEB plan for the current year are not reported in governmental funds but are included in the statement of activities.		71,571
Change in net position of governmental activities		$ 6,845,171

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

Estes Park School District R-3

Statement of Fiduciary Net Position

June 30, 2021

		Private-Purpose Trust Fund
Assets		
Cash and cash equivalents	$	47,051
Due from other funds		1,000
Total assets	$	48,051
Net position		
Net position held in trust for scholarships	$	48,051
Total net position	$	48,051

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

Estes Park School District R-3

Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Private-Purpose Trust Fund
Additions	
Contributions	$ -
Earnings on investments	32
Total additions	32
Deductions	
Scholarships and awards	271
Change in net position	(239)
Net position at beginning of year	48,290
Net position at end of year	$ 48,051

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

1. Summary of Significant Accounting Policies

This summary of the Estes Park School District No. R-3's (the "District") significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to local government units ("GAAP"). The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the District's accounting policies are described below.

Reporting Entity

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the component unit's governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or

2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

The District meets the criteria of a primary government: its District Board of Education is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity.

The District has examined other entities that could be included as defined in numbers 1 and 2 above. Based on these criteria, the District has no component units.

Fund Accounting

The District uses funds to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types." The District does not report any proprietary funds.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), acquisition or construction of major capital facilities (capital projects fund) and the servicing of general long-term debt (debt service fund). The following are the District's major governmental funds:

General Fund - The General Fund is the operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and State of Colorado equalization funding, as determined by the School Finance Act of 1994, as amended.

Expenditures include all costs associated with the daily operation of the schools, except for programs funded by grants from federal and state governments, certain capital outlay expenditures, risk-related transactions, debt service, food service operations and pupil activities.

Designated Purpose Grants Fund - This fund is a special revenue fund used to maintain a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

Bond Redemption Fund - This fund is a debt service fund used to account for the revenues from a specific tax levy for the purpose of the repayment of debt principal, interest and other fiscal charges.

The following are the District's non-major governmental funds:

Food Service Fund - This fund is a special revenue fund used to account for the financial activities associated with the District's food service operations.

Outreach Fund - This fund is a special revenue fund used to account for the financial activities associated with District efforts to reestablish educational opportunities for students that have interrupted their studies.

Capital Reserve Capital Projects Fund - This fund is a capital projects fund used to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

Pupil Activity Fund – This special revenue fund is used to account for financial transactions related to school sponsored pupil intrascholastic and interscholastic athletic and other related activities.

Fiduciary Funds focus on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and custodial funds. Trust funds are used to account for assets held by the District under a trust agreement for individuals, private organizations or other governments and are therefore not available to support the District's own programs. The District has one private-purpose trust fund: the Scholarship Trust Fund.

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 government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements therefore include reconciliations with a brief explanation to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore are 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 the general revenues of the District.

Fund financial statements - Fund financial statements report detailed information about the District. The focus of fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources management focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources, and a statement of revenues, expenditures and changes in fund balances, which reports the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources.

Fiduciary funds focus on net position and changes in net position and are reported using accounting principles similar to proprietary funds. The District's fiduciary funds are presented in the fiduciary fund financial statements by type. Since by definition these assets are being held for the benefit of a third party and cannot be used to address the activities or obligations of the District, these funds are not incorporated into the government-wide financial statements.

Budgets and Budgetary Accounting

The following is a summary of the original budgeted expenditures, total revisions and revised budgeted expenditures for those funds with amended budgets in fiscal year 2021:

	Original Budget	Total Revisions	Revised Budget
Governmental funds:			
General	$ 13,616,284	$ 506,056	$ 14,122,340
Bond Redemption	1,690,025	-	1,690,025
Designated purpose	1,675,882	786,591	2,462,473
Food service	528,699	4,085	532,784
Outreach	10,000	-	10,000
Capital Reserve	493,000	581,000	1,074,000
Student activity	626,000	-	626,000
Fiduciary funds:			
Scholarship	1,300	-	1,300
Total	$ 18,641,190	$ 1,877,732	$ 20,518,922

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds also use the accrual basis of accounting.

<u>Revenues - exchange and non-exchange transactions</u> - Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within sixty days of fiscal year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenues from property taxes are recognized in the fiscal year for which the taxes are levied. State equalization monies are recognized as revenues during the period in which they are appropriated. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes collected within sixty days after year-end, interest, tuition, grants and student fees.

Unearned revenue - Unearned revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the District before it has a legal claim to them, as when grant monies are received prior to meeting eligibility requirements. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

Deferred outflows/inflows of resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In the government-wide statements, the District's deferred outflows of resources primarily relate to the District's pension and other post-employment benefit plans (see Notes 9 and 10), as well as a deferred loss from refunding of debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide statement, the District's deferred inflows of resources primarily relate to the District's pension and other post-employment benefit plans (see Notes 9 and 10).

Expenditures - The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

Encumbrances

Encumbrance accounting is utilized by the District to record purchase orders, contracts and other commitments for the expenditure of monies to assure effective budgetary control and accountability. Encumbrances outstanding at year-end are canceled and re-appropriated in the ensuing year's budget.

Cash and Cash Equivalents and Cash with Fiscal Agent

The District considers all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. Cash with fiscal agent is cash in the Bond Redemption Fund and Cash with the County Treasurer.

Investments

During 2021, the District had investments in local government investment pools. Investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application.*

Receivables

In the government-wide financial statements, receivables are reported at their gross value and, when appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2021. Property taxes levied on December 31, but not received by June 30, are identified as property taxes receivable and recorded as revenue if they are collected within 60 days of year end.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet.

Inventories

Purchased inventories in the Food Service Fund are stated at costs as determined by the first-in, first-out method. Commodity inventories are stated at the United States Department of Agriculture's assigned values, which approximate fair value, at the date of receipt. Expenditures for food items are recorded when consumed. The federal government donates surplus commodities to the national school lunch program. Commodity distributions used by the District are recorded as revenues at the date of their receipt.

Capital Assets

General capital assets are those assets that result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund balance sheet financial statements.

All capital assets with a unit cost greater than $5,000, and a useful life of greater than one year, are capitalized at cost (or estimated historical cost, if actual cost is not available) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value on the date received. Infrastructure assets, consisting of certain improvements other than buildings (such as parking facilities, sidewalks, landscaping and lighting systems) are capitalized along with other capital assets. Improvements to assets are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not.

Interest is capitalized on assets reported in the governmental activities that are acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of borrowing until project completion with interest earned on invested proceeds over the same period. No interest was capitalized in the current period.

All reported capital assets are depreciated with the exception of land costs. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Land improvements	20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-25 years
Licensed vehicles	5-10 years

Compensated Absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated vacation leave benefits are paid to employees upon termination of employment.

Annual leave provides a system for paid leave that best serves the needs of district employees while achieving the highest level of budget efficiency and student learning. Annual leave allowances are awarded to employees according to the following schedule:

Years of service	Annual accrual days	Reimbursement factor
0-5 years	9	No factor - Classified employees
5 and over	9	.25 - Classified employees
0-3 years	9	No factor - Certified employees
3-5 years	9	.20 - Certified employees
6-8 years	9	.25 - Certified employees
9-12 years	9	.30 - Certified employees
13 and over	9	.35 - Certified employees

Each employee shall be allowed to accrue annual leave each year until a maximum of 100 days are accrued. Upon separation from the District, employees shall be eligible to receive pay for unused annual leave according to the above reimbursement factor.

The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account "accrued compensated absences" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

The amount recorded as liabilities for all applicable compensated absences include salary related payments associated with the payment of compensated absences, using the rates in effect at the balance sheet date.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, the noncurrent portion of compensated absences and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. Bonds payable and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due. Bond premiums, bond discounts, bond insurance costs and amounts deferred upon refunding are amortized over the life of the bonds using the straight-line method on the government-wide financial statements.

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

Fund Balance

GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

This statement requires the fund balance amounts to be properly reported within one of the fund balance categories listed below.

> ***Nonspendable*** - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.
>
> ***Restricted -*** amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements, enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.
>
> ***Committed -*** amounts that can be used only for the specific purposes determined by a formal action of the Board of Education (the District's highest level of decision-making authority).
>
> Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund.
>
> ***Assigned -*** amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.

Unassigned - residual amounts for the District's general fund and includes all spendable amounts not contained in the other classifications.

When both restricted and unrestricted resources are available in governmental funds, the District applies expenditures against restricted fund balance first, followed by committed fund balance, assigned fund balance and unassigned fund balance.

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Pensions

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

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

Other Post-Employment Benefits

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

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the

reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

Estimates

The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Financial Policies and Procedures

The District believes it is in compliance with applicable state requirements, which includes adherence to the accounting policies and procedures described in the Financial Policies and Procedures Handbook issued by the Colorado Department of Education.

2. Cash and Cash Equivalents and Investments

Cash and Deposits

Colorado State statutes govern the District's deposit of cash. The Public Deposit Protection Act ("PDPA") for banks and savings and loans requires state regulators to certify eligible depositories for public deposits. The PDPA requires eligible depositories with public deposits in excess of federal insurance levels to create a single institution collateral pool of defined eligible assets. Eligible collateral includes obligations of the United States, obligations of the State of Colorado or Colorado local governments and obligations secured by first lien mortgages on real property located in the state. The pool is to be maintained by another institution or held in trust for all uninsured public deposits as a group and not held in any individual government's name. The fair value of the assets in the pool must be at least equal to 102% of the aggregate uninsured deposits.

Custodial credit risk - deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits with financial institutions with a carrying amount of $2,248,412. The bank balances with the financial institutions were $2,608,897, of which $500,000 was insured and $2,108,897 was collateralized with securities held by the pledging institution's trust department or agent but not in the District's name.

Investments - Investment policies are governed by Colorado State Statutes and the District's own investment policies and procedures. Investments of the District may include:

- Obligations of the United States Government such as treasury bills, notes and bonds

- Obligations of U.S. Government agencies such as securities issued by FNMA, GNMA, and FHLMC
- Certain international agency securities
- General obligation and revenue bonds of United States local government entities Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Local Government Investment Pool - At June 30, 2021, the District had invested approximately $3.6 million in the Colorado Local Government Liquid Asset Trust (the "Trust"), an investment vehicle established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the Trust. The Trust operates similarly to a money market fund and each share is equal in value to $1. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. COLOTRUST PRIME invests only in U.S. Treasury and government agencies. COLOTRUSTPLUS+ can invest in U.S. Treasury, government agencies, and in the highest-rated commercial paper. A designated custodial bank serves as custodian for the Trust's portfolios pursuant to a custodian agreement. The custodian acts as a safekeeping agent for the Trust's investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the Trust. The Trust is rated AAAm by Standard and Poor's and is measured at net asset value. There are no unfunded commitments, the redemption frequency is daily and there is no redemption notice period.

Interest rate risk - The District's investment policy does not formally limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Credit risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District's investment policy does not further limit its investment choices. At year-end, the District's investment in the Trust was rated AAAm by Standard and Poor's.

The following table provides a reconciliation of cash, investments and cash with fiscal agent on the statement of net position:

June, 30, 2021	
Cash on hand	$ 1,700
Cash in bank	873,760
Cash with fiscal agent	1,374,651
Cash with county treasurer	158,772
Investments	3,643,429
Total cash and cash equivalents	$ 6,052,312

Cash, cash equivalents and investments are presented as follows:

June, 30, 2021	
Statement of Net Position	
Cash and cash equivalents	$ 828,409
Cash with fiscal agent	1,533,423
Investments	3,643,429
Fiduciary Funds	
Cash and cash equivalents	47,051
Total cash and investments	$ 6,052,312

3. Receivables

Receivables as of June 30, 2021 consisted of the following:

	Governmental Activities
Property taxes receivable	$ 636,870
Grants receivable	303,849
Other receivables	125,829
Total	$ 1,066,548

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on the last day of February and June 15th. The counties of Larimer and Boulder bill and collect property taxes for all taxing entities within the counties. The tax receipts collected by the counties are remitted to the District in the subsequent month.

4. Interfund transactions

The following is a summary of interfund borrowings and transfers for the year as presented in the fund financial statements:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General fund	$ -	$ 224,168
Designated purpose grants fund	-	185,632
Bond redemption fund	-	35,475
Nonmajor governmental funds	444,275	-
Fiduciary funds		
Private-purpose trust fund	1,000	-
Total	$ 445,275	$ 445,275

All balances resulted from the time lag between the dates that (1) interfund reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

Governmental funds	Transfers In	Transfers Out
General fund	$ -	$ 870,662
Nonmajor governmental funds	870,662	-
Total transfers	$ 870,662	$ 870,662

5. Capital Assets

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

	Balance Beginning	Additions	Deletions / Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 378,235	$ -	$ -	$ 378,235
Construction in progress	1,248,261	482,704	(1,730,965)	-
Total capital assets not being depreciat	1,626,496	482,704	(1,730,965)	378,235
Capital assets, being depreciated:				
Land improvements	653,397	-	-	653,397
Buildings and improvements	36,469,412	76,213	1,730,965	38,276,590
Furniture and equipment	1,580,634	13,365	-	1,593,999
Licensed vehicles	1,357,062	96,373	(75,000)	1,378,435
Total capital assets, being depreciated:	40,060,505	185,951	1,655,965	41,902,421
Less accumulated depreciation for:				
Land improvements	(220,356)	(29,091)	-	(249,447)
Building and improvements	(12,746,477)	(771,895)	-	(13,518,372)
Furniture and equipment	(1,111,891)	(71,983)	-	(1,183,874)
Licensed vehicles	(1,091,037)	(66,624)	75,000	(1,082,661)
Total accumulated depreciation	(15,169,761)	(939,593)	75,000	(16,034,354)
Total capital assets being depreciated,	24,890,744	(753,642)	1,730,965	25,868,067
Governmental activities capital assets,	$ 26,517,240	$ (270,938)	$ -	$ 26,246,302

Depreciation expense was charged to programs of the District as follows:

Governmental activities	
Operations and maintenance	$ 833,543
Student transportation	63,052
Central support services	38,400
Food service	4,598
Total depreciation expense	$ 939,593

6. Accrued Salaries and Benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from August to July, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid as of June 30, 2021 was estimated to be $562,553. Accordingly, these accrued salaries and benefits are reflected as a liability in the accompanying financial statements.

7. Short-Term Debt

In an effort to alleviate short-term cash flow issues, the District participated in the State of Colorado's Interest-Free Loan Program, with activity for the current fiscal year as follows:

	Beginning Balance	Borrowings	Repayments	Ending Balance
Short-term debt	$ -	$ 3,485,500	$ (3,485,500)	$ -

8. Long-term obligations

The following is a summary of the changes in long-term obligations for the year ended June 30, 2021:

	Beginning Balance	Additions	Reductions/ Amortizations	Ending Balance	Amounts Due in One Year
Bonds payable	$ 16,480,000	$ -	$ (1,160,000)	$ 15,320,000	$ 1,185,000
Unamortized bond premium	813,283	-	(87,654)	725,629	-
Net pension liability	20,784,208	2,645,100	-	23,429,308	-
Net OPEB liability	1,021,929	-	(169,968)	851,961	-
Accrued compensated absences	755,449	334,998	(63,656)	1,026,791	-
Total long-term obligations	$ 39,854,869	$ 2,980,098	$ (1,481,278)	$ 41,353,689	$ 1,185,000

The compensated absences will be liquidated by the General Fund and Food Service Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported. The retirement of the bonds payable will be liquidated by the Bond Redemption Fund, while the net pension liability and net OPEB liability attributable to the governmental activities will be liquidated by the General Fund.

Bonds Payable

General obligation bonds payable consist of the following individual issues as of June 30, 2021:

$8,420,000 general obligation refunding bonds, dated March 1, 2012, due in annual installments ranging from $70,000 to $710,000; varying annual interest rates ranging from 2.00% to 4.00%; payable semiannually on June 1st and December 1st. The proceeds from the sale of the bonds were used to advance refund bonds prior to maturity and to pay costs of issuance. The bonds mature on December 1, 2031.	$6,820,000

$1,200,000 general obligation bonds, dated May 14, 2014, due in annual installments ranging from $55,000 to $85,000; varying annual interest rates ranging from 2.00% to 4.00%; payable semiannually on June 1st and December 1st. The proceeds from the sale of the bonds were used to finance capital projects and to pay costs of issuance. The bonds mature on December 1, 2031.	790,000
$7,975,000 general obligation refunding bonds, dated December 16, 2014, due in annual installments ranging from $65,000 to $690,000; varying annual interest rates ranging from 2.00% to 3.50%; payable semiannually on June 1st and December 1st. The proceeds from the sale of the bonds were used to advance refund bonds prior to maturity and to pay costs of issuance. The bonds mature on December 1, 2028.	4,935,000
$3,485,000 general obligation refunding bonds, dated January 7, 2015, due in annual installments ranging from $10,000 to $835,000; varying annual interest rates ranging from 2.00% to 4.00%; payable semiannually on June 1st and December 1st. The proceeds from the sale of the bonds were used to advance refund bonds prior to maturity and to pay costs of issuance. The bonds mature on December 1, 2031.	2,775,000
Total bonds payable	$15,320,000

The following schedule represents the District's debt service requirements to maturity for all outstanding bonded indebtedness:

Fiscal Year Ending June 30,	Principal	Interest	Total Debt Service
2022	$ 1,185,000	$ 486,075	$ 1,671,075
2023	1,215,000	450,775	1,665,775
2024	1,260,000	411,250	1,671,250
2025	1,295,000	365,638	1,660,638
2026	1,350,000	321,255	1,671,255
2027-2031	9,015,000	961,258	9,976,258
Total	$ 15,320,000	$ 2,996,251	$ 18,316,251

9. Defined Benefit Pension Plan

General Information about the Pension Plan

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.

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

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

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

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

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

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $1,755,079 for the year ended June 30, 2021.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District's proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

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

At June 30, 2021, the District reported a liability of $23,429,308 for its proportionate share of the net pension liability. At December 31, 2020, the District's proportion was 0.15498 percent, which was an increase of 0.01586 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension income of $3,841,357. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 1,287,324	$ -
Net difference between projected and actual earnings on pension plan investments	-	5,157,324
Changes of assumptions or other inputs	2,253,827	3,938,268
Changes in proportionate share	1,960,653	-
District contributions subsequent to the measurement date	930,125	-
	$ 6,431,929	$ 9,095,592

The $930,125 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2022	(4,038,847)
2023	763,036
2024	(67,570)
2025	(250,407)
	$ (3,593,788)

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

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

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

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.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.
The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by 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 (automatic)	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)[1]	Financed by the Annual Increase Reserve

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of $225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the $225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.

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

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	$ 31,959,495	$ 23,429,308	$ 16,320,851

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

10. Defined Benefit Other Post-Employment Benefit Plan

General Information about the OPEB Plan

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

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

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

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

PERA Benefit Structure

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

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

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 $90,049 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of $851,961 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Districts proportion was 0.08966 percent, which was a decrease of 0.00126 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of $17,303. 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
Differences between expected and actual experience	$ 2,261	$ 187,302
Net difference between projected and actual earnings on pension plan investments	-	34,812
Changes of assumptions or other inputs	6,366	52,242
Changes in proportionate share	24,007	-
District contributions subsequent to the measurement date	47,723	-
	$ 80,357	$ 274,356

The $47,723 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amortization
2022	(55,199)
2023	(50,329)
2024	(57,810)
2025	(54,918)
2026	(22,021)
Thereafter	(1,445)
	$ (241,722)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	Trust Fund			
	State Division	**School Division**	**Local Government Division**	**Judicial Division**
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-	3.40%-	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40%[1]	N/A

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.

- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.

- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

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

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

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

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

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care

cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% 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	$ 829,941	$ 851,961	$ 877,596

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.

- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.

- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the

discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net OPEB liability	$ 975,937	$ 851,961	$ 746,034

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

11. Defined Contribution Pension Plan

Plan Description

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contribution, and investment earnings. For the year ended June 30, 2021, program members contributed $71,349 and the District recognized pension expense and a liability of $178,675, for the Voluntary Investment Program.

12. Risk Management

Colorado School Districts Self-Insurance Pool

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the "CSDSIP"). The CSDSIP's objectives are to provide member school district defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the CSDSIP for its insurance coverages. The District's contribution for the year was $146,883. The District continues to carry commercial insurance for other risks of loss, including employee health insurance and workman's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Northern Colorado School Districts' Self-Insurance Pool

The purpose of the Northern Colorado School Districts' Self-Insurance Pool (the "Pool") is to provide members workers compensation coverages and to assist members to prevent and reduce losses and injuries to persons or property which might result in claims being made against members of the Pool, their employees or officers.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability of loss, to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of the Pool shall be at all times dedicated to the exclusive benefit of its members. The District's contribution for the year was $91,208.

13. Commitments and Contingencies

Federal and State Funding

The District receives revenues from various federal and state grant programs which are subject to final review and approval by the grantor agencies. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights ("TABOR"), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. In November 2000, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution.

TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has restricted funds in the General Fund in the amount of $436,000 for the emergency reserve.

14. Joint Venture

The District participates in the Centennial Board of Cooperative Educational Services ("BOCES"). This joint venture does not meet the criteria for inclusion within the reporting entity because the BOCES is:

- financially independent and responsible for its own financing deficits and entitled to its own surpluses;
- has a separate governing board from that of the District;
- has separate management which is responsible for day to day operations and is accountable to the separate governing board;
- the governing board and management have the ability to significantly influence operations by approving budgetary requests and adjustments, signing contracts, hiring personnel, exercising control over facilities and determining the outcome or disposition of matters affecting the recipients of services provided; and
- has absolute authority over all funds and fiscal responsibility, including budgetary responsibility, and reporting to state agencies and controls fiscal management.

This is a jointly governed organization with the District being represented by one member on the governing board of the cooperative. This board has final authority for all budgeting and financing of the joint venture. Separate financial statements of the BOCES are available by contacting their administrative office in Longmont, Colorado.

For the year, the District's financial contribution to the BOCES was $34,415.

15. Subsequent Events

Management of the District has evaluated subsequent events through March 1, 2022, the date these financial statements were available to be issued. No transactions or events that would require adjustment to or disclosures in the financial statements were identified.

Other Supplementary Information

Estes Park School District R-3

Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual Amounts	(Negative)
Revenues				
Local sources	$13,377,321	$13,379,980	$ 13,485,982	$ 106,002
State sources	238,963	398,327	393,758	(4,569)
Total revenues	13,616,284	13,778,307	13,879,740	101,433
Expenditures				
Current:				
Instruction	6,993,131	7,119,159	6,757,925	361,234
Supporting services	6,116,295	5,658,323	5,224,660	433,663
Capital outlay	272,290	304,587	295,002	9,585
Total expenditures	13,381,716	13,082,069	12,277,587	804,482
Excess of revenues over expenditures	234,568	696,238	1,602,153	905,915
Other financing uses				
Transfers out	(234,568)	(1,040,271)	(870,662)	169,609
Total other financing uses	(234,568)	(1,040,271)	(870,662)	169,609
Net change in fund balance	$ -	$ (344,033)	731,491	$ 1,075,524
Fund balance at beginning of year			3,344,033	
Fund balance at end of year			$ 4,075,524	

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Budgetary Comparison Schedule
Designated Purpose Grants Fund

Year Ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Local Sources	$ 25,000	$ 75,597	$ 2,006	$ (73,591)
Federal sources				
IDEA Preschool	13,257	13,257	-	(13,257)
IDEA Part B	360,539	360,539	338,856	(21,683)
Title I Part A	294,500	294,500	271,361	(23,139)
Title II Part A	51,949	51,949	38,593	(13,356)
Title III	11,653	11,653	11,474	(179)
Title III SA	1,232	1,232	-	(1,232)
Titll IV	20,546	20,546	-	(20,546)
ESSER I Funds	229,356	229,356	229,356	-
ESSER II Funds	-	733,630	281,639	(451,991)
Carl Perkins	14,685	14,685	-	(14,685)
Coronavirus Relief Fund	653,165	555,356	552,076	(3,280)
Other federal funding	-	100,173	66,794	(33,379)
Total revenues	1,675,882	2,462,473	1,792,155	(670,318)
Expenditures				
Instruction				
Salaries	632,436	985,889	1,298,929	(313,040)
Employee Benefits	218,950	341,424	417,679	(76,255)
Purchased Services	5,000	5,439	52,618	(47,179)
Supplies and materials	68,782	677,266	35,587	641,679
Total instruction	925,168	2,010,018	1,804,813	205,205
Supporting services				
Instructional staff				
Salaries	224,869	266,588	17,244	249,344
Employee benefits	73,906	92,860	7,540	85,320
Purchased services	59,400	9,400	-	9,400
Other Purchased Services	36,949	6,528	-	6,528
Supplies and materials	100,231	64,200	-	64,200
Total Instructional staff	495,355	439,576	24,784	414,792
General Administration				
Salaries	-	-	14,646	(14,646)
Employee benefits	-	-	3,199	(3,199)
Purchased services	143,016	11,398	12,719	(1,321)
Supplies and materials	112,343	1,481	3,541	(2,060)
Total general administration	255,359	12,879	34,105	(21,226)
Total supporting services	750,714	452,455	58,889	393,566
Total expenditures	1,675,882	2,462,473	1,863,702	598,771
Excess of revenues over expenditures	-	-	(71,547)	(71,547)
Transfers in	-	-	-	-
Net change in fund balance	$ -	$ -	(71,547)	$ (71,547)
Fund balance at beginning of year			96,881	
Fund balance at end of year			$ 25,334	

See accompanying Independent Auditor's Report.

Note A - Budgetary data

The District adheres to the following procedures in compliance with Colorado Revised Statutes, establishing the budgetary data in the financial statements:

1. Budgets are required by state law for all funds. Prior to May 31, the superintendent of schools submits to the board of education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted by the board of education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Prior to January 31, the board of education submits its adopted annual budget to the department of education.
5. Expenditures may not legally exceed appropriations at the fund level. Authorization to transfer budgeted amounts between departments within any fund and reallocation of budget line items within any department in the General Fund rests with the superintendent of schools. Revisions that alter the total expenditures of any fund must be approved by the board of education.
6. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the board of education throughout the year. After budget approval, the District board of education may approve supplemental appropriations if an occurrence, condition, or need exists which was not known at the time the budget was adopted. Supplemental appropriations were made during the year.
8. Appropriations lapse at year-end.

Note B - Factors affecting trends in amounts reported in the pension and OPEB schedules

Information about factors that significantly affect trends in the amounts reported in the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions – Pensions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and the Schedule of District Contributions – OPEB is available in PERA's comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Estes Park School District R-3

Schedule of the District's Proportionate Share of the Net Pension Liability

Last Ten Years *

December 31,	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability	0.15498%	0.13912%	0.13779%	15.44300%	0.15257%	0.15400%	0.15100%
District's proportionate share of the net pension liability	$ 23,429,308	$ 20,784,208	$ 24,399,061	$ 49,937,794	$ 45,425,121	$ 23,535,598	$ 20,493,328
District's covered payroll	$ 8,291,172	$ 8,175,069	$ 7,575,228	$ 7,124,669	$ 6,847,484	$ 6,727,933	$ 6,500,519
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.58%	254.24%	322.09%	700.91%	663.38%	349.82%	315.26%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.84%

The amounts presented for each fiscal year were determined as of 12/31.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Estes Park School District R-3
Schedule of District Contributions - Pension
Last Ten Years *

Year Ended June 30,	2021	2020	2019	2018	2017	2016	2015
Statutorily required contribution	$ 1,755,079	$ 1,624,316	$ 1,515,771	$ 1,366,365	$ 1,263,041	$ 1,262,126	$ 1,166,908
Contributions in relation to the statutorily required contribution	1,755,079	1,624,316	1,515,771	1,366,365	1,263,041	1,262,126	1,166,908
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,828,365	$ 8,381,404	$ 7,923,530	$ 7,314,706	$ 7,124,706	$ 6,847,451	$ 6,500,519
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.68%	17.73%	18.43%	17.95%

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Schedule of the District's Proportionate Share of the Net OPEB Liability

Last Ten Years *

December 31,	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.08966%	0.09092%	0.08956%	0.08776%	0.08672%
District's proportionate share of the net OPEB liability	$ 851,961	$ 1,021,929	$ 1,218,587	$ 1,140,513	$ 1,124,367
District's covered payroll	$ 8,291,172	$ 8,175,069	$ 7,575,228	$ 7,124,669	$ 6,847,484
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%

The amounts presented for each fiscal year were determined as of 12/31.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Schedule of District Contributions - OPEB

Last Ten Years *

Year Ended June 30,	2021	2020	2019	2018	2017	2016
Statutorily required contribution	$ 90,049	$ 85,490	$ 80,822	$ 74,610	$ 72,672	$ 69,844
Contributions in relation to the statutorily required contribution	90,049	85,490	80,822	74,610	72,672	69,844
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 8,828,365	$ 8,381,404	$ 7,923,725	$ 7,314,706	$ 7,124,706	$ 6,847,451
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, information will be presented for the years available.

See accompanying Independent Auditor's Report.

Other Supplementary Information

Estes Park School District R-3

Budgetary Comparison Schedule
Bond Redemption Fund

Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Local sources				
Property taxes	$ 1,680,025	$ 1,680,025	$ 1,700,391	$ 20,366
Delinquent taxes and interest	-	-	(3,339)	(3,339)
Interest on investments	10,000	10,000	1,533	(8,467)
Total revenues	1,690,025	1,690,025	1,698,585	8,560
Expenditures				
Debt service				
Principal	1,160,000	1,160,000	1,160,000	-
Interest and fiscal charges	530,025	530,025	519,194	10,831
Total expenditures	1,690,025	1,690,025	1,679,194	10,831
Net change in fund balance	$ -	$ -	19,391	$ 19,391
Fund balance at beginning of year			1,403,540	
Fund balance at end of year			$ 1,422,931	

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

	Food Service Fund	Outreach Fund	Capital Reserve Capital Projects Fund	Pupil Activity Fund	Total
Assets					
Cash and cash equivalents	$ 600	$ -	$ -	$ 175,145	$ 175,745
Due from other funds	32,201	1,033	408,259	2,782	444,275
Other receivables	90,173	84	-	157	90,414
Inventory	57,905	-	-	-	57,905
Total assets	$ 180,879	$ 1,117	$ 408,259	$ 178,084	$ 768,339
Liabilities and fund balances					
Liabilities					
Accounts payable	$ 339	$ 7	$ 9,119	$ 656	$ 10,121
Total liabilities	339	7	9,119	656	10,121
Fund balance					
Nonspendable for inventory	57,905	-	-	-	57,905
Committed to capital projects	-	-	399,140	177,428	576,568
Food service	122,635	-	-	-	122,635
Other	-	1,110	-	-	1,110
Total fund balance	180,540	1,110	399,140	177,428	758,218
Total liabilities and fund balances	$ 180,879	$ 1,117	$ 408,259	$ 178,084	$ 768,339

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2021

	Food Service Fund	Outreach Fund	Capital Reserve Capital Projects Fund	Pupil Activity Fund	Total
Revenues					
Local sources	$ 10,027	$ -	$ -	$ 144,122	$ 154,149
State sources	3,156	-	-	-	3,156
Federal sources	500,386	-	-	-	500,386
Other revenues	2,000	-	-	-	2,000
Total revenues	515,569	-	-	144,122	659,691
Expenditures					
Supporting services	441,811	-	-	115,665	557,476
Capital outlay	-	-	674,860	-	674,860
Total expenditures	441,811	-	674,860	115,665	1,232,336
Excess (deficiency) of revenues over expenditures	73,758	-	(674,860)	28,457	(572,645)
Other financing sources					
Transfers in	10,000	-	860,662	-	870,662
Total other financing sources	10,000	-	860,662	-	870,662
Net change in fund balance	83,758	-	185,802	28,457	298,017
Fund balances at beginning of year	96,782	1,110	213,338	148,971	460,201
Fund balances end of year	$ 180,540	$ 1,110	$ 399,140	$ 177,428	$ 758,218

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Budgetary Comparison Schedule
Food Service Fund

Year Ended June 30, 2021

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
Revenues				
Local sources	$ 165,630	$ 17,955	$ 10,027	$ (7,928)
State sources	6,500	5,000	3,156	(1,844)
Federal sources	222,000	330,220	500,386	170,166
Other revenues	-	-	2,000	2,000
Total revenues	394,130	353,175	515,569	162,394
Expenditures				
Supporting services				
Salaries	179,237	173,783	148,334	25,449
Employee benefits	95,862	94,651	60,636	34,015
Facilities acquisition	-	-	-	-
Supplies and materials	253,600	264,350	232,841	31,509
Total expenditures	528,699	532,784	441,811	90,973
Deficiency of revenues over expenditures	(134,569)	(179,609)	73,758	253,367
Other financing sources				
Transfers in	134,569	179,609	10,000	-
Total other financing sources	134,569	179,609	10,000	-
Net change in fund balance	$ -	$ -	83,758	$ 253,367
Fund balance at beginning of year			96,782	
Fund balance at end of year			$ 180,540	

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Budgetary Comparison Schedule
Outreach Fund

Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Local sources	$ 10,000	$ 10,000	$ -	$ (10,000)
Total revenues	10,000	10,000	-	(10,000)
Expenditures				
Supporting services				
Salaries	-	-	-	-
Employee benefits	-	-	-	-
Purchased services	10,000	10,000	-	10,000
Supplies and materials	-	-	-	-
Total expenditures	10,000	10,000	-	10,000
Net change in fund balance	$ -	$ -	-	$ -
Fund balance (deficit) at beginning of year			1,110	
Fund balance at end of year			$ 1,110	

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Budgetary Comparison Schedule
Capital Reserve Capital Projects Fund

Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
Revenues				
Local sources	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures				
Capital outlay				
Facilities acquisition	493,000	1,074,000	674,860	399,140
Total expenditures	493,000	1,074,000	674,860	399,140
Excess (deficiency) of revenues over expenditures	(493,000)	(1,074,000)	(674,860)	399,140
Other financing sources				
Transfers in	100,000	860,662	860,662	-
Total other financing sources	100,000	860,662	860,662	-
Net change in fund balance	$ (393,000)	$ (213,338)	185,802	$ 399,140
Fund balance at beginning of year			213,338	
Fund balance at end of year			$ 399,140	

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Budgetary Comparison Schedule
Pupil Activity Fund

Year Ended June 30, 2021

	Original	Final	Actual	Variance Final Budget Postive (Negative)
Additions				
Fundraising and other events	$ 626,000	$ 626,000	$ 144,122	$ (481,878)
Total additions	626,000	626,000	144,122	(481,878)
Deductions				
Pupil activity expenditures	626,000	626,000	115,665	510,335
Total deductions	626,000	626,000	115,665	510,335
Deficiency of additions over deductions	$ -	$ -	28,457	$ 28,457
Due to student groups at beginning of year			148,971	
Due to student groups at end of year			$ 177,428	

See accompanying Independent Auditor's Report.

Estes Park School District R-3

Budgetary Comparison Schedule
Scholarship Trust Fund

Year Ended June 30, 2021

	Original	Final	Actual	Variance Final Budget Positive (Negative)
Additions				
Earnings on investments	$ 1,300	$ 1,300	$ 32	$ (1,268)
Total additions	1,300	1,300	32	(1,268)
Deductions				
Bank fees	300	300	-	300
Scholarship awards	1,000	1,000	271	729
Total deductions	1,300	1,300	271	1,029
Excess of additions over deductions	$ -	$ -	(239)	$ (239)
Due to scholarship recipients at beginning of year			48,290	
Due to scholarship recipients at end of year			$ 48,051	

See accompanying Independent Auditor's Report.

Colorado Department of Education

Auditors Integrity Report

District: 1570 - Estes Park R-3
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	3,344,035	13,012,367	12,280,876	4,075,525
18	Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19	Colorado Preschool Program Fund	0	0	0	0
	Sub- Total	3,344,035	13,012,367	12,280,876	4,075,525
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	1,110	0	0	1,110
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	96,783	525,569	441,813	180,539
22	Govt Designated-Purpose Grants Fund	97,447	1,791,350	1,863,702	25,095
23	Pupil Activity Special Revenue Fund	148,971	144,964	116,504	177,430
24	Full Day Kindergarten Mill Levy Override	0	0	0	0
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	1,403,541	1,698,586	1,679,195	1,422,932
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	213,339	860,662	674,860	399,141
46	Supplemental Cap Const, Tech, Main Fund	0	0	0	0
	Totals	5,305,224	18,033,498	17,056,949	6,281,773
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	48,289	32	270	48,052
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	48,289	32	270	48,052

FINAL

Estes Park School District R-3

Federal Financial Assistance
Single Audit Report
June 30, 2021

Estes Park School District R-3

Contents

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Education
Estes Park School District R-3
Estes Park, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Estes Park School District R-3 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 1, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

BDO USA, LLP

March 1, 2022

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2015 Clubhouse Drive, Suite 203
Greeley, CO 80634

Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Board of Education
Estes Park School District R-3
Estes Park, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Estes Park School District R-3's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon, dated March 1, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BDO USA, LLP

April 26, 2022

Estes Park School District R-3

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021

Federal Grantor/Pass - Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Agriculture			
Child Nutrition Cluster			
Passed through Colorado Department of Human Services:			
National School Lunch Program (Donated Commodities)	10.555	4555	$ 15,853
Passed Through Colorado Department of Education:			
National School Lunch Program	10.555	4555	62,490
Summer Food Service Program for Children	10.559	4559	422,043
Child Nutrition Cluster Subtotal			500,386
TOTAL U.S. DEPARTMENT OF AGRICULTURE			500,386
U.S. Department of Treasury			
Passed Through Colorado Department of Education:			
COVID-19 Coronavirus Relief Fund	21.019	4012	552,076
TOTAL U.S. DEPARTMENT OF TREASURY			552,076
U.S. Department of Education			
Passed Through Colorado Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4010	271,361
English Language Acquisition State Grants	84.365	4365	11,474
Supporting Effective Instruction State Grants	84.367	4367	38,593
Special Education - Grants to States	84.027	4027	338,856
Special Education Cluster (IDEA) Subtotal			338,856
COVID-19 Education Stabilization Fund (GEER)	84.425C	6425	66,794
COVID-19 Education Stabilization Fund (ESSER I)	84.425D	4425	229,356
COVID-19 Education Stabilization Fund (ESSER II)	84.425D	4420	281,639
COVID-19 Education Stabilization Fund Subtotal			577,789
TOTAL U.S. DEPARTMENT OF EDUCATION			1,238,073
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 2,290,535

See accompanying Notes to Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the Estes Park School District R-3 (the “District”) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allocable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. Indirect Cost Rate

The District has elected to not use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

4. Subrecipients

There were no subrecipients of federal awards during the year ended June 30, 2021.

5. Donated Commodities

Commodities donated to the District by the U.S. Department of Agriculture (“USDA”) are valued based on the USDA’s Donated Commodity Price List and by values provided by the USDA. The commodities are recognized as revenue and expenditures when the commodities are used. As of June 30, 2021, the District has received food commodities totaling $15,853.

Estes Park School District R-3

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	____ Yes __X__ No
• Significant deficiency(ies) identified?	____ Yes __X__ None reported
Noncompliance material to financial statements noted?	____ Yes __X__ No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	____ Yes __X__ No
• Significant deficiency(ies) identified?	____ Yes __X__ None reported
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____ Yes __X__ No

Identification of major federal programs:

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	____ Yes __X__ No

Section II - Financial Statement Findings

None reported

Section III – Federal Award Findings and Questioned Costs

None reported