

Platte Valley School District RE-7
Kersey, Colorado

Financial Statements

For the Year Ended June 30, 2021

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Independent Auditors' Report

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Platte Valley School District RE-7 (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 includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 27, 2021

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

This section of the Platte Valley School District, Weld Re-7 annual financial report provides readers with the District's financial statements, financial performance, and the discussion and analysis during the fiscal year which ended June 30, 2021.

We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for the District in 2021 are as follows:

- Among the major funds, the General Fund had \$15,907,696 in revenues and other financing, and \$15,013,784 in expenditures. A transfer of \$70,000 was made from General Fund to Food Services, and \$125,620 was transferred from Total Program Reserve to the General Fund . Total revenues exceeded expenses by \$893,912 increasing the General Fund balance from \$7,971,415 to \$8,865,327.
- General Fund revenues accounted for \$15,852,076 in revenue or 67.84% of all governmental funds revenues. Additionally, Total Program Reserve Fund revenues totaled \$1,299,612 or 5.56%, debt reduction revenues totaled \$5,008,160 or 21.43%, and other revenues in the form of charges for services, interest, grants and contributions accounted for \$1,208,218 or 5.17% of the total governmental funds revenues of \$23,368,066.
- The Governmental Accounting Standards Board (GASB) established financial reporting requirements for governments through GASB Rule 68, which became effective for the reporting year 2015. Among other requirements, the District is required to report its proportionate share of the total Public Employees' Retirement Association (PERA) net pension liability (NPL) in our government-wide financial statements. The District's share of the PERA NPL as of June 30, 2021 was \$23,674,305 and \$860,365 for the District's reported share for PERA other post-employment benefit plan (OPEB).
- Governmental activities assets and deferred outflows of resources totaled \$96,325,256 in cash, investments and other assets. Liabilities and deferred inflows of resources for governmental activities totaled \$80,623,502.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis, the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as instruction were financed in the short-term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The district-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources) are one way to measure the District's financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school facilities.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

In the district-wide financial statements, the District's activities include:

- ***Governmental activities-*** Most of the District's basic services are included here, such as instruction, transportation, maintenance and operations, administration, food service operations and pupil activities. The governmental activities are financed mainly through property taxes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District uses one type of funds:

- ***Governmental funds-*** Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Condensed Statement of Net Position

Table 1 provides a summary of the Total School District's net position for 2021 compared to 2020:

Table 1

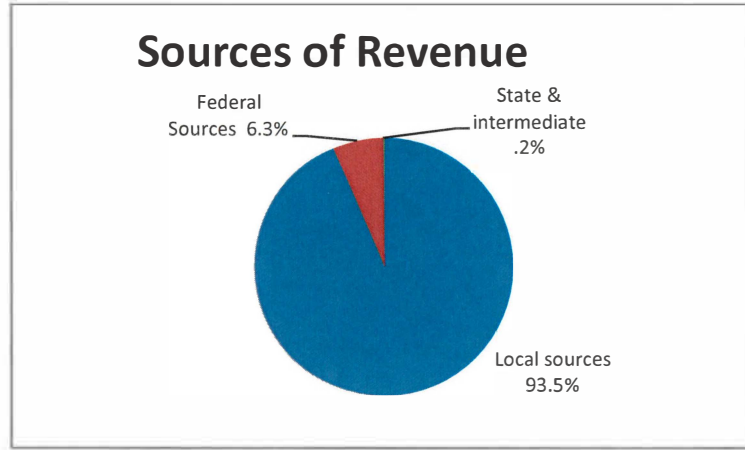
	Governmental Activities	
	2021	2020
Current and other assets	\$ 40,325,364	\$ 53,957,455
Capital assets	48,167,989	29,000,420
Total assets	88,493,353	82,957,875
Deferred outflows of resources	7,831,903	2,785,019
Total assets and deferred outflows of resources	\$ 96,325,256	\$ 85,742,894
Current liabilities	\$ 6,367,688	\$ 2,540,185
Long-term liabilities	63,558,758	64,022,517
Total liabilities	69,926,446	66,562,702
Deferred inflows of resources	10,697,056	15,507,043
Net investment in capital assets	8,882,402	11,284,093
Restricted for:		
Tabor emergency	425,000	490,000
Capital projects	9,567,986	30,253,056
Multi-year obligations	204,367	404,826
Food service program	134,978	66,953
Land dedication	23,624	17,624
Debt service	11,002,833	9,951,244
Total program reserve	2,119,348	948,825
Unrestricted	(16,658,784)	(49,743,472)
Total net position	15,701,754	(3,673,149)
Total liabilities, deferred inflows of resources and net position	\$ 96,325,256	\$ 85,742,894

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

District Sources of Revenue for Fiscal Year 2021 (Total Government Funds)

Local sources, including property taxes for operating purposes and debt reduction accounted for most of the District's total revenue, \$23,368,066 or 93.5% (see table 2). State and intermediate sources accounted for \$52,945 or .2%, with federal sources totaling \$1,473,545 or 6.3%.

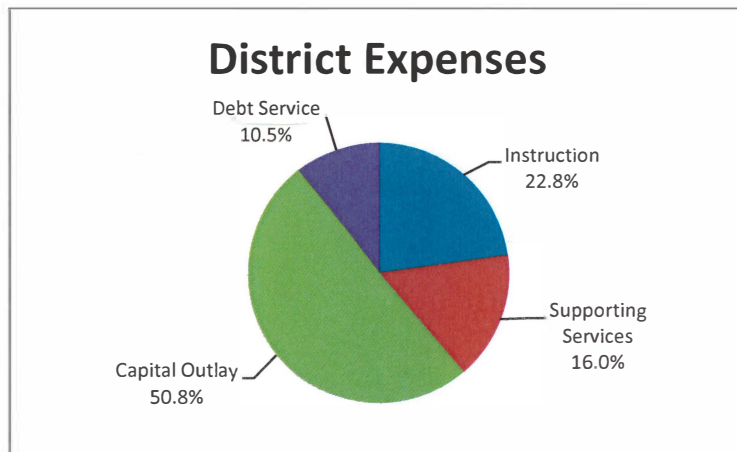
Table 2



District Expenses for Fiscal Year 2021 (Total Government Funds)

The District's expenses are predominately related to instruction (\$9,382,686), supporting services (\$6,588,805) and capital outlay (\$20,951,282) at a combined total of 89.5% (See Table 3). The district incurred 10.5% for debt reduction (\$3,135,000 principal, \$1,115,271 in interest and fiscal charges and \$66,593 in debt issuance costs).

Table 3



Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2021

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$9,470.94 per funded student. In fiscal year 2021 the funded pupil count was 1,131.9. Funding for the SFA comes from property taxes, specific ownership taxes and state equalization. The District went into categorical buy-out during the 2020-21 fiscal year and was 100% locally funded through the SFA. The District did not receive any state assistance through the SFA. The School District's assessed valuation generated \$13,652,987, \$1,189,982 and \$5,005,163 in property taxes for general purposes, total program reserve and debt service, respectively, for fiscal year 2021.

The statement of activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 4 shows, for governmental activities, the total cost of services (before offsetting grants and other contributions).

Government Activities
Table 4

	FY 2021	FY 2020
Program revenues		
Charges for services	109,685	234,716
Operating grants & contributions	1,514,374	981,252
Capital grants & contributions	0	0
General revenues		
Property taxes	20,917,145	23,922,198
State equalization	0	0
Other	869,717	1,742,266
Total revenues	23,410,921	26,880,432
Instruction	4,717,131	6,787,421
Pupil and instructional services	527,575	697,688
Administration and business	985,844	1,615,369
Maintenance and operations	1,668,027	1,412,024
Transportation	454,519	617,223
Other	3,029,220	2,992,792
Total expenses	11,382,316	14,122,517
Change in net position	\$12,028,605	\$12,757,915

- The net program expense of all governmental activities during the year was \$9,758,257.
- The portion of governmental activities financed with state equalization from the School Finance Act of 1994 (SFA) was \$0 and \$13,652,987 in property taxes.
- The instructional expenditures in FY 2020 were decreased by \$2,098,606 due to pension and OPEB related income.
- In FY 2021 instructional expenditures were decreased by \$4,677,904 related to pension and OPEB related income.

Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District's funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues and other financing of \$23,728,359 and expenditures of \$41,239,637. Detailed information about the District's major funds starts on page 68.

General Fund Budgetary Highlights

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.

CAPITAL ASSET AND DEBT ADMINISTRATION

Platte Valley School District completed a significant amount of capital construction during the 2020-2021 fiscal year. In November 2019 Platte Valley was fortunate to pass a bond initiative allowing for capital construction improvements throughout the district. By fiscal year end 2021, Platte Valley completed approximately 90% of the identified capital asset and construction projects associated with the 2019 bond. These projects included: (a) completion of a 32,000 square foot addition to Platte Valley High School; (b) asbestos abatement and new flooring at Platte Valley Middle School; (c) locker room remodeling at Platte Valley Middle School; (d) conference room and office space remodeling at Platte Valley Elementary School; (e) completed approximately 380,000 square feet of parking lot maintenance, and (f) replaced approximately 15 HVAC roof-top units across the district that had exceeded their life expectancy. These are just some of the projects the district was able to complete during the 2020-2021 fiscal year.

The District's capital debt includes general obligation bonds (see Note G – Long term debt). The district incurred additional bond debt of \$26,575,000, from which the District received \$3,166,607 in premium, due to a successful election in November of 2019. Bond payments for the fiscal year included principal payments of \$3,135,000 on the bond indebtedness, resulting in a balance due \$35,790,000 at June 30, 2021. When including all outstanding bond debt, the District has 92% of its bonding capacity available as specified by Colorado statute. Table 5 shows capital assets, net of accumulated depreciation for fiscal year 2021.

Capital Assets at June 30, 2021
Table 5

		Governmental Activities
Land	\$	48,100
Water rights		259,622
Construction in progress		18,870,665
Buildings		27,514,448
Furniture and equipment		974,385
Licensed vehicles		500,769
Total Capital Assets	\$	48,167,989

Weld County School District RE-7
 Management's Discussion and Analysis
 For the Fiscal Year Ended June 30, 2021

Additional information on the District's capital assets can be found in Note E of this report.

Long-term Debt

Table 6

At year-end, the School District's long-term debt of \$39,024,088 consisted of the following:

		Governmental Activities
Compensated absences	\$	48,041
Bonds payable		35,790,000
Bond premium		3,186,047
Total	\$	39,024,088

Additional information on the District's long-term debt can be found in Note G of this report.

FACTORS BEARING ON THE DISTRICT'S FUTURE

For the 2021 fiscal year, the general fund balance increased \$893,912 resulting in a total general fund balance of \$8,865,327. The unrestricted fund balance is enough to cover approximately six months of operating costs. Additionally, the District was able to pass a mill-levy override extension and bond initiative in November 2019. The mill-levy override extension provides an additional \$414,303 annually to assist with operating the district. The \$26 million bond initiative was passed to improve and address capital construction projects. This bond allowed the district to build an athletic addition at the high school to improve curricular opportunities for all students as well as address district-wide deferred maintenance items. The District was able to maintain a Moody's A1 Stable Credit Rating despite the economic uncertainties that took place during the 2020-2021 fiscal year. The district continued to be commended by Moody's for its "strong financial performance" and "solid management team" with a "conservative debt management practice leading to a manageable debt burden with rapid payout".

The District's assessed value decreased by \$720,076,020, or 13.39% (from \$2,448,074,360 to \$2,120,369,200). The District's general fund mill levy of 5.624 mills remained constant in 2021. The mill levy for the voter approved override increased by .352 mills from 1.443 mills in 2020 to 1.370 in 2021. Bond fund mill-levy decreased by .34 mills year-over-year, allowing the District to maintain fund balance in the Bond Fund to off-set future decreases in assessed value and to protect District taxpayers. The overall mills remained flat at 9.350

Student enrollment at Weld County RE-7 decreased by 71 students to a total pupil count of 1,132 compared to 1,203 in 2019-2020 Pk-12. The Funded Pupil Count (FPC) for fiscal year 2021 was calculated at 1,131.9 with Per Pupil Funding at \$9,470.94 per student.

Specific Ownership Revenues generated from bond indebtedness have been included in the General Fund. The property tax revenue in the Bond Redemption Fund is more than sufficient to make the scheduled debt service payments.

Weld County School District RE-7
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021

Salaries were allocated according to the salary agreement with PVEA. The salary agreement with PVEA is developed through a collaborative process with members of the association, Superintendent of Schools, Business Services Director, and members of the Board of Education. A stated goal for the extension and increase in for the mill-levy override is to maintain competitive salaries in an effort to recruit and retain high quality staff to the District.

Throughout the 2020-2021 school and fiscal year, Platte Valley School District, as was the case for schools across the state and country, was impacted by the COVID-19 pandemic. The District was forced to have intermittent short-term closures and provide remote learning opportunities for quarantined students throughout the year. Specific to financial impacts, the District through support of its local mill-levy override and federal stimulus funding provided resources focused on enhanced cleaning and disinfecting throughout the district, additional before and after school tutoring to help with learning loss associated with the pandemic, high-speed internet to families that could not access it due to financial and location considerations, and a new one-to-one student device program to facilitate remote learning. In total the District utilized an additional \$847,419 associated with one-time federal stimulus dollars associated to addressing the pandemic. The District will be maintaining a number of these services into the near future in order to address the lost learning that took place during the 2020-2021 school year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administration Office, Weld County School District RE-7, PO Box 485, 501 Clark Street, Kersey, Colorado 80644.

Jeremy Burmeister, Ed. D.
Business Services Director
Platte Valley School District

Basic Financial Statements

The basic financial statements of the District include the following:

Government-wide financial statements. The government-wide statements display information about the reporting government as a whole.

Fund financial statements. The fund financial statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds.

Notes to the financial statements. The notes communicate information essential for fair presentation of the financial statements that is not displayed on the face of the financial statements. As such, the notes are an integral part of the basic financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash	\$ 24,782,726
Cash with fiscal agent	74,033
Investments	15,078,892
Receivables	352,248
Inventory	37,465
Capital assets, net of depreciation	48,167,989
Total assets	88,493,353
Deferred outflows of resources	
Pension deferrals	7,682,863
Other post-employment benefit deferrals	89,393
Deferred charges on refundings of bonds	59,647
Total deferred outflows of resources	7,831,903
Total assets and deferred outflows of resources	<u>\$ 96,325,256</u>

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

	Governmental Activities
Liabilities	
Accounts payable	\$ 3,713,824
Construction contracts payable	933,890
Accrued salaries and benefits	1,522,905
Payroll deductions and withholdings	71,346
Unearned revenue	16,372
Unearned grant revenue	13,801
Accrued interest	95,550
Noncurrent liabilities	
Due within one year	2,715,000
Due in more than one year	36,309,088
Net pension liability	23,674,305
Net OPEB liability	860,365
Total liabilities	69,926,446
Deferred inflows of resources	
Pension deferrals	10,010,836
Other post-employment benefit deferrals	317,033
Deferred charges on refundings of bonds	369,187
Total deferred inflows of resources	10,697,056
Net position	
Net investment in capital assets	8,882,402
Restricted for:	
Emergencies	425,000
Multi-year obligations	204,367
Land dedication	23,624
Total program reserve	2,119,348
Capital projects	9,567,986
Debt service	11,002,833
Food service	134,978
Unrestricted (deficit)	(16,658,784)
Total net position	15,701,754
Total liabilities, deferred inflows of resources and net position	<u>\$ 96,325,256</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Activities
For the Year Ended June 30, 2021

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	\$ 4,717,131	\$ 65,690	\$ 530,238	
Supporting services				
Students	281,751		62,772	
Instructional staff	245,824		150,606	
General administration	253,047			
School administration	507,015		1,018	
Business services	225,782		7,983	
Operations and maintenance	1,668,027		135,654	
Student transportation	454,519		1,979	
Central support services	929,124		229,949	
Food service operations	343,159	43,995	394,175	
Unallocated depreciation *	1,059,414			
Interest and fiscal charges	697,523			
Total governmental activities	<u>\$ 11,382,316</u>	<u>\$ 109,685</u>	<u>\$ 1,514,374</u>	<u>\$ -</u>
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for total program reserves				
Property taxes, levied for debt service				
Specific ownership taxes				
Delinquent taxes, interest and abatements				
Earnings on investments				
Other				
Total general revenues				
Change in net position				
Net position at beginning of year				
Net position at end of year				

* This amount excludes depreciation that is included in the direct expenses of the various programs.

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

Net (Expenses)
Revenues and
Changes in
Net Position

Total
Governmental
Activities

\$ (4,121,203)

(218,979)
(95,218)
(253,047)
(505,997)
(217,799)
(1,532,373)
(452,540)
(699,175)
95,011
(1,059,414)
(697,523)

(9,758,257)

13,652,987
1,189,982
5,005,163
1,062,211
6,802
207,651
662,066

21,786,862

12,028,605

3,673,149

\$ 15,701,754

PLATTE VALLEY SCHOOL DISTRICT RE-7
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Total Program Reserve Fund	Bond Redemption Fund	Building Fund
Assets				
Cash	\$ 10,229,191	\$ 2,112,179	\$ 10,995,237	\$ 888,709
Cash with fiscal agent	69,095	4,434	504	
Investments	859,580			12,678,366
Property taxes receivable	48,943	4,260	17,922	
Due from other funds				527,478
Grants receivable	174,914			
Other receivables	55,476			
Inventory	19,557			
Total assets	\$ 11,456,756	\$ 2,120,873	\$ 11,013,663	\$ 14,094,553
Liabilities				
Accounts payable	\$ 120,093			\$ 3,592,677
Construction contracts payable				933,890
Due to other funds	921,819			
Accrued salaries and benefits	1,447,671			
Payroll deductions and withholdings	71,346			
Unearned revenue				
Unearned grant revenue				
Total liabilities	2,560,929	\$ -	\$ -	4,526,567
Deferred inflows of resources				
Deferred property tax revenues	30,500	1,525	10,830	
Fund balance				
Nonspendable inventory	19,557			
Restricted for emergencies	425,000			
Restricted for multi-year obligation	204,367			
Restricted for land dedication	23,624			
Restricted for total program reserve		2,119,348		
Restricted for capital projects				9,567,986
Restricted for debt service			11,002,833	
Restricted to food service				
Assigned to capital projects				
Assigned for employee benefits	45,444			
Assigned for sale of building	37,138			
Assigned to youth help				
Assigned to pupil activities				
Unassigned	8,110,197			
Total fund balance	8,865,327	2,119,348	11,002,833	9,567,986
Total liabilities, deferred inflows of resources and fund balance	\$ 11,456,756	\$ 2,120,873	\$ 11,013,663	\$ 14,094,553

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

Capital Reserve Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	\$ 557,410	\$ 24,782,726
		74,033
\$ 1,540,946		15,078,892
		71,125
202,226	192,115	921,819
	50,664	225,578
	69	55,545
	17,908	37,465
<u>\$ 1,743,172</u>	<u>\$ 818,166</u>	<u>\$ 41,247,183</u>
	\$ 1,054	\$ 3,713,824
		933,890
		921,819
	75,234	1,522,905
		71,346
	16,372	16,372
	13,801	13,801
\$ -	106,461	7,193,957
		42,855
	17,908	37,465
		425,000
		204,367
		23,624
		2,119,348
		9,567,986
		11,002,833
	134,978	134,978
1,743,172		1,743,172
		45,444
		37,138
	1,489	1,489
	557,330	557,330
		8,110,197
1,743,172	711,705	34,010,371
<u>\$ 1,743,172</u>	<u>\$ 818,166</u>	<u>\$ 41,247,183</u>

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021

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

Total fund balance - governmental funds	\$ 34,010,371
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	48,167,989
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	42,855
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(95,550)
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	7,831,903
Long-term liabilities, including bonds payable, net pension and OPEB liabilities and compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(63,558,758)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	(10,697,056)
Net position of the governmental activities	<u>\$ 15,701,754</u>

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

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PLATTE VALLEY SCHOOL DISTRICT RE-7
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Total Program Reserve Fund	Bond Redemption Fund	Building Fund
Revenues				
Local sources	\$ 14,936,060	\$ 1,299,612	\$ 5,008,160	\$ 189,008
Intermediate sources	12,116			
State sources	36,177			
Federal sources	867,723			
Total revenues	15,852,076	1,299,612	5,008,160	189,008
Expenditures				
Instruction	8,972,181			
Supporting services	6,041,603	3,469		
Capital outlay				20,874,078
Debt service				
Principal retirement			3,135,000	
Interest and fiscal charges			1,115,271	
Debt issuance costs			66,593	
Total expenditures	15,013,784	3,469	4,316,864	20,874,078
Excess of revenues over (under) expenditures	838,292	1,296,143	691,296	(20,685,070)
Other financing sources (uses)				
Transfers in	125,620			
Transfers out	(70,000)	(125,620)		
Proceeds of refunding bonds			6,925,000	
Premium on bonds			503,257	
Payments to escrow agent			(7,067,964)	
Total other financing sources (uses)	55,620	(125,620)	360,293	
Net change in fund balances	893,912	1,170,523	1,051,589	(20,685,070)
Fund balance at beginning of year	7,971,415	948,825	9,951,244	30,253,056
Fund balance at end of year	<u>\$ 8,865,327</u>	<u>\$ 2,119,348</u>	<u>\$ 11,002,833</u>	<u>\$ 9,567,986</u>

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

<u>Capital Reserve Capital Projects Projects Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 2,285	\$ 406,451	\$ 21,841,576
		12,116
	4,652	40,829
	605,822	1,473,545
<u>2,285</u>	<u>1,016,925</u>	<u>23,368,066</u>
	410,505	9,382,686
	543,733	6,588,805
77,204		20,951,282
		3,135,000
		1,115,271
		66,593
<u>77,204</u>	<u>954,238</u>	<u>41,239,637</u>
(74,919)	62,687	(17,871,571)
	70,000	195,620
		(195,620)
		6,925,000
		503,257
		(7,067,964)
<u>-</u>	<u>70,000</u>	<u>360,293</u>
(74,919)	132,687	(17,511,278)
<u>1,818,091</u>	<u>579,018</u>	<u>51,521,649</u>
<u>\$ 1,743,172</u>	<u>\$ 711,705</u>	<u>\$ 34,010,371</u>

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

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

Net change in fund balances - governmental fund \$ (17,511,278)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period. 19,180,002

In the statement of activities, the net loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of. (12,433)

Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities. 42,855

In the statement of activities, certain expenses related to the pension and OPEB liabilities and related deferred outflows and inflows, compensated absences, interest, and amortization are measured by the amounts incurred during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). 7,554,752

The bond proceeds are reported as a revenue in the governmental funds, however, they are reported as long-term liability in the statement of activities. (6,925,000)

Bonds issued at a premium provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position. (503,257)

Repayment of principal on general obligation bonds and payments to the escrow agent are expenditures in the governmental funds, but the repayment reduces the long-term debt liability in the statement of net position. 10,202,964

Change in net position of governmental activities \$ 12,028,605

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies

This summary of the Platte Valley School District RE-7’s significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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

A.1 – Reporting entity

The Platte Valley School District RE-7 is a school district governed by an elected five-member board of education. The financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The reporting entity’s financial statements should present the funds of the primary government (including its blended component units, which are, in substance, part of the primary government) and provide an overview of the discretely presented component units.

The District has examined other entities that could be included as defined in number 2 and 3 above. Based on these criteria, the District has no component units.

A.2 – Fund accounting

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

Total Program Reserve Fund – This fund is a special revenue fund used to account for the revenues from a specific tax levy pursuant to § 22-54-107(5), C.R.S.

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

Building Fund – This fund is a capital projects fund used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Revenues and other financing sources are primarily derived from the issuance of debt or transfers from other funds.

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

The following are the District’s nonmajor governmental funds:

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

Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.

Pupil Activity Fund – This fund is a special revenue fund used to record transactions related to school-sponsored pupil organizations and activities.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

Note A.3 – Basis of presentation

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government except for fiduciary funds. The statements distinguish between those activities of the District that are governmental and those that are considered business-type activities.

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.4 – Basis of accounting

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

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

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

A.5 – Encumbrances

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

A.6 – Short-term interfund receivables/payables

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

A.7 – Inventories

General Fund – Inventories consist of general classroom and janitorial supply items and are stated at cost as determined by the first-in, first-out method.

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

A.8 – Capital assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the fund financial statements.

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

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

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

<u>Description</u>	<u>Governmental Activities</u>
Land and improvements	0-20 years
Buildings and improvements	20-50 years
Furniture and equipment	5-20 years
Licensed vehicles	5-10 years

A.9 – Compensated absences

The District reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences." Sick leave benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the District will compensate the employees for the benefits through paid time off or some other means. Accumulated sick leave benefits are paid to employees upon termination of employment. The entire compensated absence liability is reported on the government-wide financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

For governmental fund financial statements, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts, if any, are recorded in the account “accrued compensated absences” in the fund from which the employees who have accumulated unpaid leave are paid.

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

A.10 – Accrued liabilities and long-term obligations

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

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

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

A.11 – Fund balance

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

Nonspendable, such as fund balance associated with inventories, prepaid expenditures, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed or assigned),

Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the board of education (the District's highest level of decision-making authority),

Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

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

Committed fund balance is established by a formal passage of a resolution. This is typically done through the adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the board of education through adoption or amendment of the budget as intended for specific purpose (such as purchase of fixed assets, construction, debt service or for other purposes).

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

A.12 – Net Position

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note A – Summary of significant accounting policies (Continued)

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

A.13 – Interfund transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. In general, the effect of interfund activity has been eliminated from the government-wide financial statements.

A.14 – Extraordinary and special items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the board of education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during the year.

Note B – Cash and investments

Cash and deposits

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

Custodial credit risk – deposits – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of \$13,875,596, of which \$500,881 was insured and \$13,374,715 was collateralized with securities held by the pledging institution’s trust department or agent in the District’s name.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B – Cash and investments (Continued)

Investments

Authorized investments – Investment policies are governed by Colorado State Statutes and the District’s own investment policies and procedures. Investments of the District may include:

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

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

During the year, the District invested in ColoTrust (the Trust) and the Colorado Statewide Investment Program (CSIP), investment vehicles established for local government entities in Colorado to pool surplus funds. The State Securities Commission administers and enforces all State statutes governing the pools, which operate as an SEC Rule 2a7-like investment pool. Investments are valued at the net asset value (NAV) of \$1.00. The investment pools are routinely monitored by the Colorado Division of Securities with regard to operations and investments. A designated custodial bank serves as custodian for the pools portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for the pools investment portfolios and provides services as the depository in connection with direct investments and withdrawals.

The Trust operates similarly to a money market fund and each share is equal in value to \$1.00. The Trust offers shares in two portfolios, COLOTRUST PRIME and COLOTRUST PLUS+. Both portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities. COLOTRUST PLUS+ may also invest in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B – Cash and investments (Continued)

CSIP also operate two portfolios, CSIP Liquid and CSIP Term. The CSIP Liquid Portfolio is a fully liquid, variable interest rate option while the CSIP Term Portfolio is a fixed-rate, fixed-term investment and investment principal and interest are paid at maturity.

The investments in ColoTrust are maintained in the General, Building, and Capital Reserve Capital Projects funds, while the investment in CSIP is maintained in the Building Fund.

Custodial credit risk – investments – For an investment, custodial credit risk 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 possession of an outside party. At year-end, none of the District’s investments are subject to custodial credit risk.

Credit risk – State law limits investments in securities to the highest rating from at least one nationally recognized rating agency at the time of purchase. The District’s investment policy follows state law. At year-end, credit risk for the District’s investments were as follows:

<u>Investment type</u>	<u>Value</u>	<u>Rating</u>	<u>Rating Agency</u>
Fair Value – Level 2:			
U.S. Treasury notes	\$ 9,234,591	AA+/Aaa	S&P/Moody’s
Corporate notes	1,166,238	AA+ and above Aa1 and above	S&P Moody’s
Commercial paper	548,890	A-1/P-1	S&P/Moody’s
Negotiable certificates of deposit	825,379	A-1/P-1	S&P/Moody’s
NAV:			
ColoTrust Plus+	2,936,090	AAAm	S&P
CSIP LGIP	<u>367,704</u>	AAAm	S&P
Total	<u>\$ 15,078,892</u>		

Concentration of credit risk – For investments, concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment as a single issuer. Investments issued or explicitly guaranteed by the U.S. government, as well as investments in external investment pools, are not categorized as to concentration of credit risk. State statutes do not limit the amount the District may invest with one issuer; however, the District’s investment policy limits the amount that may be invested with a single issuer, which varies by investment type. As of year-end, the District’s negotiable certificate of deposit held by CICB NY totaled \$825,113, which represents more than 5% of the District’s total investments.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note B – Cash and investments (Continued)

Interest rate risk – As a means of limiting exposure to fair value losses from interest rates, Colorado Revised Statutes limit maturities to five years or less, unless the Board of Directors authorizes longer maturities. The District’s investment policy follows Colorado Revised Statutes for its investments.

<u>Investment type</u>	<u>Fair value</u>	<u>Investment maturities (in years)</u>		
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>
U.S. Treasury notes	\$ 9,234,591	\$ -	\$ 9,234,591	\$ -
Corporate notes	1,166,238	-	1,166,238	-
Commercial paper	548,890	548,890	-	-
Certificates of deposit	825,379	-	825,379	-
ColoTrust Plus+	2,936,090	2,936,090	-	-
CSIP LGIP	367,704	367,704	-	-
Total	<u>\$ 15,078,892</u>	<u>\$ 3,852,684</u>	<u>\$11,226,208</u>	<u>\$ -</u>

Note C – Receivables

Receivables at year-end consist of the following:

	<u>Governmental Activities</u>
Property taxes receivable	\$ 71,125
Grants receivable	225,578
Other receivables	<u>55,545</u>
Total	<u>\$ 352,248</u>

Property taxes are levied on December 15th and attach as a lien on property the following January 1st. They are payable in full by April 30th or are due in two equal installments on February 28th and June 15th. Weld County bills and collects property taxes for all taxing entities within the County. The tax receipts collected by the County are remitted to the District in the subsequent month.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note D – Interfund transactions

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

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<u>Governmental funds</u>		
General fund	\$ -	\$ 921,819
Building fund	527,478	-
Capital reserve capital projects fund	202,226	-
Other governmental funds	<u>192,115</u>	<u>-</u>
Total	<u>\$ 921,819</u>	<u>\$ 921,819</u>

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

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental funds</u>		
General fund	\$ 125,620	\$ 70,000
Total program reserve fund	-	125,620
Other governmental funds	<u>70,000</u>	<u>-</u>
Total	<u>\$ 195,620</u>	<u>\$ 195,620</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred \$70,000 from the General Fund to the Other Governmental Funds to subsidize the costs of maintaining the District’s food service operations. The District transferred \$125,620 from the Total Program Reserve Fund to the General Fund as a result of the passage of CRS 22-45-103(k)(II) that for the 2020-21 budget year, a district may expend money from the Total Program Reserve Fund to ensure that the district’s total program funding for the 2020-21 budget year meets the conditions of set forth in section 22-54-143 (3)(a) and (3)(b). This transfer was written as a one-year exception for use of the Total Program Reserve Fund to address the state’s supplemental budget.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note E – Capital assets

Capital asset activity for the year was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Deletions/ Transfers</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 48,100	\$ -	\$ -	\$ 48,100
Water rights	259,622	-	-	259,622
Construction in progress	<u>1,392,527</u>	<u>18,188,218</u>	<u>(710,080)</u>	<u>18,870,665</u>
Total capital assets, not being depreciated	1,700,249	18,188,218	(710,080)	19,178,387
Capital assets, being depreciated:				
Buildings and improvements	41,176,684	1,717,523	683,525	43,577,732
Furniture and equipment	2,069,855	484,842	(48,513)	2,506,184
Licensed vehicles	<u>1,776,626</u>	<u>133,958</u>	<u>-</u>	<u>1,910,584</u>
Total capital assets, being depreciated	<u>45,023,165</u>	<u>2,336,323</u>	<u>635,012</u>	<u>47,994,500</u>
Total capital assets	46,723,414	20,524,541	(75,068)	67,172,887
Less accumulated depreciation for:				
Buildings and improvements	(15,021,020)	(1,059,414)	17,150	(16,063,284)
Furniture and equipment	(1,420,708)	(156,576)	45,485	(1,531,799)
Licensed vehicles	<u>(1,281,266)</u>	<u>(128,549)</u>	<u>-</u>	<u>(1,409,815)</u>
Total accumulated depreciation	<u>(17,722,994)</u>	<u>(1,344,539)</u>	<u>62,635</u>	<u>(19,004,898)</u>
Governmental activities capital assets, net	<u>\$ 29,000,420</u>	<u>\$ 19,180,002</u>	<u>\$ (12,433)</u>	<u>\$ 48,167,989</u>

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

Governmental activities	
Instruction	\$ 6,232
School administration	6,257
Business services	5,795
Operations and maintenance	60,438
Student transportation	128,549
Central support	60,305
Food services	17,549
Unallocated	<u>1,059,414</u>
Total depreciation expense	<u>\$ 1,344,539</u>

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be \$1,522,905. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

The following is a summary of the changes in long-term debt for the year:

	<u>Beginning</u> <u>Balances</u>	<u>Additions/</u> <u>Adjustments</u>	<u>Reductions/</u> <u>Adjustments</u>	<u>Ending</u> <u>Balances</u>	<u>Due within</u> <u>one year</u>
Governmental activities					
Compensated absences	\$ 59,886	\$ -	\$ (11,845)	\$ 48,041	\$ -
Bonds payable	38,925,000	6,925,000	(10,060,000)	35,790,000	2,715,000
Bond premium	<u>3,708,637</u>	<u>503,257</u>	<u>(1,025,847)</u>	<u>3,186,047</u>	<u>-</u>
Total	<u>\$ 42,693,523</u>	<u>\$ 7,428,257</u>	<u>\$(11,097,692)</u>	<u>\$ 39,024,088</u>	<u>\$ 2,715,000</u>

Payments on the bonds payable are made in the Bond Redemption Fund. Compensated absences will be liquidated by the General Fund and Food Service Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported.

Bonds payable

General obligation bonds payable consist of the following individual issues:

\$3,200,000 general obligation refunding bonds, dated September 20, 2016, due in annual installments ranging from \$50,000 to \$655,000; annual interest rate of 2.00%, payable semi-annually on December 1st and June 1st. 2,345,000

\$26,575,000 general obligation bonds, dated December 30, 2019, due in annual installments beginning in fiscal year 2022 ranging from \$460,000 to \$3,830,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1st and December 1st. The bonds maturing on or before December 1, 2029 are not subject to redemption prior to their stated maturity dates. The bonds maturing on or after December 1, 2030 are subject to redemption prior to maturity at the option of the District, in whole or in part. 26,575,000

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note G – Long-term debt (Continued)

\$6,925,000 general obligation refunding bonds, dated September 3, 2020, due in annual installments ranging from \$55,000 to \$1,815,000; varying annual interest rates ranging from 2.00% to 4.00%, payable semi-annually on June 1 st and December 1 st .	<u>6,870,000</u>
Total general obligation bonds	<u>\$ 35,790,000</u>

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

<u>Year ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 2,715,000	\$ 1,103,250
2023	2,800,000	1,011,700
2024	2,895,000	913,450
2025	2,995,000	830,300
2026	3,190,000	733,400
2027-2031	17,365,000	2,292,800
2032	<u>3,830,000</u>	<u>76,600</u>
Totals	<u>\$ 35,790,000</u>	<u>\$ 6,961,500</u>

Advance refunding

On September 3, 2020, the District issued \$6,925,000 in general obligation refunding bonds with varying annual interest rates ranging from 2.00% to 4.00% to advance refund \$7,220,000 of outstanding Series 2015 bonds with a fixed interest rate of 4.00%. The net proceeds of \$7,067,964 (after payment of \$65,293 in underwriting fees, insurance and other issuance costs and \$295,000 in principal) were deposited into an escrow account created pursuant to an agreement between the District and its escrow agent. The moneys in the account were used to purchase United States government securities which will provide for all debt service payments on the advance refunded bonds. As a result, \$6,925,000 of the Series 2015 bonds are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The District advance refunded the Series 2015 bonds to reduce its total debt service payments over the next four years by \$535,291 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$529,586.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note G – Long-term debt (Continued)

Prior-year defeasance of debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District’s financial statements. At year-end, \$2,270,000 of bonds outstanding are considered defeased.

Note H – Short-term debt

In an effort to alleviate short-term cash flow issues, the District participated in the State of Colorado’s interest-free loan program, with activity for the current fiscal year as follows:

	Beginning Balance	Borrowings	Repayments	Ending Balance
Short-term debt	\$ -	\$ 1,827,053	\$ 1,827,053	\$ -

Note I – Defined benefit pension plan

Summary of Significant Accounting Policies

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

General Information about the Pension Plan

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit.
- The value of the retiring employee’s member contribution account plus a 100 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. Section 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 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. Section 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 retirement benefit formula(s) shown above considering a minimum 20 years of service credit, if deemed disabled.

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,745,112 for the year ended June 30, 2021.

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

\$895,604 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30, __</u>	<u>Amount</u>
2022	\$ (3,596,781)
2023	1,453,657
2024	(258,351)
2025	<u>(822,102)</u>
Totals	<u>\$ (3,223,577)</u>

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

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

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

Healthy mortality assumptions for active members 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>6.00%</u>	4.70%
Total	<u>100.00%</u>	

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:

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note I – Defined benefit pension plan (Continued)

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

Sensitivity of the 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	Current Discount Rate	1% Increase
	(6.25%)	(7.25%)	(8.25%)
Proportionate share of the net pension liability	\$ 32,293,690	\$ 23,674,305	\$ 16,491,516

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

Payables to the pension plan

The District did not report any payables to the pension plan at year-end.

Note J – Defined contribution pension plan

Voluntary Investment Program

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note J – Defined contribution pension plan (Continued)

Funding policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended, program members contributed \$168,628 and the District recognized pension expense of \$143,919 for the Voluntary Investment Program.

Note K – Defined benefit other post-employment benefit (OPEB) plan

Summary of Significant Accounting Policies

OPEB. 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 (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the 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 (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided. The HCTF provides a health care premium subsidy to eligible participating PERA benefit recipients and retirees who choose to enroll in one of the PERA health care plans, however, the subsidy is not available if only enrolled in the dental and/or vision plan(s). The health care premium subsidy is based upon the benefit structure under which the member retires and the member's years of service credit. For members who retire having service credit with employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy 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. Section 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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$89,540 for the year ended June 30, 2021.

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

At year-end, the District reported a liability of \$860,365 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.0905 percent, which was an increase of 0.0016 percent from its proportion measured as of December 31, 2019.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

For the year ended June 30, 2021, the District recognized OPEB expense of \$14,998. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 2,283	\$ 186,758
Changes of assumptions or other inputs	6,550	52,756
Net difference between projected and actual earnings on OPEB plan investments	-	34,537
Changes in proportion and differences between contributions recognized and proportionate share of contributions	34,608	42,982
Contributions subsequent to the measurement date	<u>45,952</u>	<u>-</u>
Total	<u>\$ 89,393</u>	<u>\$ 317,033</u>

\$45,952 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 subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30, _</u>	<u>Amount</u>
2022	\$ (64,747)
2023	(59,830)
2024	(63,729)
2025	(64,425)
2026	(19,660)
2027	<u>(1,201)</u>
Total	<u>\$ (273,592)</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:

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in 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

<u>Medicare Plan</u>	<u>Monthly Cost</u>	<u>Monthly Premium</u>	<u>Monthly Cost Adjusted to Age 65</u>
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.

PLATTE VALLEY SCHOOL DISTRICT RE-7

Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

<u>Year</u>	<u>PERACare Medicare Plans</u>	<u>Medicare Part A Premiums</u>
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.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

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

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

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

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

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

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

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>30 Year Expected Geometric Real Rate of Return</u>
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	<u>6.00%</u>	4.70%
Total	<u>100.00%</u>	

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 PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	<u>3.50%</u>	<u>4.50%</u>	<u>5.50%</u>
Net OPEB Liability	\$ 838,128	\$ 860,365	\$ 886,252

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:

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

- 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 Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 985,564	\$ 860,365	\$ 753,393

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note K – Defined benefit other post-employment benefit (OPEB) plan (Continued)

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

Payables to the OPEB plan

The District did not report any payables to the OPEB plan at year-end.

Note L – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool’s objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District’s contribution for the year was \$217,625. The District continues to carry commercial insurance for all other risks of loss, including workers’ compensation and employee health and accident insurance.

Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note M – Commitments and contingencies

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer’s Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. On November 3, 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Financial Statements

Note M – Commitments and contingencies (Continued)

The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of \$425,000 for the emergency reserve.

Federal and state funding

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

Note N – Joint venture

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

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

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

For the year, the District's financial contribution to the BOCES was \$74,714.

Note O – Termination Benefits

The District has entered into early retirement agreements under the District's Voluntary Early Retirement of Employees policy. These agreements call for payments in the total amount of \$83,197 to be paid out in fiscal year 2021.

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Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – General Fund
- Budgetary Comparison Schedule – Total Program Reserve Fund
- Schedule of the District’s Proportionate Share of the Net Pension Liability – PERA’s School Division Trust Fund
- Schedule of District Contributions – PERA’s School Division Trust Fund
- Schedule of the District’s Proportionate Share of the Net OPEB Liability – PERA’s Health Care Trust Fund
- Schedule of District Contributions – PERA’s Health Care Trust Fund

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources	\$ 14,654,475	\$ 14,749,589	\$ 14,936,060	\$ 186,471
Intermediate sources	5,000	15,621	12,116	(3,505)
State sources	48,000	(8,013)	36,177	44,190
Federal sources	5,000	867,422	867,723	301
Total revenues	14,712,475	15,624,619	15,852,076	227,457
Expenditures				
Instruction	9,018,948	9,099,363	8,972,181	127,182
Supporting services	5,966,811	6,169,749	6,041,603	128,146
Reserve for contingency	4,774,138	7,971,415		7,971,415
Total expenditures	19,759,897	23,240,527	15,013,784	8,226,743
Excess of revenues over (under) expenditures	(5,047,422)	(7,615,908)	838,292	8,454,200
Other financing sources (uses)				
Transfers in			125,620	125,620
Transfers out	(70,000)	(70,000)	(70,000)	-
Total other financing sources (uses)	(70,000)	(70,000)	55,620	125,620
Net change in fund balance	\$ (5,117,422)	\$ (7,685,908)	893,912	\$ 8,579,820
Fund balance at beginning of year			7,971,415	
Fund balance at end of year			<u>\$ 8,865,327</u>	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Total Program Reserve Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable (Unfavorable)
Revenues				
Local sources				
Property taxes	\$ 2,007,176	\$ 1,187,407	\$ 1,188,457	\$ 1,050
Specific ownership taxes		109,293	110,219	926
Delinquent taxes and interest			936	936
Total revenues	2,007,176	1,296,700	1,299,612	2,912
Expenditures				
Supporting services				
Purchased services		8,000	3,469	4,531
Appropriated reserves		948,825		948,825
Total expenditures	-	956,825	3,469	953,356
Excess of revenues over expenditures	2,007,176	339,875	1,296,143	956,268
Other financing uses				
Transfers out			(125,620)	(125,620)
Net change in fund balance	<u>\$ 2,007,176</u>	<u>\$ 339,875</u>	1,170,523	<u>\$ 830,648</u>
Fund balance at beginning of year			948,825	
Fund balance at end of year			<u>\$ 2,119,348</u>	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net Pension Liability ¹
PERA's School Division Trust Fund
June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension liability	0.1566%	0.1361%	0.1431%	0.1592%
District's proportionate share of the net pension liability	\$ 23,674,305	\$ 20,329,418	\$ 25,341,173	\$ 51,477,544
State's proportionate share of the net pension liability	-	2,578,528	3,465,053	-
Total	<u>\$ 23,674,305</u>	<u>\$ 22,907,946</u>	<u>\$ 28,806,226</u>	<u>\$ 51,477,544</u>
District's covered payroll	\$ 8,372,955	\$ 7,996,252	\$ 7,867,715	\$ 7,343,091
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.75%	254.24%	322.09%	701.03%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
0.1616%	0.1659%	0.1639%	0.1524%
\$ 48,110,414	\$ 25,367,408	\$ 22,220,071	\$ 19,434,669
<u>\$ 48,110,414</u>	<u>\$ 25,367,408</u>	<u>\$ 22,220,071</u>	<u>\$ 19,434,669</u>
\$ 7,252,209	\$ 7,228,219	\$ 6,868,124	\$ 6,142,494
663.39%	350.95%	323.52%	316.40%
43.10%	59.20%	62.84%	64.06%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions ¹
PERA's School Division Trust Fund
June 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 1,745,112	\$ 1,579,689	\$ 1,406,609	\$ 1,414,928
Contributions in relation to the contractually required contribution	<u>(1,745,112)</u>	<u>(1,579,689)</u>	<u>(1,406,609)</u>	<u>(1,414,928)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,778,394	\$ 8,152,659	\$ 7,352,896	\$ 7,493,256
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%

¹ Information is not available prior to June 30, 2014. In future reports, additional years will be added until 10 years of historical data are presented.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
\$ 1,329,171	\$ 1,277,084	\$ 1,181,839	\$ 1,067,691
<u>(1,329,171)</u>	<u>(1,277,084)</u>	<u>(1,181,839)</u>	<u>(1,067,691)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 7,231,054	\$ 7,196,480	\$ 6,991,277	\$ 6,668,559
18.38%	17.75%	16.90%	16.01%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of the District's Proportionate Share of the Net OPEB Liability ¹
PERA's Health Care Trust Fund
June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability	0.0905%	0.0889%	0.0930%	0.0904%
District's proportionate share of the net OPEB liability	\$ 860,365	\$ 999,576	\$ 1,265,638	\$ 1,175,478
District's covered payroll	\$ 8,372,955	\$ 7,996,252	\$ 7,867,715	\$ 7,343,091
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2017

0.0918%

\$ 1,190,823

\$ 7,252,209

16.42%

16.72%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of District Contributions ¹
PERA's Health Care Trust Fund
June 30, 2021

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution	\$ 89,540	\$ 83,157	\$ 75,000	\$ 76,431
Contributions in relation to the contractually required contribution	<u>(89,540)</u>	<u>(83,157)</u>	<u>(75,000)</u>	<u>(76,431)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 8,778,394	\$ 8,152,659	\$ 7,352,896	\$ 7,493,256
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

¹ Information is not available prior to June 30, 2017. In future reports, additional years will be added until 10 years of historical data are presented.

June 30, 2017

\$ 73,757

(73,757)

\$ -

\$ 7,231,054

1.02%

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to the Required Supplementary Information

Note A – Budgetary data

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

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

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

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

Other Supplementary Information

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

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General Fund

The General Fund accounts for all transactions of the District not required to be accounted for in other funds. This fund represents an accounting of the District's ordinary operations financed primarily from property and specific ownership taxes and state aid. It is the most significant fund in relation to the District's overall operations. The schedules of revenues and expenditures are included to provide a greater level of detail to the reader of the financial statements.

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 13,748,975	\$ 13,573,417	\$ 13,622,487	\$ 49,070
Specific ownership taxes	743,000	894,297	951,992	57,695
Delinquent taxes and interest			3,982	3,982
Abatements			(79)	(79)
Earnings on investments	15,000	7,750	7,687	(63)
Pupil activities	30,000	10,453	10,453	-
Other local revenue	117,500	263,672	339,538	75,866
Total local sources	14,654,475	14,749,589	14,936,060	186,471
Intermediate sources	5,000	15,621	12,116	(3,505)
State sources				
ELPA professional development		25,458	25,458	-
English language proficiency	18,000			-
Special education		(239,651)	(239,651)	-
Gifted and talented		(18,246)	(18,246)	-
State grants to libraries		3,999	3,999	-
Stipends for national board certified educators		1,600	1,600	-
Small rural schools funding		162,147	162,147	-
At risk funding			6,693	6,693
Career success pilot program		5,981	5,981	-
READ Act	30,000	35,252	35,252	-
Services within the BOCES		15,447	52,944	37,497
Total state sources	48,000	(8,013)	36,177	44,190
Federal sources				
Coronavirus relief		479,970	479,970	-
ESSER II - Distribution 90%		136,533	136,533	-
ESSER - Education stabilization fund		102,868	102,868	-
ESF: 10% discretionary		28,048	28,048	-
CRF safe schools reopening grant		100,000	100,000	-
Improving student health		17,000	17,000	-
Services within the BOCES	5,000	3,003	3,304	301
Total federal sources	5,000	867,422	867,723	301
Total revenues	\$ 14,712,475	\$ 15,624,619	\$ 15,852,076	\$ 227,457

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PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget Favorable (Unfavorable)
Expenditures				
Instruction				
Salaries	\$ 5,904,431	\$ 6,022,316	\$ 5,918,669	\$ 103,647
Employee benefits	2,239,353	2,144,566	2,128,496	16,070
Purchased services	603,920	676,005	543,734	132,271
Supplies and materials	251,694	232,864	347,420	(114,556)
Property	19,550	23,612	33,862	(10,250)
Total instruction	9,018,948	9,099,363	8,972,181	127,182
Supporting services				
Students				
Salaries	223,732	231,650	224,747	6,903
Employee benefits	112,973	100,171	86,067	14,104
Purchased services	137,570	146,377	137,396	8,981
Supplies and materials	6,948	6,948	2,847	4,101
Property	500	500		500
Total students	481,723	485,646	451,057	34,589
Instructional staff				
Salaries	200,984	225,698	250,107	(24,409)
Employee benefits	89,671	94,362	103,067	(8,705)
Purchased services	42,042	41,821	42,289	(468)
Supplies and materials	21,933	24,599	27,607	(3,008)
Property	4,300	2,557	655	1,902
Total instructional staff	358,930	389,037	423,725	(34,688)
General administration				
Salaries	250,022	255,022	253,839	1,183
Employee benefits	100,098	101,931	100,201	1,730
Purchased services	83,950	77,602	90,305	(12,703)
Supplies and materials	3,000	2,500	388	2,112
Property	1,500	1,500		1,500
Other	9,000	9,000	1,431	7,569
Total general administration	447,570	447,555	446,164	1,391

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
School administration				
Salaries	869,659	903,928	888,054	15,874
Employee benefits	300,797	295,310	290,313	4,997
Purchased services	6,250	10,143	10,142	1
Property	2,000	2,000		2,000
Total school administration	1,178,706	1,211,381	1,188,509	22,872
Business services				
Salaries	191,552	196,000	194,581	1,419
Employee benefits	64,252	64,830	64,060	770
Purchased services	84,103	89,403	74,631	14,772
Supplies and materials	7,150	7,200	11,958	(4,758)
Property	2,000	2,000	325	1,675
Other			174	(174)
Total business services	349,057	359,433	345,729	13,704
Operations and maintenance				
Salaries	653,889	487,382	411,908	75,474
Employee benefits	254,904	166,122	161,403	4,719
Purchased services	424,700	590,867	597,774	(6,907)
Supplies and materials	474,100	620,966	598,711	22,255
Property	8,833	15,118	14,894	224
Total operations and maintenance	1,816,426	1,880,455	1,784,690	95,765
Student transportation				
Salaries	424,653	350,415	344,342	6,073
Employee benefits	125,018	114,110	112,851	1,259
Purchased services	46,925	46,410	36,983	9,427
Supplies and materials	110,525	78,875	95,285	(16,410)
Property	1,100	1,100	2,923	(1,823)
Other			261	(261)
Total student transportation	708,221	590,910	592,645	(1,735)

(continued)

PLATTE VALLEY SCHOOL DISTRICT RE-7
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

(continued)	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Favorable (Unfavorable)
Central support services				
Salaries	249,504	257,000	247,398	9,602
Employee benefits	85,110	86,351	85,097	1,254
Purchased services	266,864	211,447	232,145	(20,698)
Supplies and materials	20,700	133,362	130,273	3,089
Property	4,000	117,172	118,320	(1,148)
Other			(4,149)	4,149
Total central support services	626,178	805,332	809,084	(3,752)
Total supporting services	5,966,811	6,169,749	6,041,603	128,146
Reserve for contingency	4,774,138	7,971,415		7,971,415
Total expenditures	<u>\$ 19,759,897</u>	<u>\$ 23,240,527</u>	<u>\$ 15,013,784</u>	<u>\$ 8,226,743</u>

**Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds**

The District reports the following nonmajor governmental funds:

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

- Food Service Fund – This fund is used to record financial transactions related to the District’s food service operations.
- Governmental Designated Purpose Grants Fund – This fund maintains a separate accounting for programs funded by federal, state and local grants that may or may not have a different fiscal period than that of the District.
- Pupil Activity Fund – This fund is used to record transactions related to school-sponsored pupil organizations and activities.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Food Service Fund	Governmental Designated Purpose Grants Fund	Pupil Activity Fund	Total
Assets				
Cash	\$ 80		\$ 557,330	\$ 557,410
Due from other funds	190,358	\$ 1,757		192,115
Grants receivable	931	49,733		50,664
Other receivables	69			69
Inventory	17,908			17,908
Total assets	\$ 209,346	\$ 51,490	\$ 557,330	\$ 818,166
Liabilities				
Accounts payable	\$ 1,054			\$ 1,054
Accrued salaries and benefits	37,545	\$ 37,689		75,234
Unearned revenue	16,372			16,372
Unearned grant revenue		13,801		13,801
Total liabilities	54,971	51,490	\$ -	106,461
Fund balance				
Nonspendable for inventory	17,908			17,908
Restricted to food service	134,978			134,978
Assigned to youth help	1,489			1,489
Assigned to pupil activities			557,330	557,330
Total fund balance	154,375	-	557,330	711,705
Total liabilities and fund balance	\$ 209,346	\$ 51,490	\$ 557,330	\$ 818,166

PLATTE VALLEY SCHOOL DISTRICT RE-7
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021

	Food Service Fund	Governmental Designated Purpose Grants Fund	Pupil Activity Fund	Total
Revenues				
Local sources	\$ 57,250		\$ 349,201	\$ 406,451
State sources	4,652			4,652
Federal sources	389,523	\$ 216,299		605,822
Total revenues	451,425	216,299	349,201	1,016,925
Expenditures				
Instruction		135,479	275,026	410,505
Supporting services	462,913	80,820		543,733
Total expenditures	462,913	216,299	275,026	954,238
Excess of revenues over (under) expenditures	(11,488)	-	74,175	62,687
Other financing sources				
Transfers in	70,000			70,000
Net change in fund balances	58,512	-	74,175	132,687
Fund balance at beginning of year	95,863	-	483,155	579,018
Fund balance at end of year	\$ 154,375	\$ -	\$ 557,330	\$ 711,705

PLATTE VALLEY SCHOOL DISTRICT RE-7
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues	\$ 125,000	\$ 53,011	\$ 57,250	\$ 4,239
State sources	6,150	4,652	4,652	-
Federal sources	243,000	391,999	389,523	(2,476)
Total revenues	374,150	449,662	451,425	1,763
Expenditures				
Supporting services				
Salaries	190,875	184,600	181,201	3,399
Employee benefits	106,508	105,226	102,880	2,346
Purchased services	7,050	1,993	1,727	266
Supplies and materials	207,900	186,153	176,664	9,489
Property	1,000	700	441	259
Appropriated reserves	62,839	95,863		95,863
Total expenditures	576,172	574,535	462,913	111,622
Excess of revenues over (under) expenditures	(202,022)	(124,873)	(11,488)	(109,859)
Other financing sources				
Transfers in	70,000	70,000	70,000	-
Net change in fund balance	\$ (132,022)	\$ (54,873)	58,512	\$ 113,385
Fund balance at beginning of year			95,863	
Fund balance at end of year			\$ 154,375	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Governmental Designated Purpose Grants Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Federal sources				
Services within the BOCES	\$ 247,344	\$ 266,523	\$ 216,299	\$ (50,224)
Expenditures				
Instruction				
Salaries	61,451	121,640	121,640	-
Purchased services	10,133		630	(630)
Supplies and materials	50	21,495	13,209	8,286
Total instruction	71,634	143,135	135,479	7,656
Supporting services				
Salaries	100,158	116,388	77,832	38,556
Employee benefits		1,050	1,653	(603)
Purchased services	3,658	1,950	313	1,637
Supplies and materials	71,894	4,000	1,022	2,978
Total supporting services	175,710	123,388	80,820	42,568
Total expenditures	247,344	266,523	216,299	50,224
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance at beginning of year			-	
Fund balance at end of year			\$ -	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Pupil activities	\$ 680,000	\$ 315,281	\$ 349,201	\$ 33,920
Expenditures				
Pupil activity expenditures				
Purchased services			19,618	(19,618)
Supplies and materials	680,000	242,319	255,408	(13,089)
Appropriated reserves	404,517	483,155		483,155
Total expenditures	1,084,517	725,474	275,026	450,448
Net change in fund balance	<u>\$ (404,517)</u>	<u>\$ (410,193)</u>	74,175	<u>\$ 484,368</u>
Fund balance at beginning of year			483,155	
Fund balance at end of year			<u>\$ 557,330</u>	

Budgetary Comparison Schedule – Debt Service Fund

The District reports the following major debt service fund:

- Bond Redemption Fund – The revenues from a tax levy for the purpose of satisfying bonded indebtedness obligations, both principal and interest and related expenditures, shall be recorded in this fund.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Property taxes	\$ 4,006,562	\$ 4,995,589	\$ 4,994,333	\$ (1,256)
Delinquent taxes and interest			1,999	1,999
Abatements			(36)	(36)
Interest on investments	15,000	12,000	11,864	(136)
Total revenues	4,021,562	5,007,589	5,008,160	571
Expenditures				
Debt service				
Principal retirement	2,785,000	2,891,938	3,135,000	(243,062)
Interest and fiscal charges	1,221,563	1,115,272	1,115,271	1
Debt issuance costs		65,693	66,593	(900)
Appropriated reserves	6,794,047	9,964,544		9,964,544
Total expenditures	10,800,610	14,037,447	4,316,864	9,720,583
Excess of revenues over (under) expenditures	(6,779,048)	(9,029,858)	691,296	9,721,154
Other financing sources (uses)				
Proceeds of refunding bonds		6,925,000	6,925,000	-
Premium on bonds		555,194	503,257	(51,937)
Payment to escrow agent		(7,480,194)	(7,067,964)	412,230
Total other financing sources (uses)	-	-	360,293	360,293
Net change in fund balance	<u>\$ (6,779,048)</u>	<u>\$ (9,029,858)</u>	1,051,589	<u>\$ 10,081,447</u>
Fund balance at beginning of year			9,951,244	
Fund balance at end of year			<u>\$ 11,002,833</u>	

Budgetary Comparison Schedules – Capital Projects Funds

The District reports the following major capital projects funds:

- Building Fund – This fund is used to account for the proceeds of bond sales, revenues from other sources and expenditures for capital outlay for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, or initial, additional and replacement of equipment as authorized by the local board of education, as specified in the related bond issue.
- Capital Reserve Capital Projects Fund – This fund was established to account for and report financial resources that have been designated for capital outlays acquisition or construction of major capital facilities and other capital assets.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local revenues				
Earnings on investments	\$ 72,500	\$ 398,350	\$ 185,815	\$ (212,535)
Other local revenue			3,193	3,193
Total revenues	72,500	398,350	189,008	(209,342)
Expenditures				
Capital outlay				
Purchased services		23,465	24,951	(1,486)
Property	8,601,000	16,197,092	20,849,127	(4,652,035)
Appropriated reserves	29,646,607	30,253,056		30,253,056
Total expenditures	38,247,607	46,473,613	20,874,078	25,599,535
Net change in fund balance	\$ (38,175,107)	\$ (46,075,263)	(20,685,070)	\$ 25,390,193
Fund balance at beginning of year			30,253,056	
Fund balance at end of year			<u>\$ 9,567,986</u>	

PLATTE VALLEY SCHOOL DISTRICT RE-7
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Local sources				
Earnings on investments	\$ 12,000	\$ 2,158	\$ 2,285	\$ 127
Expenditures				
Capital outlay				
Property	50,000	77,204	77,204	-
Appropriated reserves	1,615,128	1,818,091		1,818,091
Total expenditures	1,665,128	1,895,295	77,204	1,818,091
Net change in fund balance	\$ (1,653,128)	\$ (1,893,137)	(74,919)	\$ 1,818,218
Fund balance at beginning of year			1,818,091	
Fund balance at end of year			\$ 1,743,172	

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Single Audit Section

The Single Audit Section contains the following:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' 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*
- Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Child Nutrition Cluster			
Pass-through program from:			
Colorado Department of Human Services Donated Commodities	10.555	4555	\$ 29,691
Colorado Department of Education COVID-19 National School Lunch Program	10.555	4555	32,941
Summer Food Service Program for Children	10.559	4559	<u>326,891</u>
Total Child Nutrition Cluster/U.S. Department of Agriculture			389,523
U.S. Department of Education			
Pass-through programs from:			
Colorado Department of Education:			
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act	84.425D	4420	136,533
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act	84.425D	4425	102,868
COVID-19 Education Stabilization Fund Under the Coronavirus Aid, Relief, And Economic Security Act	84.425D	5425	<u>28,048</u>
Total CFDA Number 84.425D/Total U.S. Department of Education			267,449
U.S. Department of Health and Human Services			
Pass-through programs from:			
Colorado Department of Education:			
Improving Student Health and Academic Achievement through Nutrition, Physical Activity and the Management of Chronic Conditions in Schools	93.981	7981	<u>17,000</u>
Total U.S. Department of Health and Human Services			17,000
U.S. Department of the Treasury			
Pass-through program from:			
Colorado Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	4012	479,970
COVID-19 Coronavirus Relief Fund	21.019	6012	<u>100,000</u>
Total CFDA Number 21.019/Total U.S. Department of the Treasury			<u>579,970</u>
Total expenditures of federal awards			<u><u>\$ 1,253,942</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

PLATTE VALLEY SCHOOL DISTRICT RE-7
Notes to Schedule of Expenditures of Federal Awards

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Platte Valley School District RE-7 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Platte Valley School District RE-7, it is not intended to and does not present the financial position, changes in net position, or cash flows of Platte Valley School District RE-7.

Note B – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statement(s) of the federal program. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C – Indirect Cost Rate

Platte Valley School District RE-7 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D – Subrecipients

Platte Valley School District RE-7 did not pass through any federal grants to subrecipients.

Note E – Nonmonetary assistance

Federal nonmonetary assistance is reported in the Schedule at the fair value of the items received and disbursed during the year. Platte Valley School District RE-7 received nonmonetary assistance for the year as follows:

CFDA No. 10.555	National School Lunch Program	\$ <u>29,691</u>
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**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Platte Valley School District RE-7 (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 September 27, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 27, 2021

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

Report on Compliance for Each Major Program

We have audited the Platte Valley School District RE-7's (the District) compliance 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 auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

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 the 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 of the District's compliance.

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 the 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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 27, 2021

PLATTE VALLEY SCHOOL DISTRICT RE-7
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Summary of audit results

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Platte Valley School District RE-7 (the District).
2. No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for the District expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose any findings relative to the major federal award programs of the District.
7. The program tested as major was:

Coronavirus Relief Fund	CFDA No. 21.019
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8. The threshold for distinguishing Type A and B programs was \$750,000.
9. The District did not qualify as a low-risk auditee.

Findings – Financial statement audit

We noted no findings that are required to be reported under *Government Auditing Standards*.

Findings and Questioned Costs

We noted no findings or questioned costs that are required to be reported in accordance with the Uniform Guidance.

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**Colorado Department of Education
Supplementary Schedule**

Auditors' integrity report – This fiscal-year report is required by the Colorado Department of Education to maintain statewide consistency in financial reporting. This report is also used to gather financial data that could affect future state funding.

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Independent Auditors' Report on Auditors' Integrity Report

Board of Education
Platte Valley School District RE-7
Kersey, Colorado

We have audited financial statements of the Platte Valley School District RE-7 (the District) as of and for the year ended June 30, 2021, and our report thereon dated September 27, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
September 27, 2021



Colorado Department of Education
Auditors Integrity Report
 District: 3130 - Platte Valley RE-7
 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	7,971,415	15,907,695	15,013,784	8,865,327
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	7,971,415	15,907,695	15,013,784	8,865,327
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	948,825	1,173,992	3,469	2,119,348
21 Food Service Spec Revenue Fund	95,863	521,425	462,913	154,375
22 Govt Designated-Purpose Grants Fund	0	216,299	216,299	0
23 Pupil Activity Special Revenue Fund	483,155	349,201	275,026	557,330
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	9,951,244	12,436,417	11,384,828	11,002,833
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	30,253,056	189,008	20,874,078	9,567,986
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	1,818,091	2,284	77,204	1,743,172
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	51,521,651	30,796,323	48,307,602	34,010,372
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL