Yuma School District-1

Yuma, Colorado

Financial Statements

For the Year ended June 30, 2021

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Independent Auditors' Report

Board of Education
Yuma School District-1
Yuma, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma School District-1 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
November 4, 2021

This section of Yuma School District-1's annual financial report presents its discussion and analysis of the District's financial performance during the year ended June 30, 2021.

Financial Highlights

- The assets and deferred outflows of resources of Yuma School District-1 exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $8,705,244 (net position).
- The district's total net position increased by $12,359,192.
- General revenues accounted for $10,632,865 or 50% of the $21,409,799 in total revenues. Program specific revenues in the form of charges for services, sales, and grants accounted for $10,776,934 or 50% of revenues.
- The general fund ending fund balance reached $8,110,976, an increase of $1,422,624 from last year.

Overview of Financial Statements

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

Government-wide Statements

The Government-wide financial statements are designed to provide readers with information about the School District as a whole using accounting methods similar to those used by private-sector businesses.

The statement of net position includes all of the School District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes). In the government-wide financial statements, the School District's activities include the following:

- **Governmental activates:** Most of the School District's basic services are included here, such as instruction, transportation, maintenance and operations, administration, food service and pupil activities. Taxes and intergovernmental revenues principally support these activities.

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 School District's operations, focusing on the most significant or "major" funds, not the School District as a whole. The School District has one kind of fund: governmental funds.

Governmental Funds

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

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

The School District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures and change in fund balances for the General Fund, Bond Redemption Fund, Building Fund and Capital Reserve Capital Projects Fund (which are considered to be major funds). Data for the other two governmental funds are combined in a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 16-22 of this report.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements may be found on pages 23-60 of this report.

Other information

In addition to the basic financial statements, this report also presents other supplementary information concerning the School District's annual appropriated budgets with comparison statements that demonstrate compliance with budgets. Budgeted amounts may be found on pages 76-91.

Financial Analysis of the School District as a Whole

As noted earlier, net position may serve over time as a useful indicator of the School District's financial position.

58% of the School District's assets are its investment in capital assets (e.g., land, buildings and equipment). The school District uses these assets to provide instruction and related services to its' students.

The following table provides a summary of the district's net position (liabilities) as of June 30, 2021.

	Governmental Activities		Total Percentage Change
	2021	2020	2020-2021
Current and Other assets	$ 20,027,300	$ 25,998,516	-22.97%
Capital assets	27,180,840	13,757,324	97.57%
Total assets	47,208,140	39,755,840	18.75%
Deferred outflows of resources	3,953,778	1,679,387	135.43%
Total assets and deferred outflows of resources	$ 51,161,918	$41,435,227	23.47%
Long term liabilities	$ 32,446,188	$31,977,299	1.47%
Other liabilities	3,169,518	2,303,337	37.61%
Total liabilities	35,615,706	34,280,636	3.89%
Deferred inflows of resources	6,840,968	10,808,539	-36.71%
Net investment in capital assets	16,359,570	9,825,854	66.50%
Restricted	8,368,549	16,504,222	-49.29%
Unrestricted	(16,022,875)	(29,984,024)	-46.56%
Total net position	8,705,244	(3,653,948)	-338.24%
Total liabilities, deferred inflows of resources and net position	$ 51,161,918	$41,435,227	23.47%

Following is a summary of the School District's change in net position.

	Governmental Activities		Total Percentage Change
Revenues	2021	2020	2020-2021
Program Revenues			
Charges for services	$ 37,906	$ 150,600	-74.83%
Operating Grants & Contributions	2,384,765	1,447,281	64.78%
Capital Grants	8,354,263	1,280,278	552.54%
Property taxes	4,972,542	4,679,187	6.27%
State equalization	5,417,273	5,784,168	-6.34%
Other	243,050	378,161	-35.73%
Total Revenue	21,409,799	13,719,675	56.05%
Expenses			
Instruction	4,268,900	4,329,060	-1.39%
Pupil & Instructional Services	365,159	422,645	-13.60%
Administration & Business	1,074,411	804,126	33.61%
Maintenance & Operations	1,133,608	1,097,398	3.3%
Transportation	196,438	273,302	-28.12%
Other	2,012,091	1,366,578	47.24%
Total Expenses	9,050,607	8,293,109	9.13%
Change in net position	$12,359,192	$ 5,426,566	127.75%

Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994, as amended (SFA). Under the SFA the School District received $8,935 per funded student. In fiscal year 2020-2021 the funded pupil count was 864.0. Funding for the SFA comes from property taxes levied for general purposes, specific ownership tax and state equalization. The School District receives approximately 60 percent of this funding from state equalization while the remaining amount comes from property taxes and specific ownership tax. The School District's assessed valuation generated $3,086,017 in property taxes levied for general purposes for fiscal year 2020-2021.

Governmental Funds

The focus of the School 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 School district's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the School District's net resources available for spending at the end of the fiscal year.

As the end of the fiscal year, the School District's governmental funds reported combined ending fund balances of $16,835,901, a decrease of $6,842,045 in comparison with the prior year. The General Fund, Bond Redemption Fund, Capital Reserve Capital Projects Fund and Other Governmental Funds had fund balance increases of $1,422,624, $39,731, $569 and $44,045, respectively. The Building Fund had a fund balance decrease of $8,349,014 as construction continues on the building improvements.

General Fund Budget Highlights

The District's budget is prepared according to Colorado law and is based on accounting for transactions under generally accepted accounting principles. The most significant budgeted fund is the General Fund.

- The District is committed to an ongoing review of its programs and services for both effectiveness and efficiency.
  To accomplish this, the District examines how to best provide essential services on a cost-effective and need basis.
- In addition, the focus for the past year and the upcoming year is to address the Board's goal of maintaining, repairing and updating all HVAC systems district wide and addressing other deferred maintenance projects including addressing the high school track deficiencies, lighting deficiencies, and finalizing other approved capital projects that coincide with the current BEST/Bond project.
- Additionally, due to the Federal and State of Colorado's continuing financial stress, with ever potential shortfalls directly impacting the District's financial resources, the District has:
  - Continued to evaluate all staff positions to facilitate cost savings while maintaining educational programs and increasing student achievement.
  - Strived to maintain salaries to meet state level averages and be locally competitive.
  - Utilizing grants to offset general fund costs.

Capital Assets and Debt Administration

Capital Assets

The School Districts investment in capital assets for its governmental activities as of June 30, 2021 amounts to $27,180,840 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements, equipment, and capital leases all with an original cost greater than $5,000.

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

- Buildings and improvements - $37,708
- Transportation equipment - $59,621
- Other equipment - $40,508
- Construction in progress - $16,698,027

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

	Governmental Activities
Buildings & improvements	$ 16,421,190
Transportation equipment	464,469
Other equipment	163,031
Construction in progress	10,132,150
Total capital assets	$ 27,180,840

Additional information on the School District's capital assets can be found in note E on pages 33 and 34 of the basic financial statements.

Long-Term Debt

At year-end, the School District's long-term debt of $17,949,035 consisted of the following.

	Governmental Activities
General obligation bonds payable	$ 17,797,736
Accrued compensated absences	151,299
Total	$ 17,949,035

Economic Factors

The District has established stable budgeting practices, by reducing and reallocating expenditures to an alignment better suited to mission and current circumstance. COVID-19 impacts including Federal CARES and ESSER funding has allowed general operating revenue to be moved into beginning fund balance and capital projects.

It is the intention of the Superintendent and Board of Education to keep purchase orders and costs to a similar level as the previous year as good practice and to allow beginning funds to be used towards capital project needs. Previously projected negative COVID-19 impacts were not observed in the previous fiscal year, mostly due to offsetting federal assistance funds.

Additionally, the 2019 BEST/Bond project is nearing completion, potentially releasing funds that have been held in reserves to be utilized for capital project needs outside of the BEST/Bond project.

The priority for the short term is (1) compliance with legal mandates, specifically addressing SB21-116 Prohibition of Native American Mascots-a new law that will impact the district beginning fund balance upwards of $400,000 for school year 2021-2022 and (2) maintaining the integrity of buildings and grounds and (3) providing for instructional and programming supports.

Yuma (like most CO districts) will remain vigilant as to effects related to budget planning and forecasting.

Contacting the Districts Financial Management

This financial report is designed to provide the District's citizens, taxpayers, parents, investors and creditors with a general overview of the District's finances and to demonstrate the district's accountability for the money it receives. If you have any questions about this report or need additional information, contact Yuma School District-1, 418 South Main Street, Yuma, Colorado 80759.

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Basic Financial Statements

The basic financial statements of the District include the following:

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

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

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

YUMA SCHOOL DISTRICT-1
Statement of Net Position
June 30, 2021

	Governmental Activities
Assets	
Cash	$ 8,254,433
Cash with fiscal agent	9,024,693
Certificates of deposit	1,210,324
Receivables	1,528,444
Inventories	6,461
Prepaid items	2,945
Capital assets, net of depreciation	27,180,840
Total assets	47,208,140
Deferred outflows of resources	
Pension deferrals	3,921,762
Other post-employment benefit deferrals	32,016
Total deferred outflows of resources	3,953,778
Total assets and deferred outflows of resources	$ 51,161,918
Liabilities	
Accounts payable	$ 2,510,038
Accrued salaries and benefits	581,717
Unearned revenues	10,109
Unearned grant revenues	8,790
Accrued interest payable	58,864
Noncurrent liabilities	
Due within one year	860,770
Due in more than one year	17,088,265
Net pension liability	13,988,693
Net other post-employment benefit liability	508,460
Total liabilities	35,615,706
Deferred inflows of resources	
Pension deferrals	6,599,884
Other post-employment benefit deferrals	233,185
Deferred charges on refundings of bonds	7,899
Total deferred outflows of resources	6,840,968
Net position	
Net investment in capital assets	16,359,570
Restricted for:	
Emergencies	525,000
Debt service	1,439,817
Capital projects	6,360,621
Food service	43,111
Unrestricted (deficit)	(16,022,875)
Total net position	8,705,244
Total liabilities, deferred inflows of resources and net position	$ 51,161,918

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

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YUMA SCHOOL DISTRICT-1
Statement of Activities
For the Year Ended June 30, 2021

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
Instruction	$ 4,268,900	$ 33,437	$ 1,185,561	
Supporting services				
Students	240,952		64,778	
Instructional staff	124,207		4,302	
General administration	511,974		167,520	
School administration	459,654			
Business services	102,783			
Operations and maintenance	1,133,608		26,610	
Student transportation	196,438		143,700	
Central support services	630,587		375,153	
Other support services	55,047			
Food service operations	264,215	4,469	370,007	
Facilities acquisition	3,750		47,134	$ 8,354,263
Unallocated depreciation *	540,001			
Interest and fiscal charges	518,491			
Total governmental activities	$ 9,050,607	$ 37,906	$ 2,384,765	$ 8,354,263
General revenues				
Taxes				
Property taxes, levied for general purposes				
Property taxes, levied for debt service				
Specific ownership taxes				
Delinquent taxes and interest				
State categorical aid				
Earnings on investments				
Other				
Total general revenues				
Change in net position				
Net position (deficit) at beginning of year				
Net position at end of year				

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

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

Net (Expenses) Revenues and Changes in Net Position
Total Governmental Activities
$ (3,049,902)
(176,174)
(119,905)
(344,454)
(459,654)
(102,783)
(1,106,998)
(52,738)
(255,434)
(55,047)
110,261
8,397,647
(540,001)
(518,491)
1,726,327
3,086,017
1,398,705
477,269
10,551
5,417,273
9,403
233,647
10,632,865
12,359,192
(3,653,948)
$ 8,705,244

YUMA SCHOOL DISTRICT-1
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Bond Redemption Fund	Building Fund	Capital Reserve Capital Projects Fund
Assets				
Cash	$ 7,452,507			$ 520,329
Cash with fiscal agent	40,927	$ 1,397,328	$ 7,586,438	
Certificates of deposit	1,210,324			
Accrued interest receivable	855			
Due from other funds		2,251		140,752
Property taxes receivable	144,348	65,420		
Grants receivable	91,796		1,225,816	
Other receivables				
Inventories				
Prepaid items	2,945			
Total assets	$ 8,943,702	$ 1,464,999	$ 8,812,254	$ 661,081
Liabilities				
Accounts payable	$ 53,535		$ 2,451,633	
Due to other funds	164,217			
Accrued salaries and benefits	550,621			
Unearned revenues				$ 427
Unearned grant revenues	8,790			
Total liabilities	777,163	$ -	2,451,633	427
Deferred inflows of resources				
Deferred property tax revenues	55,563	25,182		
Total deferred inflows of resources	55,563	25,182	-	-
Fund balance				
Nonspendable for:				
Prepaid items	2,945			
Inventories				
Restricted for:				
Emergencies	525,000			
Debt service		1,439,817		
Capital projects			6,360,621	
Food service				
Committed to:				
Capital purposes				660,654
Pupil activities				
Unassigned	7,583,031			
Total fund balance	8,110,976	1,439,817	6,360,621	660,654
Total liabilities, deferred inflows of resources and fund balance	$ 8,943,702	$ 1,464,999	$ 8,812,254	$ 661,081

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

Other Governmental Funds	Total Governmental Funds
$ 281,597	$ 8,254,433
	9,024,693
	1,210,324
	855
21,214	164,217
	209,768
	1,317,612
209	209
6,461	6,461
	2,945
$ 309,481	$ 20,191,517
$ 4,870	$ 2,510,038
	164,217
31,096	581,717
9,682	10,109
	8,790
45,648	3,274,871
	80,745
-	80,745
	2,945
6,461	6,461
	525,000
	1,439,817
	6,360,621
43,111	43,111
	660,654
214,261	214,261
	7,583,031
263,833	16,835,901
$ 309,481	$ 20,191,517

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

YUMA SCHOOL DISTRICT-1
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2021

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balance - governmental funds	$ 16,835,901
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	27,180,840
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as unearned revenues in the funds.	80,745
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(58,864)
Long-term liabilities and related deferred outflows and inflows of resources are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(35,333,378)
Net position (deficit) of the governmental activities	$ 8,705,244

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

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YUMA SCHOOL DISTRICT-1
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Bond Redemption Fund	Building Fund	Capital Reserve Capital Projects Fund
Revenues				
Local sources	$ 3,638,739	$ 1,400,524		$ 5,819
Intermediate sources	1,027			
State sources	6,249,931		$ 8,349,013	
Federal sources	1,182,100			
Total revenues	11,071,797	1,400,524	8,349,013	5,819
Expenditures				
Instruction	5,460,906			
Supporting services	4,091,133			
Capital outlay	47,134		16,698,027	5,250
Debt service				
Principal retirement		834,493		
Interest and fiscal charges		526,300		
Total expenditures	9,599,173	1,360,793	16,698,027	5,250
Excess of revenues over (under) expenditures	1,472,624	39,731	(8,349,014)	569
Other financing sources (uses)				
Transfers in				
Transfers out	(50,000)			
Total other financing sources (uses)	(50,000)	-	-	-
Net change in fund balance	1,422,624	39,731	(8,349,014)	569
Fund balance at beginning of year	6,688,352	1,400,086	14,709,635	660,085
Fund balance at end of year	$ 8,110,976	$ 1,439,817	$ 6,360,621	$ 660,654

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

Other Governmental Funds	Total Governmental Funds
$ 214,823	$ 5,259,905
	1,027
3,003	14,601,947
367,004	1,549,104
584,830	21,411,983
181,611	5,642,517
409,174	4,500,307
	16,750,411
	834,493
	526,300
590,785	28,254,028
(5,955)	(6,842,045)
50,000	50,000
	(50,000)
50,000	-
44,045	(6,842,045)
219,788	23,677,946
$ 263,833	$ 16,835,901

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

YUMA SCHOOL DISTRICT-1
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2021

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - governmental funds	$ (6,842,045)
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which capital outlays exceeded depreciation in the current period.	16,160,265
In the statement of activities, the net loss on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the disposal increases financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of the capital assets disposed of.	(2,736,749)
Because some property taxes will not be collected for several months after the fiscal year ends, they are not considered as "available" revenues in the governmental funds and are, instead, counted as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.	(2,184)
In the statement of activities, certain operating expenses - compensated absences, accrued interest payable and refunding deferred charges amortization - are measured by the amounts incurred or earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).	(7,508)
Governmental funds report pension and OPEB contributions as expenditures. However, in the statement of activities, service costs, current year benefit changes, member contributions, expected earnings on plan investments, administrative expenses and recognition of deferred outflows and inflows from the pensions and OPEB are reported as expense.	4,952,920
Repayment of principal on general obligation bonds are expenditures expenditures in the governmental funds, but the repayment reduces the long-term debit liability in the statement of net position.	834,493
Change in net position of governmental activities	$ 12,359,192

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

Note A – Summary of significant accounting policies

This summary of the Yuma School District-1's significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. The policies are considered essential and should be read in conjunction with the accompanying financial statements.

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

A.1 – Reporting entity

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

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

A.2 – Fund accounting

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

Expenditures include all costs associated with the daily operation of the schools, except for certain capital outlay expenditures, debt service, food service operations and pupil activities.

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

Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

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

The following are the District's nonmajor governmental funds:

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

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

Note A.3 – Basis of presentation

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

A.4 – Basis of accounting

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

A.5 – Encumbrances

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

A.6 – Short-term interfund receivables/payables

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

A.7 – Inventories

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

A.8 – Capital assets

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

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

Note A – Summary of significant accounting policies (Continued)

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

Description	Governmental Activities
Buildings and improvements	10-40 years
Transportation equipment	5-15 years
Other equipment	5-10 years

A.9 – Compensated absences

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

Full-time, twelve-month classified personnel receive vacation leave of between five and fifteen days per year, depending on the number of complete years of service with the District. Vacation leave is not a vested benefit, therefore no provision is included in the financial statements.

Professional and administrative staff receive sick leave of between seven and eight and one-half days per year, depending on their classification, and will be paid for up to twenty days at the current one-day substitute's rate (currently $100 per day). Support staff receive sick leave of between seven and eight and one-half days per year, depending on their classification, and will be paid for up to twenty days at the employees' per diem or at a rate not to exceed $42.50 per day, whichever is less.

The entire compensated absence liability is reported on the government-wide financial statements.

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

Note A – Summary of significant accounting policies (Continued)

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

A.10 – Accrued liabilities and long-term obligations

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

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

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

A.11 – Fund balance

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

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

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

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

Note A – Summary of significant accounting policies (Continued)

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

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

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

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

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

A.12 – Net position

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

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

A.13 – Interfund transactions

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

Note A – Summary of significant accounting policies (Continued)

A.14 – Extraordinary and special items

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

Note B – Cash and investments

Cash and deposits

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

Custodial credit risk – Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. As of year-end, the District had total deposits of $9,585,944, of which $500,000 was insured and $9,085,944 was collateralized with securities held by the pledging institution's trust department or agent in the District's name.

Investments

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

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

At year-end, the District did not have any investments.

Note C – Interfund transactions

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

	Interfund Receivables	Interfund Payables
Governmental funds		
General fund	$ -	$ 164,217
Bond redemption fund	2,251	-
Capital reserve capital projects fund	140,752	-
Other governmental funds	21,214	-
Total	$ 164,217	$ 164,217

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

	Transfers In	Transfers Out
Governmental Funds		
General fund	$ -	$ 50,000
Other governmental funds	50,000	-
Total	$ 50,000	$ 50,000

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. The District transferred funds in the amount of $50,000 from the General fund to the Other Governmental Funds to subsidize the costs of the District's athletics programs due to lost gate revenue.

Note D – Receivables

Receivables at year-end consist of the following:

	Governmental Activities
Property taxes receivable	$ 209,768
Accrued interest receivable	855
Grants receivable	1,317,612
Other receivable	209
Total	$ 1,528,444

Note D – Receivables (Continued)

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

Note E – Capital assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Deletions/ Adjustments	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Construction in progress	$ 2,517,188	$ 16,698,027	$ (9,083,065)	$ 10,132,150
Capital assets, being depreciated:				
Buildings and improvements	21,754,954	37,708	2,056,130	23,848,792
Transportation equipment	1,886,006	59,621	(188,186)	1,757,441
Other equipment	1,058,335	40,508	(311,490)	787,353
Total capital assets, being depreciated	24,699,295	137,837	1,556,454	26,393,586
Total capital assets	27,216,483	16,835,864	(7,526,611)	36,525,736
Less accumulated depreciation for:				
Buildings and improvements	(11,155,199)	(562,589)	4,290,186	(7,427,602)
Transportation equipment	(1,409,508)	(71,650)	188,186	(1,292,972)
Other equipment	(894,452)	(41,360)	311,490	(624,322)
Total accumulated depreciation	(13,459,159)	(675,599)	4,789,862	(9,344,896)
Governmental activities capital assets, net	$ 13,757,324	$ 16,160,265	$ (2,736,749)	$ 27,180,840

Note E – Capital assets (Continued)

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

Governmental activities	
Instruction	$ 24,887
Operations and maintenance	15,720
Student transportation	71,650
Central support services	20,740
Food service operations	2,601
Unallocated	540,001
Total	$ 675,599

Note F – Accrued salaries and benefits

Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned but not paid at year-end are estimated to be $581,717. Accordingly, this accrued compensation is reflected as a liability in the accompanying financial statements.

Note G – Long-term debt

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

	Beginning Balances	Additions/ Adjustments	Reductions	Ending Balances	Due within one year
Governmental Activities					
Compensated absences	$ 135,982	$ 15,317	$ -	$ 151,299	$ -
Bonds payable	18,632,229	-	(834,493)	17,797,736	860,770
Total	$ 18,768,211	$ 15,317	$ (834,493)	$ 17,949,035	$ 860,770

The compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The District believes that the current portion of compensated absences is negligible and is therefore not reported. Bond payments will be made in the Bond Redemption Fund.

Note G – Long-term debt (Continued)

Bonds payable

General obligation bonds payable consist of the following individual issues:

$2,664,000 general obligation refunding bonds, dated September 5, 2019, due in annual installments ranging from $232,420 to $295,504; with a fixed interest rate of 2.31%, payable semi-annually on February 15th and August 15th.	$ 2,431,580
$15,968,229 general obligation bonds, dated December 5, 2019, due in annual installments ranging from $602,073 to $1,037,588; with a fixed interest rate of 2.952%, payable semi-annually on June 1st and December 1st.	15,366,156
Total general obligation bonds	$ 17,797,736

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

Year ended June 30,	Principal	Interest
2022	$ 860,770	$ 497,864
2023	884,599	473,701
2024	909,096	448,861
2025	934,278	423,326
2026	960,166	397,076
2027-2031	4,912,918	1,568,645
2032-2036	4,360,676	916,050
2037-2040	3,975,233	238,964
Totals	$ 17,797,736	$ 4,964,487

Prior year defeasance of debt

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At year-end, $4,015,000 of bonds outstanding are considered defeased.

Note H – Defined benefit pension plan

Summary of Significant Accounting Policies

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

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

General Information about the Pension Plan

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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

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

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

- $15 times the first 10 years of service credit plus $20 times service credit over 10 years plus a monthly amount equal to the annuitized member contribution account balance based on life expectancy and other actuarial factors.

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $1,008,830 for the year ended June 30, 2021.

Note H – Defined benefit pension plan (Continued)

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

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

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. Section 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 year end, the District reported a liability of $13,988,693 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 13,988,693
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	-
Total	$ 13,988,693

At December 31, 2020, the District's proportion was 0.0925 percent, which was an increase of 0.0082 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of ($3,888,964) and revenue of $0 for support from the State as a nonemployer contributing entity. At year-end, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Note H – Defined benefit pension plan (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 739,577	$ -
Changes of assumptions or other inputs	1,345,670	2,283,834
Net difference between projected and actual earnings on pension plan investments	-	3,028,583
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,322,469	1,287,467
Contributions subsequent to the measurement date	514,046	-
Total	$ 3,921,762	$ 6,599,884

$514,046 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Amount
2022	$ (2,972,484)
2023	579,383
2024	(313,303)
2025	(485,764)
Totals	$ (3,192,168)

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%

Note H – Defined benefit pension plan (Continued)

Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06[1]	Financed by the AIR

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

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

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

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

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

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

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

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

Note H – Defined benefit pension plan (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.

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

- 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:

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

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

Note H – Defined benefit pension plan (Continued)

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

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	$ 19,081,724	$ 13,988,693	$ 9,744,521

Note H – Defined benefit pension plan (Continued)

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

Payables to the pension plan

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

Note I – Defined contribution pension plan

Voluntary Investment Program

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

Funding policy - The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not offer matching contributions to its employees. Employees are immediately vested in their own contributions and investment earnings. For the year ended, program members contributed $12,238 for the Voluntary Investment Program.

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

Summary of Significant Accounting Policies

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

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

General Information about the OPEB Plan

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

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

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

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

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

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

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 $51,761 for the year ended June 30, 2021.

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

At year-end, the District reported a liability of $508,460 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District's proportion was 0.0535 percent, which was a decrease of 0.0016 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of ($3,364). At year-end, 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	$ 1,538	$ 114,196
Changes of assumptions or other inputs	4,103	31,179
Net difference between projected and actual earnings on OPEB plan investments	-	20,892
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	66,918
Contributions subsequent to the measurement date	26,375	-
Total	$ 32,016	$ 233,185

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

$26,375 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Amount
2022	$ (55,373)
2023	(52,063)
2024	(54,893)
2025	(46,856)
2026	(17,266)
2027	(1,093)
Total	$ (227,544)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 495,318	$ 508,460	$ 523,759

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

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

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

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	$ 582,451	$ 508,460	$ 445,242

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

Payables to the OPEB plan

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

Note K – Risk management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Colorado School Districts Self-Insurance Pool (the Pool). The Pool's objectives are to provide member school districts defined property and liability coverages through self-insurance and excess insurance purchased from commercial companies. The District pays an annual contribution to the Pool for its insurance coverages. The District's contribution for the year was $277,250. The District continues to carry commercial insurance for all other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage or the deductible in any of the past three fiscal years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

Note L – Commitments and contingencies

Federal and state funding

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

Note L – Commitments and contingencies (Continued)

TABOR Amendment

In November 1992, Colorado voters passed an amendment, commonly known as the Taxpayer's Bill of Rights (TABOR), to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in student enrollment. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. In November 1998, the voters of the District approved a ballot initiative permitting the District to retain, appropriate, and utilize, by retention for reserve, carryover fund balance, or expenditure, the full proceeds and revenues received from every source whatsoever, without limitation, in this fiscal year and all subsequent fiscal years notwithstanding any limitation of Article X, Section 20 of the Colorado Constitution. TABOR is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of TABOR. However, the District has made certain interpretations of TABOR's language in order to determine its compliance. The District has reserved funds in the General Fund in the amount of $525,000 for the emergency reserve.

Local Government Budget Law

Expenditures in the Building Fund exceeded appropriations by $1,988,392 and may be in violation of Colorado Local Government Budget Laws.

Note M – Joint venture

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

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

Note M – Joint venture (Continued)

The District has one member on the board. This board has final authority for all budgeting and financing of the joint venture. Separate financial statements of the Northeast Colorado Board of Educational Services are available by contacting their administrative office in Haxtun, Colorado. For the year, the District's financial contribution was $303,352.

Note N – Construction commitments

The District began a construction project to build a new facility during the 2019-20 school year at an estimated cost of $31,936,458, funded in part with local bond funds as well as state BEST Grant funds. At year-end, the District had approximately $15,172,876 in uncompleted construction contracts, which will be paid from remaining local bond funds as well as BEST Grant funds.

Required Supplementary Information

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

- Budgetary Comparison Schedule – General Fund
- Schedule of the District's Proportionate Share of the Net Pension Liability – PERA's School Division Trust Fund
- Schedule of District Contributions – PERA's School Division Trust Fund
- Schedule of the District's Proportionate Share of the Net OPEB Liability – PERA's Health Care Trust Fund
- Schedule of District Contributions – PERA's Health Care Trust Fund
- Notes to the Required Supplementary Information

YUMA SCHOOL DISTRICT-1
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources	$ 3,355,367	$ 3,600,516	$ 3,638,739	$ 38,223
Intermediate sources	1,900	1,027	1,027	-
State sources	5,669,055	5,745,864	6,249,931	504,067
Federal sources	269,625	1,155,543	1,182,100	26,557
Total revenues	9,295,947	10,502,950	11,071,797	568,847
Expenditures				
Instruction	5,545,740	5,649,128	5,460,906	188,222
Supporting services	3,535,738	4,364,646	4,091,133	273,513
Capital outlay			47,134	(47,134)
Appropriated reserves	6,207,384	7,159,354		7,159,354
Total expenditures	15,288,862	17,173,128	9,599,173	7,573,955
Excess of revenues over (under) expenditures	(5,992,915)	(6,670,178)	1,472,624	8,142,802
Other financing uses				
Transfers out	(81,697)	(18,174)	(50,000)	(31,826)
Net change in fund balance	$ (6,074,612)	$ (6,688,352)	1,422,624	$ 8,110,976
Fund balance at beginning of year			6,688,352	
Fund balance at end of year			$ 8,110,976	

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YUMA SCHOOL DISTRICT-1
Schedule of the District's Proportionate Share of the Net Pension Liability[1]
PERA's School Division Trust Fund
June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net pension liability	0.0925%	0.0843%	0.0899%	0.1073%
District's proportionate share of the net pension liability	$ 13,988,693	$ 12,590,059	$ 15,913,709	$ 34,688,553
State's proportionate share of the net pension liability	-	1,596,889	2,175,979	-
Total	$ 13,988,693	$ 14,186,948	$ 18,089,688	$ 34,688,553
District's covered payroll	$ 4,948,267	$ 4,952,009	$ 4,940,754	$ 4,945,406
District's proportionate share of the net pension liability as a percentage of its covered payroll	282.70%	254.24%	322.09%	701.43%
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%

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

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

June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
0.1084%	0.1094%	0.1113%	0.1092%
$ 32,276,410	$ 16,734,570	$ 15,082,706	$ 13,924,897
-	-	-	-
$ 32,276,410	$ 16,734,570	$ 15,082,706	$ 13,924,897
$ 4,865,416	$ 4,768,370	$ 4,661,996	$ 4,401,082
663.38%	350.95%	323.52%	316.40%
43.10%	59.20%	62.84%	64.10%

YUMA SCHOOL DISTRICT-1
Schedule of District Contributions[1]
PERA's School Division Trust Fund
June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually required contribution	$ 1,008,830	$ 955,976	$ 948,511	$ 938,756
Contributions in relation to the contractually required contribution	(1,008,830)	(955,976)	(948,511)	(938,756)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,074,592	$ 4,932,792	$ 4,958,240	$ 4,973,195
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%

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

June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
$ 904,018	$ 850,651	$ 798,830	$ 723,137
(904,018)	(850,651)	(798,830)	(723,137)
$ -	$ -	$ -	$ -
$ 4,918,732	$ 4,797,917	$ 4,732,362	$ 4,523,291
18.38%	17.73%	16.88%	15.99%

YUMA SCHOOL DISTRICT-1
Schedule of the District's Proportionate Share of the Net OPEB Liability[1]
PERA's Health Care Trust Fund
June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
District's proportion of the net OPEB liability	0.0535%	0.0551%	0.0584%	0.0609%
District's proportionate share of the net OPEB liability	$ 508,460	$ 619,029	$ 794,793	$ 791,658
District's covered payroll	$ 4,948,267	$ 4,952,009	$ 4,940,754	$ 4,945,406
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%

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

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

June 30, 2017
0.0616%
$ 798,908
$ 4,865,416
16.42%
16.72%

YUMA SCHOOL DISTRICT-1
Schedule of District Contributions[1]
PERA's Health Care Trust Fund
June 30, 2021

	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually required contribution	$ 51,761	$ 50,314	$ 50,574	$ 50,727
Contributions in relation to the contractually required contribution	(51,761)	(50,314)	(50,574)	(50,727)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 5,074,592	$ 4,932,792	$ 4,958,240	$ 4,973,195
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%

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

June 30, 2017
$ 50,171
(50,171)
$ -
$ 4,918,732
1.02%

Note A – Budgetary data

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

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

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

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

Other Supplementary Information

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

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Budgetary Comparison Schedules - General Fund

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

YUMA SCHOOL DISTRICT-1
General Fund
Budgetary Comparison Schedule - Revenues
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Property taxes	$ 3,013,613	$ 3,087,616	$ 3,089,503	$ 1,887
Specific ownership taxes	234,354	400,000	477,269	77,269
Delinquent taxes and interest	6,400	11,900	7,520	(4,380)
Tuition	13,400	13,400	15,300	1,900
Earnings on investments	30,000	30,000	8,689	(21,311)
Pupil activities	17,600	17,600	18,137	537
Other local sources	40,000	40,000	22,321	(17,679)
Total local sources	3,355,367	3,600,516	3,638,739	38,223
Intermediate sources	1,900	1,027	1,027	-
State sources				
Equalization	5,358,830	5,287,443	5,417,273	129,830
Vocational education	42,750	42,750	30,599	(12,151)
ELPA professional development	58,971	59,880	59,880	-
English language proficiency act	44,270	53,460	53,460	-
Transportation	75,050	75,050	77,239	2,189
State grants to libraries	3,500	3,500	3,500	-
Small rural schools funding			280,100	280,100
Additional at-risk funding	6,674	6,674	7,629	955
READ Act		32,020	31,112	(908)
Services within the BOCES	79,010	185,087	289,139	104,052
Total state sources	5,669,055	5,745,864	6,249,931	504,067
Federal sources				
Title I, Part A	167,308	181,257	179,980	(1,277)
Title II-A	33,269	48,871	41,051	(7,820)
Title III ELA	19,397	26,110	23,505	(2,605)
Title IV-A	10,589	14,657	14,657	-
Title III-A	3,695	3,695	543	(3,152)
Coronavirus relief fund		692,456	692,456	-
CRF: K-12 at-risk pupils		35,246	35,246	-
ESSER II			48,900	48,900
ESSER - education stabilization fund		114,592	114,592	-
REAP	22,231	25,523	25,523	-
Services within the BOCES	13,136	13,136	5,647	(7,489)
Total federal sources	269,625	1,155,543	1,182,100	26,557
Total revenues	$ 9,295,947	$ 10,502,950	$ 11,071,797	$ 568,847

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YUMA SCHOOL DISTRICT-1
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Expenditures				
Instruction				
Salaries	$ 3,546,511	$ 3,624,556	$ 3,573,554	$ 51,002
Employee benefits	1,416,391	1,460,690	1,372,471	88,219
Purchased services	498,073	443,022	403,747	39,275
Supplies and materials	72,195	103,737	97,591	6,146
Property	7,825	11,753	10,123	1,630
Other	4,745	5,370	3,420	1,950
Total instruction	5,545,740	5,649,128	5,460,906	188,222
Supporting services				
Students				
Salaries	290,133	265,238	262,529	2,709
Employee benefits	109,124	107,851	98,607	9,244
Purchased services	75	75	463	(388)
Supplies and materials	100	2,000	160	1,840
Property		500	770	(270)
Other	35	35	(75)	110
Total students	399,467	375,699	362,454	13,245
Instructional staff				
Salaries	124,874	133,430	123,884	9,546
Employee benefits	50,500	52,414	49,087	3,327
Purchased services	11,725	11,725		11,725
Supplies and materials	6,150	6,671	5,221	1,450
Other		1,500	692	808
Total instructional staff	193,249	205,740	178,884	26,856
General administration				
Salaries	165,177	167,032	167,014	18
Employee benefits	55,918	56,332	56,034	298
Purchased services	62,750	67,400	62,688	4,712
Supplies and materials	16,750	169,467	164,713	4,754
Property		33,575	30,550	3,025
Other	26,333	78,483	17,521	60,962
Total general administration	326,928	572,289	498,520	73,769

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
School administration				
Salaries	462,837	466,161	466,684	(523)
Employee benefits	190,483	190,806	191,064	(258)
Purchased services	13,125	13,200	9,968	3,232
Total school administration	666,445	670,167	667,716	2,451
Business services				
Salaries	111,172	112,562	112,562	-
Employee benefits	43,047	43,357	40,350	3,007
Purchased services	1,400	1,700	2,100	(400)
Total business services	155,619	157,619	155,012	2,607
Operations and maintenance				
Salaries	269,435	300,892	273,364	27,528
Employee benefits	126,736	142,992	100,257	42,735
Purchased services	538,173	636,173	570,590	65,583
Supplies and materials	420,000	396,610	430,845	(34,235)
Property	2,000	3,500	3,276	224
Other	1,000	1,500	1,485	15
Total operations and maintenance	1,357,344	1,481,667	1,379,817	101,850
Student transportation services				
Salaries	120,921	114,383	95,956	18,427
Employee benefits	40,477	39,014	29,021	9,993
Purchased services	70,975	70,975	42,498	28,477
Supplies and materials	67,000	67,500	39,226	28,274
Property	100	100	66,988	(66,888)
Total student transportation services	299,473	291,972	273,689	18,283

(Continued)

YUMA SCHOOL DISTRICT-1
General Fund
Budgetary Comparison Schedule - Expenditures
For the Year Ended June 30, 2021

(Continued)	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Favorable (Unfavorable)
Central support services				
Salaries	68,994	69,856	69,856	-
Employee benefits	24,020	24,213	24,021	192
Purchased services	17,020	17,520	25,770	(8,250)
Supplies and materials	1,000	3,500	3,161	339
Property	2,000	440,301	397,729	42,572
Total central support services	113,034	555,390	520,537	34,853
Other support services				
Salaries	7,000	15,000	19,258	(4,258)
Employee benefits	1,529	3,453	4,291	(838)
Purchased services	15,650	35,650	30,955	4,695
Total other support services	24,179	54,103	54,504	(401)
Total supporting services	3,535,738	4,364,646	4,091,133	273,513
Capital outlay				
Facilities acquisition services				
Property			47,134	(47,134)
Total capital outlay	-	-	47,134	(47,134)
Appropriated reserves	6,207,384	7,159,354		7,159,354
Total expenditures	$ 15,288,862	$ 17,173,128	$ 9,599,173	$ 7,573,955

Combining Statements and Budgetary Comparison Schedules –
Nonmajor Governmental Funds

The District reports the following nonmajor governmental funds:

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

- Food Service Fund – This fund is used to record financial transactions related to the District's food service operations.

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

YUMA SCHOOL DISTRICT-1
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2021

	Food Service Fund	Pupil Activity Fund	Totals
Assets			
Cash	$ 62,961	$ 218,636	$ 281,597
Due from other funds	21,214		21,214
Other receivables	209		209
Inventories	6,461		6,461
Total assets	$ 90,845	$ 218,636	$ 309,481
Liabilities			
Accounts payable	$ 495	$ 4,375	$ 4,870
Accrued salaries and benefits	31,096		31,096
Unearned revenues	9,682		9,682
Total liabilities	41,273	4,375	45,648
Fund balance			
Nonspendable inventories	6,461		6,461
Restricted for food service	43,111		43,111
Committed to pupil activities		214,261	214,261
Total fund balance	49,572	214,261	263,833
Total liabilities and fund balance	$ 90,845	$ 218,636	$ 309,481

YUMA SCHOOL DISTRICT-1
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2021

	Food Service Fund	Pupil Activity Fund	Totals
Revenues			
Local sources	$ 11,005	$ 203,818	$ 214,823
State sources	3,003		3,003
Federal sources	367,004		367,004
Total revenues	381,012	203,818	584,830
Expenditures			
Instruction		181,611	181,611
Supporting services	409,174		409,174
Total expenditures	409,174	181,611	590,785
Excess of revenues over (under) expenditures	(28,162)	22,207	(5,955)
Other financing sources			
Transfers in		50,000	50,000
Net change in fund balance	(28,162)	72,207	44,045
Fund balance at beginning of year	77,734	142,054	219,788
Fund balance at end of year	$ 49,572	$ 214,261	$ 263,833

YUMA SCHOOL DISTRICT-1
Food Service Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources	$ 55,795	$ 55,795	$ 11,005	$ (44,790)
State sources	6,912	2,977	3,003	26
Federal sources	239,587	321,727	367,004	45,277
Total revenues	302,294	380,499	381,012	513
Expenditures				
Supporting services				
Salaries	161,690	170,851	158,593	12,258
Employee benefits	82,234	84,281	70,020	14,261
Purchased services	7,280	7,280	5,835	1,445
Supplies and materials	131,787	135,261	174,291	(39,030)
Property	1,000	1,000	435	565
Appropriated reserves	8,159	177,734		177,734
Total expenditures	392,150	576,407	409,174	167,233
Excess of revenues over (under) expenditures	(89,856)	(195,908)	(28,162)	(166,720)
Other financing sources				
Transfers in	81,697	18,174		(18,174)
Net change in fund balance	$ (8,159)	$ (177,734)	(28,162)	$ (184,894)
Fund balance at beginning of year			77,734	
Fund balance at end of year			$ 49,572	

YUMA SCHOOL DISTRICT-1
Pupil Activity Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues				
Local sources	$ 208,393	$ 247,357	$ 203,818	$ (43,539)
Expenditures				
Instruction				
Purchased services	13,133	19,879	9,154	10,725
Supplies and materials	120,000	148,539	117,262	31,277
Property	18,673	43,973	19,428	24,545
Other	56,587	34,966	35,767	(801)
Appropriated reserves				-
Total expenditures	208,393	247,357	181,611	65,746
Excess of revenues over (under) expenditures	-	-	22,207	(109,285)
Other financing sources				
Transfers in			50,000	50,000
Net change in fund balance	$ -	$ -	72,207	$ 72,207
Fund balance at beginning of year			142,054	
Fund balance at end of year			$ 214,261	

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Budgetary Comparison Schedule - Debt Service Fund

The District reports the following major debt service fund:

Debt Service Funds – These funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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

YUMA SCHOOL DISTRICT-1
Bond Redemption Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Property taxes	$ 1,218,602	$ 1,351,311	$ 1,397,403	$ 46,092
Delinquent taxes and interest			3,031	3,031
Earnings on investments	9,500	9,500	90	(9,410)
Total revenues	1,228,102	1,360,811	1,400,524	39,713
Expenditures				
Debt service				
Principal retirement	834,493	834,493	834,493	-
Interest and fiscal charges	526,300	526,318	526,300	18
Appropriated reserves	943,564	1,400,086		1,400,086
Total expenditures	2,304,357	2,760,897	1,360,793	1,400,104
Net change in fund balance	$ (1,076,255)	$ (1,400,086)	39,731	$ 1,439,817
Fund balance at beginning of year			1,400,086	
Fund balance at end of year			$ 1,439,817	

Budgetary Comparison Schedules – Capital Projects Funds

The District reports the following major capital projects funds:

- Building Fund – This fund is a capital projects fund used to account for the revenues from a bond issuance and BEST grant funds for the purpose of the acquisition or construction of major capital facilities.

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

YUMA SCHOOL DISTRICT-1
Building Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
State sources	$ -	$ 7,354,817	$ 8,349,013	$ 994,196
Expenditures				
Capital outlay				
Property		14,709,635	16,698,027	(1,988,392)
Excess of revenues over (under) expenditures	-	(7,354,818)	(8,349,014)	(994,196)
Other financing sources				
Proceeds from bond issuance		7,354,818		(7,354,818)
Net change in fund balance	$ -	$ -	(8,349,014)	$ (8,349,014)
Fund balance at beginning of year			14,709,635	
Fund balance at end of year			$ 6,360,621	

YUMA SCHOOL DISTRICT-1
Capital Reserve Capital Projects Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2021

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
Revenues				
Local sources				
Earnings on investments	$ 50	$ 50	$ 569	$ 519
Other local sources			5,250	5,250
Total revenues	50	50	5,819	5,769
Expenditures				
Capital outlay				
Purchased services	573,001	542,385		542,385
Property		91,000	5,250	85,750
Appropriated reserves	38,817	26,750		26,750
Total expenditures	611,818	660,135	5,250	654,885
Net change in fund balance	$ (611,768)	$ (660,085)	569	$ 660,654
Fund balance at beginning of year			660,085	
Fund balance at end of year			$ 660,654	

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Single Audit Section

The Single Audit Section contains the following:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

YUMA SCHOOL DISTRICT-1
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Child Nutrition Cluster			
Pass-through program from:			
Colorado Department of Human Services			
Donated Commodities	10.555	4555	$ 17,657
Colorado Department of Education			
COVID-19 Summer Food Service Program for Children	10.559	4559	35,116
Summer Food Service Program for Children	10.559	4559	314,231
Total Child Nutrition Cluster/U.S. Department of Agriculture			367,004
U.S. Department of Education			
Rural Education	84.358	4358	25,523
Pass-through programs from:			
Colorado Department of Education:			
Title I Grants to Local Educational Agencies	84.010	4010	179,980
Supporting Effective Instruction State Grants	84.367	4367	41,051
Student Support and Academic Enrichment Program	84.424	4424	14,657
English Language Acquisition State Grants	84.365	4365	23,505
English Language Acquisition State Grants	84.365	7365	543
Total CFDA Number 83.365			24,048
COVID-19 Education Stabilization Fund	84.425D	4420	48,900
COVID-19 Education Stabilization Fund	84.425D	4425	114,592
Total CFDA Number 84.425D			163,492
Total U.S. Department of Education			448,751
U.S. Department of the Treasury			
Pass-through program from:			
Colorado Department of Education			
COVID-19 Coronavirus Relief Fund	21.019	4012	692,456
COVID-19 Coronavirus Relief Fund	21.019	5012	35,246
Total CFDA Number 21.019/Total U.S. Department of the Treasury			727,702
Total expenditures of federal awards			$ 1,543,457

See accompanying Notes to Schedule of Expenditures of Federal Awards.

YUMA SCHOOL DISTRICT-1
Notes to Schedule of Expenditures of Federal Awards

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Yuma School District-1 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Yuma School District-1, it is not intended to and does not present the financial position, changes in net position, or cash flows of Yuma School District-1.

Note B – Summary of Significant Accounting Policies

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

Note C – Indirect Cost Rate

Yuma School District-1 has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Note D – Subrecipients

Yuma School District-1 did not pass through any federal grants to subrecipients.

Note E – Nonmonetary assistance

Federal nonmonetary assistance is reported in the Schedule at the fair value of the items received and disbursed during the year. Yuma School District-1 received nonmonetary assistance for the year as follows:

CFDA No. 10.555	National School Lunch Program	$ 17,657

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Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Yuma School District-1
Yuma, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Yuma School District-1 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 4, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
November 4, 2021

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

Board of Education
Yuma School District-1
Yuma, Colorado

Report on Compliance for Each Major Program

We have audited the Yuma School District-1's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

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

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
November 4, 2021

YUMA SCHOOL DISTRICT-1
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Summary of audit results

1. The auditors' report expresses an unmodified opinion on the basic financial statements of the Yuma School District-1 (the District).

2. No significant deficiencies relating to the audit of the basic financial statements are reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

3. No instances of noncompliance material to the basic financial statements of the District were disclosed during the audit.

4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.

5. The auditors' report on compliance for the major federal award programs for the District expresses an unmodified opinion on all major federal programs.

6. The audit did not disclose any findings relative to the major federal award programs of the District.

7. The program tested as major was:

   Coronavirus Relief Fund CFDA No. 21.019

8. The threshold for distinguishing Type A and B programs was $750,000.

9. The District did not qualify as a low-risk auditee.

Findings – Financial statement audit

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

Findings and Questioned Costs

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

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Colorado Department of Education
Supplementary Schedule

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

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Independent Auditors' Report on Auditors' Integrity Report

Board of Education
Yuma School District-1
Yuma, Colorado

We have audited the financial statements of the Yuma School District-1 (the District) as of and for the year ended June 30, 2021, and our report thereon dated November 4, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Auditors' Integrity Report is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lauer, Szabo & Associates, P.C.

Sterling, Colorado
November 4, 2021

Colorado Department of Education

Auditors Integrity Report

District: 3200 - Yuma 1
Fiscal Year 2020-21
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses -	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance =
Governmental				
10 General Fund	6,688,352	11,021,798	9,599,173	8,110,976
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	**6,688,352**	**11,021,798**	**9,599,173**	**8,110,976**
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	77,734	381,012	409,173	49,572
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	142,054	253,818	181,610	214,261
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,400,086	1,400,524	1,360,793	1,439,817
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	14,709,635	8,349,014	16,698,027	6,360,621
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	660,085	5,819	5,250	660,654
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	**23,677,945**	**21,411,983**	**28,254,027**	**16,835,902**
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