

**Summit School District RE-1
Frisco, Colorado**

**Comprehensive Annual
Financial Report
June 30, 2021**



Summit School District
Comprehensive Annual Financial Report
For Fiscal Year Ending June 30, 2021

Prepared By Kara Drake
Director of Business Services

**Summit School District RE-1
Comprehensive Annual Financial Report
June 30, 2021**

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**BOARD OF EDUCATION**

Ms. Kate Hudnut, President
Ms. Consuelo Redhorse, Vice President
Ms. Lisa Webster, Treasurer
Ms. Johanna Kugler, Secretary
Mr. Chris Alleman, Director
Mr. Chris Guarino, Director
Ms. Gloria Quintero, Director

Mr. Roy Crawford, Interim Superintendent

December 9, 2021

Board of Education and Residents
Summit School District
Frisco, Colorado 80443

Colorado Revised Statute 29-1-603 requires that all school districts publish within five months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Summit School District for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of Summit School District. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Summit School District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Summit School District's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Summit School District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by McMahan and Associates, L.L.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Summit School District for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Summit School District's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Single Audit – The independent audit of the financial statements of Summit School District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The results of the District's single audit for the fiscal year ended June 30, 2021 provided no instances of material weaknesses or reportable conditions in internal control or material violations of applicable laws, regulation, contracts or grants.

Budgeting Controls – In addition, the District maintains numerous budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the Board of Education. A quarterly financial report is prepared and presented to the Board of Education on a regular basis. Activities of all funds are included in this report. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund.

The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year end and are generally re-established in the following year as an obligation against that year's appropriated budget.

Accounting Policies – Detailed descriptions of the District's accounting policies are contained in the Notes to the Basic Financial Statements in section D, and they are an integral part of this report. These policies describe the basis of accounting, fund and accounts used, valuation policies for inventories and investments and other significant accounting information.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Summit School District's MD&A can be found immediately following the report of the independent auditors.

As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Profile of the District

Summit School District was formed in 1958 by a state-wide reorganization of school districts. This reorganization combined six (6) small school districts in Summit County into one district. The District covers approximately 516 square miles in the central Colorado Rocky Mountains. Summit School District is empowered to levy a property tax on both real and personal properties located within its boundaries.

The District operates under an elected Board of Education with seven members. Policy-making and legislative authority are vested in the Board of Education. The Board is responsible, among other things, for adopting policies, appointing committees, adopting the budget, and hiring the Superintendent. The Superintendent is responsible for carrying out the policies and regulations of the Board, for overseeing the day-to-day operations of the district, and for hiring principals and administrators. The Board is elected on a non-partisan basis at large. Board members serve four-year staggered terms, with four or three Board members elected every two years.

The District provides a full range of educational programs and services authorized by Colorado State Statute to approximately 3,500 students. This includes basic PK-12 education in elementary, middle and high schools, special education for handicapped students, English language acquisition, preschool and numerous other programs. The District has no component governmental entities for which it is financially accountable. Therefore, the financial statements include only the District and no other entities.

The annual budget serves as the foundation for Summit School District's financial planning and control. The Board of Education begins the budget cycle annually in December by reviewing several five-year projections to evaluate the overall financial health of the district. Based upon this review and current financial policies, the Board establishes the facts and assumptions that will be used in the development of the annual budget. The Administrative Team of the district, which consists of all building principals and district office administrators, discusses and reviews the Board direction. This input is then provided to the Board who finalizes their budget guidelines. The Business Services department then converts these guidelines into broad allocations to each school and department. The school or

department determines their staffing and budgets to meet the needs of their customers and input for their respective communities within their allocations. The Business Services department then collects this budget detail and compiles the proposed budget. In May, the Superintendent presents this proposed budget to the Board for review. The Board is required to hold public hearings on the budget and to adopt a final budget by no later than June 30, the close of Summit School District's fiscal year. The appropriated budget is prepared by fund, program and department. Principals and department heads may make transfers of appropriations within a department. Transfers of appropriations between funds, however, require the approval of the Board of Education. Budget-to-actual comparisons are provided in this report for every fund. For all funds, this comparison is presented in the supplemental information section of this report, in Sections E and F.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Summit School District operates. The two factors that determine the level of funding for any year for a Colorado school district is the Colorado School Finance Act and individual district enrollment.

The Colorado School Finance Act was developed in 1988 to bring equity to funding of school districts throughout the State. In 1994, the Act was amended. The Act currently determines the amount of per pupil funding for each district in the state based upon four district factors: base, size, at-risk and cost of living. These factors determine a per pupil dollar amount that is then multiplied by the number of students enrolled on October 1 of the current year. Although the Colorado School Finance Act was implemented with the best intentions, tight state revenues have resulted in the Act, and therefore schools, being under funded for over twenty years.

In November 2000, the voters of Colorado passed a statewide ballot issue to amend the State Constitution, Amendment 23. This amendment requires that the state fund public education at a minimum of growth plus inflation plus one percent for the next ten years beginning with fiscal 2001-02 and thereafter at growth plus inflation. However, due to the state of the economy, the State of Colorado has had to reduce funding to PK-12 education, by enacting a new factor, the Budget Stabilization Factor, that empowers the legislature to override the aforementioned factors, and dictate how much the State will fund Colorado K-12 education. The economic impacts of COVID-19 had a significant impact on state funding for the 2020-21 budget, causing the state to double the Budget Stabilization Factor.

Enrollment is the second key factor to financing a school district. Summit School District's enrollment is projected to slightly decrease over the next several years. The District enrollment decreased 1.2% in 2019-20. The 2020-21 budget has been prepared forecasting a decreased enrollment of 30 students, or just under 1%, for the next fiscal year.

Major Initiatives

In Summit School District, we prepare caring, courageous, community-minded people who create a better world.

Strategic Plan: Throughout the 2020-21 school year, school board members and district leaders worked with parents, students, staff and community members to guide the development of a new strategic plan. The community conversations focused energy and ideas on common goals and priorities. From this work, Summit School District developed the 2021 Strategic Plan and Graduate Profile, which will guide the actions and priorities of the district moving into the future.

Mission Statement: Summit School District creates a learning community in which each and every person belongs, grows and thrives.

Focus Areas: In order to support our core values of equity, collaboration, curiosity and innovation, Summit School District has three main focus areas: academic and personal success for every student, equity seeking systems and family and community partnerships.

District Wide International Baccalaureate (IB): The District continues on its vision to be one of only a handful of Districts that is a District Wide International Baccalaureate school system.

Fiscal Responsibility: The Board of Education has put into practice strong financial policies and practices which has resulted in the Summit School District being in sound financial condition. These financial policies include:

- A balanced budget
 - Expenses are adjusted to annual revenues
- Unrestricted fund balance for unforeseen events
 - Goal of 7% of General Fund expenses or 17 days
- Annual independent audit
- Quarterly financial reports
- Financial information posted on web site for fiscal transparency

Budget Planning: The State of Colorado continues to struggle to fund PK-12 education and the economic impacts of COVID-19 have been unprecedented. Experts continue to monitor the impacts of the pandemic on both the health and economy of the state. An influx of one-time federal stimulus dollars and distribution of the vaccine have made the most recent economic forecasts much more promising than originally anticipated.

The budget was prepared with an expected increase in funding of \$1,066.50 per student (13.1%). This increase includes an inflationary increase to per pupil funding of 2% as well as a decrease to the Negative Factor of \$481.4 million. This brings the state-wide underfunding of PK-12 education to \$571 million, of which SSD's share is \$2.3 million. Total impact to reserves will be a decrease of \$2 million. This includes support for on-going salary increases as approved by the Board and the use of one-time rural dollars that the District will receive in 2022 and 2023.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Business Services department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Superintendent and Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of Summit School District's finances.

Respectfully submitted,



Kara Drake
Chief Financial Officer



Summit School District 2020-2021 Organizational Chart

Summit County Scholars, Families & Community

Board of Education
Kate Hudnut - President; Tracey Carisch - Vice President; Gini Bradley - Secretary; Chris Alleman - Treasurer; Gloria Quintero - Director; Consuelo Redhorse - Director; Isabel Rodriguez - Director

Executive Assistant to Superintendent and Board of Education
Molly Speer

Superintendent
Dr. Marion Smith Jr

Communications Coordinator
Mikki Grebetz

Chief Financial Officer
Kara Drake

Chief Operating Officer
Drew Adkins

Chief Human Resources Officer
Trisha Forman

Chief Academic Officer
Mary Kay Dore

School Principals
 Breckenridge Elementary - Khristian Brace
 Dillon Valley Elementary - Kendra Carpenter
 Frisco Elementary - Laura Rupert
 Silverthorne Elementary- Louise Wacaser
 Summit Cove Elementary - Crystal Miller
 Upper Blue Elementary - Robyn Sutherland
 Summit Middle School - Greg Guevara
 Snowy Peaks Middle & High School- James Smith
 Summit High School - Tim Ridder

Alicia Boles-Fry-Payroll
 Jill Housh-Accts Payable
 Cynthia Baucom-Food Services Manager
 Kelly Ash-Grant Coordinator
 Krissy Moulton-Admin. Asst.

Woody Bates-Facilities Manager
 Bryan Donahue-Network Manager
 Lisa Casey-Transportation Manager
 Brandon Smith --Safety & Security Mgr.
 Amanda Southern-Admin. Asst.

Hanna Waugh-HR Specialist
 Sara Westenskow-HR Specialist
 Substitute Teachers

Liz Strempe-Director Elementary Education
 Lana McLaughlin-Director Secondary Education
 Ellen Clark-Director of Special Services
 Roxy Rosenthal-Administrative Assistant

Bruce Buehner-Tech. Support Specialist
 Melanie Linger-Student Information Coordinator
 Jeannie Church -Tech. Student Support Specialist
 Vacant-Tech. Student Support Specialist

Ben Lausten-Curriculum & PD Coordinator
 Mark Clark-Curriculum & PD Coordinator
 Rita Tracy-Language Development & Equity Coordinator
 Ross Morgan-Data & Assessment Coordinator
 Shannon Adam-Literacy Coordinator
 Beth Wells - Literacy Coordinator
 Peder Hansen-IB & Authentic Learning TOSA
 Elizabeth Edgar-Health Coordinator
 Kristin Sposato-Preschool Coordinator
 Kimberly Guarino-Early Childhood Registrar
 Angelica Mascarenas-District Community Liaison/Translator

SUMMIT SCHOOL DISTRICT
Summit County, Colorado

PRINCIPAL OFFICIALS

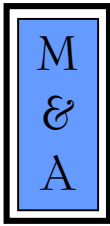
Board of Education

- Ms. Kate HudnutPresident
- Ms. Tracey Carisch.....Vice President
- Ms. Gini Bradley Secretary
- Mr. Chris Alleman..... Treasurer
- Ms. Consuelo Redhorse Director
- Ms. Gloria Quintero Director
- Ms. Isabel Rodriguez Director

District Administration

- Dr. Marion Smith, Jr..... Superintendent
- Mary Kay Doré.....Chief Academic Officer
- Drew Adkins..... Chief Operating Office
- Kara Drake..... Chief Financial Officer
- Telisa Reed.....Interim Chief Human Resources Officer

Summit School District is an equal opportunity education institution and does not unlawfully discriminate on the basis of race, color, national origin, age, sex, sexual orientation or disability in admission or access to, or treatment, or employment in, its education programs or activities and provides equal access to the Boy Scouts and other designated youth groups. Inquiries concerning non-discrimination policies may be referred to the Summit School District Attn: Superintendent, P.O. Box 7, Frisco, CO 80443, (970) 368-1000.



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Education
Summit School District RE-1
Frisco, Colorado**

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Summit School District RE-1, (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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considered internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also include evaluation of the appropriateness of accounting policies used and the reasonableness of significant account estimates made by management, as well as evaluating the overall financial statement presentation.

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

Member: American Institute of Certified Public Accountants

PAUL J. BACKES, CPA, CGMA
MICHAEL N. JENKINS, CA, CPA, CGMA
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**INDEPENDENT AUDITOR'S OPINION
To the Board of Education
Summit School District RE-1**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Summit School District RE-1, as of June 30, 2021, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis in Section B, the Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Pension Contributions, Schedule of District's Proportionate Share of the Other Post-Employment Benefits Liabilities, Schedule of District's Other Post-Employment Benefit Contributions, and the Notes to the Required Supplemental Information in Section E, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules in Section E are not a required part of the District's basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements taken as whole. The introductory section, combining fund financial statements, individual budgetary schedules, the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures and the statistical section listed in the accompanying table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements, the individual budgetary schedules, and the Colorado Department of Education Auditor's Electronic Data Integrity Check Figures are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements.

**INDEPENDENT AUDITOR'S OPINION
To the Board of Education
Summit School District RE-1**

Other Matters (continued)

Such 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express do not express an opinion or provide any assurance on them.

Additionally, the Schedule of Expenditures of Federal Awards included in the Single Audit section is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and is not a required part of the District's financial statements. Such 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 account and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 on compliance.

McMahan and Associates, L.L.C.
McMahan and Associates, L.L.C.
December 6, 2021

Summit School District RE-1

Management's Discussion and Analysis





Summit School District Management's Discussion and Analysis As of and for the fiscal year ended June 30, 2021

As management of Summit School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-viii of this report.

Financial Highlights

- ❖ The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$11,872,048. Of this amount, \$9,932,000 is restricted in its use to meet the District's ongoing obligations to students and creditors.
- ❖ The District's total net position increased by \$13,550,890.
- ❖ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$22,010,774, a decrease of \$1,782,430 in comparison with the prior year \$9,190,604 is available for spending at the District's discretion.
- ❖ At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,190,604 or 22% percent of total general fund expenditures.
- ❖ The District's general obligation debt decreased to a balance of \$73,885,000. As of June 30, 2021, the district has three outstanding general obligation bonds from 2012, 2017 and 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) district-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

District-wide Financial Statements: The district-wide financial statements are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to those used by a private-sector business.

The Statement of Net position presents information on all the District's assets and liabilities, 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.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and changes in long-term compensated absences).

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities).

- **Governmental activities:** Most of the District's basic services are included here, such as instructional services, support services, food service, and student activities. Such services include activities relating to building maintenance, technology and administration.

The district-wide financial statement includes only the Summit School District and no other entities. The district-wide financial statements can be found on pages C1-C2 of this report.

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 operations of the District by fund instead of the District as a whole. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the district-wide financial statements. However, unlike the district-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Summit School District maintains nine individual governmental funds. Information is presented in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances. The five major funds, general fund, grant fund, debt service fund, building fund and supplemental capital construction and technology fund are presented separately and the food service fund, pupil activity, transportation fund and capital reserve fund are presented as one total.

The District adopts an annual appropriated budget for all of its funds. Budgetary comparison statements have been provided to demonstrate compliance with state budget statutes.

The basic governmental fund financial statements can be found on pages C3-C6.

Proprietary Funds: The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its employee health and dental benefits. Because this service predominately benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary Funds provide the same type of information as the district-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages C7-C9 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 district-wide and fund financial statements. The notes to the financial statements can be found in Section D of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Immediately following the notes are the statements reporting the District's annual appropriated budgets. These budget reports can be found on pages E1-F11.

District-wide Financial Analysis:

As noted earlier, net position may serve over time as a useful indicator of a district's financial position. For the year ended June 30, 2021, the District's total net position was \$11,872,048, which included the District's net pension and OPEB liability of \$81,644,438. This net liability is the District's proportionate share of the School Division Trust Fund pension and other post-employment benefits liability, administered by the Public Employees' Retirement Association of Colorado. This was determined by an actual valuation as of December 31, 2019. Standard update procedures were used to roll forward the total pension liability to December 31, 2020.

Summit School District - Summary of Net Position:

	Governmental Activities	
	FY 2021	FY 2020
Assets:		
Current and other assets	\$ 31,495,536	\$ 37,775,416
Capital assets	159,873,423	167,605,418
Total Assets	<u>\$ 191,368,959</u>	<u>\$ 205,380,834</u>
Deferred Outflows	<u>\$ 25,597,780</u>	<u>\$ 10,071,705</u>
Liabilities:		
Other liabilities	\$ 14,090,222	\$ 16,673,526
Long-term liabilities	156,830,961	153,628,052
Total Liabilities	<u>\$ 170,921,183</u>	<u>\$ 170,301,578</u>
Deferred Inflows	<u>\$ 34,288,674</u>	<u>\$ 46,829,803</u>
Net Position		
Net investment		
in capital assets	80,735,005	82,789,261
Restricted	9,932,000	10,504,110
Unrestricted	(78,794,957)	(94,972,213)
Total Net Position	<u>\$ 11,872,048</u>	<u>\$ (1,678,842)</u>

Of the District's total net position, \$80,735,005 is invested in capital assets (e.g. land, buildings and equipment). The district uses these capital assets to provide services to its students and the community; consequently, these assets are not available for further spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from property taxes, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net position, \$9,932,000, represents resources that are subject to restrictions on how they may be used. The District's June 30, 2021 unrestricted net position (\$78,794,957) is a result of reporting the net pension and OPEB obligation of \$81,644,438.

Summit School District - Statement of Activities:

	Governmental Activities	
	FY 2021	FY 2020
Revenues:		
<i>Program revenues</i>		
Charges for services	\$ 1,010,050	\$ 1,791,358
Operating grants and contributions	6,383,447	3,988,746
Capital grants and contributions	25,210	70,499
<i>General revenues</i>		
Property taxes	42,620,877	42,769,525
Specific ownership taxes	2,415,365	2,041,931
State revenue	4,634,587	6,609,459
Grants and contributions	1,125,353	1,175,240
Investment earnings	26,130	388,361
Other	(8,042)	506,344
Total revenues	<u>58,232,977</u>	<u>59,341,463</u>
Expenditures:		
Direct instruction	21,159,126	26,595,362
Indirect instruction	7,344,798	6,752,045
Transportation	1,175,310	1,604,733
Custodial maintenance	5,048,567	5,782,496
Support services	2,527,647	2,461,366
General administration	2,832,745	3,162,745
Community service	-	8,923
Food service	1,221,504	1,231,276
Student activities	439,969	642,469
Interest	2,932,421	2,884,135
Total expenses	<u>44,682,087</u>	<u>51,125,550</u>
Change in net position	13,550,890	8,215,913
Net position- July 1	<u>(1,678,842)</u>	<u>(9,894,755)</u>
Net position - June 30	<u>\$ 11,872,048</u>	<u>\$ (1,678,842)</u>

Most school districts operating revenues comes from the School Finance Act of 1994 (“SFA”). Under this act, the District received \$8,437.89 per funded pupil in fiscal year ended June 30, 2021, and the funded pupil count was 3,466.3. SFA funding comes from general fund property taxes, specific ownership taxes, and state equalization. The District received 87% of SFA funding from property taxes and specific ownership tax and 13% from the state.

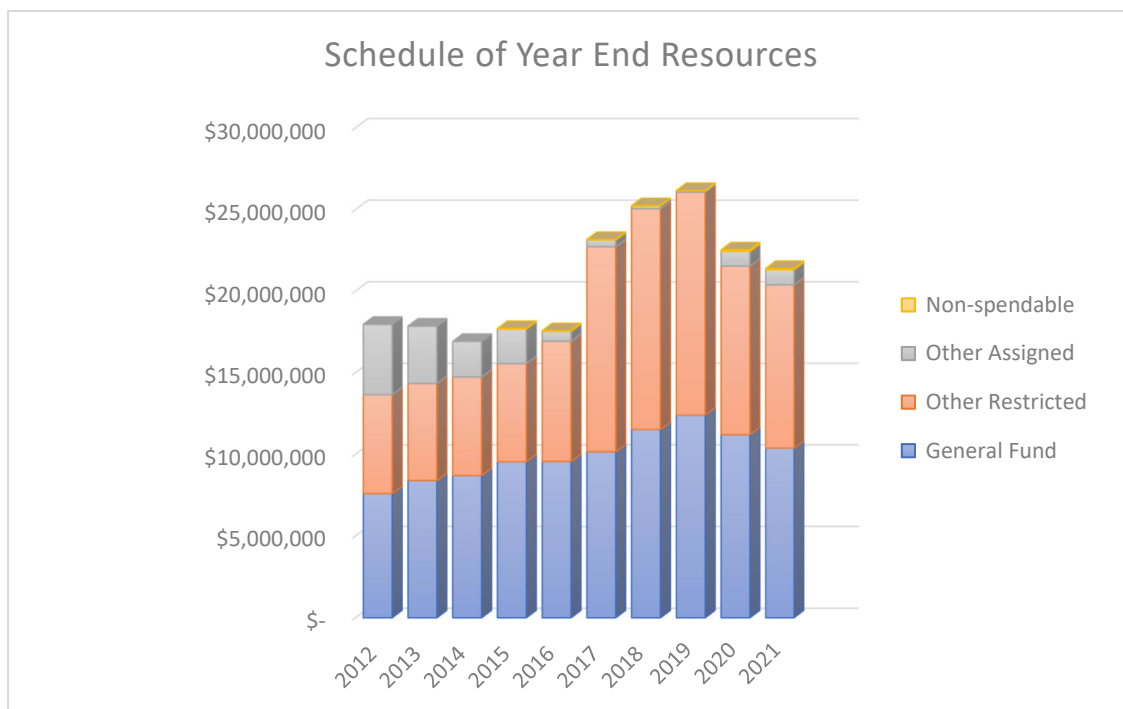
Financial Analysis of the District's Funds

As mentioned earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balances 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 current fiscal year, the District's governmental funds reported combined ending fund balances of \$22,010,774 a decrease of \$1,782,430 from the prior year ending fund balances. This decrease is the result of spending the General Fund reserves to backfill the reduction in State funding and spending on capital projects from Bond funding passed by voters in November 2016. A total of \$617,962 is assigned for building projects over the next year. A total of \$9,190,604 is available for spending at the District's discretion. The general fund accounts for \$10,378,689 of the total fund balance.

The following graph provides a view of the District's ending fund balances, not including the building fund, for the last eight fiscal years:



Budget Variances in the General Fund: The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the general fund.

One of the most important variances to discuss is budgeted vs. actual revenues and expenditures in the general fund. Actual revenues were favorable to the final budget by \$2,202,817, primarily due to mid-year increase in school finance funding from CDE. Actual expenditures, excluding contingency, were \$1,162,837 less than budgeted primarily due to savings in substitute teacher costs and vacant positions. Other financing sources were \$592,829 less than budgeted due to vacancies in positions in Transportation and Food Services. The final budget adopted in June 2021, had planned to decrease the balance in reserves \$4,787,912, however, due to savings in expenditures and additional revenues, the actual result was a decrease in the ending fund balance of the general fund of \$829,429.

The District has prepared a budget that will use \$2,005,534 in fund balance for the next fiscal year. The spend down of reserves is due to negotiated salary increases for staff. Once the full economic impacts of COVID-19 are realized, the district will need to balance the ongoing revenues and expenditures in future years.

Capital Assets: The District's capital assets, net of accumulated depreciation, totaled \$159,873,423 as of June 30, 2021. The District capitalizes assets, including land, buildings and improvements, equipment, and construction in progress, with an original cost greater than \$5,000 and useful life of more than two years. The district has \$300,550 in construction commitments as of June 30, 2021.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statement on page D14 of this report.

Long-Term Debt: As of the end of the current fiscal year, the District's long-term liabilities totaled \$162,890,961, representing a net increase of \$3,572,909. This increase in long-term debt is primarily due to an increase in the District's net pension liability for PERA.

Colorado School law limits the amount of bonded indebtedness to the greater of 20% of the most current valuation for assessment of the taxable property in the District as certified by the County Assessor's Office, or 6% of the most recent actual valuation of the taxable property in the District, as certified by the County Assessor's Office. The District's legal bonded debt limit as of June 30, 2021 is \$449,905,210.

Additional information, as well as a detailed classification of the District's total long-term liabilities, can be found in the Notes to the Financial Statements on pages D16 – D40 of this report.

Economic Factors

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

Total Program Funding = local property taxes + general specific ownership taxes + State equalization

School District Finance Act is also significantly affected by Amendment 23, which was approved by the voters in November, 2000. This state constitutional amendment requires that statewide base per pupil funding and state categorical program funding increase by inflation plus one percent for ten years beginning with the fiscal year ended June 30, 2002. After that ten-year window has expired, the state must increase funding at the rate of inflation. This funding calculation attempts to align Colorado districts to inflation-adjusted funding levels of 1988. The formula will also increase the District's reliance upon the state and decrease the District's reliance upon local funding over time. However, due to the decline in the national and state economy, the State of Colorado has not fully funded Amendment 23 levels for the 2020-21 school year, and has not since the 2009-2010 school year.

Next Year's Budget and Rates: The District's General Fund balance at the end of fiscal year 2021 totaled \$10,378,689. The fiscal year 2022 budget anticipates to spend this balance down by \$2,005,534.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Summit School District, Chief Financial Officer, PO Box 7, Frisco, Colorado 80443.

Summit School District RE-1

District-Wide Financial Statements



SUMMIT SCHOOL DISTRICT
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets:	
Current Assets:	
Cash and investments	\$ 26,773,979
Accounts receivable	440,794
Taxes receivable	1,693,450
Due from other governments	1,995,006
Prepaid expenses	539,525
Inventory	52,782
Total Current Assets	31,495,536
 Capital Assets:	
Land	10,200,702
Construction in progress	300,550
Buildings	226,700,625
Equipment and vehicles	7,692,141
Less accumulated depreciation	(85,020,595)
Total Capital Assets	159,873,423
Total Assets	191,368,959
 Deferred Outflows of Resources:	
Related to pension expenses	25,451,048
Related to other post-employment expenses	261,898
Total Deferred Outflows of Resources	25,597,780
 Liabilities:	
Current Liabilities:	
Accounts, retainage, arbitrage and deposits payable	1,749,840
Accrued compensation	5,510,038
Accrued interest	225,396
Unearned revenue	544,948
Bonded debt payable - due within one year	6,060,000
Total Current Liabilities	14,090,222
 Noncurrent Liabilities:	
Bonded debt payable - due in more than one year	73,901,428
Compensated absences and early retirement - due in more than one year	1,285,095
Net pension and OPEB liability:	
Due in more than one year - pension	78,780,838
Due in more than one year - OPEB	2,863,600
Total Noncurrent Liabilities	156,830,961
Total Liabilities	170,921,183
 Deferred Inflows of Resources:	
Related to pension expenses	33,251,350
Related to other post-employment expenses	922,158
Deferred charge on refunding	115,166
Total Deferred Inflows of Resources	34,288,674
 Net Position:	
Net investment in capital assets	80,735,005
Restricted for:	
TABOR	1,017,600
Debt service	8,570,570
Other purposes	343,830
Unrestricted	(78,794,957)
Total Net Position	\$ 11,872,048

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Direct instruction	\$ 21,159,126	\$ 448,658	\$ 4,354,626	\$ 25,210	\$ (16,330,632)
Indirect instruction	7,344,798	-	911,434	-	(6,433,364)
Transportation	1,175,310	65,040	57,234	-	(1,053,036)
Custodial and maintenance	5,048,567	-	-	-	(5,048,567)
Support services	2,527,647	-	-	-	(2,527,647)
General administration	2,832,745	-	-	-	(2,832,745)
Food service	1,221,504	29,834	1,060,153	-	(131,517)
Student activities	439,969	466,518	-	-	26,549
Interest	2,932,421	-	-	-	(2,932,421)
Total governmental activities	44,682,087	1,010,050	6,383,447	25,210	(37,263,380)
General revenues:					
Property taxes levied for general purposes					33,995,530
Property taxes levied for debt service					8,625,347
Specific ownership taxes					2,415,365
State revenue					4,634,587
Grants and contributions not restricted to specific programs					1,125,353
Gain on asset disposition					(8,042)
Interest and investment earnings					26,130
Total general revenues					50,814,270
Change in net position					13,550,890
Net position - beginning					(1,678,842)
Net position - ending					\$ 11,872,048

The accompanying notes are an integral part of this statement.

Summit School District RE-1

Fund Financial Statements



SUMMIT SCHOOL DISTRICT
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Bond Redemption Fund</u>	<u>Building Fund</u>	<u>Supplemental Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:							
Cash and cash equivalents	\$ 14,202,713	\$ -	\$ 8,156,504	\$ 707,844	\$ 1,336,698	\$ 936,172	\$ 25,339,931
Accounts receivable	437,497	-	-	-	-	3,297	440,794
Taxes receivable	1,233,034	-	337,539	-	88,256	34,621	1,693,450
Due from other governments	971,048	536,673	216,713	-	55,719	214,853	1,995,006
Due from other funds	109,402	-	-	-	-	-	109,402
Inventories and prepaid expenses	170,485	-	-	-	23,954	54,038	248,477
Total Assets	<u>17,124,179</u>	<u>536,673</u>	<u>8,710,756</u>	<u>707,844</u>	<u>1,504,627</u>	<u>1,242,981</u>	<u>29,827,060</u>
Liabilities:							
Accounts and deposits payable	839,039	300	-	89,882	3,703	15,805	948,729
Accrued compensation	5,092,623	251,474	-	-	-	165,942	5,510,039
Due to other funds	-	82,301	-	-	-	27,101	109,402
Unearned revenue:							
Other	297,068	202,598	-	-	-	40,432	540,098
Total Liabilities	<u>6,228,730</u>	<u>536,673</u>	<u>-</u>	<u>89,882</u>	<u>3,703</u>	<u>249,280</u>	<u>7,108,268</u>
Deferred Inflows of Resources:							
Unavailable property taxes	516,760	-	140,186	-	36,633	14,439	708,018
Fund Balances:							
Non-spendable	170,485	-	-	-	23,954	52,781	247,220
Spendable:							
Restricted	1,017,600	-	8,570,570	-	-	-	9,588,170
Committed	-	-	-	-	1,440,337	-	1,440,337
Assigned	-	-	-	617,962	-	926,481	1,544,443
Unassigned	9,190,604	-	-	-	-	-	9,190,604
Total Fund Balances	<u>10,378,689</u>	<u>-</u>	<u>8,570,570</u>	<u>617,962</u>	<u>1,464,291</u>	<u>979,262</u>	<u>22,010,774</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 17,124,179</u>	<u>\$ 536,673</u>	<u>\$ 8,710,756</u>	<u>\$ 707,844</u>	<u>\$ 1,504,627</u>	<u>\$ 1,242,981</u>	<u>\$ 29,827,060</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
June 30, 2021

Governmental Funds Total Fund Balance	\$ 22,010,774
Capital assets used in governmental activities are not considered current financial resources and, therefore, not reported in the governmental funds.	244,894,018
Accumulated depreciation is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(85,020,595)
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 reported as deferred	703,168
An internal service fund is used by the District's management to charge the cost of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	976,767
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of bonded debt payable.	(73,885,000)
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is interest payable for the year.	(225,396)
Deferred items such as premiums and deferred refunding costs are treated as current transactions on the fund financial statements but are capitalized and amortized on the Statement of Net Position.	(6,191,592)
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of compensated absences not currently payable.	(1,285,095)
Long-term liabilities, including net pension and OPEB obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension and OPEB liability, adjusted for changes in pension and OPEB related actuarial assumptions, proportion of collective pension and OPEB amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension and OPEB plan, that are amortized over the average remaining service life of all active and inactive plan participants.	(90,105,001)
Governmental Activities Net Position	\$ 11,872,048

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Grant Fund	Bond Redemption Fund	Building Fund	Supplemental Capital Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes:							
General property taxes	\$ 31,533,893	\$ -	\$ 8,625,347	\$ -	\$ 2,261,211	\$ 881,829	\$ 43,302,280
Specific ownership taxes	2,415,365	-	-	-	-	-	2,415,365
Intergovernmental revenues:							
Federal sources	494,046	3,483,827	-	-	-	1,033,974	5,011,847
State sources	5,497,341	373,068	-	87,645	-	296,725	6,254,779
Charges for services	498,420	-	-	-	-	505,268	1,003,688
Investment income	25,063	-	-	1,067	-	-	26,130
Other revenue	779,342	13,565	-	-	-	122,274	915,181
Total Revenues	<u>41,243,470</u>	<u>3,870,460</u>	<u>8,625,347</u>	<u>88,712</u>	<u>2,261,211</u>	<u>2,840,070</u>	<u>58,929,270</u>
Expenditures:							
Direct instruction	24,081,913	2,642,567	-	-	-	-	26,724,480
Indirect instruction	7,088,312	993,945	-	-	341,651	-	8,423,908
Transportation	-	-	-	-	-	1,298,497	1,298,497
Custodial and maintenance	4,527,422	230,861	-	-	56,843	40,816	4,855,942
Support services	2,540,315	-	-	-	129,230	-	2,669,545
General administration	3,339,914	3,087	-	-	5,675	2,213	3,350,889
Student activities	-	-	-	-	-	439,968	439,968
Food service operations	-	-	-	-	-	1,353,518	1,353,518
Debt Service							
Principal	-	-	5,690,000	-	-	-	5,690,000
Interest	-	-	3,488,300	-	-	-	3,488,300
Fiscal charges	-	-	1,702	-	-	-	1,702
Capital outlay	18,832	-	-	731,582	1,517,545	146,992	2,414,951
Total Expenditures	<u>41,596,708</u>	<u>3,870,460</u>	<u>9,180,002</u>	<u>731,582</u>	<u>2,050,944</u>	<u>3,282,004</u>	<u>60,711,700</u>
Excess (Deficiency) or Revenues Over Expenditures	<u>(353,238)</u>	<u>-</u>	<u>(554,655)</u>	<u>(642,870)</u>	<u>210,267</u>	<u>(441,934)</u>	<u>(1,782,430)</u>
Other Financing Sources (Uses):							
Bond proceeds	-	-	11,225,000	-	-	-	11,225,000
Payment to refunded bond escrow agent	-	-	(11,070,644)	-	-	-	(11,070,644)
Premium on issuance	-	-	-	-	-	-	-
Issuance costs	-	-	(154,356)	-	-	-	(154,356)
Transfers in	-	-	-	-	-	476,191	476,191
Transfers (out)	(476,191)	-	-	-	-	-	(476,191)
Total Other Financing Sources (Uses)	<u>(476,191)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>476,191</u>	<u>-</u>
Net Change in Fund Balance	(829,429)	-	(554,655)	(642,870)	210,267	34,257	(1,782,430)
Fund Balance - Beginning of the Year	11,208,118	-	9,125,225	1,260,832	1,254,024	945,005	23,793,204
Fund Balance - End of the Year	<u>\$ 10,378,689</u>	<u>\$ -</u>	<u>\$ 8,570,570</u>	<u>\$ 617,962</u>	<u>\$ 1,464,291</u>	<u>\$ 979,262</u>	<u>\$ 22,010,774</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Governmental Funds Changes in Fund Balances	\$ (1,782,430)
Changes:	
The issuance of long term debt (e.g., bonds and notes) provides current financial resources to governmental funds. However, this transaction has no effect on net assets. This is the amount of debt proceeds for the past year.	(11,225,000)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as an expenditure in the governmental funds functions.	2,690,883
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the year.	(10,407,985)
Unavailable property tax revenue does not provide a current financial resource and is a deferred inflow on the governmental fund financial statements; not recognized on the government-wide financial statements. This is the unavailable property tax revenue not on the Statement of Activities	(681,403)
An internal service fund is used by the District's management to charge the costs of employee health and dental benefits to the individual funds. The assets and liabilities of the internal service fund are included within governmental activities on the Statement of Net Position.	(923,420)
Retirement of bond principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal repayments.	16,760,644
Interest on long-term debt in the Statement of Activities differed from the amount reported in the governmental funds. Interest is recorded as an expenditure in the funds when it is due, while interest is recorded when incurred in the Statement of Activities. This is the change in accrued interest payable during the year.	(206,039)
Premiums on refunded bonds are an increase in current available resources on the fund financial statements, but in the government wide financial statements these premiums are offset against the unamortized amounts of the refunded bonds, and the related refunding costs. Premiums and deferred refunding costs are capitalized and amortized over the life of the bonds. This represents the current year amortization District's deferred outflows the year.	761,918
Changes in the District's net pension and OPEB obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in District's net pension and OPEB obligation during the year, including differences between employer contributions to the pension and OPEB plan and amortization of pension and OPEB-related deferrals.	18,717,848
Accrued compensated absences reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences during the year.	(139,234)
Gains or losses on disposal of assets are recorded in the government wide financial statements. This represents the loss the disposal of fixed assets during the year.	<u>(14,892)</u>
Governmental Activities Change in Net Position	<u>\$ 13,550,890</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Governmental Activities - Internal Service Fund
Assets:	
Current assets:	
Cash and cash equivalents	\$ 1,434,049
Deposits	343,830
	1,777,879
Total Assets	1,777,879
Liabilities:	
Accounts and deposits payable	801,111
	801,111
Total Liabilities	801,111
Net Position:	
Restricted	343,830
Unrestricted	632,937
	976,767
Total Net Position	\$ 976,767

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Year Ended June 30, 2021

	Governmental Activities -
	Internal Service Fund
Operating Revenues:	
Insurance premiums	\$ 4,431,100
Stop loss reimbursements	549,945
Total Operating Revenues	4,981,045
Operating Expenses:	
Purchased services	5,904,464
Total Operating Expenses	5,904,464
Change in Net Position	(923,419)
Net Position - Beginning of the Year	1,900,186
Net Position - End of the Year	\$ 976,767

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Statement of Cash Flows
Proprietary Fund
For the Year Ended June 30, 2021

	Governmental Activities - Internal Service Fund
Cash Flows From Operating Activities:	
Cash received from customers and employees	\$ 4,981,045
Cash paid for goods and services	(5,895,886)
Cash payments to employees	(5,400)
Net Cash Provided (Used) by Operating Activities	(920,241)
 Net Increase (Decrease) in Cash and Cash Equivalents	 (920,241)
 Cash and Cash Equivalents - Beginning of the Year	 2,354,290
 Cash and Cash Equivalents - End of the Year	 \$ 1,434,049
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ (923,419)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
(Increase) decrease in deposits	(11,645)
Increase (decrease) in accounts payable	14,823
Total Adjustments	3,178
 Net Cash Provided (Used) by Operating Activities	 \$ (920,241)

The accompanying notes are an integral part of this statement.

Summit School District RE-1

Notes to the Financial Statements



Summit School District RE-1
Notes to the Financial Statements
June 30, 2021

I. Summary of Significant Accounting Policies

Summit School District (the “District”) was formed in 1958 by a state-wide reorganization of school districts. The District operates under a locally elected Board of Education with seven members and provides educational services to approximately 3,600 students. The District’s mission is “*creating a learning environment in which each and every person belongs, grows and thrives.*” The District operates the following schools:

Elementary Schools	Middle Schools	High Schools
Breckenridge Elementary	Summit Middle School	Summit High School
Dillon Valley Elementary		Snowy Peaks Jr/Senior High
Frisco Elementary		
Silverthorne Elementary		
Summit Cove Elementary		
Upper Blue Elementary		

The District’s financial statements are prepared in accordance with generally accepted accounting principles (“GAAP”). The Governmental Accounting Standards Board (“GASB”) is responsible for establishing GAAP for state and local governments through its pronouncements (Statement and Interpretations). The more significant accounting policies established by GAAP used by the District are discussed below.

A. Reporting Entity

The District was formed under the laws of the State of Colorado and operates under an elected Board of Education. As required by GAAP, the financial statements of the reporting entity include those of the District. No additional separate governmental units, agencies or nonprofit organizations are included in the financial statements of the District. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization’s governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Based upon the above criteria, the District is not financially accountable for any other organization.

The District receives funding from local, state, and federal government sources and must comply with all the requirements of these funding sources. However, the District is not included in any other governmental reporting entity.

B. District-wide and Fund Financial Statements

The District’s basic financial statements include both District-wide (financial activities of the overall District, except for fiduciary activities) and fund financial statement (reporting the District’s major funds). Both the District-wide and fund financial statements categorize primary activities as governmental. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

1. District-wide Financial Statements

In the District-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts—net investment in capital assets; restricted net position and unrestricted net position.

The District-wide Statement of Activities reports both the gross and net cost of the District's functions. The functions are also supported by general government revenues (property taxes, intergovernmental revenue, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs by function are normally covered by general revenue (property taxes, interest income, etc.).

The District-wide focus is on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

2. Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements, including fiduciary funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Resources restricted within this fund relate to TABOR reserve requirements (see Note 3.C).

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects. One or more specific restricted or committed revenue should be the foundation for the fund. The District reports the following special major revenue funds:

The *Grant Fund* accounts for all federal, state and local grants which are restricted as to the type of expenditures for which they may be used.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

B. District-wide and Fund Financial Statements (continued)

2. Fund Financial Statements (continued)

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The District reports the following capital projects funds:

The *Bond Redemption Fund* accounts for and reports financial resources that are restricted to expenditure for principal and interest that have been legally mandated, as well as the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The *Building Fund* accounts for all resources available from bond proceeds for acquiring capital sites, buildings, and equipment.

The *Supplemental Capital Fund* is used to account for the acquisition of land, construction of new facilities, alterations and improvements to existing structures, and the acquisition of school buses and/or other equipment.

Additionally, the District reports the following fund types:

The *Health Benefits Internal Service Fund* accounts for the employee health and dental benefits provided to other departments or funds of the District on a cost reimbursement basis.

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

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

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

1. Long-term Economic Focus and Accrual Basis

Governmental activities in the government-wide financial statements and the proprietary and fiduciary financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

2. Current Financial Focus and Modified Accrual Basis

The District fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. The District considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities and acquisitions under capital leases are reported as other financing sources.

3. Financial Statement Presentation

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges related to providing insurance to eligible District employees. Operating expenses for proprietary funds include the cost of claims and premiums. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The pooled cash concept is used whereby cash balances of each of the District's funds are pooled and invested in certain investments.

2. Investments

Investments are stated at fair value or net asset value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District records nonparticipating interest-earning investment contracts at cost. All other securities are recorded at fair value. It is the intention of the investment pool to maximize interest income, and securities are selected according to their risk, marketability, and diversification. Income earned or losses arising from investment of pooled cash balances are recorded in the General Fund.

3. Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balance outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property taxes are levied on or before December 15 of each year and attach as an enforceable lien on the property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. Property taxes levied in 2020 but not yet collected in 2021 are identified as property taxes receivable and deferred revenues at June 30, 2021, and are presented net of an allowance for uncollectible taxes. Grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

4. Inventories and Prepaid Items

All inventories are valued at cost using the first-in / first-out (FIFO) method. Inventories recorded in the *Food Service Fund* consist of purchased and donated commodities. Donated commodities inventories are offset by unearned revenue. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements.

5. Capital Assets

Capital assets, which include land, buildings, infrastructure, vehicles and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or an estimated historical cost if no historical records exist. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed asset, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District does not capitalize interest on the construction of capital assets.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50 years
Vehicles	8 years
Equipment	5 to 15 years
Buses	15 years

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Compensated Absences

Vested or accumulated leave that is expected to be liquidated with expendable available financial resources are reported as expenditures and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the governmental activities column in the district-wide financial statements. Vested or accumulated leave in the proprietary fund type is recorded as an expense and a liability of that fund as the benefits accrue to employees. In accordance with provisions of GASB No. 16, *Accounting for Compensated Absences*, no liability is recorded for non-vesting accumulating rights.

7. Long-Term Obligations

In the district-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statements of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the *Bond Redemption Debt Service Fund*. The long-term accumulated unpaid vacation and accrued sick leave are serviced from property taxes and other revenues by the respective fund types from future appropriations.

8. 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.

9. Defined Benefit Other Post Employment Benefit ("OPEB") Plan

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

10. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow if resources (expense/expenditures) until then. The District has two items that qualify for reporting under this category on the Statement of Net Position. One item is deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding debt. Another item is the collective deferred outflows related to the District's net pension and other post-employment benefit obligations ("OPEB"). Pension and OPEB contributions made after the measurement date, and the net difference between projected and actual earnings will be recognized as a reduction of the net pension or OPEB liability in future periods. See Notes IV.G and IV.H.

Deferred inflows of resources represent an acquisition of net position that applied to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Collective deferred inflows related to the District's net pension and OPEB obligations are reported on the Statement of Net Position and are amortized over the average remaining service life of all active and inactive plan members. See Notes IV.G and IV.H.

11. Fund Equity

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of restraint, such as external versus internal compliance requirements.

Unassigned fund balance is a residual classification within the *General Fund*. The *General Fund* should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications, refer to Note IV.F.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

12. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as “due from other funds” or “due to other funds” on the balance sheet when they are expected to be liquidated within one year. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. If the receivable or payable is not expected to be liquidated after one year, it is classified as “advances to other funds” or “advances from other funds”.

E. Significant Accounting Policies

1. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the District’s management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2. Credit Risk

The receivables of the various funds of the District are primarily due from other governments. Management believes that the credit risk related to the receivables is minimal.

II. Reconciliation of District-wide and Fund Financial Statements

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the District-wide Statement of Net Position. Additionally, the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the District-wide Statement of Activities.

III. Stewardship, Compliance, and Accountability

A. Bond Trustee

Colorado State Statutes require all property taxes levied for the purpose of satisfying bonded indebtedness to be administered by at least one third party custodian designated by the District. The third-party custodian is required to ensure all taxes levied to satisfy the obligations of bonded indebtedness are used accordingly. The District has entered into a custody agreement with UMB Bank in order to meet this requirement.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

B. Budgets and Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year-end.

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

- a. On or about December 1, the Superintendent submits to the Board of Education a five-year financial projection. This is the basis for budgeting guidelines established by the Board of Education.
- b. By May 31st, the Superintendent submits to the Board a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and means of financing them.
- c. Public hearings are conducted at a regular Board of Education meeting to obtain taxpayer comment.
- d. Prior to June 30, the budget is legally adopted by the Board of Education.
- e. Formal budgetary integration is employed as a management control device during the year for all funds.
- f. The District issues a separate budget document after the budget is approved by the Board of Education.

Colorado Budget Law requires that all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. Where applicable, the Board of Education includes available fund balance in the amount appropriated in the annual Appropriations Resolution.

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

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year except they exclude appropriated available fund balance. Individual amendments were not material in relation to the original appropriations.

The Debt Service Fund expenditures exceeded appropriations due to the 2021 Bond debt refunding. This may be a violation of Colorado Budget Law.

The District maintains an operating reserve of the general fund unreserved balance amounting to 7% of the District's current fiscal year adopted expenditure budget as a beneficial and sound financial management practice. Additionally all other funds must have a zero or positive balance at each fiscal year end.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

III. Stewardship, Compliance, and Accountability (continued)

C. TABOR Amendment – Revenue and Spending Limitation Amendment

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% of adjusted revenue. The District has reserved a portion of its June 30, 2021 year-end fund balance in the General Fund for emergencies as required under Tabor in the amount of \$1,017,600, which is approximately 3% of the fiscal year spending at June 30, 2021.

The initial base for local government's spending and revenue limits is June 30, 1993 fiscal year spending. Future spending and revenue limits are determined based on the prior year's fiscal year spending adjusted for inflation in the prior calendar year plus annual local growth. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions. Revenue, if any, in excess of the fiscal year spending limit must be refunded in the next fiscal year unless voters approve retention of such revenue.

In 2000, the District's electorate passed a ballot question exempting the District from the revenue and expenditure limitations imposed by the TABOR Amendment. The District's electorate approved the following ballot question: *"without increasing any tax rates or imposing any new tax, shall the Summit School District RE-1 be authorized to collect, keep and expend all district revenues received ... without regard to any spending, revenue-raising, or other limitation in Article X, Section 20 of the Colorado Constitution or other laws of the state?"*

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds

A. Deposits and Investments

The District's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the District's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA.

The District's investment policy permits investments in the following type of obligations:

- U.S. Treasury Obligations (maximum maturity of 60 months)
- Federal Instrumentality Securities (maximum maturity of 60 months)
- FDIC-insured Certificates of Deposit (maximum maturity of 18 months)
- Prime Commercial Paper (maximum maturity of 9 months)
- Local Government Investment Pools
- Money Market Mutual Funds
- Securities specifically approved by the District

Fair Value of Investments

The District measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At June 30, 2021, the District had the following recurring fair value measurements:

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colostrust	\$ 12,303,324

The deposits and investments held by the District at June 30, 2021 are as follows:

	<u>Rating</u>	<u>Carrying Amounts</u>	<u>Maturities</u>	
			<u>Less than One Year</u>	<u>Less than Five Years</u>
<i>Deposits:</i>				
Checking accounts	Not rated	\$ 6,306,469	6,306,469	-
<i>Investments:</i>				
Government Investment Pools	AAAm	12,303,324	12,303,324	-
Cash with Fiscal Agent	Not rated	8,164,186	8,164,186	
Total		<u>\$ 26,773,979</u>	<u>26,773,979</u>	<u>-</u>

The Investment Pool represents an investment in Colostrust and C-Safe, which are 2a7-like pools. The fair value of the pool is determined by the pool's share price. The District has no regulatory oversight for the pool.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the District diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The District coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the District has limited its interest rate risk.

Credit Risk. State law and District policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The District’s general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Credit quality distribution for investments, with credit exposure as a percentage of total investments are as follows at year end:

<u>Investment Type</u>	<u>Rating</u>	<u>Percentage</u>
Government Investment Pools	AAAm	100%

Concentration of Credit Risk. The District diversifies its investments by security type and institution.

- 100% of the District’s portfolio may be invested in US Treasury notes, bonds or certificates, US Government sponsored corporations, or the Colotrust or CSAFE investment pool.
- 50% of the portfolio may be invested in certificates of deposit with no more than 10% held by any one issuer and not exceeding 20% of the issuer’s net worth.
- 25% of the portfolio may be invested in bankers’ acceptances, (10% per issuer), State or local government bonds (10% per issuer), and repurchase agreements (25% per dealer).
- 10% of the portfolio may be invested in commercial paper and other authorized

Custodial Credit Risk. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District’s investment policy limits the amount of securities that can be held by counterparties.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the District's funds, including applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Grant Fund</u>	<u>Bond Redemption Fund</u>	<u>Supplemental Capital Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Receivables:						
Accounts	\$ 437,497	\$ -	\$ -	\$ -	\$ 3,297	\$ 440,794
Taxes	1,233,034	-	337,539	88,256	34,621	1,693,450
Intergovernmental	971,048	536,673	216,713	55,719	214,853	1,995,006
Gross receivables	<u>2,641,579</u>	<u>536,673</u>	<u>554,252</u>	<u>143,975</u>	<u>252,771</u>	<u>4,129,250</u>
Less: allowance for uncollectible	-	-	-	-	-	-
Net receivables	<u>\$ 2,641,579</u>	<u>\$ 536,673</u>	<u>\$ 554,252</u>	<u>\$ 143,975</u>	<u>\$ 252,771</u>	<u>\$ 4,129,250</u>

C. Capital Assets

Capital asset activity for the year ending June 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Construction in progress	\$ 3,960,455	\$ 300,551	\$ (3,960,456)	\$ 300,550
Land	10,702,591	-	(501,889)	10,200,702
Total capital assets not depreciated	<u>14,663,046</u>	<u>300,551</u>	<u>(4,462,345)</u>	<u>10,501,252</u>
Capital assets being depreciated:				
Building	220,121,672	6,578,953	-	226,700,625
Vehicles	4,794,874	254,353	(111,690)	4,937,537
Equipment	2,735,233	19,371	-	2,754,604
Total capital assets being depreciated	<u>227,651,779</u>	<u>6,852,677</u>	<u>(111,690)</u>	<u>234,392,766</u>
Less accumulated depreciation for:				
Building	(69,662,838)	(10,011,801)	-	(79,674,639)
Vehicles	(2,763,798)	(302,890)	96,798	(2,969,890)
Equipment	(2,282,771)	(93,295)	-	(2,376,066)
Total accumulated depreciation	<u>(74,709,407)</u>	<u>(10,407,986)</u>	<u>96,798</u>	<u>(85,020,595)</u>
Total capital assets, net	<u>\$ 167,605,418</u>	<u>\$ (3,254,758)</u>	<u>\$ (4,477,237)</u>	<u>\$ 159,873,423</u>

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The District had the following capital outlay and depreciation expense for the following functions:

Governmental activities:	Capital Outlay	Depreciation
Direct instruction	\$ 1,598,463	\$ 5,609,854
Indirect instruction	413,393	1,779,078
Transportation	70,827	304,807
Custodial and maintenance	306,628	1,319,603
Support services	137,385	591,251
General administration	164,187	706,596
Food service	-	96,797
Total Governmental activities	\$ 2,690,883	\$ 10,407,986

D. Transfers

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) provide additional resources for current operations or debt service.

All District transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

The following interfund transfers occurred during the year ended June 30, 2021:

	Transfers In (Out)
General fund	\$ (476,191)
Transportation fund	198,824
Food service fund	277,367
Total	\$ -

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-Term Debt – Governmental Activities

1. 2012 General Obligation Refunding Bonds

The District issued \$29,740,000 of General Obligation Refunding Bonds (the “2012 Bonds”) dated January 5, 2012. Proceeds from the 2012 Bonds were used to advance refund a portion of the District’s General Obligation Bonds, Series 2004B. The interest rates on the Series 2012 Bonds ranges from 1.5% to 5% and is payable semi-annually on June 1 and December 1 through 2024.

During 2021, the 2012 Bonds were partially refunded by the 2021 Series Bonds (see Note 3). As of June 30, 2021, the principal balance remaining after refunding was \$3,340,000.

2. 2017 General Obligation Bonds

The District issued \$68,445,000 of General Obligation Refunding Bonds (the “2017 Bonds”) dated January 24, 2017. Proceeds from the 2017 Bonds were used to finance capital projects and construction for the District.

The interest rates on the Series 2017 Bonds ranges from 4.0% to 5.0% and is payable semi-annually on June 1 and December 1 through 2036. The 2017 Bonds are subject to redemption prior to maturity. These bonds are serviced by the Bond Redemption Fund.

3. 2021 General Obligation Refunding Bonds

The District issued \$11,225,000 of General Obligation Refunding Bonds (the “2021 Bonds”) dated June 10, 2021. Proceeds from the 2021 Bonds were used to advance refund a portion of the District’s General Obligation Bonds, Series 2012 (see note E1). The 2021 Bonds have a stated interest ranging from 0.133% to 0.597% and is payable semi-annually on June 1 and December 1 through 2025.

The net carrying amount of the old debt exceeded reacquisition price by \$115,166. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The refunding reduced total debt service payments by \$618,681 as a savings to the District.

4. Defeasance of Debt

As noted above, proceeds of the refunding bond issues were used to purchase U.S. government securities to retire outstanding issuances. Sufficient U.S. government, state and local governmental securities were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of the refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the District’s financial records. The District is unable to determine the amount of defeased bonds outstanding at year-end.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

E. Long-Term Debt – Governmental Activities (continued)

5. Schedule of Future Payment

Annual debt service requirement to maturity for general obligation bonds is as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021-2022	\$ 6,060,000	\$ 2,835,313	\$ 8,895,313
2022-2023	6,410,000	2,637,885	9,047,885
2023-2024	6,570,000	2,519,282	9,089,282
2024-2025	6,660,000	2,417,464	9,077,464
2025-2026	3,035,000	2,286,325	5,321,325
2027-2031	17,595,000	8,938,375	26,533,375
2032-2036	22,415,000	4,026,950	26,441,950
2037	5,140,000	128,500	5,268,500
Totals	<u>\$ 73,885,000</u>	<u>\$ 25,790,095</u>	<u>\$ 99,675,095</u>

6. Changes in General Long-Term Debt

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

	<u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2021</u>	<u>Due Within One Year</u>
Governmental activities:					
General Obligation Bonds:					
Refunding Bonds, Series 2012	17,400,000	-	(14,060,000)	3,340,000	3,340,000
GO Bonds 2017	61,800,000	-	(2,480,000)	59,320,000	2,605,000
Refunding Bonds, Series 2021	-	11,225,000	-	11,225,000	115,000
Unamortized premium	7,269,140	-	(1,192,712)	6,076,428	-
Compensated absences	1,145,861	139,234	-	1,285,095	-
Net OPEB liability	3,359,748	-	(496,148)	2,863,600	-
Net unfunded pension liability	68,343,303	10,437,535	-	78,780,838	-
Governmental activity long-term liabilities	<u>\$ 159,318,052</u>	<u>\$ 21,801,769</u>	<u>\$ (18,228,860)</u>	<u>\$ 162,890,961</u>	<u>\$ 6,060,000</u>

**Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)**

IV. Detailed Notes on All Funds (continued)

F. Fund Balance Disclosures

The District classifies governmental fund balances as follows:

Non-spendable – includes fund balance amounts inherently non-spendable since they represent inventories, prepaid items, long-term portions of loans receivable, etc.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation. The District has the following restrictions on fund balance at June 30, 2021:

TABOR	\$ 1,017,600
Debt Service	8,570,570
Other purposes	343,830
	<u>\$ 9,932,000</u>

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority, which is the School Board of the District. The District’s original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the District’s platform to review, and/or make changes to each department’s budget. The budget is formally presented to the School Board of the District via an advertised public process for their review, revisions and final approval by year-end. All subsequent budget requests made during the year, after School Board approval, must be presented via a public process and again approved by the School Board of the District.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the School Board of the District, or its management designees.

Unassigned – includes residual positive fund balance within the General Fund, which has not been classified within the other categories mentioned above. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit this, such as grant agreements that require dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts when expenditures are made. The District does not have an adopted minimum fund balance policy; however, the District’s budget includes calculations of targeted reserve positions, which is reported annually to the School Board of the District.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

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

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

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

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

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

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

Contribution provisions as of December 31, 2020: 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 8 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	10.40%
Amount of the 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 presented in C.R.S. 24-51-411	5.50%
Total Employer Contribution Rate to the SCHDTF	19.88%

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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 \$5,392,457 for the year ended June 30, 2021.

Pension Liabilities: 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 \$78,780,838 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 78,780,838
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-
Total	<u>\$ 78,780,838</u>

At December 31, 2020, the District's proportionate share was 0.5211%, as compared to its proportionate share of 0.4575% at December 31, 2019.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Pension Expense: For the year ended June 30, 2021, the District recognized pension expense (credit) of \$(18,524,949) and revenue of \$0 for support from the State as a nonemployer contributing entity.

Deferred Outflows of Resources and Deferred Inflows of Resources: At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expenses and actual experience	\$ 4,328,616	\$ -
Change of assumptions or other inputs	7,578,472	13,242,392
Net difference between projected and actual earnings on pension plan investments	-	17,341,455.00
Changes in proportionate share of contributions	10,718,497	2,667,503.00
Contributions subsequent to measurement date	2,825,463	-
	\$ 25,451,048	\$ 33,251,350

\$2,825,463, 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	\$ (11,841,831)
2023	5,387,417
2024	(1,435,640)
2025	(2,735,711)
	\$ (10,625,765)

**Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)**

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

Actuarial cost method	Entry age	
Price inflation		2.40%
Real wage growth		1.10%
Wage inflation		3.50%
Salary increases, including wage inflation	3.50% - 9.70%	
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation		7.25%
Future post-retirement benefit increases:		
Discount rate		7.25%
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)		1.25%
PERA Benefit Structure hired prior after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve	

* 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.

Healthy, post-retirement mortality assumptions reflect 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.

For disabled retirees, the mortality assumption was changed to reflect 90 percent of the RP-2014 Disabled Retiree Mortality Table.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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.

**Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)**

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

G. Defined Benefit Pension – Plan, Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of net pension liability	\$ 107,463,515	\$ 78,780,838	\$ 54,878,716

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

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

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

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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.

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

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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. For the year ended June 30, 2021, the District's contributions to HCTF were approximately \$287,800 .

Liabilities. At June 30, 2021, the District reported a liability of \$2,863,600 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 proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.3014%, as compared to its proportion of 0.2989% measured as of December 31, 2019.

Expense and Deferred Outflows of Resources and Deferred Inflows of Resources. For the year ended June 30, 2021, the District recognized OPEB revenue of \$(181,105). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expenses and actual experience	\$ 7,601	\$ 629,556
Change of assumptions or other inputs	21,397	175,593
Net difference between projected and actual earnings on plan investments	-	117,009
Changes in proportionate share of contributions	84,191	-
contributions recognized	-	-
Contributions subsequent to measurement date	148,709	-
	<u>\$ 261,898</u>	<u>\$ 922,158</u>

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

\$148,709, 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	Amortization
June 30,	
2022	\$ (179,159)
2023	(175,620)
2024	(197,116)
2025	(182,886)
2026	(69,725)
Thereafter	(4,463)
	<u>\$ (808,969)</u>

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

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

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.

**Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

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

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

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

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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.

**Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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 nominal rate of return assumption of 7.25 percent.

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

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Initial PERA Care Medicare Trent Rate	7.10%	8.10%	9.10%
Ultimate PERA Care Medicare Trent Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend	3.50%	4.50%	5.50%
Collective Net OPEB Liability	925,665,000	950,225,000	978,816,000
Proportionate Share of Net OPEB Liability	2,789,585	2,863,600	2,949,761

**Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)**

IV. Detailed Notes on All Funds (continued)

H. Other Postemployment Benefits – Plan, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

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

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

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Proportionate Share of Net OPEB Liability	\$ 3,280,304	\$ 2,863,600	\$ 2,507,557

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

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

V. Other Information

A. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and distortion of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance.

Liability and Property. The District maintains commercial insurance coverage for liability, property, errors and omissions, workers' compensation and employee vision. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Employee Health Care. The District has adopted a plan for self-insurance of health and dental benefits for employees which is administered by a third party administrator. The plan provides for the District to pay all allowable health expenses up to \$120,000 annually, for each insured, with all claims for each insured in excess of \$120,000 insured by a "stop-loss" insurance policy. An aggregate overall stop-loss per calendar year, based on a calculation of monthly attachment points, exists under the plan. Claim payments are based specific claims expenses. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims, if any. Unpaid claims at year end include all allocated claims adjustment expenditures. Claims the have been incurred but not reported ("IBNR") are reported as a liability in the *health benefits fund* (June 30, 2021 - \$770,831, June 30, 2020 - \$770,908).

Changes in the balances of unpaid claims during the past two years are as follows:

	Year ended	Year ended
	6/30/20	6/30/21
Unpaid claims, beginning of fiscal year	\$ 513,034	\$ 770,908
Incurred claims	4,290,301	4,798,223
Claim Payments	(4,032,427)	(4,798,300)
Unpaid claims, end of fiscal year	770,908	770,831

B. Contingencies

1. Legal Matters

During the normal course of business, the District incurs claims and other assertions against it from various agencies and individuals. Management of the District and their legal representatives feel none of these claims or assertions are significant enough that they would materially affect the fairness of the presentation of the financial statements at June 30, 2021.

2. Federal and State Programs

The District receives revenues from various Federal and State grant programs, which are subject to final review and approval as to allowability by the respective 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.

Summit School District RE-1
Notes to the Financial Statements
June 30, 2021
(Continued)

V. Other Information (continued)

B. Contingencies (continued)

3. Arbitrage Rebate

The proceeds and the interest earned on the proceeds from the General Obligation Bonds - 2004A, 2012, and 2017 are subject to the assessment of an arbitrage penalty if certain conditions are met.

Investment of bond reserves and bond proceeds at net interest rates in excess of the net interest rate being paid on the bonds may cause the District to be subject to an arbitrage penalty on the difference between the net interest earned and net interest paid. This arbitrage penalty would be payable to the U.S. Treasury on the five-year anniversary date of the bonds. Final arbitrage rebate cannot be determined until the bond proceeds are expended.

C. Defined Contribution Pension Plan – Voluntary Investment Program

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

Funding Policy. Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. Member contributions from the District for the years ended June 30, 2021, 2020, and 2019 were \$304,317, \$288,744, and \$293,284 respectively.

Summit School District RE-1

Required Supplementary Information



SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
General property taxes	\$ 31,287,771	\$ 31,287,771	\$ 31,533,893	\$ 246,122	\$ 30,418,160
Specific ownership taxes	2,206,795	2,206,795	2,415,365	208,570	2,041,931
Federal sources	350,000	350,000	494,046	144,046	445,427
State sources	3,910,887	3,910,887	5,497,341	1,586,454	7,254,888
Tuition and fees	579,300	579,300	498,420	(80,880)	493,601
Interest income	80,000	80,000	25,063	(54,937)	357,352
Other revenue	625,900	625,900	779,342	153,442	774,187
Total Revenues	<u>39,040,653</u>	<u>39,040,653</u>	<u>41,243,470</u>	<u>2,202,817</u>	<u>41,785,546</u>
Expenditures:					
Direct instruction	25,539,339	25,539,339	24,081,913	1,457,426	26,290,260
Indirect instruction	7,432,801	7,432,801	7,088,312	344,489	6,319,765
Transportation	-	-	-	-	48,682
Custodial and maintenance	4,548,332	4,548,332	4,527,422	20,910	4,592,520
Support services	2,043,658	2,043,658	2,540,315	(496,657)	1,993,413
General administration	3,195,415	3,195,415	3,339,914	(144,499)	3,279,053
Food service	-	-	-	-	44,483
Capital outlay	-	-	18,832	(18,832)	-
Total Expenditures	<u>42,759,545</u>	<u>42,759,545</u>	<u>41,596,708</u>	<u>1,162,837</u>	<u>42,568,176</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(3,718,892)</u>	<u>(3,718,892)</u>	<u>(353,238)</u>	<u>3,365,654</u>	<u>(782,630)</u>
Other Financing Sources (Uses):					
Transfers (out)	(719,020)	(1,069,020)	(476,191)	592,829	(479,837)
Total Other Financing Sources (Uses)	<u>(719,020)</u>	<u>(1,069,020)</u>	<u>(476,191)</u>	<u>592,829</u>	<u>(479,837)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	<u>(4,437,912)</u>	<u>(4,787,912)</u>	<u>(829,429)</u>	<u>3,958,483</u>	<u>(1,262,467)</u>
Reconciliation to GAAP Basis:					
Pension direct distribution - Special funding			-		656,554
Pension expense - Special funding			-		(656,554)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses) - GAAP Basis			<u>(829,429)</u>		<u>(1,262,467)</u>
Net Change in Fund Balance	(4,437,912)	(4,787,912)	(829,429)	3,958,483	(1,262,467)
Fund Balance - Beginning of the Year	<u>11,311,889</u>	<u>11,661,889</u>	<u>11,208,118</u>	<u>(453,771)</u>	<u>12,470,585</u>
Fund Balance - End of the Year	<u>\$ 6,873,977</u>	<u>\$ 6,873,977</u>	<u>\$ 10,378,689</u>	<u>\$ 3,504,712</u>	<u>\$ 11,208,118</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Grant Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Federal sources	\$ 3,587,084	\$ 3,587,084	\$ 3,483,827	\$ (103,257)	\$ 1,225,153
State sources	240,729	456,265	373,068	(83,197)	211,787
Other revenue	83,547	83,547	13,565	(69,982)	101,167
Total Revenues	<u>3,911,360</u>	<u>4,126,896</u>	<u>3,870,460</u>	<u>(256,436)</u>	<u>1,538,107</u>
Expenditures:					
Direct instruction	1,156,559	1,368,748	2,642,567	(1,273,819)	1,025,215
Indirect instruction	2,465,875	2,465,875	993,945	1,471,930	467,987
Custodial and maintenance	285,926	289,273	230,861	58,412	44,905
General administration	3,000	3,000	3,087	(87)	-
Total Expenditures	<u>3,911,360</u>	<u>4,126,896</u>	<u>3,870,460</u>	<u>256,436</u>	<u>1,538,107</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-	-
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of the net pension liability	0.5211%	0.4575%	0.4523%	0.5168%	0.5079%	0.5033%	0.4993%	0.5043%
District's proportionate share of the net pension liability	78,780,838	68,343,303	80,084,533	167,112,041	151,220,933	76,983,045	67,671,377	64,325,033
State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-	7,692,751	9,633,236	-	-	-	-	-
Total proportionate share of the net pension liability associated with the District	<u>78,780,838</u>	<u>76,036,054</u>	<u>89,717,769</u>	<u>167,112,041</u>	<u>151,220,933</u>	<u>76,983,045</u>	<u>67,671,377</u>	<u>64,325,033</u>
District's covered payroll	27,868,152	26,879,775	24,863,982	23,838,987	23,323,039	22,257,163	21,515,940	20,305,352
District's proportionate share of the net pension liability as a percentage of its covered payroll	283%	254%	322%	701%	648%	346%	315%	317%
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%	64.07%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2014.

SUMMIT SCHOOL DISTRICT
Schedule of District Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,609,282	\$ 5,392,457	\$ 4,901,724	\$ 4,583,603	\$ 4,288,601	\$ 3,951,621	\$ 3,638,592	\$ 3,245,532
Contributions in relation to the contractually required contribution	<u>\$ (5,609,282)</u>	<u>\$ (5,392,457)</u>	<u>\$ (4,901,724)</u>	<u>\$ (4,583,603)</u>	<u>\$ (4,288,601)</u>	<u>\$ (3,951,621)</u>	<u>\$ (3,638,592)</u>	<u>\$ (3,245,532)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 28,215,668	\$ 27,824,389	\$ 25,618,334	\$ 24,273,025	\$ 23,323,039	\$ 22,257,163	\$ 21,515,940	\$ 20,305,352
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%	18.39%	17.75%	16.91%	15.98%

* Information is only available beginning in fiscal year 2014.

SUMMIT SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other Post-Employment Benefits Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
District's proportion of the net OPEB liability	0.3014%	0.2989%	0.2940%	0.2936%	0.2887%
District's proportionate share of the net OPEB liability	2,863,600	3,359,747	3,999,737	3,816,133	3,742,978
District's covered payroll	27,868,152	26,879,775	24,863,982	23,838,987	23,323,039
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%	16.05%
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 the calendar year-end that occurred within fiscal year. Information is only available beginning in fiscal year 2017.

SUMMIT SCHOOL DISTRICT
Schedule of District Other Post-Employment Benefits Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 287,800	\$ 283,814	\$ 261,357	\$ 248,117	\$ 232,509
Contributions in relation to the contractually required contribution	<u>\$ (287,800)</u>	<u>\$ (283,814)</u>	<u>\$ (261,357)</u>	<u>\$ (248,117)</u>	<u>\$ (232,509)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 28,215,668	\$ 27,824,389	\$ 25,618,334	\$ 24,273,025	\$ 23,323,039
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.00%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year. Information is only available beginning in fiscal year 2017.

Summit School District RE-1
Notes to Required Supplementary Information
June 30, 2021

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

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2019 actuarial valuation:

- The price inflation assumption was lowered from 2.4 percent to 2.30 percent.
- The wage inflation assumption was lowered from 3.5 percent to 3.00 percent.
- The real rate of investment return assumption was increased to 4.95 percent per year, net of investment expenses from 4.85 percent per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 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.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99 percent of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables described above are generational mortality tables on a head-count weighted basis.

2. Changes since the December 31, 2018 actuarial valuation:

- The assumption used to value the AI cap benefit provision was changed from 1.50 percent to 1.25 percent.

3. Changes since the December 31, 2017 actuarial valuation:

- The single equivalent interest rate ("SEIR") was increased from 4.78 percent to 7.25 percent to reflect the changes to the projection's valuation basis, which no longer resulted in a projected year of depletion of the FNP, thereby eliminating the need to apply the municipal bond index rate.

4. Changes since the December 31, 2016 actuarial valuation:

- The single equivalent interest rate ("SEIR") was lowered from 5.26 percent to 4.78 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the FNP, and the resulting application of the municipal bond index rate.

Summit School District RE-1
Notes to Required Supplementary Information
June 30, 2021

I. Schedule of School's Proportionate Share of the Net Pension Liability (continued)

A. Changes to assumptions or other inputs (continued)

4. Changes since the December 31, 2016 actuarial valuation (continued):

- The municipal bond index rate used in the determination of the SEIR changed from 3.86 percent on the prior measurement date to 3.43 percent on the measurement date.

5. Changes since the December 31, 2015 actuarial valuation:

- The investment return assumption was lowered from 7.5 percent to 7.25 percent
- The wage inflation assumption was lowered from 3.90 percent to 3.50 percent
- The post-retirement mortality assumption for healthy lives for the School and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93 percent factor applied to ages below 80 and a 113 percent factor applied to age 80 and above, projected to 2018, or males, and a 68 percent factor applied to ages below 80 and a 106 percent factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90 percent of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to 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.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35 percent to 0.40 percent.
- The single equivalent interest rate (the "SEIR") for the SCHDTF was lowered from 7.50 percent to 5.26 percent to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (the "FNP"), and the resulting application of the municipal bond index rate
- The SEIR for the DPS Division was lowered from 7.50 percent to 7.25 percent, reflecting the change in the long-term expected rate of return.

6. Changes since the December 31, 2014 actuarial valuation

- Valuation of the full survivor benefit without any reduction for possible remarriage.
- Reflection of the employer match on separation benefits for all eligible years.
- Reflection of one year of service eligibility for survivor annuity benefit.
- Refinement of the 18-month annual increase timing.
- Refinements to directly value certain and life, modified cash refund and pop-up benefit forms.
- Recognition of merit salary increases in the first projection year.
- Elimination of the assumption that 35% of future disabled members elect to receive a refund.
- Removal of the negative value adjustment for liabilities associated with refunds of future terminating members.
- Adjustments to the timing of the normal cost and unfunded actuarial accrued liability payment calculations to reflect contributions throughout the year.

Summit School District RE-1
Notes to Required Supplementary Information
June 30, 2021
(Continued)

I. Schedule of the District's Proportionate Share of the Net Pension Liability (continued)

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

II. Notes to the Schedule of District Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

III. Schedule of the District's Proportionate Share of the OPEB Liability

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

C. Changes of size or composition of population covered by terms

No changes during the years presented.

IV. Notes to the Schedule of School OPEB Contributions

A. Changes to assumptions or other inputs

1. Changes since the December 31, 2019 actuarial valuation:

Changes since the December 31, 2019 to the HCTF actuarial valuation are the same as the changes to the SCHDTF noted in Note I.A.1 above.

B. Changes of benefit terms

No changes during the years presented.

C. Changes of size or composition of population covered by benefit terms

No changes during the years presented.

Summit School District RE-1

Supplementary Information



SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Debt Service Fund
Bond Redemption Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	<u>2021</u>			<u>Variance Positive (Negative)</u>	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Revenues:					
General property taxes	\$ 8,950,116	\$ 8,580,116	\$ 8,625,347	\$ 45,231	\$ 8,423,013
Total Revenues	<u>8,950,116</u>	<u>8,580,116</u>	<u>8,625,347</u>	<u>45,231</u>	<u>8,423,013</u>
Expenditures:					
Debt Service					
Principal	5,690,000	5,690,000	5,690,000	-	5,505,000
Interest	3,488,300	3,488,300	3,488,300	-	3,700,375
Fiscal charges	25,000	25,000	1,702	23,298	18,421
Total Expenditures	<u>9,203,300</u>	<u>9,203,300</u>	<u>9,180,002</u>	<u>23,298</u>	<u>9,223,796</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(253,184)</u>	<u>(623,184)</u>	<u>(554,655)</u>	<u>68,529</u>	<u>(800,783)</u>
Other Financing Sources (Uses):					
Bond proceeds	-	-	11,225,000	11,225,000	-
Payment to refunded bond escrow agent	-	-	(11,070,644)	(11,070,644)	-
Issuance costs	-	-	(154,356)	(154,356)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(253,184)	(623,184)	(554,655)	68,529	(800,783)
Fund Balance - Beginning of the Year	<u>9,273,605</u>	<u>9,643,605</u>	<u>9,125,225</u>	<u>(518,380)</u>	<u>9,926,008</u>
Fund Balance - End of the Year	<u>\$ 9,020,421</u>	<u>\$ 9,020,421</u>	<u>\$ 8,570,570</u>	<u>\$ (449,851)</u>	<u>\$ 9,125,225</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Building Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	<u>2021</u>			<u>Variance Positive (Negative)</u>	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Revenues:					
State sources	\$ -	\$ -	\$ 87,645	\$ 87,645	\$ 340,917
Interest income	-	-	1,067	1,067	31,009
Total Revenues	<u>-</u>	<u>-</u>	<u>88,712</u>	<u>88,712</u>	<u>371,926</u>
Expenditures:					
Capital Outlay	1,306,264	1,306,264	731,582	574,682	4,458,786
Total Expenditures	<u>1,306,264</u>	<u>1,306,264</u>	<u>731,582</u>	<u>574,682</u>	<u>4,458,786</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,306,264)</u>	<u>(1,306,264)</u>	<u>(642,870)</u>	<u>663,394</u>	<u>(4,086,860)</u>
Net Change in Fund Balance	(1,306,264)	(1,306,264)	(642,870)	663,394	(4,086,860)
Fund Balance - Beginning of the Year	<u>2,612,528</u>	<u>2,612,528</u>	<u>1,260,832</u>	<u>(1,351,696)</u>	<u>5,347,692</u>
Fund Balance - End of the Year	<u>\$ 1,306,264</u>	<u>\$ 1,306,264</u>	<u>\$ 617,962</u>	<u>\$ (688,302)</u>	<u>\$ 1,260,832</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Supplemental Capital Construction, Technology, and Maintenance Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	<u>2021</u>			<u>Variance Positive (Negative)</u>	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>		<u>Actual Amounts</u>
Revenues:					
General property taxes	\$ 2,260,025	\$ 2,260,025	\$ 2,261,211	\$ 1,186	\$ 2,192,448
Total Revenues	<u>2,260,025</u>	<u>2,260,025</u>	<u>2,261,211</u>	<u>1,186</u>	<u>2,192,448</u>
Expenditures:					
Indirect instruction	477,000	477,000	341,651	135,349	450,681
Custodial and maintenance	60,000	60,000	56,843	3,157	82,153
Support services	173,000	173,000	129,230	43,770	130,104
General administration	6,000	6,000	5,675	325	5,470
Capital Outlay	1,835,000	1,835,000	1,517,545	317,455	4,008,068
Total Expenditures	<u>2,551,000</u>	<u>2,551,000</u>	<u>2,050,944</u>	<u>500,056</u>	<u>4,676,476</u>
Net Change in Fund Balance	(290,975)	(290,975)	210,267	501,242	(2,484,028)
Fund Balance - Beginning of the Year	<u>1,351,700</u>	<u>1,351,700</u>	<u>1,254,024</u>	<u>(97,676)</u>	<u>3,738,052</u>
Fund Balance - End of the Year	<u>\$ 1,060,725</u>	<u>\$ 1,060,725</u>	<u>\$ 1,464,291</u>	<u>\$ 403,566</u>	<u>\$ 1,254,024</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2021

	<u>Special Revenue Funds</u>			<u>Capital Reserve Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Transportation Fund</u>		
Assets:					
Cash and cash equivalents	\$ -	\$ 854,036	\$ 9,366	\$ 72,770	\$ 936,172
Accounts receivable	3,297	-	-	-	3,297
Taxes receivable	-	-	34,621	-	34,621
Due from other governments	193,053	-	21,800	-	214,853
Inventories and prepaid expenses	52,781	1,157	100	-	54,038
Total Assets	<u>249,131</u>	<u>855,193</u>	<u>65,887</u>	<u>72,770</u>	<u>1,242,981</u>
Liabilities:					
Accounts and deposits payable	11,398	1,482	2,925	-	15,805
Accrued compensation	117,419	-	48,523	-	165,942
Due to other funds	27,101	-	-	-	27,101
Unearned revenue:					
Other liabilities	40,432	-	-	-	40,432
Total Liabilities	<u>196,350</u>	<u>1,482</u>	<u>51,448</u>	<u>-</u>	<u>249,280</u>
Deferred Inflows of Resources:					
Unavailable property taxes	-	-	14,439	-	14,439
Fund Balances:					
Non-spendable	52,781	-	-	-	52,781
Spendable:					
Assigned	-	853,711	-	72,770	926,481
Total Fund Balances	<u>52,781</u>	<u>853,711</u>	<u>-</u>	<u>72,770</u>	<u>979,262</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 249,131</u>	<u>\$ 855,193</u>	<u>\$ 65,887</u>	<u>\$ 72,770</u>	<u>\$ 1,242,981</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
June 30, 2021

	<u>Special Revenue Funds</u>			<u>Capital Reserve Fund</u>	<u>Total Non-Major Governmental Funds</u>
	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Transportation Fund</u>		
Revenues:					
Taxes:					
General property taxes	\$ -	\$ -	\$ 881,829	\$ -	\$ 881,829
Intergovernmental revenues:					
Federal sources	1,033,974	-	-	-	1,033,974
State sources	11,134	-	285,591	-	296,725
Charges for services	38,750	466,518	-	-	505,268
Other revenue	-	-	122,274	-	122,274
Total Revenues	<u>1,083,858</u>	<u>466,518</u>	<u>1,289,694</u>	<u>-</u>	<u>2,840,070</u>
Expenditures:					
Transportation	-	-	1,298,497	-	1,298,497
Custodial and maintenance	-	-	40,816	-	40,816
General administration	-	-	2,213	-	2,213
Food service operations	1,353,518	-	-	-	1,353,518
Student activities	-	439,968	-	-	439,968
Capital outlay	-	-	146,992	-	146,992
Total Expenditures	<u>1,353,518</u>	<u>439,968</u>	<u>1,488,518</u>	<u>-</u>	<u>3,282,004</u>
Excess (Deficiency) or Revenues Over Expenditures	<u>(269,660)</u>	<u>26,550</u>	<u>(198,824)</u>	<u>-</u>	<u>(441,934)</u>
Other Financing Sources (Uses):					
Transfers in	<u>277,367</u>	<u>-</u>	<u>198,824</u>	<u>-</u>	<u>476,191</u>
Transfers (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>277,367</u>	<u>-</u>	<u>198,824</u>	<u>-</u>	<u>476,191</u>
Net Change in Fund Balance	7,707	26,550	-	-	34,257
Fund Balance - Beginning of the Year	<u>45,074</u>	<u>827,161</u>	<u>-</u>	<u>72,770</u>	<u>945,005</u>
Fund Balance - End of the Year	<u>\$ 52,781</u>	<u>\$ 853,711</u>	<u>\$ -</u>	<u>\$ 72,770</u>	<u>\$ 979,262</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Food Service Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Federal sources	\$ 797,300	\$ 447,300	\$ 1,033,974	\$ 586,674	\$ 738,400
State sources	27,000	27,000	11,134	(15,866)	34,729
Food sales	629,260	629,260	38,750	(590,510)	530,486
Total Revenues	<u>1,453,560</u>	<u>1,103,560</u>	<u>1,083,858</u>	<u>(19,702)</u>	<u>1,303,615</u>
Expenditures:					
Food Service Operations:					
Salaries and employee benefits	868,280	868,280	695,008	173,272	667,506
Purchased services	210,360	210,360	192,908	17,452	202,455
Supplies	23,580	23,580	12,012	11,568	23,194
Food costs	572,680	572,680	453,590	119,090	473,775
Total Expenditures	<u>1,674,900</u>	<u>1,674,900</u>	<u>1,353,518</u>	<u>321,382</u>	<u>1,366,930</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(221,340)</u>	<u>(571,340)</u>	<u>(269,660)</u>	<u>301,680</u>	<u>(63,315)</u>
Other Financing Sources (Uses):					
Transfers in (out)	221,340	571,340	277,367	(293,973)	80,700
Total Other Financing Sources (Uses)	<u>221,340</u>	<u>571,340</u>	<u>277,367</u>	<u>(293,973)</u>	<u>80,700</u>
Net Change in Fund Balance	-	-	7,707	7,707	17,385
Fund Balance - Beginning of the Year	<u>30,000</u>	<u>30,000</u>	<u>45,074</u>	<u>15,074</u>	<u>27,689</u>
Fund Balance - End of the Year	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 52,781</u>	<u>\$ 22,781</u>	<u>\$ 45,074</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Pupil Activity Fund
For the Year Ended June 30, 2021

	<u>2021</u>			<u>Variance</u>	<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Positive (Negative)</u>	<u>Actual Amounts</u>
Revenues:					
Tuition and fees	\$ 900,000	\$ 900,000	\$ 466,518	\$ (433,482)	\$ 738,881
Total Revenues	<u>900,000</u>	<u>900,000</u>	<u>466,518</u>	<u>(433,482)</u>	<u>738,881</u>
Expenditures:					
Student activities	900,000	900,000	439,968	460,032	642,468
Total Expenditures	<u>900,000</u>	<u>900,000</u>	<u>439,968</u>	<u>460,032</u>	<u>642,468</u>
Net Change in Fund Balance	-	-	26,550	26,550	96,413
Fund Balance - Beginning of the Year	<u>750,000</u>	<u>750,000</u>	<u>827,161</u>	<u>77,161</u>	<u>730,748</u>
Fund Balance - End of the Year	<u>\$ 750,000</u>	<u>\$ 750,000</u>	<u>\$ 853,711</u>	<u>\$ 103,711</u>	<u>\$ 827,161</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Special Revenue Fund
Transportation Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
General property taxes	\$ 882,000	\$ 882,000	\$ 881,829	\$ (171)	\$ 863,676
State sources	288,000	288,000	285,591	(2,409)	277,989
Other revenue	180,000	180,000	122,274	(57,726)	90,916
Total Revenues	<u>1,350,000</u>	<u>1,350,000</u>	<u>1,289,694</u>	<u>(60,306)</u>	<u>1,232,581</u>
Expenditures:					
Transportation	1,664,130	1,664,130	1,298,497	365,633	1,503,856
Custodial maintenance	35,000	35,000	40,816	(5,816)	59,385
General administration	2,200	2,200	2,213	(13)	2,157
Capital outlay	146,350	146,350	146,992	(642)	66,320
Total Expenditures	<u>1,847,680</u>	<u>1,847,680</u>	<u>1,488,518</u>	<u>359,162</u>	<u>1,631,718</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(497,680)</u>	<u>(497,680)</u>	<u>(198,824)</u>	<u>298,856</u>	<u>(399,137)</u>
Other Financing Sources:					
Transfers in	497,680	497,680	198,824	(298,856)	399,137
Total Other Financing Sources	<u>497,680</u>	<u>497,680</u>	<u>198,824</u>	<u>(298,856)</u>	<u>399,137</u>
Net Change in Fund Balance	-	-	-	-	-
Fund Balance - Beginning of the Year	-	-	-	-	-
Fund Balance - End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual (GAAP Basis)
Capital Projects Fund
Capital Reserve Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	<u>2021</u>				<u>2020</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance Positive (Negative)</u>	<u>Actual Amounts</u>
Revenues:					
Other revenue	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)	\$ 1,700
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>1,700</u>
Net Change in Fund Balance	2,000	2,000	-	(2,000)	1,700
Fund Balance - Beginning of the Year	<u>73,070</u>	<u>73,070</u>	<u>72,770</u>	<u>(300)</u>	<u>71,070</u>
Fund Balance - End of the Year	<u>\$ 75,070</u>	<u>\$ 75,070</u>	<u>\$ 72,770</u>	<u>\$ (2,300)</u>	<u>\$ 72,770</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Schedule of Revenues, Expenses, and Change in Net Position - Budget and Actual (GAAP BASIS)
Internal Service Fund
Health Benefits Fund
For the Year Ended June 30, 2021
(With Comparative Totals For the Year Ended 2020)

	2021			Variance Positive (Negative)	2020
	Original Budget	Final Budget	Actual Amounts		Actual Amounts
Revenues:					
Insurance premiums	\$ 4,226,700	\$ 4,382,000	\$ 4,431,100	\$ 49,100	\$ 4,297,141
Stop loss reimbursements	35,700	535,700	549,945	14,245	654,607
Other revenue	15,000	15,000	-	(15,000)	-
Total Revenues	<u>4,277,400</u>	<u>4,932,700</u>	<u>4,981,045</u>	<u>48,345</u>	<u>4,951,748</u>
Expenses:					
Claim losses	3,110,700	4,936,000	4,798,223	137,777	4,290,301
Premiums paid	784,200	784,200	809,925	(25,725)	673,389
Fees and supplies	382,500	382,500	296,316	86,184	307,590
Total Expenses	<u>4,277,400</u>	<u>6,102,700</u>	<u>5,904,464</u>	<u>198,236</u>	<u>5,271,280</u>
Change in Net Position	-	(1,170,000)	(923,419)	246,581	(319,532)
Net Position - Beginning of the Year	<u>2,387,600</u>	<u>2,387,600</u>	<u>1,900,186</u>	<u>(487,414)</u>	<u>2,219,718</u>
Net Position - End of the Year	<u>\$ 2,387,600</u>	<u>\$ 1,217,600</u>	<u>\$ 976,767</u>	<u>\$ (240,833)</u>	<u>\$ 1,900,186</u>

The accompanying notes are an integral part of this statement.

SUMMIT SCHOOL DISTRICT
Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule by Source
June 30, 2021 and 2020

	2021	2020
Governmental funds capital assets:		
Land	\$ 10,200,702	\$ 10,702,591
Construction in progress	300,550	3,960,455
Buildings	147,025,986	150,458,834
Equipment and vehicles	2,346,185	2,483,538
Total governmental funds capital assets	\$ 159,873,423	\$ 167,605,418



Colorado Department of Education
Auditors Integrity Report
 District: 3000 - Summit RE-1
 Fiscal Year 2020-21
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	11,208,118	40,767,280	41,596,709	10,378,689
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	11,208,118	40,767,280	41,596,709	10,378,689
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	1,254,024	2,261,211	2,050,945	1,464,291
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	45,074	1,361,226	1,353,518	52,782
22 Govt Designated-Purpose Grants Fund	0	3,870,461	3,870,461	0
23 Pupil Activity Special Revenue Fund	827,161	466,518	439,969	853,710
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	1,488,517	1,488,517	0
31 Bond Redemption Fund	9,125,226	19,850,347	20,405,002	8,570,572
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	1,260,832	88,712	731,582	617,962
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	72,769	0	0	72,769
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	23,793,205	70,154,272	71,936,702	22,010,775
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	1,900,187	2,057,385	2,980,804	976,768
Totals	1,900,187	2,057,385	2,980,804	976,768
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL

Summit School District RE-1

Statistical Section



SUMMIT SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities				
Net investment in capital assets	\$ 63,252,393	\$ 63,712,856	\$ 69,416,544	\$ 72,667,600
Restricted	11,050,520	10,148,787	6,838,476	6,841,119
Unrestricted	6,972,441	10,330,700	9,944,710	(54,053,507)
Total governmental activities net position	\$ 81,275,354	\$ 84,192,343	\$ 86,199,730	\$ 25,455,212
Business-type activities				
Net investment in capital assets	\$ 293,533	\$ 242,687	\$ 215,110	\$ -
Restricted				
Unrestricted	(293,533)	(242,687)	-	-
Total business-type activities net position	\$ -	\$ -	\$ 215,110	\$ -
Primary government				
Net investment in capital assets	\$ 63,545,926	\$ 63,955,543	\$ 69,631,654	\$ 72,667,600
Restricted	11,050,520	10,148,787	6,838,476	6,841,119
Unrestricted	6,678,908	10,088,013	9,944,710	(54,053,507)
Total primary government net position	\$ 81,275,354	\$ 84,192,343	\$ 86,414,840	\$ 25,455,212

SUMMIT SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 76,981,982	\$ 81,459,310	\$ 90,352,476	\$ 82,589,481	\$ 82,789,261	\$ 80,735,005
8,223,532	11,959,878	11,920,347	11,259,848	10,504,110	9,932,000
(59,706,559)	(85,150,848)	(121,752,328)	(104,474,834)	(94,972,213)	(78,794,957)
<u>\$ 25,498,955</u>	<u>\$ 8,268,340</u>	<u>\$ (19,479,505)</u>	<u>\$ (10,625,505)</u>	<u>\$ (1,678,842)</u>	<u>\$ 11,872,048</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 76,981,982	\$ 81,459,310	\$ 90,352,476	\$ 82,589,481	\$ 82,789,261	\$ 80,735,005
8,223,532	11,959,878	11,920,347	11,259,848	10,504,110	9,932,000
(59,706,559)	(85,150,848)	(121,752,328)	(104,474,834)	(94,972,213)	(78,794,957)
<u>\$ 25,498,955</u>	<u>\$ 8,268,340</u>	<u>\$ (19,479,505)</u>	<u>\$ (10,625,505)</u>	<u>\$ (1,678,842)</u>	<u>\$ 11,872,048</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Expenses				
Governmental activities:				
Current:				
Direct instruction	\$ 19,635,115	\$ 19,854,822	\$ 21,213,086	\$ 23,146,035
Indirect instruction	3,749,773	3,915,178	4,602,626	5,063,052
Transportation	1,394,134	1,383,515	1,477,468	1,587,103
Custodial and maintenance	3,808,537	3,991,627	4,255,401	4,063,683
Support services	1,941,599	1,896,973	2,266,448	2,291,662
General and school administration	2,491,724	2,509,597	2,579,159	2,867,470
Food service	-	-	-	1,266,894
Community service	22,723	24,233	-	-
Student activities	-	-	-	-
Property	-	-	-	-
Interest	1,460,123	2,126,807	1,664,981	1,320,485
Depreciation - unallocated	-	-	-	-
Total governmental activities	<u>34,503,728</u>	<u>35,702,752</u>	<u>38,059,169</u>	<u>41,606,384</u>
Business-type activities				
Food services	1,037,723	1,107,934	1,207,215	-
Total business-type activities	<u>1,037,723</u>	<u>1,107,934</u>	<u>1,207,215</u>	<u>-</u>
Total primary government expenses	<u>\$ 35,541,451</u>	<u>\$ 36,810,686</u>	<u>\$ 39,266,384</u>	<u>\$ 41,606,384</u>
Program revenues				
Governmental activities:				
Charges for service	\$ 501,359	\$ 526,726	587,089	940,015
Operating grant and contributions	1,640,777	1,674,217	1,487,886	2,521,010
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	<u>2,142,136</u>	<u>2,200,943</u>	<u>2,074,975</u>	<u>3,461,025</u>
Business-type activities:				
Charges for service				
Food service	483,928	511,525	493,890	-
Operating grant and contributions	514,196	585,266	651,045	-
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>998,124</u>	<u>1,096,791</u>	<u>1,144,935</u>	<u>-</u>
Total primary government program revenues	<u>\$ 3,140,260</u>	<u>\$ 3,297,734</u>	<u>\$ 3,219,910</u>	<u>\$ 3,461,025</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

		Fiscal Year					
2016	2017	2018	2019	2020	2021		
\$ 25,694,346	\$ 40,191,071	\$ 44,942,334	\$ 26,456,861	\$ 26,595,362	\$ 21,159,126		
6,434,647	8,858,221	10,050,337	6,183,136	6,752,045	7,344,798		
1,677,439	2,421,939	2,695,616	1,673,917	1,604,733	1,175,310		
4,300,999	5,887,850	5,957,536	4,728,831	5,782,496	5,048,567		
2,840,564	3,094,154	3,373,832	2,396,478	2,461,366	2,527,647		
3,091,129	4,455,016	5,727,440	3,055,948	3,162,745	2,832,745		
1,375,844	1,895,000	2,118,811	1,471,318	1,231,276	1,221,504		
-	-	-	2,750	8,923	-		
-	-	-	-	642,469	439,969		
-	-	-	-	-	-		
1,010,717	1,234,003	3,243,610	3,020,278	2,884,135	2,932,421		
-	-	-	-	-	-		
<u>46,425,685</u>	<u>68,037,254</u>	<u>78,109,516</u>	<u>48,989,517</u>	<u>51,125,550</u>	<u>44,682,087</u>		
-	-	-	-	-	-		
-	-	-	-	-	-		
<u>\$ 46,425,685</u>	<u>\$ 68,037,254</u>	<u>\$ 78,109,516</u>	<u>\$ 48,989,517</u>	<u>\$ 51,125,550</u>	<u>\$ 44,682,087</u>		
1,030,502	1,154,951	1,173,558	1,248,016	1,791,358	1,010,050		
2,705,099	2,939,785	2,866,329	4,351,476	3,988,746	6,383,447		
-	-	-	-	70,499	25,210		
<u>3,735,601</u>	<u>4,094,736</u>	<u>4,039,887</u>	<u>5,599,492</u>	<u>5,850,603</u>	<u>7,418,707</u>		
-	-	-	-	-	-		
-	-	-	-	-	-		
-	-	-	-	-	-		
<u>\$ 3,735,601</u>	<u>\$ 4,094,736</u>	<u>\$ 4,039,887</u>	<u>\$ 5,599,492</u>	<u>\$ 5,850,603</u>	<u>\$ 7,418,707</u>		

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

	Fiscal Year			
	2012	2013	2014	2015
Net (Expense) / Revenue				
Governmental activities	\$ (32,361,592)	\$ (33,501,809)	\$ (35,984,194)	\$ (38,145,359)
Business-type activities	(39,599)	(11,143)	(62,280)	-
Total primary government net expense	<u>\$ (32,401,191)</u>	<u>\$ (33,512,952)</u>	<u>\$ (36,046,474)</u>	<u>\$ (38,145,359)</u>

General Revenues and Other Changes in Net Position

Governmental activities:

Taxes				
Local property taxes	\$ 32,333,739	\$ 31,734,595	\$ 31,232,839	\$ 31,218,782
Specific ownership taxes	1,288,349	1,375,567	1,590,334	1,653,562
State revenue	2,708,994	2,716,960	4,769,090	6,293,409
Grants not restricted to specific programs	536,946	452,934	471,692	641,786
Gain (loss) on asset disposition	11,453	11,453	188,754	4,000
Interest and investment earnings	13,854	23,374	16,261	13,459
Miscellaneous	-	-	-	-
Transfers	(39,599)	(11,143)	(277,390)	-
Total governmental activities	<u>36,853,736</u>	<u>36,303,740</u>	<u>37,991,580</u>	<u>39,824,998</u>

Business-type activities:

Gain (loss) on asset disposition	-	-	-	-
Interest and investment earnings	-	-	-	-
Transfers	39,599	11,143	277,390	-
Total business-type activities	<u>39,599</u>	<u>11,143</u>	<u>277,390</u>	<u>-</u>
Total primary government	<u>\$ 36,893,335</u>	<u>\$ 36,314,883</u>	<u>\$ 38,268,970</u>	<u>\$ 39,824,998</u>

Change in Net Position

Governmental activities	\$ 4,492,144	\$ 2,916,991	\$ 2,007,386	\$ 1,679,639
Business-type activities	-	-	215,110	-
Total primary government	<u>\$ 4,492,144</u>	<u>\$ 2,916,991</u>	<u>\$ 2,222,496</u>	<u>\$ 1,679,639</u>

SUMMIT SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ (42,690,084)	\$ (63,942,518)	\$ (74,069,629)	\$ (43,390,025)	\$ (45,274,947)	\$ (37,263,380)
-	-	-	-	-	-
<u>\$ (42,690,084)</u>	<u>\$ (63,942,518)</u>	<u>\$ (74,069,629)</u>	<u>\$ (43,390,025)</u>	<u>\$ (45,274,947)</u>	<u>\$ (37,263,380)</u>

\$ 33,798,849	\$ 36,620,422	\$ 38,191,958	\$ 38,381,181	\$ 42,769,525	\$ 42,620,877
1,738,337	1,910,831	2,236,696	2,211,655	2,041,931	2,415,365
6,439,603	6,934,642	7,342,132	9,685,376	6,609,459	4,634,587
741,877	816,908	968,889	1,068,667	1,175,240	1,125,353
(4,345)	30,760	-	22,087	506,344	-8,042
19,506	398,340	1,205,270	875,059	388,361	26,130
-	-	-	-	-	-
-	-	-	-	-	-
<u>42,733,827</u>	<u>46,711,903</u>	<u>49,944,945</u>	<u>52,244,025</u>	<u>53,490,860</u>	<u>50,814,270</u>

-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 42,733,827</u>	<u>\$ 46,711,903</u>	<u>\$ 49,944,945</u>	<u>\$ 52,244,025</u>	<u>\$ 53,490,860</u>	<u>\$ 50,814,270</u>

\$ 43,743	\$ (17,230,615)	\$ (24,124,684)	\$ 8,854,000	\$ 8,215,913	\$ 13,550,890
-	-	-	-	-	-
<u>\$ 43,743</u>	<u>\$ (17,230,615)</u>	<u>\$ (24,124,684)</u>	<u>\$ 8,854,000</u>	<u>\$ 8,215,913</u>	<u>\$ 13,550,890</u>

SUMMIT SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
General Fund				
Non-spendable	70,105	46,042	46,702	156,913
Spendable				
Restricted	678,000	678,000	797,200	783,600
Committed	2,157,631	-	-	-
Assigned	-	-	-	-
Unassigned	4,687,560	7,664,114	7,855,994	8,603,375
Total general fund	<u>\$ 7,593,296</u>	<u>\$ 8,388,156</u>	<u>\$ 8,699,896</u>	<u>\$ 9,543,888</u>
All Other Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Non-spendable	-	-	-	-
Spendable				
Restricted	10,372,520	10,148,787	6,041,276	6,057,519
Committed	-	-	-	-
Assigned	-	-	2,179,482	2,112,889
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 10,372,520</u>	<u>\$ 10,148,787</u>	<u>\$ 8,220,758</u>	<u>\$ 8,170,408</u>
Total Governmental Funds				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	-	-	-	-
Non-spendable	70,105	46,042	46,702	156,913
Spendable				
Restricted	11,050,520	10,826,787	6,838,476	6,841,119
Committed	2,157,631	-	-	-
Assigned	-	-	2,179,482	2,112,889
Unassigned	4,687,560	7,664,114	7,855,994	8,603,375
Total governmental funds	<u>\$ 17,965,816</u>	<u>\$ 18,536,943</u>	<u>\$ 16,920,654</u>	<u>\$ 17,714,296</u>

SUMMIT SCHOOL DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

		Fiscal Year				
2016	2017	2018	2019	2020	2021	
106,782	86,195	76,003	181,319	172,411	170,485	
852,100	924,700	953,900	1,007,900	1,046,700	1,017,600	
-	-	-	-	-	-	
-	-	-	-	-	-	
8,607,808	9,146,519	10,493,869	11,281,366	9,989,007	9,190,604	
\$ 9,566,690	\$ 10,157,414	\$ 11,523,772	\$ 12,470,585	\$ 11,208,118	\$ 10,378,689	
<hr/>						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
34,969	35,045	30,295	27,689	111,050	76,735	
-	-	-	-	-	-	
7,371,432	11,035,178	10,626,157	9,926,008	9,125,225	8,570,570	
-	1,533,436	2,900,498	3,738,049	1,205,305	1,440,337	
602,146	72,429,127	34,487,824	5,418,762	2,160,763	1,544,443	
-	-	-	-	(17,257)	-	
\$ 8,008,547	\$ 85,032,786	\$ 48,044,774	\$ 19,110,508	\$ 12,585,086	\$ 11,632,085	
<hr/>						
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
141,751	121,240	106,298	209,008	283,461	247,220	
8,223,532	11,959,878	11,580,057	10,933,908	10,171,925	9,588,170	
-	1,533,436	2,900,498	3,738,051	1,205,305	1,440,337	
602,146	72,429,127	34,487,824	5,418,762	2,160,763	1,544,443	
8,607,808	9,146,519	10,493,869	11,281,366	9,971,750	9,190,604	
\$ 17,575,237	\$ 95,190,200	\$ 59,568,546	\$ 31,581,095	\$ 23,793,204	\$ 22,010,774	

SUMMIT SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2012	2013	2014	2015
REVENUES				
Taxes				
Property taxes	\$32,439,713	\$ 31,917,824	\$ 31,294,087	\$ 31,270,541
Specific ownership taxes	1,288,349	1,375,567	1,590,334	1,653,562
Federal income	1,117,390	1,104,832	889,405	1,648,293
State income	2,899,128	2,932,733	5,087,451	6,899,428
Investment Income	13,854	23,374	16,261	13,459
Other	1,383,010	1,459,786	1,527,655	1,852,500
Total revenues	<u>39,141,444</u>	<u>38,814,116</u>	<u>40,405,193</u>	<u>43,337,783</u>
EXPENDITURES				
Current:				
Direct instruction	18,187,505	18,461,853	19,219,670	20,092,238
Indirect instruction	3,425,574	3,569,447	4,219,175	4,427,418
Transportation	1,653,349	1,335,056	1,597,231	1,529,765
Custodial and maintenance	3,717,314	3,657,284	3,890,907	3,677,108
Support services	1,817,730	1,770,773	1,920,905	2,008,723
General and school administration	2,215,134	2,301,459	2,300,791	2,478,405
Student Activity	-	-	-	-
Food service operations	-	-	-	1,203,083
Community service	-	-	-	-
Debt Service:				
Principal	4,550,000	4,760,000	4,965,000	5,325,000
Interest	2,057,726	2,250,595	1,773,170	1,412,570
Fiscal Charges	-	-	-	-
Capital outlay	445,694	803,379	1,179,243	389,830
Total expenditures	<u>38,070,026</u>	<u>38,909,846</u>	<u>41,066,092</u>	<u>42,544,140</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,071,418</u>	<u>(95,730)</u>	<u>(660,899)</u>	<u>793,643</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of bonds	34,522,309	-	-	-
Payment to refunded debt escrow agent	(38,148,852)	-	-	-
Premium on bond issuance	3,768,231	-	-	-
Bond issuance costs	(346,379)	-	-	-
Property settlement	341,090	-	-	-
Operating transfers (in/out)	(380,689)	(11,143)	(277,390)	-
Total other financing sources (uses)	<u>(244,290)</u>	<u>(11,143)</u>	<u>(277,390)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>\$ 827,128</u>	<u>\$ (106,873)</u>	<u>\$ (938,289)</u>	<u>\$ 793,643</u>
Debt service as a percentage of noncapital expenditures	17.6%	18.4%	16.9%	16.0%

SUMMIT SCHOOL DISTRICT
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 33,709,697	\$ 36,739,092	\$ 38,150,372	\$ 38,315,011	\$ 41,897,297	\$ 43,302,280
1,738,337	1,910,831	2,236,696	2,211,655	2,041,931	2,415,365
1,695,126	1,787,755	1,813,207	1,839,309	2,408,980	5,011,847
7,050,963	7,651,938	8,121,708	11,775,031	8,776,864	6,254,779
19,506	398,340	1,205,270	875,059	388,361	26,130
2,175,241	2,437,354	2,415,987	2,705,024	2,730,938	1,918,869
<u>46,388,870</u>	<u>50,925,310</u>	<u>53,943,240</u>	<u>57,721,089</u>	<u>58,244,371</u>	<u>58,929,270</u>
21,106,751	22,754,888	23,130,414	25,576,277	27,747,360	26,724,480
5,547,187	5,173,184	5,566,875	6,336,656	7,333,181	8,423,908
1,758,638	1,745,476	1,500,674	1,562,221	1,571,301	1,298,497
3,733,441	3,655,064	3,915,780	4,345,576	4,818,409	4,855,942
2,308,313	2,188,439	2,329,030	2,196,813	2,144,888	2,669,545
2,517,211	2,624,234	2,991,115	3,050,692	3,337,020	3,350,889
-	-	-	0	642,469	439,968
1,283,224	1,420,355	1,494,830	1,599,034	1,411,413	1,353,518
-	-	-	-	-	-
5,035,000	2,885,000	4,925,000	5,345,000	5,505,000	5,690,000
1,118,523	1,991,268	4,042,600	3,874,200	3,700,375	3,488,300
				18,421	1,702
2,119,641	7,266,446	39,668,576	31,822,071	8,533,174	2,414,951
<u>46,527,929</u>	<u>51,704,354</u>	<u>89,564,894</u>	<u>85,708,540</u>	<u>66,763,011</u>	<u>60,711,700</u>
<u>(139,059)</u>	<u>(779,044)</u>	<u>(35,621,654)</u>	<u>(27,987,451)</u>	<u>(8,518,640)</u>	<u>(1,782,430)</u>
-	68,445,000	-	-	-	11,225,000
-	-	-	-	-	(11,070,644)
-	9,949,006	-	-	-	-
-	-	-	-	-	(154,356)
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>78,394,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ (139,059)</u>	<u>\$ 77,614,962</u>	<u>\$ (35,621,654)</u>	<u>\$ (27,987,451)</u>	<u>\$ (8,518,640)</u>	<u>\$ (1,782,430)</u>
13.9%	11.0%	18.0%	17.1%	15.8%	15.7%

SUMMIT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	
	Assessed Value	Actual Value	Assessed Value	Actual Value
2011	1,506,745,732	14,703,209,102	95,151,121	328,112,854
2012	1,508,845,585	14,799,695,253	92,748,898	319,829,354
2013	1,447,113,911	14,258,248,662	96,286,458	332,027,182
2014	1,458,034,820	14,430,227,120	102,719,660	354,210,610
2015	1,600,747,120	15,869,133,660	133,169,740	459,206,010
2016	1,613,996,210	16,109,753,170	131,985,310	455,121,740
2017	1,735,358,263	18,797,206,084	135,744,439	468,084,134
2018	1,756,592,610	19,167,843,410	141,126,580	486,643,210
2019	2,106,124,819	23,458,351,732	151,315,086	521,775,864
2020	2,116,534,840	23,875,775,190	155,079,370	534,756,020

Source: Summit County Assessor's Office

** Per \$1,000 of assessed value

Note: The assessment ratios for all taxable property in the State of Colorado are as follows:

Years	Residential	Commercial
2011	7.96%	29.00%
2012	7.96%	29.00%
2013	7.96%	29.00%
2014	7.96%	29.00%
2015	7.96%	29.00%
2016	7.96%	29.00%
2017	7.20%	29.00%
2018	7.20%	29.00%
2019	7.15%	29.00%
2020	7.15%	29.00%

SUMMIT SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Real Property Exemptions		Total Taxable Value		Total Direct Tax Rate**
Assessed Value	Actual Value	Assessed Value	Actual Value	
91,240,000	314,808,444	1,693,136,853	15,346,130,400	12.796
91,999,064	317,239,990	1,693,593,547	15,436,764,597	12.824
91,676,980	316,129,325	1,635,077,349	14,906,405,169	12.789
92,154,970	317,777,420	1,652,909,450	15,102,215,150	15.173
92,928,560	320,443,210	1,826,845,420	16,648,782,880	15.072
134,260,190	426,996,030	1,880,241,710	17,027,870,940	15.086
138,136,616	476,333,058	2,009,239,318	19,741,623,276	14.986
140,486,340	484,435,550	2,038,205,530	20,138,922,170	19.643
130,707,090	450,714,018	2,388,146,995	24,430,841,614	19.280
136,392,840	470,320,070	2,408,007,050	24,880,851,280	19.603

SUMMIT SCHOOL DISTRICT
Assessed Valuation of Classes of Property in the District
Last Five Fiscal Years

Class	2016		2017	
	Assessed Value	Percent of Total	Assessed Value	Percent of Total
Residential	\$ 1,268,780,358	73.00%	\$ 1,221,428,790	65.57%
Commercial	370,917,264	21.34%	402,701,700	21.62%
Industrial	43,705,466	2.51%	43,081,220	2.31%
Agricultural	4,155,567	0.24%	1,058,070	0.06%
Natural Resources	850,912	0.05%	931,030	0.05%
Vacant	8,444,971	0.49%	150,693,040	8.09%
State Assessed	41,308,061	2.38%	42,994,680	2.31%
TOTAL	\$ 1,738,162,600	100.00%	\$ 1,862,888,530	100.00%

Source: Summit County Assessor's Office

SUMMIT SCHOOL DISTRICT
Assessed Valuation of Classes of Property in the District
Last Five Fiscal Years

2018		2019		2020	
Assessed Value	Percent of Total	Assessed Value	Percent of Total	Assessed Value	Percent of Total
\$ 1,249,876,130	66.15%	\$ 1,529,649,460	68.06%	\$ 1,565,654,310	69.22%
415,373,050	21.98%	478,396,250	21.29%	483,158,400	21.36%
39,571,600	2.09%	37,946,080	1.69%	34,748,050	1.54%
1,074,530	0.06%	1,066,020	0.05%	1,047,270	0.05%
946,490	0.05%	836,270	0.04%	888,680	0.04%
140,755,180	7.45%	155,889,600	6.94%	130,049,130	5.75%
41,918,430	2.22%	43,782,950	1.95%	46,435,150	2.05%
\$ 1,889,515,410	100.00%	\$ 2,247,566,630	100.00%	\$ 2,261,980,990	100.00%

SUMMIT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

	Fiscal Year			
	2012	2013	2014	2015
Summit School District				
General operations	14.635	14.677	14.708	14.670
General obligation debt service	4.492	4.331	4.421	4.350
Full day kindergarten	0.524	0.472	0.573	0.548
Transportation	0.551	0.551	0.573	0.567
Special building and technology	-	-	-	-
Total direct property tax rate	<u>20.202</u>	<u>20.031</u>	<u>20.275</u>	<u>20.135</u>
Overlapping Rates				
Summit County Government	12.796	12.824	12.789	15.173
Colorado Mountain College	3.997	3.997	3.997	3.997
Town of Blue River	12.290	12.290	12.290	12.314
Town of Breckenridge	6.945	6.945	5.070	5.070
Town of Dillon	3.329	3.351	3.351	3.351
Town of Frisco	0.798	0.798	0.798	0.798
Town of Montezuma	3.188	3.188	3.188	3.188
Town of Silverthorne	-	-	-	-
Alpensee Water District	50.000	50.000	50.000	50.000
Alpine Metro District	-	-	-	-
Breckenridge Mt Metro District	25.000	25.000	25.000	25.000
Buffalo Mt Metro District	15.000	15.000	15.000	15.000
Colorado River Water Conservation District	0.228	0.242	0.254	0.025
Copper Mt Cons Metro District	31.584	29.467	30.500	30.632
Corinthian Hills Metro District	10.055	10.258	10.400	9.000
Dillon Fire Protection District	-	-	-	-
Dillon Valley Metro District	-	-	-	-
Eagles Nest Metropolitan District	15.022	15.157	15.007	15.023
East Dillon Water District	3.525	3.527	3.699	3.684
Frisco Fire Protection District	-	-	-	-
Frisco Sanitation District	-	-	-	-
Fourth Street Crossing Bus Improvement District				
Fourth Street Crossing Met. District				
Hamilton Creek Metro District	40.000	40.000	40.000	40.000
Heeney Water District	6.960	6.960	6.960	6.960
Kremmling Memorial Hospital District	4.031	4.412	5.604	6.556
Lake Dillon Fire Protection District	8.284	9.021	9.014	9.016
Lower Blue Fire Protection District	4.095	4.305	4.305	4.199
Middle Park Water Conservancy District	0.056	0.056	0.056	0.056
Red, White & Blue Fire Protection District	9.000	9.098	9.014	9.018
Silverthorne Fire Protection District	-	-	-	-
Snake River Fire Protection District	0.460	0.360	0.340	-
Snake River Water District	-	-	-	-
South Maryland Creek Mreto District	-	-	-	-
Swan's Nest Metro District	35.000	35.000	35.000	35.000
Timber Creek Water District	10.000	10.000	10.000	10.000
Willow Brook Metro District	51.773	59.395	61.717	62.130
Willow Brook Metro District (Bond Only)	-	-	-	-

Source: Summit County Assessor's Office

Note: The District's property tax rate may be increased only by a majority vote of the District's residents.

Rates for debt service are set based on each year's requirements.

Overlapping rates are those of local and county governments that apply to property owners within the boundaries of the Summit School District. Not all overlapping rates apply to all Summit School District property owners; for example, although the County property tax rate apply to all school district property owners the Snake River Fire Protection District rates apply only to the residents of Keystone whose property is located within that district's geographic boundaries.

SUMMIT SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year					
2016	2017	2018	2019	2020	2021
14.273	14.278	13.993	13.971	13.867	13.969
4.350	4.921	4.611	4.550	3.832	3.823
0.485	0.445	0.473	0.429	0.000	0.000
0.510	0.507	0.448	0.467	0.393	0.391
-	1.000	1.000	1.000	1.000	1.000
19.618	21.151	20.525	20.417	19.092	19.183
15.072	15.086	14.986	19.643	19.280	19.603
3.997	3.997	3.997	3.997	4.013	4.013
12.308	12.324	12.290	12.290	12.290	12.290
5.070	5.070	5.070	5.070	5.070	5.070
3.351	3.351	3.338	3.351	3.024	3.024
0.798	0.798	0.798	0.798	0.798	0.798
3.188	3.188	3.188	3.188	3.188	3.188
-	-	-	0.000	0.000	0.000
50.000	50.000	50.000	50.000	50.000	50.000
-	-	-	0.000	0.000	0.000
25.000	25.750	25.750	24.500	22.500	25.500
15.000	15.000	15.000	15.000	15.000	15.000
0.243	0.253	0.254	0.256	0.235	0.502
29.136	40.644	39.790	39.735	35.398	24.930
9.000	9.064	10.400	11.073	10.468	11.408
-	-	-	0.000	0.000	0.000
-	-	-	0.000	0.000	0.000
15.000	15.020	15.052	3.757	0.000	0.000
3.380	3.373	3.244	3.224	2.733	2.732
-	-	-	0.000	0.000	0.000
-	-	-	0.000	0.000	0.000
				12.000	16.000
				62.000	66.000
40.000	40.000	40.000	40.000	40.000	40.000
6.960	6.960	6.960	6.960	6.960	6.960
6.556	7.045	7.045	7.045	7.045	7.045
9.026	9.023	9.003	9.007	9.055	9.094
4.026	4.067	3.694	3.694	3.014	3.068
0.055	0.055	0.055	0.055	0.048	0.048
9.004	9.038	9.008	9.015	9.053	9.118
-	-	-	0.000	0.000	0.000
-	-	-	0.000	0.000	0.000
-	-	-	0.000	0.000	0.000
-	17.000	63.016	63.016	63.456	63.456
35.000	35.000	35.000	35.000	24.000	24.000
10.000	10.000	10.000	10.000	10.000	10.000
61.840	61.840	62.400	81.883	93.642	82.156
-	-	-	0.000	0.000	0.000

SUMMIT SCHOOL DISTRICT
Property Tax Levies And Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collection to Date	
		Amount	% of Levy		Amount	% of Levy
2012	32,222,763	29,635,651	92.0%	2,489,252	32,124,903	99.7%
2013	31,943,456	30,789,912	96.4%	1,120,054	31,909,966	99.9%
2014	31,146,546	30,110,670	96.7%	990,181	31,100,851	99.9%
2015	31,262,720	30,311,943	97.0%	897,052	31,208,995	99.8%
2016	33,832,580	32,727,895	96.7%	1,015,423	33,743,318	99.7%
2017	36,726,207	35,675,658	97.1%	1,005,396	36,681,054	99.9%
2018	38,160,402	36,945,888	96.8%	1,129,637	38,075,525	99.8%
2019	38,454,918	37,104,706	96.5%	1,287,124	38,391,830	99.8%
2020	42,721,176	40,343,538	94.4%	2,135,984	42,479,522	99.4%
2021	43,152,658	41,377,219	95.9%		41,377,219	95.9%

Collections through June 30, 2021

Source: Summit School District Business Services Department Property Tax Worksheet

SUMMIT SCHOOL DISTRICT
Ratio Of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Net Bonded Debt per Capita</u>	<u>Percentage of Median Household Income</u>
2012	49,500,000	2.92%	1,754	2.55%
2013	44,740,000	2.64%	1,556	2.29%
2014	39,775,000	2.43%	1,353	1.98%
2015	34,450,000	2.08%	1,157	1.69%
2016	29,415,000	1.61%	979	1.43%
2017	94,975,000	5.05%	3,115	4.56%
2018	90,050,000	4.48%	2,944	4.19%
2019	84,705,000	4.16%	2,732	3.72%
2020	79,200,000	3.32%	2,554	3.29%
2021	73,885,000	3.07%	2,353	2.97%

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

SUMMIT SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Alpensee Water District	\$ 824,000	100.00	\$ 824,000
Breckenridge Mountain Metro District	23,150,000	100.00	23,150,000
Copper Mtn. Consolidated Metro District	3,275,000	100.00	3,275,000
Eagles Nest Metropolitan District	-	100.00	-
East Dillon Water District	1,252,436	100.00	1,252,436
Fourth Street Metro District	21,145,000		21,145,000
Heeney Water District	-	100.00	-
Kremmling Memorial Hospital District	22,138,702	5.00	1,106,935
South Maryland Creek Ranch	14,705,000	100.00	14,705,000
Swans Nest Metropolitan District	625,000	100.00	625,000
Summit County Government	-	100.00	322,954
Timber Creek Water District	140,000	100.00	140,000
Town of Breckenridge	76,308,390	100.00	76,308,390
Town of Frisco	7,931,300	100.00	7,931,300
West Grand School District #1-JT	5,071,250	2.20	111,568
Willowbrook Metro District	-		-
Subtotal, overlapping debt	<u>176,566,078</u>		<u>150,897,583</u>
Summit County School District direct debt	<u>73,510,000</u>	100.00	<u>73,510,000</u>
Total direct and overlapping debt	<u><u>\$ 250,076,078</u></u>		<u><u>\$ 224,407,583</u></u>

Source: Assessed value data used to estimate applicable percentages provided by the Summit County Assessor's Office. Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of outstanding debt of those overlapping governments that are borne by the residents and businesses of the District. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

**SUMMIT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years**

	Fiscal Year			
	2012	2013	2014	2015
Assessed valuation	\$ 1,595,028,340	\$ 1,594,701,010	\$ 1,536,204,510	\$ 1,552,655,580
Debt limit (20% of assessed valuation)	\$ 319,005,668	\$ 318,940,202	\$ 307,240,902	\$ 310,531,116
Debt applicable to limit:				
General obligation bonds	\$ 49,500,000	\$ 44,740,000	\$ 39,775,000	\$ 34,450,000
Less: Amount set aside for repayment of general obligation debt	(6,062,943)	(5,959,708)	(6,041,276)	(6,057,519)
Total net debt applicable to limit	43,437,057	38,780,292	33,733,724	28,392,481
Legal debt margin	\$ 275,568,611	\$ 280,159,910	\$ 273,507,178	\$ 282,138,635
Total net debt applicable to the limit as a percentage of debt limit	13.62%	12.16%	10.98%	9.14%

Note: Under state finance law, the District's outstanding general obligation debt should not exceed 20% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

SUMMIT SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,724,568,190	\$ 1,736,381,600	\$ 1,859,215,660	\$ 1,883,475,430	\$ 2,237,648,040	\$ 2,249,526,050
\$ 344,913,638	\$ 347,276,320	\$ 371,843,132	\$ 376,695,086	\$ 447,529,608	\$ 449,905,210
\$ 29,415,000	\$ 94,975,000	\$ 90,050,000	84,705,000	79,200,000	73,885,000
(7,371,432)	(11,035,178)	(10,626,157)	(9,926,008)	(9,125,225)	(8,570,570)
22,043,568	83,939,822	79,423,843	74,778,992	70,074,775	65,314,430
\$ 322,870,070	\$ 263,336,498	\$ 292,419,289	\$ 301,916,094	\$ 377,454,833	\$ 384,590,780
6.39%	24.17%	21.36%	19.85%	15.66%	14.52%

SUMMIT SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Population	Median Household Income	October 1 School Enrollment	October 1 Funded Pupil Count	Total Program Per Pupil Funding	Colorado Unemployment Rate
2012	28,218	\$68,750	3,151	2,942.3	\$6,750.68	7.9%
2013	28,759	\$67,915	3,156	2,950.4	\$6,738.30	7.2%
2014	29,399	\$68,333	3,287	3,049.0	\$6,934.66	5.8%
2015	29,777	\$68,333	3,345	3,141.9	\$7,317.25	4.0%
2016	30,039	\$68,333	3,509	3,294.9	\$7,593.98	2.1%
2017	30,489	\$68,333	3,560	3,352.4	\$7,671.60	2.1%
2018	30,585	\$70,192	3,600	3,394.8	\$7,921.35	2.7%
2019	31,007	\$73,538	3,591	3,397.5	\$8,430.88	2.9%
2020	31,011	\$77,589	3,590	3,511.0	\$8,808.54	11.4%
2021	31,399	\$79,277	3,463	3,380.5	\$8,298.77	6.2%

Sources: Population, median household income and unemployment rate information provided by Summit County, Colorado Division of Local Governemnt (LMI), U.S. Census Bureau, and Wikipedia. School enrollment data provided by the Summit School District Business Services Department. Total program per pupil funding provided by the Colorado Department of Education.

SUMMIT SCHOOL DISTRICT
Enrollment by Grade - Total Count
Last Five Fiscal Years
(Unaudited)

<u>Grade</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
PK	162	156	153	145	140
K	250	260	238	231	252
1	282	254	257	256	247
2	273	281	260	276	233
3	310	274	268	258	249
4	281	310	287	281	269
5	283	279	296	285	261
6	268	283	282	293	277
7	259	264	274	279	280
8	229	254	262	276	287
9	273	237	271	268	264
10	259	278	233	260	292
11	217	254	269	220	258
12	214	216	241	262	246

**SUMMIT SCHOOL DISTRICT
Principal Employers
Current Year**

<u>Employer</u>	<u>Range of Employees</u>	<u>% of Total County Employment</u>
Copper Mountain Ski Resort	1000-4999	4-20%
Breckenridge Ski Resort	500-999	2-3.99%
Keystone Resort Ski/Ride School	500-999	2-3.99%
Peak Materials LLC	500-999	2-3.99%
Summit School District RE-1	518	2.10%
Summit County Government	448	1.8%
Village at Breckenridge	250-499	1-1.99%
City Market	100-249	.4-.99%
Beaver Run Resort & Conference Center	100-249	.4-.99%
Grand Timber Lodge	100-249	.4-.99%
Town of Breckenridge	100-249	.4-.99%
St. Anthony Summit Medical Ctr	100-249	.4-.99%
Town of Silverthorne	100-249	.4-.99%
Arapahoe Basin Ski Area	100-249	.4-.99%
Target	100-249	.4-.99%
Keystone Lodge	100.-249	.4-.99%
Whole Foods	100-249	.4-.99%
Lowe's	100-249	.4-.99%
Walmart	100-249	.46-1.14%
 Total Employees in Summit County	 25,006	

Source: Colorado Department of Labor and Employment - LMI Gateway

SUMMIT SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Governmental Fund Expenditures	Funded Students	Cost Per Pupil	Percentage Change	Teaching Staff FTE	Pupil Teacher Ratio
2012	\$38,070,026	2,942.3	\$12,939	-13.4%	245.89	11.97
2013	\$38,909,846	2,950.4	\$13,188	1.9%	255.11	11.57
2014	\$41,066,092	3,049.0	\$13,469	2.1%	272.61	11.18
2015	\$42,544,140	3,141.9	\$13,541	0.5%	279.45	11.24
2016	\$46,527,929	3,294.9	\$14,121	4.3%	284.18	11.59
2017	\$51,704,354	3,352.4	\$15,423	9.2%	307.41	10.91
2018	\$89,564,894	3,394.8	\$26,383	71.1%	310.52	10.93
2019	\$85,708,542	3,397.5	\$25,227	-4.4%	320.81	10.59
2020	\$66,763,011	3,511.0	\$19,015	-24.6%	322.48	10.89
2021	\$60,711,700	3,380.5	\$17,959	-5.6%	319.55	10.58

Sources: Nonfinancial information provided by the district's personnel

Note: Enrollment based on October enrollment. Teaching staff are full-time equivalents for the year as a whole.

SUMMIT SCHOOL DISTRICT
Schedule of Insurance
(Unaudited)

Description of Insurance	Carrier or Pool	Coverage Limit	Deductible
General & School Liability	CSDSIP*	\$2,000,000/occurrence \$5,000,000 aggregate	\$2,500
Property including:	CSDSIP	\$130,273,815	\$5,000
Equipment Breakdown	CSDSIP	\$250,000,000	\$1,000
Automobile liability:	CSDSIP		
Combined single limit		\$2,000,000	\$0
Personal injury protection		\$5,000	\$0
Crime:	CSDSIP	\$1,000,000	\$500
Pollution	CSDSIP	\$1,000,000	\$5,000
Data Compromise	CSDSIP	\$1,000,000	\$5,000
NCBR Terrorism	CSDSIP	\$10,000,000	\$5,000
School Crisis Act	CSDSIP	\$250,000	\$0
Worker's Compensation	Pinnacle Assurance		\$5,000
Unemployment	State of Colorado	Claims basis	
Underground Storage Tanks	ACE American Insurance	\$1,000,000/occurrence \$2,000,000 aggregate	\$5,000
International Liability	ACE American Insurance	Multi-tiered coverage	

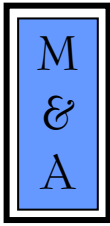
*Colorado School Districts' Self Insurance Pool

Source: School District Records

Summit School District RE-1

Reports and Schedules for Reporting Requirements
Of Uniform Guidance





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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

**To the Board of Education
Summit School District RE-1
Frisco, CO**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Summit School District RE-1 (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 December 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit on the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the 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 of 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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*.

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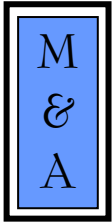
INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, CO

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 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
December 6, 2021



MCMAHAN AND ASSOCIATES, L.L.C.

Certified Public Accountants and Consultants

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

**To the Board of Education
Summit School District RE-1
Frisco, CO**

Report on Compliance for Each Major Program

We have audited the compliance of the Summit School District RE-1 (the "District") with the types of compliance requirements described 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.

Management's Responsibilities

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

Auditor's Responsibilities

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance with those requirements.

Member: American Institute of Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT
To the Board of Education
Summit School District RE-1
Frisco, CO

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiency and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 in the requirements of Uniform Guidance and the Guide. Accordingly, this report is not suitable for any other purpose

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
December 6, 2021

Summit School District RE-1
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Part I: Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

Federal Awards

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	None noted
Major programs –	
Coronavirus Relief Fund	ALN 21.019
ESSER	ALN 84.425D
Dollar threshold used to identify Type A from Type B programs	\$750,000
Identified as low-risk auditee	Yes

Part II: Findings Related to Financial Statements

Findings related to financial statements as required by Government Auditing Standards	None noted
Auditor-assigned reference number	Not applicable

Part III: Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted

Summit School District RE-1
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Note: There were no findings for the fiscal year ended June 30, 2020.

SUMMIT SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN Number	Grant Project Code	Expenditures	
United States Department of Education				
Passed through State Department of Education:				
Title I				
Title I, Part A	84.010	4010	224,077	
Title I, Homeless Set Aside	84.010	9202	50	
Title IA - Closing the Achievement Gap	84.010	5010	70,471	
Total Title I			<u>294,598</u>	
IDEA Part B: Flow through 94.142 Special Education	84.027	4027	593,941	B
IDEA Preschool 99-457	84.173	4173	13,603	B
Title I Grants to Local Education	84.323A	5323	32,470	
Title III				
Title III, Immigrant Education	84.365A	4365	68,842	
Title III, Immigrant Education	84.365A	7365	399	
Total Title III			<u>69,241</u>	
Title II, Part A Teacher and Principal Training and Recruiting	84.367	4367	57,081	
ESSER, Elementary and Secondary School Emergency Relief				
ESSER	84.425D	4425	180,903	
ESSER II 9.5% (State Reserve)	84.425D	4419	875	
ESSER II - Distribution 90%	84.425D	4420	32,538	
Total ESSER, Elementary and Secondary School Emergency Relief			<u>214,316</u>	
ESSA, Title IV-A: Student Support and Academic Enrichment Grants	84.424A	4424	30,623	
Passed through Colorado Colleges and Occupational System:				
Carl Perkins Vocational & Applied Technology	84.048	4048	19,632	
Total United States Department of Education			<u>1,325,505</u>	
United States Treasury				
Passed through State Department of Education:				
Coronavirus Relief Fund	21.019	4012	2,041,045	
Coronavirus Relief Fund: K-12 At-Risk Pupils	21.019	5012	96,864	
Total United States Treasury			<u>2,137,909</u>	
United States Department of Health and Human Services				
Passed Through Summit County Treasurer:				
Head Start	93.600	8600	117,277	D
Total United States Department of Health and Human Services			<u>117,277</u>	
United States Department of Agriculture				
Passed Through Summit County Treasurer:				
Schools and Roads - Grants to States	10.666	7665	397,183	C
Passed through Colorado Department of Human Services				
Food Distribution Commodities	10.555	4555	86,300	A
Passed through State Department of Education:				
Cares Act Emergency Feeding	10.555	4555	139,116	A
Summer Food Service Program for Children	10.559	4559	808,558	A
Total United States Department of Agriculture			<u>1,431,157</u>	
Total Federal Expenditures			<u>\$ 5,011,848</u>	

Additional Information for Clusters:

A Child Nutrition Cluster	\$ 1,033,974
B IDEA Cluster	\$ 607,544
C Forest Service Schools and Roads Cluster	\$ 397,183
D Head Start Cluster	\$ 117,277

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021:

Note 1. Basis of Presentation:

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Summit School District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance")*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

Note 2. Basis of Determining the Value of Non-Cash Awards Expended:

Food Commodities: Fair market value of commodities at the time recipient received award and the assessed value provided by the federal agency.

Note 3. Sub recipients:

The District did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards received to sub recipients.

Note 4. Indirect Facilities and Administration Costs:

The District does not opt to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR), Part 200.414 Indirect (F & A) costs.