West Grand School District 1-JT

Financial Report

June 30, 2021

HOME OF THE MUSTANGS!

West Grand School District 1-JT
Financial Report
June 30, 2021

Table of Contents

INDEPENDENT AUDITOR'S REPORT	A1 – A3
Management's Discussion and Analysis	B1 - B6
Basic Financial Statements:	
District-wide Financial Statements:	
Statement of Net Position	C1
Statement of Activities	C2
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C3
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position	C4
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	C5
Reconciliation of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	C6
Notes to the Financial Statements	D1 – D40
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual:	
General Fund	E1
Food Service Fund	E2
Student Activity Fund	E3
Transportation Fund	E4
Schedule of the District's Proportionate Share of the Net Pension Liability	E5
Schedule of District Pension Contributions	E6
Schedule of the District's Proportionate Share of the Net OPEB Liability	E7
Schedule of District OPEB Contributions	E8
Note to the Required Supplementary Information	E9 – E12

West Grand School District 1-JT
Financial Report
June 30, 2021

Table of Contents
(continued)

Supplementary Information:

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual:

Debt Service Fund F1
Capital Reserve Fund F2

Schedule of Capital Assets Used in the Operation of Governmental Funds F3

Auditor's Electronic Financial Data Integrity Check Figures F4

Reports and Schedules for Reporting Requirements of Uniform Guidance:

Single Audit Reports G1 – G6

Schedule of Expenditures of Federal Financial Awards G7

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Chapel Square, Bldg C
245 Chapel Place, Suite 300
P.O. Box 5850, Avon, CO 81620

Web Site: www.mcmahancpa.com
Main Office: (970) 845-8800
Facsimile: (970) 845-8108
E-mail: mcmahan@mcmahancpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
West Grand School District 1-JT
Kremmling, Colorado

Report on Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S OPINION
To the Board of Education
West Grand School District 1-JT

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 West Grand School District 1-JT, 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

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

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

Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the finance statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as whole.

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

Other Matters (continued)

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated December 28, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contract, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the District's internal control over financial reporting and on compliance.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
December 28, 2021

West Grand School District 1-JT

Management's Discussion and Analysis

HOME OF THE MUSTANGS!

West Grand School District No. 1-JT
Management's Discussion and Analysis
June 30, 2021

As management of the West Grand School District No. 1-JT (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

Financial Highlights

- The District has net position of $456,939 at year-end with deficit unrestricted net position of $7,955,205.
- The District's net position increased $2,769,339 during the past fiscal year.
- The District's General Fund had an ending fund balance of $1,846,012 at June 30, 2021. This is a decrease of $126,320 from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was 29% of total General Fund expenditures of $6,397,174, including transfers.

Overview of the Financial Statements

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

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

The Statement of Net Position presents information on all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the District-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover a significant portion of their costs through charges for services.

Overview of the Financial Statements (continued)

These categories are reported in the District-wide financial statements and are further explained as follows:

- ***Governmental activities:*** The District's basic services are included here, such as instructional services, support services, student activities, and transportation. Such services also include activities relating to building maintenance and administration.

The district-wide financial statements can be found on pages C1 and C2 of this report.

Fund Financial Statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the operations of the District by fund, instead of the District as a whole. All of the funds of the District are included in governmental funds as no activities meet the criteria of proprietary (business-type) activities.

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

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

The District's significant or "major" governmental funds include the General Fund, Food Service Fund, Capital Reserve Fund, Student Activity Fund, Transportation Fund and Debt Service Fund. The District does not report any non-major governmental funds as all funds are considered significant.

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

The basic major governmental fund financial statements (including reconciliations to district-wide financial statements) can be found on pages C3 through C6 of this report.

Proprietary Funds: Proprietary funds provide the same type of information as the district-wide financial statements, only in more detail. The District does not have any funds which meet the criteria required to be reported as a proprietary fund.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The Notes to the Financial Statements can be found in Section D of this report.

Overview of the Financial Statements (continued)

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents supplementary information concerning the District's annual appropriated budgets with comparison schedules that demonstrate compliance with budgets for all funds. Required Supplementary Information and Supplementary Information can be found in Sections E and F of this report.

District-wide Financial Analysis:

The following table provides a summary of the District's assets, liabilities, and net position as of June 30, 2021:

West Grand School District 1-JT's Net Position

	Governmental Activities	
	FY 2021	FY 2020
Assets:		
Current and other assets	$ 4,571,410	$ 5,102,866
Capital assets	12,037,119	12,168,825
Total Assets	16,608,529	17,271,691
Deferred Outflows	3,017,672	1,671,013
Liabilities:		
Other liabilities	593,763	985,368
Long-term liabilities	14,579,917	14,607,412
Total Liabilities	15,173,680	15,592,780
Deferred Inflows	3,995,582	5,662,324
Net position (Liabilities):		
Net investment in capital assets	7,059,348	6,399,743
Restricted	1,352,796	1,380,557
Unrestricted	(7,955,205)	(10,092,700)
Total net position	$ 456,939	$ (2,312,400)

Of the District's total assets, the majority are capital assets (i.e., land, land improvements, buildings and improvements, vehicles and equipment). The District uses these assets to provide instruction and related services to its students.

It is worth noting that net position may serve as an indicator of the District's financial position over time. As previously discussed, the District's total net position increased by $2,769,339 during fiscal year 2021. This increase is primarily due to the net decrease in the net pension and other post-employment liabilities and the related deferred outflows of resources and deferred inflows of resources.

Of the District's total net position, $7,059,348 reflects its net investment in capital assets. This component of net position accounts for 1545% of the District's net position and represents land, land improvements, buildings and improvements, vehicles, and equipment, net of outstanding debt (capital leases and bonds). These amounts of net position are not available for future spending. Of the remaining net position, $181,000 is restricted for use in the event of an emergency as required by Colorado's TABOR Amendment and $1,171,796 has been restricted for future debt service payments. The unrestricted remaining net position of $7,955,205 is deficit net position.

District-wide Financial Analysis (continued)

The following table summarizes the District's changes in net position during the past two fiscal years:

	Governmental Activities	
	FY 2021	FY 2020
Revenues:		
Program revenues		
Charges for services	$ 96,745	$ 232,776
Operating grants and contributions	879,806	760,134
General revenues		
Property taxes	3,064,765	3,079,638
Specific ownership taxes	237,622	249,348
State revenue	2,392,654	2,689,305
Investment earnings	7,466	39,738
Other	1,108,208	652,235
Total revenues	7,787,266	7,703,174
Expenses:		
Direct Instruction	2,003,965	2,944,144
Indirect Instruction	187,552	331,506
Transportation	224,363	381,768
Custodial maintenance	762,388	791,699
Support services	201,809	310,536
General administration	933,428	741,693
Community service	185,608	228,655
Student activities	193,911	282,106
Interest	163,661	176,553
Food services	161,242	208,205
Total Expenses	5,017,927	6,396,865
Change in net position before special items & transfers	2,769,339	1,306,309
Change in net position	2,769,339	1,306,309
Net position - July 1	(2,312,400)	(3,618,709)
Net position - June 30	$ 456,939	$ (2,312,400)

Governmental Activities: As previously explained net position increased, this is primarily a result of reporting the changes in the net pension liability and related deferred outflows and deferred inflows of resources.

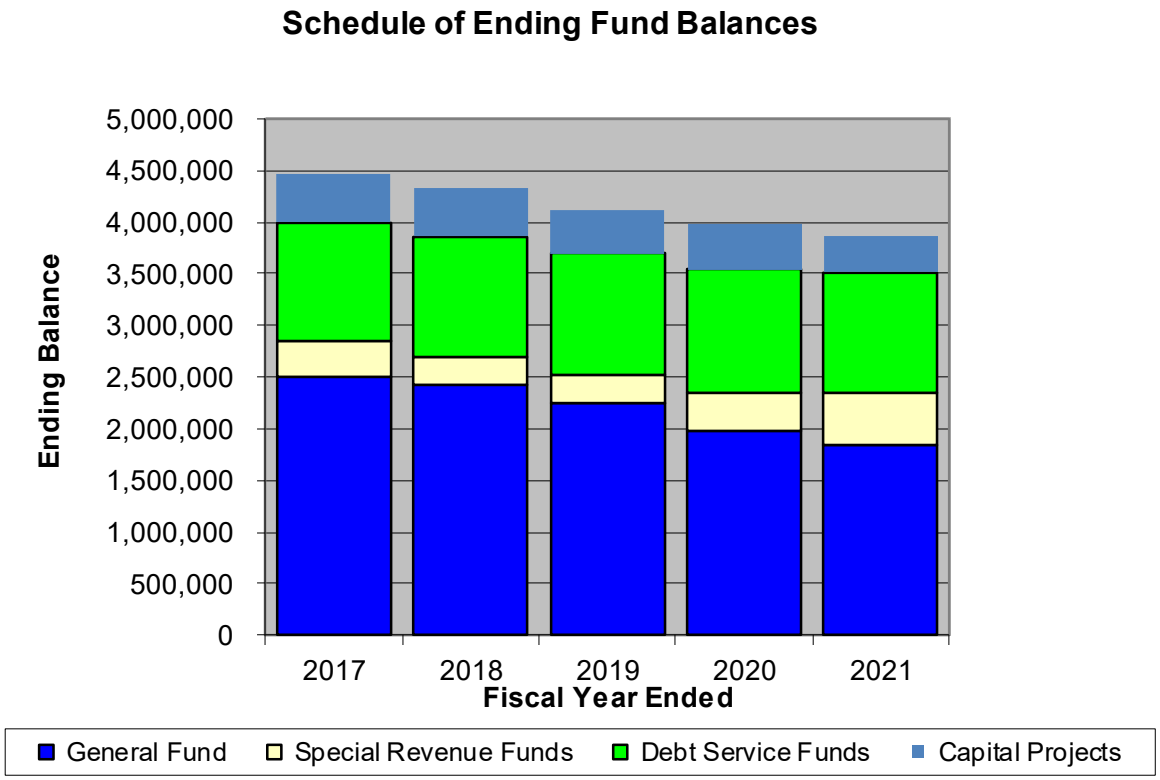
Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $3,865,898, a decrease of $118,876 from the prior year ending fund balances.

The following graph provides a view of the District's ending governmental fund balances for the current and the prior five fiscal years:



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

Actual expenditures were favorable to budget by $1,377,210. This included a budgeted contingency of $1,028,490. Excluding the budgeted contingency, the District's General Fund's expenditures were favorable to the budget by $348,720.

Capital Assets: The District's capital assets, net of accumulated depreciation, totaled $12,037,119 as of June 30, 2021. The District capitalizes assets, including land, land improvements, buildings and improvements, equipment, and vehicles, with an original cost greater than $5,000. In 2021, the District's most significant capital asset purchases included vehicles and building improvements.

Additional information as well as a detailed classification of the District's net capital assets can be found in the Notes to the Financial Statements.

Long-term Debt: As of the end of the current fiscal year, the District's long-term debt (including amounts due within one year) totaled $14,579,918 including the net pension liability of $9,178,281, $4,655,000 for bonds and $333,854 for Net OPEB liability. Total long-term debt decreased approximately $890,759. Additional information, as well as a detailed classification of the District's total long-term debt and the changes to long-term debt, can be found in the Notes to the Financial Statements.

Economic Factors

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

The District's June 30, 2022 budget anticipates the fund balance in the General Fund to remain essentially flat.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the West Grand School District No. 1-JT, Business Services Director, P.O. Box 515, Kremmling, Colorado 80459.

West Grand School District 1-JT

Basic Financial Statements

HOME OF THE MUSTANGS!

West Grand School District 1-JT
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents - unrestricted	2,797,790
Cash and cash equivalents - restricted	1,152,230
Property taxes receivable	120,972
Other receivables	349,708
Due from other governments	90,187
Prepaid expenses	58,867
Inventory	1,656
Total current assets	4,571,410
Capital assets:	
Land	447,959
Land improvements	1,741,689
Buildings and improvements	18,881,031
Vehicles	1,331,341
Equipment	1,190,294
Less: Accumulated depreciation	(11,555,195)
Total capital assets	12,037,119
Total assets	16,608,529
Deferred Outflows of Resources	
Items related to defined benefit pensions	2,607,387
Items related to post-employment health benefits	28,076
Deferred charges on refunding	382,209
Total deferred outflows of resources	3,017,672
LIABILITIES	
Current liabilities:	
Accounts payable	75,077
Accrued compensation	509,462
Accrued interest payable	9,224
Total current liabilities	593,763
Noncurrent liabilities:	
Compensated absences	90,011
Bonds:	
Due within one year	725,000
Due in more than one year	4,252,771
Other liabilities - due in more than one year	
Defined benefit pensions	9,178,281
Post-employment health benefits	333,854
Total noncurrent liabilities	14,579,917
Total liabilities	15,173,680
Deferred Inflows of Resources:	
Items related to defined benefit pensions	3,874,464
Items related to post-employment health benefits	121,118
Total deferred inflows of resources	3,995,582
NET POSITION	
Net investment in capital assets	7,059,348
Restricted for:	
TABOR	181,000
Debt service	1,171,796
Unrestricted	(7,955,205)
Total Net Position	456,939

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

West Grand School District 1-JT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Direct instruction	2,003,965	-	588,281	-	(1,415,684)
Indirect instruction	187,552	-	10,000	-	(177,552)
Transportation	224,363	-	63,280	-	(161,083)
Custodial and maintenance	762,388	-	-	-	(762,388)
Support services	201,809	-	-	-	(201,809)
General administration	933,428	-	76,600	-	(856,828)
Community services	185,608	-	-	-	(185,608)
Student activities	193,911	92,163	-	-	(101,748)
Food service	161,242	4,582	141,646	-	(15,014)
Interest on long-term debt	163,661	-	-	-	(163,661)
Total governmental activities	5,017,927	96,745	879,807	-	(4,041,375)
General revenues:					
Property taxes, levied for general purposes					2,227,592
Property taxes, levied for debt service					837,172
Specific ownership taxes					237,622
State equalization revenue					2,392,654
Grants and contributions not restricted to specific programs					1,108,208
Interest and investment earnings					7,466
Total general revenues					6,810,714
Change in net position					2,769,339
Net position, beginning (Restated)					(2,312,400)
Net position, ending					456,939

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

West Grand School District 1-JT
Balance Sheet
Governmental Funds
June 30, 2021

ASSETS AND OTHER DEBITS	General Fund	Food Service Fund	Student Activity Fund	Transportation Fund	Debt Service Fund	Capital Reserve Fund	Total Governmental Funds
Assets:							
Cash and Investments - unrestricted	2,310,640	37,301	296,514	153,604	-	(270)	2,797,789
Cash and investments - restricted	-	-	-	-	1,152,230	-	1,152,230
Accounts, taxes, and interest receivable	-	-	-	-	-	292,345	292,345
Other receivables	57,363	-	-	-	-	-	57,363
Due from other governments	63,533	22,376	-	-	4,278	-	90,187
Prepaid expenses	-	-	-	-	-	58,867	58,867
Inventory	-	1,656	-	-	-	-	1,656
Due from other funds	-	-	6,475	-	15,288	-	21,763
Total assets and other debits	2,431,536	61,333	302,989	153,604	1,171,796	350,942	4,472,200
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other current payables	75,077	-	-	-	-	-	75,077
Accrued compensation	488,684	12,552	-	8,226	-	-	509,462
Due to other funds	21,763	-	-	-	-	-	21,763
Total liabilities	585,524	12,552	-	8,226	-	-	606,302
Fund balances:							
Non-spendable	-	1,656	-	-	-	58,867	60,523
Spendable							
Restricted	181,000	-	-	-	1,171,796	-	1,352,796
Committed	-	47,125	302,989	145,378	-	292,075	787,567
Unassigned	1,665,012	-	-	-	-	-	1,665,012
Total fund balances	1,846,012	48,781	302,989	145,378	1,171,796	350,942	3,865,898
Total liabilities and fund balances	2,431,536	61,333	302,989	153,604	1,171,796	350,942	4,472,200

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

West Grand School District 1-JT
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Governmental Funds Total Fund Balance		3,865,898
Property taxes receivables collected 60 days after year-end are not available to pay for the current period's expenditures, and, therefore, are deferred in the funds.		120,972
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		23,592,314
Accumulated depreciation is not recognized in the governmental funds because capital assets used in governmental activities are not financial resources.		(11,555,195)
Deferred charges such as deferred refunding costs are not financial resources and, therefore, are not reported in the governmental funds.		382,209
Accrued interest payable on long-term liabilities is recognized when due and, therefore, is not reported in the funds.		(9,222)
Premiums on bonds payable are reported as other financing sources at the time of issuance in governmental funds. However, in the Statement of Net Position, premiums on bonds payable are deferred and amortized over the life of the bonds.		(322,772)
Long-term liabilities, including net pension obligations, are not due and payable in the current period and therefore are not reported in the funds. This is the amount of the District's net pension liability, adjusted for changes in pension related actuarial assumptions, proportion of collective pension amounts, differences between actual and expected experience and investments earnings, and differences between actual and annualized contributions to the pension plan, that are amortized over the average remaining service life of all active and inactive plan participants.		
Deferred pension outflows of resources	2,607,387	
Deferred post-employment health benefits outflows of resources	28,076	
Net pension liability	(9,178,281)	
Net post employment health benefits liability	(333,854)	
Deferred pension inflows of resources	(3,874,464)	
Deferred post-employment health benefits inflows of resources	(121,118)	(10,872,254)
Long-term liabilities, including bonds payable, leases payable, compensated absences, and early retirement are not due and payable in the current period and, therefore, are not reported in the funds. The following liabilities are reported in the government-wide Statement of Net Position:		
Bonds payable	(4,655,000)	
Compensated absences	(90,011)	(4,745,011)
Governmental Activities Net Position		456,939

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

West Grand School District 1-JT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Food Service Fund	Student Activity Fund	Transportation Fund	Debt Service Fund	Capital Reserve Fund	Total Governmental Funds
REVENUES							
Taxes:							
Property taxes	2,242,109	-	-	-	844,801	-	3,086,910
Specific ownership taxes	237,622	-	-	-	-	-	237,622
Intergovernmental revenue - State	2,668,349	1,302	-	63,280	-	-	2,732,931
Intergovernmental revenue - Federal	897,069	140,343	-	-	-	-	1,037,412
Interest income	5,440	71	74	-	1,235	646	7,466
Other	220,265	4,582	92,163	-	-	390,060	707,070
Total revenues	6,270,854	146,298	92,237	63,280	846,036	390,706	7,809,411
EXPENDITURES							
Direct instruction	2,898,140	-	-	-	-	-	2,898,140
Indirect instruction	323,580	-	-	-	-	-	323,580
Transportation	-	-	-	227,969	-	-	227,969
Custodial and maintenance	869,028	-	-	-	-	-	869,028
Support services	322,399	-	-	-	-	-	322,399
General administration	1,139,042	-	-	-	-	-	1,139,042
Community service	185,985	-	-	-	-	-	185,985
Food service		191,986					191,986
Student activities	-	-	115,101	-	-	-	115,101
Debt service:							
Principal	-	-	-	-	740,000	-	740,000
Interest	-	-	-	-	125,332	-	125,332
Other	-	-	-	-	1,465	-	1,465
Capital outlay	-	-	-	-	-	788,260	788,260
Total expenditures	5,738,174	191,986	115,101	227,969	866,797	788,260	7,928,287
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	532,680	(45,688)	(22,864)	(164,689)	(20,761)	(397,554)	(118,876)
OTHER FINANCING SOURCES (USES)							
Transfers in (out)	(659,000)	75,000	47,000	232,000	-	305,000	-
Total other financing sources (uses)	(659,000)	75,000	47,000	232,000	-	305,000	-
NET CHANGE IN FUND BALANCES	(126,320)	29,312	24,136	67,311	(20,761)	(92,554)	(118,876)
FUND BALANCES, BEGINNING	1,972,332	19,468	278,853	78,067	1,192,557	443,497	3,984,774
FUND BALANCES, ENDING	1,846,012	48,780	302,989	145,378	1,171,796	350,943	3,865,898

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

West Grand School District 1-JT
Reconciliation of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
June 30, 2021

Governmental Funds Change in Fund Balances		(118,876)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital outlay reported as expenditures in the governmental funds.		563,264
Retirement of principal outstanding on the District's debt, including capital leases, is a reduction of accumulated resources on the fund financial statements. The government-wide statements show these as reductions against long-term liabilities.		740,000
Deferred property tax revenue does not provide current financial resources and are deferred on the governmental fund financial statements but recognized on the government-wide financial statements. This is the change in the deferred property tax recognized in the Statement of Activities.		(22,146)
Accrued compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in accrued compensated absences during the year.		24,507
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due. In the Statement of Activities, however, interest is recognized as it accrues, regardless of when it is due. Deferred refunding costs and discounts on bonds are reported in governmental funds as other financing uses. However, in the Statement of Activities, these amounts are amortized and are included with interest expense. This amount represents the change in the interest accrual and the amortization of deferred refunding costs and bond discounts.		
Accrued interest	1,173	
Amortization of deferred refunding costs	(90,813)	(89,640)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of depreciation expense for the year.		(651,878)
Premiums on bonds sold are shown as an increase in current available resources on the fund financial statements; in the government-wide financial statements, the premium is capitalized and amortized over the life of the bonds. This represents the bond premium amortization net of premium.		51,311
Changes in the District's net pension obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the District's net pension obligation during the year, including differences between employer contributions to the pension plan and amortization of pension-related deferrals.		2,290,641
Changes in the District's net post-employment health benefits obligation reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in the District's net post-employment health benefits obligation during the year, including differences between District contributions to the plan and amortization of post-employment benefits related deferrals.		25,249
Gains or losses on disposal of assets are recorded in the government wide financial statements. This represents the loss the disposal of fixed assets during the year.		(43,093)
Governmental Activities Change in Net Position		2,769,339

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

West Grand School District 1-JT

Notes to the Financial Statements

HOME OF THE MUSTANGS!

I. Summary of Significant Accounting Policies

West Grand School District 1-JT (the "District") encompasses parts of three counties (Summit, Grand, and Eagle) within north central Colorado. The District provides academic and vocational curriculum, student transportation, food services, athletic and cultural extracurricular activities, and maintenance and general administrative services. The District's mission is to *"strive to provide a safe environment, for all students and staff and meaningful opportunities and innovative educational programs for all students so that they reach their learning potential, including the attainment of content standards, through partnerships between home, school and the community"*. The District operates the following schools:

West Grand Elementary School	West Grand Middle School	West Grand High School

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

A. Reporting Entity

The District was formed under the laws of the State of Colorado and operates under an elected Board of Education. As required by GAAP, the financial statements of the reporting entity include those of the District and any component units, entities for which the District is considered to be financially accountable. The District is considered financially accountable for legally separate organizations if it is able to appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the District. Consideration is also given to organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based upon the above criteria, the District is not financially accountable for any other organization.

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

B. District-wide and Fund Financial Statements

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

I. Summary of Significant Accounting Policies (continued)

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

1. District-wide Financial Statements

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

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

As a general rule the effect of interfund activity has been eliminated from the District-wide financial statements.

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

2. Fund Financial Statements

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

The District reports the following major governmental funds:

The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

I. Summary of Significant Accounting Policies (continued)

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

2. Fund Financial Statements (continued)

The District reports the following major governmental funds (continued):

The *Food Services Fund* accounts for the activities of the District's school breakfast, lunch and summer food programs.

The *Student Activity Fund* accounts for student activities. The activities are related to school-sponsored pupil intra-scholastic, interscholastic athletic and other events. These activities are supported by revenues from pupils, gate receipts and other fundraising activities.

The *Transportation Fund* is required to account for use of fund balance accumulated from an expired transportation mill levy override and revenues received from the Colorado Department of Education which is restricted to transportation spending.

The *Debt Service Fund* accounts for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

The *Capital Reserve Fund* This capital projects fund accounts for and reports financial resources that are restricted by outside parties (i.e., land dedication fees), as well as amounts committed by the School Board of the District for expenditures of capital outlay, including the acquisition or construction of capital facilities and other capital assets. It excludes those types of capital-related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

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

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

1. Long-term Economic Focus and Accrual Basis

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

I. Summary of Significant Accounting Policies (continued)

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

2. Current Financial Focus and Modified Accrual Basis

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

3. Financial Statement Presentation

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

D. Financial Statement Accounts

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the District.

Investments are stated at fair value. The change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

District policy allows for utilization of the following types of investments:

- FDIC-insured or PDPA Collateralized Savings Accounts
- FDIC-insured or PDPA Collateralized Time Certificates of Deposit (maximum maturity of 60 months)
- FDIC-insured or PDPA Collateralized interest-bearing accounts as designated by the Board of Education
- Local Government Investment Pools

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

2. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

3. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred revenue on the fund financial statements.

4. Inventory

Inventory is valued at cost, using the first-in, first-out method. Inventory in the Food Services Fund consists of food and non-food items purchased in advance of consumption.

5. Interfund Receivables, Payables and Transfers

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transaction that constitute reimbursements to a fund for expenditures or expenses initially made from it that are properly applicable to another fund, are recorded as “due from other funds” or “due to other funds” on the balance sheet when they are expected to be liquidated within one year. If the receivable or payable is not expected to be liquidated after one year, it is classified as “advances to other funds” or “advances from other funds”.

6. Capital Assets

Capital assets, which include construction-in-progress, land, land improvements, buildings and improvements, equipment, and vehicles, are reported in the governmental activity columns in the District-wide financial statements. The District defines capital assets as assets with an initial cost of $5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost where historical records are available and at an estimated historical cost where no historical record exists. Donated capital assets are recorded at acquisition value as of the date of donation.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

6. Capital Assets (continued)

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

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is expensed as incurred.

Land improvements, buildings and improvements, equipment, and vehicles are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings & improvements	20 - 50
Equipment	5 - 20
Vehicles	5

7. Compensated Absences

Employees that have worked at the District for at least five (5) years are allowed payment for a maximum of ten (10) days accumulated sick leave. Payment for certified/licensed personnel is calculated at the current teacher substitute pay rate; payment for classified personnel is calculated at one-half of the current teacher substitute pay rate.

Full-time classified District employees are entitled to five (5) days of vacation in the first year of employment, ten (10) days during the second through fifth years of employment, and one additional vacation day per year after the fifth year of employment, up to a maximum of fifteen (15) days. The District's policy allows one (1) year of vacation to be carried to the subsequent year.

Earned but unused sick and vacation benefits are accrued when incurred in the District-wide financial statements.

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

8. Deferred Outflows of Resources and Deferred Inflows of Resources

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

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category. Collective deferred inflows of resources related to the District's net pension obligation and net HCTF obligation are reported on the Statement of Net Position and are amortized over the average service lives of participants. See Notes IV.G and IV.H, respectively, for additional information.

9. Pensions

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

10. Defined Benefit Other Post Employment Benefit Plan

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

I. Summary of Significant Accounting Policies (continued)

D. Financial Statement Accounts (continued)

11. Fund Equity

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the *general fund*. The *general fund* should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balances classifications refer to Note IV.I.

12. Restricted and Unrestricted Resources

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Significant Accounting Policies

1. Use of Estimates

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

II. Reconciliation of District-wide and Fund Financial Statements

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

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles. As required by Colorado Statutes, all funds have legally adopted budgets and appropriations. The total expenditures for each fund may not exceed the amount appropriated. Appropriations for a fund may be increased if unanticipated revenues offset them. All appropriations lapse at year-end.

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

As required by Colorado Statutes, the District followed the required timetable noted below in preparing, approving, and enacting its budget for 2021.

1. The proposed budget was submitted to the Board of Education by May 31 of the year proceeding the budget year. The proposed budget must include a description of major educational objectives and how the proposed budget fulfills those objectives.

2. Notice was published within ten (10) days which contained: availability of proposed budget for inspection, date and time of budget adoption meeting, and that any County taxpayer may file objections prior to the adoption of the budget.

3. The Board of Education certified revenue requirements to the local County Commissioners prior to December 15.

4. The final budget was adopted prior to June 30, along with an appropriation resolution.

Supplemental appropriations for the District during the fiscal year resulted in budget amendments as follows:

	Original Budget	Final Budget
General Fund	$ 7,989,332	$ 7,774,384
Food Services Fund	390,224	315,673
Student Activity Fund	275,000	200,000
Transportation Fund	266,483	370,840
Debt Service Fund	2,049,236	2,033,932
Capital Reserve Fund	1,124,411	1,124,411

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights (“TABOR”). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government. Any revenues earned in excess of the fiscal year spending limit must be refunded in the next fiscal year, unless voters approve retention of such excess revenue.

III. Stewardship, Compliance, and Accountability (continued)

B. TABOR Amendment (continued)

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

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be 3% or more of fiscal year spending.

In 1997, the District's electorate approved the following ballot question: *"Shall West Grand School District 1-JT, Grand County, Colorado taxes be increased $550,000 annually in excess of funds normally provided under the Colorado School Finance Act? These additional funds will be generated by an increase in local property taxes and will be used for educational purposes. The increased property tax mill levy necessary to generate these additional funds shall begin in the 1997-98 fiscal year and continue unless changed by the voters at a future election. The additional $550,000 shall be exempt from any revenue or spending limitation in Article X, Section 20 of the Colorado Constitution or any other law".*

The District believes it is in compliance with the requirements of the TABOR. However, the TABOR is complex and subject to interpretation. Many of its provisions will require judicial interpretation.

Governments report restrictions of net position for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. At June 30, 2021, the District reported $181,000 of restricted net position for emergency reserves as required by TABOR.

IV. Detailed Notes on All Funds

A. Deposits and Investments

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

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At June 30, 2021, the District had the following cash and investments with the following maturities:

Type	Standard and Poor's Credit Rating	Carrying Amount	Maturities: Less Than One Year	Maturities: Less Than Five Years
Deposits:				
Checking accounts	Not applicable	$ 1,009,038	$ 1,009,038	$ -
Savings accounts	Not applicable	135,537	135,537	-
Investments:				-
Investment pools	AAAm	2,805,445	2,805,445	-
		$ 3,950,020	$ 3,950,020	$ -

The District's cash and investments are presented on the Statement of Net Position as Follows:

Reconciliation to Statement of Net Position	Total
Cash and investments - unrestricted	$ 2,797,790
Cash and investments - restricted	1,152,230
Total	$ 3,950,020

Investments Measured at Net Asset Value	Total
COLOTRUST	$ 2,805,445

Pools. The investment pool represents and investment in COLOTRUST which is a 2a7-like pool. The fair value of the pool is determined by the pool's share price. This District has no regulatory oversight for the pool.

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

Credit Risk. District investment policy limits investments to those authorized by State statutes as listed in Note 1D. The District's general investment policy is to apply the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The District places no limit on the amount it may invest in any one issuer. More than 5% of the District's investments are in the COLOTRUST Investment Pool. These investments represented 71% of the District's total deposits and investments.

IV. Detailed Notes on All Funds (continued)

B. Receivables

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

	Governmental Funds				
	General Fund	Food Service Fund	Debt Service Fund	Capital Reserve Fund	Total
Other receivables	$ 57,363	$ -	$ -	$ 292,345	$ 349,708
Due from other governments	63,533	22,376	4,278	-	90,187
Gross receivables	120,896	22,376	4,278	292,345	439,895
Less: allowance for uncollectible	-	-	-	-	-
Net Receivables	$ 120,896	$ 22,376	$ 4,278	$ 292,345	$ 439,895

C. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction-in-progress	$ 35,499	$ 159,876	$ (195,375)	$ -
Land	447,959	-	-	447,959
Total capital assets, not being depreciated	483,458	159,876	(195,375)	447,959
Capital assets, being depreciated:				
Land improvements	1,845,850	-	(104,161)	1,741,689
Buildings and improvements	18,742,782	202,503	(64,254)	18,881,031
Vehicles	942,581	396,260	(7,500)	1,331,341
Equipment	1,211,413	-	(21,119)	1,190,294
Total capital assets being depreciated	22,742,626	598,763	(197,034)	23,144,355
Total capital assets - Cost	23,226,084	758,639	(392,409)	23,592,314
Less: accumulated depreciation for:				
Land improvements	(1,366,603)	(101,722)	104,161	(1,364,164)
Buildings and improvements	(7,963,078)	(416,621)	21,162	(8,358,537)
Vehicles	(866,195)	(83,536)	7,500	(942,231)
Equipment	(861,383)	(49,999)	21,119	(890,263)
Total accumulated depreciation	(11,057,259)	(651,878)	153,942	(11,555,195)
Governmental activities capital assets, net	$ 12,168,825	$ 106,761	$ (238,467)	$ 12,037,119

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The District had the following capital outlay, excludes the beginning balance for construction in progress, and depreciation expense for the following functions and business-type activities:

	Capital Outlay	Depreciation Expense
Governmental activities:		
Direct instruction	$ -	$ 423,002
Food service	-	10,393
Transportation	396,260	88,477
Custodial and maintenance	159,876	24,647
Support services	-	15,052
General administration	7,128	11,084
Community services	-	413
Student activities	-	78,810
Total governmental activities	$ 563,264	$ 651,878

D. Interfund Transfers, Receivables, and Payables

Transfers and interfund balances were as follows on the fund financial statements:

	Transfer In (out)	Reason
General Fund	$ (659,000)	Provide supplemental funding to funds
Student Activity Fund	47,000	Supplemental funding for student activity
Transportation Fund	232,000	Supplemental funding for transportation
Capital Reserve Fund	305,000	Supplemental funding for capital projects
Food Services Fund	75,000	Supplemental funding for nutrition services
	$ -	

	Due from Other Funds	Due to Other Funds
General Fund	$ -	$ 21,763
Pupil Activity	6,475	-
Debt Service Fund	15,288	-
	$ 21,763	$ 21,763

Any outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

IV. Detailed Notes on All Funds (continued)

E. Operating Leases

The District is committed under various leases for office equipment. These leases are considered, for accounting purposes, to be operating leases, and therefore, the liability and the related assets have not been recorded in these financial statements. All operating leases are annually appropriable.

F. Long-term Debt

1. 2013 General Obligation Bonds

The District issued $7,970,000 of General Obligation Refunding Bonds (the "2013 Bonds") dated February 19, 2013. Proceeds from the 2013 Bonds were used to advance refund a portion of the District's General Obligation Bonds, Series 2006 and Series 2007 (see notes F.2. and F.3.) The Series 2006 Bonds and Series 2007 Bonds being refunded mature in the years 2017 through 2027. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the Statement of Net Position. The reacquisition price exceeds net carrying amount of the old debt by $1,126,220. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt. The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

The interest rates on the Series 2013 Bonds ranges from 2.0% to 2.5% and is payable semi-annually on June 1 and December 1 through 2026.

2. 2006 General Obligation Bonds

On December 12, 2006, the District issued General Obligation Bonds, Series 2006 (the "2006 Bonds") for the construction of District assets. The bond issue totaled $9,000,000. The bonds carry an interest rate of 4% to 5% and mature in 2027. The bonds maturing on and after December 1, 2017 are subject to redemption prior to maturity. The bonds are insured by AMBAC.

The District advance refunded $5,480,000 of its Series 2006 Bonds on February 19, 2013.

3. 2007 General Obligation Bonds

On January 11, 2007, the District issued General Obligation Bonds, Series 2007 for the construction of District assets. The bond issue totaled $2,500,000. The bonds carry an interest rate of 4% to 5% and mature in 2027. The bonds maturing on and after December 1, 2017 are subject to redemption prior to maturity. The bonds are insured by AMBAC.

The District advance refunded $1,515,000 of its Series 2007 Bonds on February 19, 2013.

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

4. Defeasance of Debt

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

5. Schedule of Future Payment

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

Fiscal Year Ending	Principal	Interest	Total
2022	$ 725,000	$ 107,313	$ 832,313
2023	745,000	88,938	833,938
2024	765,000	70,063	835,063
2025	785,000	50,688	835,688
2026	810,000	30,750	840,750
2027	825,000	10,313	835,313
	$ 4,655,000	$ 358,065	$ 5,013,065

6. Compensated Absences

The District's policy for the accumulation of sick and vacation pay was previously described in Note I.D.7. The balance is $90,011 at June 30, 2021.

7. Changes in the Long-term Obligations

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

	Balance July 1, 2020	Additions	(Reductions)	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated absences	$ 114,518	$ -	$ (24,507)	$ 90,011	$ -
Bonded debt	5,395,000	-	(740,000)	4,655,000	725,000
Premium on bonds	374,082	-	(51,311)	322,771	-
Net pension liability	8,315,016	863,265	-	9,178,281	-
Net OPEB liability	408,795	-	(74,941)	333,854	-
Total	$ 14,607,411	$ 863,265	$ (890,759)	$ 14,579,917	$ 725,000

Accrued compensated absences are liquidated by the General Fund.

IV. Detailed Notes on All Funds (continued)

F. Long-term Debt (continued)

8. Debt Requirements

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

The District is compliant in ongoing disclosure requirements to the secondary bond market in accordance with the Securities and Exchange Commission's Rule 15c2-12.

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

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

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

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

- Highest average salary multiplied by 2.5% and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then 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% 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.

IV. Detailed Notes on All Funds (continued)

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

Benefits provided as of December 31, 2020 (continued): In all cases the service retirement benefit is limited to 100% of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

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% unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25% or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contribution provisions as of December 31, 2021: Eligible employees, the District, and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 8% of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021.

IV. Detailed Notes on All Funds (continued)

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

Contribution provisions as of December 31, 2021 (continued): Employer contribution requirements are summarized in the table below:

	July 1, 2020 through June 30, 2021
Employer Contribution Rate	10.40%
Amount of Employer Contribution apportioned to the Health care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount Apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total	19.38%

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $633,140 for the year ended June 30, 2021.

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

IV. Detailed Notes on All Funds (continued)

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

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

At June 30, 2021, the District reported a liability of $9,178,281 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net Pension liability	$	9,178,281

At December 31, 2020, the District's proportionate share was 0.0607%, as compared to its proportionate share of 0.0557% at December 31, 2019.

Pension Expense: For the year ended June 30, 2021, the District recognized pension revenue of $2,290,641 and expense of $- for support from the State as a non-employer contributing entity.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 504,301	$ -
Changes of assumptions or other inputs	882,922	1,542,790
Net difference between projected and actual earnings on pension plan investments	-	2,020,348
Changes in proportionate share of contributions	893,464	311,326
Contributions subsequent to the measurement date	326,700	-
Total	$ 2,607,387	$ 3,874,464

IV. Detailed Notes on All Funds (continued)

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

Deferred Outflows of Resources and Deferred Inflows of Resources: (continued) The $326,700, 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 calculated at the December 31, 2021 measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amortization
2022	$ (1,511,871)
2023	487,933
2024	(251,120)
2025	(318,719)
	$ (1,593,777)

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	1.25% compounded annually
PERA Benefit Structure hired after 12/31/06[1]	Financed by the Annual Increase Reserve (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.

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued):

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.

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.

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

Discount rate (continued): Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount determination does not use the municipal bond rate, and therefore, the discount rate is 7.25%.

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%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease 6.25%	Current Discount 7.25%	1% Increase 8.25%
Proportionate share of net pension liability	$ 12,519,926	$ 9,178,281	$ 6,393,588

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

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

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

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

DPS Benefit Structure: The maximum service-based premium subsidy is $230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is $115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% 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% 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 $32,485 for the year ended June 30, 2021.

Liability: At June 30, 2020, the District reported a liability of $333,854 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.0351%, compared to 0.0364% its proportion measured as of December 31, 2019.

IV. Detailed Notes on All Funds (continued)

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

For the year ended June 30, 2021, the District recognized OPEB revenue of $25,249. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 886	$ 73,398
Changes of assumptions or other inputs	2,494	13,641
Net difference between projected and actual earnings on plan investments	-	20,472
Changes in proportionate share of contributions	7,934	13,607
Contributions subsequent to the measurement date	16,762	-
Total	$ 28,076	$ 121,118

The $16,762 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amortization
2022	$ (24,926)
2023	(23,017)
2024	(25,523)
2025	(24,210)
2026	(11,378)
Thereafter	(750)
	$ (109,804)

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): All costs are subject to the health care cost trend rates, as discussed below.

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (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% factor applied to rates for ages less than 80, a 108% 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% factor applied to rates for ages less than 80, a 109% 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% factor applied to rates for ages less than 80, a 113% 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% factor applied to rates for ages less than 80, a 106% 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.

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (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%[1]	N/A

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

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

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

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

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

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

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

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

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (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.

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

IV. Detailed Notes on All Funds (continued)

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

Actuarial assumptions (continued): 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.

IV. Detailed Notes on All Funds (continued)

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

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

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

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

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

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

	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare Trend Rate	71.00%	8.10%	9.10%
Ultimate PERACare Medicare Trend Rate	3.50%	4.50%	5.50%
Initial Medicare Part A Trend Rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A Trend Rate	3.50%	4.50%	5.50%
Collective Net OPEB Liability	$ 925,665,000	$ 950,225,000	$ 978,816,000
Proportionate Share of Net OPEB Liability	$ 325,225	$ 333,854	$ 343,899

IV. Detailed Notes on All Funds (continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF's fiduciary net position was projected to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% 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%.

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%, 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%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Collective Net OPEB Liability	$ 1,088,500,000	$ 950,225,000	$ 832,080,000
Proportionate Share of Net OPEB Liability	$ 382,436	$ 333,854	$ 292,345

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

IV. Detailed Notes on All Funds (continued)

I. Fund Balance Disclosure

The District classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

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

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

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

IV. Detailed Notes on All Funds (continued)

I. Fund Balance Disclosure (continued)

The District uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District has the following restrictions on fund balance at June 30, 2021:

	Balance	Reason
Non-Spendable:		
Food Service Fund	$ 1,656	Inventory
Capital Reserve Fund	58,867	Prepaid expenses
Restricted:		
General Fund	181,000	TABOR
Debt Service Fund	1,171,796	Debt service
Committed:		
Food Service Fund	47,125	Food Service
Student Activity Fund	302,989	Student Activities
Transportation Fund	145,378	Transportation
Capital Reserve Fund	292,075	Capital projects
	$ 2,200,886	

The District does not have a formal minimum fund balance policy. However, the District's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to Board of Education.

V. Other Information

A. Defined Contribution Pension Plan

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

Funding Policy **-** Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. There were no 401(k) Plan member contributions from the District for the year ended June 30, 2021, 2020, and 2019.

V. Other Information (continued)

B. Risk Management

Risk of Loss- -The District is exposed to various risks of loss related to workers' compensation; general liability; unemployment; torts; theft of, damage to, and destruction of assets; and errors and omissions. The District has acquired commercial coverage for these risks and claims, if any, are not expected to exceed the commercial insurance coverage.

Pupil Counts - Each year the District submits data regarding pupil counts to the Colorado Department of Education (CDE). The purpose of this data collection is to obtain required student level data as provided for by state statute (s), including information regarding students' funding eligibility as outlined in the Public School Finance Act of 1994 (22-54-101, C.R.S.).

The Student October Count is based on a one (1) day membership count in which districts are asked to report all students who are actively enrolled and attending classes through their district on that date. In an effort to ensure accurate reporting of those data fields associated with student funding, CDE conducts periodic compliance audits of each district's student October count data. This data not only determine per pupil funding, but also at risk and English Language Proficiency Act (ELPA) funding. CDE audits districts every one to four years, the frequency of which is determined by a number of factors including, but not limited to, the size and location of the district, as well as issues or concerns that might have arisen from prior audits.

The District believes its pupil count information is accurate and any adjustment would not be material.

C. Contingencies

1. Legal Claims

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

2. Federal Programs

Funds received from Federal grants are subject to audit and disallowance on ineligible cost. Management of the District feels any potential questioned or disallowed costs or liability arising from the Federal program audits would not materially affect the fairness of the presentation of the financial statements at June 30, 2021.

3. State Programs

The District receives payment for State equalization, State transportation and various other State revenues to fund programs. These grants and programs are subject to audit and may result in the District either refunding amounts due for overpayment or receiving additional revenue for underpayment by the State. Management does not feel that any potential adjustments would be material and that they would affect the fairness of presentation of the financial statements at June 30, 2021.

V. Other Information (continued)

D. Jointly Governed Organization - BOCES

The District, together with several other school districts, participates in the Northwest Board of Cooperative Educational Services (the "BOCES"). The purpose of the BOCES is to pool resources of the individual districts and to provide services common to each on a basis that is more economical than if the same services were provided individually. Administrative costs are borne equally by the districts. Services by BOCES are charged to each district based upon individual needs and the student population.

The Board of the BOCES consists of one member of the board of education of each participating district. Each district has equal voting rights in the decisions of the BOCES.

The BOCES has issued its own audited financial statements for the year ended June 30, 2021, the latest available data. The following summary information is presented:

Assets and Deferred Outflows	$	2,113,679
Liabilities and Deferred Inflows		(7,936,516)
Net Position	$	(5,822,837)
Expenses	$	(1,548,185)
Program Revenues		3,244,631
General Revenues		475
Change in Net Position		1,696,921
Net Position - Beginning		(7,519,757)
Net Position - Ending	$	(5,822,836)

For the year ended June 30, 2021 and 2020, the District made operating contributions of $47,600, and $45,709, respectively.

Financial statements for BOCES can be obtained from BOCES administration at P.O. Box 773390 Steamboat Springs, Colorado 80477.

E. State Interest Fee Loan Program

The Colorado Department of Education allows school districts to borrow funds up to the next year's estimated property tax collections for the specific district to cover operating expenditures. The program was established to assist districts who receive the majority of their program funding through local property taxes. Most property tax revenues are not received by school districts until the last four months of the fiscal year, resulting in a cash flow deficit. The loans are repaid to the State as property taxes are collected.

In fiscal year 2021, the District did not obtain any financing under this program.

West Grand School District 1-JT

Required Supplementary Information

HOME OF THE MUSTANGS!

West Grand School District 1-JT
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual with Reconciliation to GAAP Basis
For the Year Ended June 30, 2021
With Comparative Actual Amounts for 2020

	2021				2020
REVENUES	**Original Budget**	**Final Budget**	**Actual Amounts**	**Variance Final Budget Positive (Negative)**	**Actual Amounts**
Taxes:					
Property taxes	2,174,993	2,193,604	2,242,109	48,505	2,196,908
Specific ownership taxes	235,000	200,500	237,622	37,122	249,348
Intergovernmental revenue - State	2,743,120	2,568,643	2,668,349	99,706	3,106,690
Intergovernmental revenue - Federal	565,302	674,123	897,069	222,946	593,349
Interest income	22,000	16,000	5,440	(10,560)	13,893
Other	86,557	102,462	220,265	117,803	254,235
Total revenues	5,826,972	5,755,332	6,270,854	515,522	6,414,423
EXPENDITURES					
Direct instruction	3,130,210	3,213,493	2,898,140	315,353	3,329,260
Indirect instruction	329,543	338,888	323,580	15,308	415,620
Transportation	-	-	-	-	3,563
Custodial and maintenance	799,568	806,351	869,028	(62,677)	861,588
Support services	269,525	267,516	322,399	(54,883)	283,555
General administration	1,174,376	1,277,372	1,139,042	138,330	838,399
Community service	169,210	183,274	185,985	(2,711)	228,450
Reserve expenses	1,457,900	1,028,490	-	1,028,490	-
Total expenditures	7,330,332	7,115,384	5,738,174	1,377,210	5,960,435
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,503,360)	(1,360,052)	532,680	1,892,732	453,988
OTHER FINANCING SOURCES (USES)					
Insurance recoveries	20,200	-	-	-	45,650
Transfers in (out)	(659,000)	(659,000)	(659,000)	-	(785,000)
Total other financing sources (uses)	(638,800)	(659,000)	(659,000)	-	(739,350)
NET CHANGE IN FUND BALANCES - BUDGET BASIS	(2,142,160)	(2,019,052)	(126,320)	1,892,732	(285,362)
FUNDS BALANCES, BEGINNING - BUDGET BASIS			1,972,332		2,257,694
FUND BALANCES, ENDING - BUDGET BASIS			1,846,012		1,972,332
RECONCILILATION TO GAAP BASIS:					
Adjustments:					
Pension direct distribution - Special Funding			-		79,880
Pension expense - Special Funding			-		(79,880)
FUND BALACES, ENDING - GAAP BASIS			1,846,012		1,972,332

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

West Grand School District 1-JT
Food Services Fund
Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for 2020

	2021				2020
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
REVENUES					
Food and ala carte sales	219,000	219,000	4,582	(214,418)	45,324
Federal reimbursement	2,150	2,150	140,343	138,193	66,298
State reimbursement	-	-	1,302	1,302	3,135
Interest income	55	55	71	16	127
Total revenues	221,205	221,205	146,298	(74,907)	114,884
EXPENSES					
Salaries and employee benefits	95,755	75,277	75,238	39	107,751
Purchased services	-	-	-	-	-
Supplies	5,000	5,000	6,750	(1,750)	5,950
Food costs	124,450	124,450	109,549	14,901	112,847
Capital Outlay	15,500	15,500	449	15,051	-
Other	-	-	-	-	250
Reserve expenses	149,519	95,446	-	95,446	-
Total expenditures	390,224	315,673	191,986	123,687	226,798
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(169,019)	(94,468)	(45,688)	48,780	(111,914)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	75,000	75,000	75,000	-	130,000
Total other financing sources (uses)	75,000	75,000	75,000	-	130,000
NET CHANGE IN FUND BALANCES	(94,019)	(19,468)	29,312	48,780	18,086
FUND BALANCES, BEGINNING			19,468		1,382
FUND BALANCES, ENDING			48,780		19,468

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

West Grand School District 1-JT
Student Activity Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for 2020

	2021				2020
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
REVENUES					
Student activity	260,000	260,000	92,163	(167,837)	181,278
Interest income	550	550	74	(476)	-
Total revenues	260,550	260,550	92,237	(168,313)	181,278
EXPENDITURES					
Student activity	275,000	200,000	115,101	84,899	194,786
Total expenditures	275,000	200,000	115,101	84,899	194,786
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(14,450)	60,550	(22,864)	(83,414)	(13,508)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	47,000	47,000	47,000	-	47,000
Total other financing sources (uses)	47,000	47,000	47,000	-	47,000
NET CHANGE IN FUND BALANCES	32,550	107,550	24,136	(83,414)	33,492
FUND BALANCES, BEGINNING			278,853		245,361
FUND BALANCES, ENDING			302,989		278,853

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

West Grand School District 1-JT
Transportation Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for 2020

	2021				2020
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
REVENUES					
Intergovernmental revenue - State	25,000	60,024	63,280	3,256	65,676
Other sources	750	750	-	(750)	6,174
Total revenues	25,750	60,774	63,280	2,506	71,850
EXPENDITURES					
Transportation	265,759	290,148	227,969	62,179	261,521
Reserve expenses	724	80,692	-	80,692	-
Total expenditures	266,483	370,840	227,969	142,871	261,521
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(240,733)	(310,066)	(164,689)	145,377	(189,671)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	232,000	232,000	232,000	-	258,000
Total other financing sources (uses)	232,000	232,000	232,000	-	258,000
NET CHANGE IN FUND BALANCES	(8,733)	(78,066)	67,311	145,377	68,329
FUND BALANCES, BEGINNING			78,067		9,738
FUND BALANCES, ENDING			145,378		78,067

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

West Grand School District 1-JT
Schedule of the District's Proportionate Share of the Net Pension Liability
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date of December 31,	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0607%	0.0557%	0.0548%	0.0624%	0.0622%
District's proportionate share of the net pension liability	9,178,281	8,315,016	9,708,392	20,164,235	18,522,102
State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	-	935,942	1,167,806	-	-
District's covered payroll	3,184,799	3,270,215	3,014,179	2,876,538	2,792,063
District's proportionate share of the net pension liability as a percentage of its covered payroll	288%	254%	322%	701%	663%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.10%

For the year-ended at the measurement date of December 31,	2015	2014	2013
District's proportion of the net pension liability	0.0603%	0.0605%	0.6194%
District's proportionate share of the net pension liability	9,216,766	8,201,242	7,900,341
State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District	-	-	-
District's covered payroll	2,626,237	3,834,012	2,496,969
District's proportionate share of the net pension liability as a percentage of its covered payroll	351%	214%	316%
Plan fiduciary net position as a percentage of the total pension liability	59.20%	62.84%	64.07%

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

The accompanying notes to RSI are an integral part of these statements.

West Grand School District 1-JT
Schedule of District Pension Contributions
Colorado Public Employees' Retirement Association School Division Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	2021	2020	2019	2018	2017
Contractually required contribution	633,140	655,731	600,960	535,899	506,201
Contributions in relation to the contractually required contribution	(633,140)	(655,731)	(600,960)	(535,899)	(506,201)
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	3,184,799	3,270,215	3,141,450	2,915,276	2,859,880
Contributions as a percentage of covered payroll	19.88%	20.05%	19.13%	18.38%	17.70%

Fiscal year-ended June 30,	2016	2015	2014
Contractually required contribution	455,127	416,495	387,780
Contributions in relation to the contractually required contribution	(455,127)	(416,495)	(387,780)
Contribution deficiency (excess)	-	-	-
District's covered payroll	2,687,294	2,549,321	2,532,170
Contributions as a percentage of covered payroll	16.94%	16.34%	15.31%

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

The accompanying noes to RSI are an integral part of these statements.

West Grand School District 1-JT
Schedule of the District's Proportionate Share of the Net OPEB Liability
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

For the year-ended at the measurement date of December 31,	2020	2019	2018	2017	2016
District's proportion of the net OPEB liability	0.0351%	3.5638%	3.5638%	0.0354%	0.0354%
District's proportionate share of the net OPEB liability	333,854	408,795	484,875	460,475	458,461
District's covered payroll	3,184,799	3,270,215	3,014,179	2,876,538	2,792,063
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10%	13%	16%	16%	16%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%

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

The accompanying noes to RSI are an integral part of these statements.

West Grand School District 1-JT
Schedule of District OPEB Contributions
Colorado Public Employees' Retirement Association Health Care Trust Fund
Last 10 Fiscal Years *

Fiscal year-ended June 30,	2021	2020	2019	2018	2017
Contractually required contribution	32,485	34,512	32,043	32,485	29,171
Contributions in relation to the contractually required contribution	(32,485)	(34,512)	(32,043)	(32,485)	(29,171)
Contribution deficiency (excess)	-	-	-	-	-
District's covered payroll	3,184,799	3,270,215	3,141,450	2,915,276	2,859,880
Contributions as a percentage of covered payroll	1.02%	1.06%	1.02%	1.11%	1.02%

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

The accompanying noes to RSI are an integral part of these statements.

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

A. Changes to assumptions or other inputs

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

- The price inflation assumption was lowered from 2.4% to 2.30%.
- The wage inflation assumption was lowered from 3.5% to 3.00%.
- The real rate of investment return assumption was increased to 4.95% per year, net of investment expenses from 4.85% per year, net of investment expenses.
- Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.
- The pre-retirement mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Employee Table with generational projection using scale MP-2019.
- The post-retirement non-disabled mortality assumption for the School and DPS Divisions was changed to the PubT-2010 Healthy Retiree Table, adjusted as follow:
- Males: 112% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- The post-retirement non-disabled beneficiary mortality assumption for the Division Trust Funds was changed to the Pub-2019 Contingent Survivor Table, adjusted as follows:
- Males: 97% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.
- The disabled mortality assumption for the Division Trust Funds (Members other than State Troopers) was changed to the PubNS-2010 Disabled Retiree Table using 99% of the rates for all ages with generational projection using scale MP-2019.
- The mortality tables descried above are generational mortality tables on a head-count weighted basis.

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

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

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

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

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

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

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

A. Changes to assumptions or other inputs (continued)

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

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

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

- The investment return assumption was lowered from 7.5% to 7.25%
- The wage inflation assumption was lowered from 3.90% to 3.50%
- The post-retirement mortality assumption for healthy lives for the School and DPS Divisions was changed to the RP-2014 White Collar Healthy Annuitant Mortality Table with adjustments for credibility and gender adjustments of a 93% factor applied to ages below 80 and a 113% factor applied to age 80 and above, projected to 2018, or males, and a 68% factor applied to ages below 80 and a 106% factor applied to age 80 and above, projected to 2020, for females.
- For disabled retirees, the mortality assumption was changed to reflect 90% of RP-2014 Disabled Retiree Mortality Table.
- The mortality assumption for active members was changed to RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70% factor applied to male rates and a 55% factor applied to female rates.
- The rates of retirement, withdrawal, and disability were revised to reflect more closely actual experience.
- The estimated administrative expense as a percentage of covered payroll was increased from 0.35% to 0.40%.
- The single equivalent interest rate (the "SEIR") for the SCHDTF was lowered from 7.50% to 5.26% to reflect the changes to the projection's valuation basis, a projected year of depletion of the fiduciary net position (the "FNP"), and the resulting application of the municipal bond index rate
- The SEIR for the DPS Division was lowered from 7.50% to 7.25%, reflecting the change in the long-term expected rate of return.

6. Changes since the December 31, 2014 actuarial valuation

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

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

B. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.

II. Notes to the Schedule of District Pension Contributions

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.

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

A. Changes to assumptions or other inputs

No changes during the years presented.

B. Changes of benefit term

No changes during the years presented.

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

No changes during the years presented.

IV. Notes to the Schedule of District OPEB Contributions

A. Changes to assumptions or other inputs

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

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

B. Changes of benefit terms

No changes during the years presented.

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

No changes during the years presented.

West Grand School District 1-JT

Supplementary Information

HOME OF THE MUSTANGS!

West Grand School District 1-JT
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for 2020

	2021				2020
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
REVENUES					
Property taxes	872,204	841,375	844,801	3,426	875,533
Investment earnings	-	-	1,235	1,235	788
Total revenues	872,204	841,375	846,036	4,661	876,321
EXPENDITURES					
Principal retirement	740,000	725,000	740,000	(15,000)	720,000
Interest and fiscal charges	123,775	116,375	125,332	(8,957)	138,375
Reserve expenditures	1,183,961	1,191,057	-	1,191,057	-
Total expenditures	2,047,736	2,032,432	865,332	1,167,100	858,375
EXCESS DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(1,175,532)	(1,191,057)	(19,296)	1,171,761	17,946
OTHER FINANCING SOURCES (USES)					
Payment to refunded bond escrow agent	(1,500)	(1,500)	(1,465)	35	(2,421)
Total other financing sources (uses)	(1,500)	(1,500)	(1,465)	35	(2,421)
NET CHANGE IN FUND BALANCES	(1,177,032)	(1,192,557)	(20,761)	1,171,796	15,525
FUND BALANCES, BEGINNING			1,192,557		1,177,032
FUND BALANCES, ENDING			1,171,796		1,192,557

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

West Grand School District 1-JT
Capital Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (GAAP Basis)
For the Year Ended June 30, 2021
With Comparative Actual Amounts for 2020

	2021				2020
	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)	Actual Amounts
REVENUES					
Investment earnings	2,200	2,200	646	(1,554)	24,930
Other revenue	397,000	397,000	390,060	(6,940)	-
Total revenues	399,200	399,200	390,706	(8,494)	24,930
EXPENDITURES					
Land improvements	20,000	20,000	20,510	(510)	46,996
Buildings	142,000	165,000	159,876	5,124	115,674
Major renovations	-	-	12,060	(12,060)	-
Equipment	-	-	2,599	(2,599)	1,136
Vehicles	397,000	397,000	396,260	740	5,848
Furniture / fixtures	-	-	-	-	-
Technology equipment	70,000	70,000	9,803	60,197	86,625
Other equipment / services	70,000	98,000	187,153	(89,153)	95,365
Reserve expenditures	425,411	374,411	-	374,411	-
Total expenditures	1,124,411	1,124,411	788,261	336,150	351,644
EXCESS DEFICIENCY OF REVENUES OVER (UNDER) EXPENDITURES	(725,211)	(725,211)	(397,555)	327,656	(326,714)
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	305,000	305,000	305,000	-	350,000
Total other financing sources (uses)	305,000	305,000	305,000	-	350,000
NET CHANGE IN FUND BALANCES	(420,211)	(420,211)	(92,555)	327,656	23,286
FUND BALANCES, BEGINNING			443,497		420,211
FUND BALANCES, ENDING			350,942		443,497

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

West Grand School District 1-JT
Schedule of Capital Assets Used in the Operation of Governmental Funds
Comparative Schedule
June 30, 2021 and 2020

	2021	2020
Governmental funds capital assets:		
Construction in progress	-	35,499
Land	447,959	447,959
Land improvements	1,741,689	1,845,850
Buildings and improvements	18,881,031	18,742,782
Equipment	1,190,294	1,211,413
Vehicles	1,331,341	942,581
Total governmental funds capital assets	23,592,314	23,226,084

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

West Grand School District 1-JT

Statutory Information

HOME OF THE MUSTANGS!

Colorado Department of Education

Auditors Integrity Report

District: 1340 - West Grand 1-JT
Fiscal Year 2020-21
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	1,969,772	5,515,819	5,642,149	1,843,442
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	2,560	96,035	96,026	2,569
Sub- Total	**1,972,332**	**5,611,854**	**5,738,175**	**1,846,010**
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	19,468	221,298	191,986	48,781
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	278,853	139,237	115,101	302,989
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	78,067	295,280	227,969	145,378
31 Bond Redemption Fund	1,192,557	846,036	866,797	1,171,796
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	443,497	695,706	788,260	350,942
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**3,984,774**	**7,809,411**	**7,928,288**	**3,865,897**
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

West Grand School District 1-JT

Single Audit Reports and Schedules

HOME OF THE MUSTANGS!

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Chapel Square, Bldg C
245 Chapel Place, Suite 300
P.O. Box 5850, Avon, CO 81620

Web Site: www.mcmahancpa.com
Main Office: (970) 845-8800
Facsimile: (970) 845-8108
E-mail: mcmahan@mcmahancpa.com

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Education
West Grand School District 1-JT
Kremmling, Colorado

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of West Grand School District 1-JT (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 28, 2021.

Internal Control Over Financial Reporting

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

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

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
West Grand School District 1-JT

Compliance and Other Matters

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

Purpose of this Report

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

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 28, 2021

McMahan and Associates, L.L.C.
Certified Public Accountants and Consultants

Chapel Square, Bldg C
245 Chapel Place, Suite 300
P.O. Box 5850, Avon, CO 81620

Web Site: www.mcmahancpa.com
Main Office: (970) 845-8800
Facsimile: (970) 845-8108
E-mail: mcmahan@mcmahancpa.com

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

To the Board of Education
West Grand School District 1-JT
Kremmling, Colorado

Report on Compliance for Each Major Program

We have audited the West Grand School District 1-JT's (the "District") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "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 on the District's compliance with those requirements.

INDEPENDENT AUDITOR'S REPORT
To the Board of Education
West Grand School District 1-JT

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, we considered the District's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine our 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 no 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 or on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 in 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.

McMahan and Associates, L.L.C.

McMahan and Associates, L.L.C.
Avon, Colorado
December 28, 2021

West Grand School District 1-JT, Colorado
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Part I – Summary of Auditor's Results

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Schools and Roads – Grants to States	ALN 10.665
COVID-19 – National School Lunch Program	ALN 10.555
Summer Food Service Program for Children	ALN 10.559
Dollar threshold used to identify Type A from Type B programs:	$750,000
Identified as low-risk auditee	No

Part II – Findings Related to Financial Statements

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

Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

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

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

West Grand School District 1-JT
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Program Title	Federal Assistance Listing	Grant Project Code	Expenditures	
United States Department of Education				
Passed through Colorado Department of Education:				
Title I	84.010	4010	$ 84,048	
Title IV, Rural Initiative	84.358	4358	34,703	
Title III Part A - English Language Enhancement	84.365	4365	10,925	
Title II Part A: Teacher and Principal Training and Recruiting	84.367	4367	16,607	
Title IV, Student Support	84.424A	4424	10,000	
ESSER, Elem and Sec School Emerg Relief	84.425D	4425	60,784	
Total United States Department of Education			217,067	
United States Treasury:				
Passed through Colorado Department of Education:				
Coronavirus Relief Fund: K-12	21.019	4012	245,138	
Coronavirus Relief Fund: K-12 At Risk Pupils	21.019	5012	33,397	
Coronavirus Relief Fund: Safe Schools Reopening Grant	21.019	6012	75,000	
Total United States Treasury			353,535	
United States Department of Agriculture:				
Passed through Moffat County Treasurer:				
Schools and Roads - Grants to States	10.665	7665	326,327	***A***
United States Department of Agriculture:				
Passed through Colorado Department of Education:				
COVID-19 - National School Lunch Program	10.555	4555	21,389	***B***
Summer Food Service Program for Children	10.559	4559	118,954	***B***
Total United States Department of Agriculture			466,670	
Total Federal Expenditures			$ 1,037,272	

Additional Information for Clusters:	
A - Forest Service Schools and Roads Cluster	$ 326,327
B - Child Nutrition Cluster	$ 140,343

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

Note 1. Basis of Presentation:
The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of West Grand School District, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2, US Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements* for Federal Awards ("Uniform Guidance"). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the basis financial statements.

Note 2. Sub recipients:
West Grand School District did not provide any federal awards received to sub recipients.

Note 3. Indirect Facilities and Administration costs:
The District does not opt to use the 10% de minimis cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F & A) costs.