



**COLORADO ASSOCIATION
OF SCHOOL BOARDS**

FINANCIAL STATEMENTS

June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Colorado Association
Of School Boards
Denver, Colorado

We have audited the accompanying financial statements of the Colorado Association of School Boards (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional revenues and expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

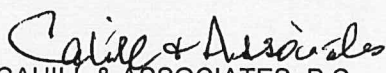
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Colorado Association of School Boards as of June 30, 2021, the activities, functional revenue and expenses, change in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.


CAHILL & ASSOCIATES, P.C.
Boulder, Colorado
September 27, 2021

COLORADO ASSOCIATION OF SCHOOL BOARDS
Statement of Financial Position
June 30, 2021

	OPERATING PROGRAM		NON-DUES PROGRAM		CAPITAL PROGRAM		ATTORNEYS' COUNCIL PROGRAM		EXECUTIVE SOLUTIONS		TOTAL	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
ASSETS												
CURRENT ASSETS												
Cash and Cash Equivalents	\$ 564,665	\$ 763,120	\$ 26,646	\$ -	\$ -	\$ -	\$ 1,355,947	\$ 1,080,774				
Accounts Receivable	1,357,307	-	-	-	-	-	1,357,307	1,589,470				
Investments	438,769	-	-	-	-	-	438,769	77,566				
Prepaid Expenses	18,110	-	-	-	-	-	18,110	23,142				
Note Receivable	-	648,255	-	-	-	-	648,255	672,693				
Total Current Assets	2,378,851	1,411,375	26,646	-	-	-	3,818,388	3,443,645				
PROPERTY AND EQUIPMENT												
Land	-	318,313	-	-	-	-	318,313	318,313				
Buildings	-	1,285,103	-	-	-	-	1,285,103	1,280,607				
Furniture and Equipment	-	45,612	-	-	-	-	45,612	45,612				
Less: Accumulated Depreciation	-	(279,150)	-	-	-	-	(279,150)	(212,207)				
Total Property and Equipment	-	1,369,878	-	-	-	-	1,369,878	1,432,325				
OTHER ASSETS												
Cash Surrender Value of Life Insurance Policies	-	1,690,866	-	-	-	-	1,690,866	1,575,965				
Total Other Assets	-	1,690,866	-	-	-	-	1,690,866	1,575,965				
TOTAL ASSETS	\$ 2,378,851	\$ 1,516	\$ 4,472,119	\$ 26,646	\$ -	\$ 6,879,132	\$ 6,451,935					
LIABILITIES AND NET ASSETS												
CURRENT LIABILITIES												
Accounts Payable	\$ 21,717	\$ -	\$ -	\$ -	\$ 14,736	\$ 36,453	\$ 38,831					
Due To 2253 S Oneida Condo Association	-	-	-	-	-	-	17,025					
Deferred Revenue	1,746,388	-	-	-	13,680	1,760,068	1,732,579					
Total Current Liabilities	1,768,105	-	-	-	13,680	1,796,521	1,788,435					
Accrued Compensation	100,399	-	-	-	-	100,399	98,772					
Paycheck Protection Program Loan	279,820	-	-	-	-	279,820	338,419					
Total Liabilities	2,148,324	-	-	-	13,680	2,176,740	2,225,626					
NET ASSETS												
Without Donor Restrictions	230,527	1,516	4,472,119	12,966	(14,736)	4,702,392	4,226,309					
Total Net Assets	230,527	1,516	4,472,119	12,966	(14,736)	4,702,392	4,226,309					
TOTAL LIABILITIES AND NET ASSETS	\$ 2,378,851	\$ 1,516	\$ 4,472,119	\$ 26,646	\$ -	\$ 6,879,132	\$ 6,451,935					

See Accompanying Notes to Financial Statements

COLORADO ASSOCIATION OF SCHOOL BOARDS
Statement of Activities
For the Year Ended June 30, 2021

	CASB Operating Program	Non-Dues	Capital Fund	Attorney Council	Executive Solutions	2021 TOTAL	2020 TOTAL
SUPPORT AND REVENUE							
Membership Dues	1,578,824	\$ -	-	20,695	\$ -	1,599,519	1,602,940
Registrations	70,050	-	-	1,475	-	71,525	667,481
Product Sales	227,928	-	-	-	-	227,928	212,508
Services Provided	3,900	-	-	-	-	3,900	42,140
Advertising and Sponsorships	61,949	-	-	-	-	61,949	67,673
Investment Income	1,223	-	142,542	2	-	143,767	110,579
Superintendent Search Revenue	5,925	-	-	-	-	5,925	131,494
PPP Loan Forgiveness	338,419	-	-	-	-	338,419	-
Other Income	14,253	-	54,496	-	-	68,749	28,123
Total Support and Revenue	2,302,471	-	197,038	22,172	-	2,521,681	2,862,938
EXPENSES							
Advocacy Expense	22,000	-	-	-	-	22,000	23,557
Assessment Expense	64,758	-	-	-	-	64,758	60,386
Bad Debt Expense	72,407	-	-	-	-	72,407	-
Conferences and Meetings	25,565	-	-	107	-	25,672	615,059
Capital Fund Contribution	54,497	-	-	-	-	54,497	-
Credit Card Processing Fees	17,686	-	-	-	-	17,686	17,593
Depreciation	-	-	66,942	-	-	66,942	66,774
Dues, Subscriptions and Memberships	63,314	-	-	17,375	20	80,709	84,360
Insurance	10,365	-	-	-	5,022	15,387	18,640
Investigation Expense	23,525	-	-	-	-	23,525	-
Maintenance	5,280	-	19,767	-	-	25,047	34,213
Miscellaneous	-	-	-	-	-	-	5,379
Office Expenses	1,590	-	-	-	-	1,590	5,691
Payroll Taxes and Benefits	284,204	-	-	-	-	284,204	288,693
Policy Expense	41,827	-	-	-	-	41,827	21,553
Professional Development	317	-	-	-	-	317	1,828
Professional Fees	13,403	-	-	-	-	13,403	144,684
Publication Expenses	-	-	-	-	-	-	17,980
Salaries	1,204,065	-	-	-	-	1,204,065	1,258,875
Supplies	2,650	-	3,293	-	-	5,943	17,351
Telephone	11,564	-	-	-	-	11,564	19,459
Travel	5,025	-	-	-	-	5,025	63,535
Website	9,031	-	-	-	-	9,031	10,252
Total Expenses	1,933,073	-	90,002	17,482	5,042	2,045,599	2,775,862
CHANGE IN NET ASSETS	369,399	-	107,036	4,690	(5,042)	476,082	87,076
Beginning Net Assets	(139,233)	1,516	4,365,444	8,276	(9,694)	4,226,309	4,139,223
Ending Net Assets	230,166	1,516	4,472,480	12,966	(14,736)	4,702,392	4,226,309

See Accompanying Notes to Financial Statements

COLORADO ASSOCIATION OF SCHOOL BOARDS
Operating Program Statement of Activities
For the Year Ended June 30, 2021

	Conferences	Convention	Strategic Partnerships	Member Relations	Policy Services	Commun.	Board Development	Legal Council	Public Affairs Advocacy	Operating Fund	Total Program
Membership Dues	-	-	-	-	-	-	-	-	-	\$ 1,578,824	\$ 1,578,824
Registrations	1,600	68,450	-	-	224,428	-	3,500	-	-	-	70,050
Product Sales	-	-	-	-	-	-	-	-	-	-	227,928
Services Provided	-	-	3,900	-	-	-	-	-	-	2,136	3,900
Advertising and Sponsorships	8,500	51,313	-	-	-	-	-	-	-	1,223	61,949
Investment Income	-	-	-	-	-	-	5,925	-	-	1,223	1,223
Superintendent Search Revenue	-	-	-	-	-	-	-	-	-	338,419	338,419
PPP Loan Forgiveness	-	-	-	-	-	-	-	-	-	8,667	14,253
Other Income	-	-	5,586	-	-	-	-	-	-	-	-
Total Support and Revenue	10,100	119,763	9,486	-	224,428	-	9,425	-	-	1,929,269	2,302,471

Advocacy Expense	-	-	-	-	-	-	-	-	22,000	-	22,000
Assessment Expense	-	-	-	-	-	-	-	-	-	64,758	64,758
Bad Debts	-	-	-	-	-	-	-	-	-	72,407	72,407
Capital Fund Contribution	-	-	-	-	-	-	-	-	-	54,497	54,497
Conferences and Meetings	1,983	22,791	-	-	-	-	-	-	-	791	25,565
Credit Card Processing Fees	-	-	-	-	-	-	-	-	-	17,686	17,686
Dues, Subscriptions and Memberships	-	-	-	-	-	304	513	3,488	1,765	57,244	63,314
Insurance	-	-	-	-	-	-	-	2,778	-	7,587	10,365
Investigation	-	-	-	-	-	-	-	-	-	23,525	23,525
Maintenance	-	-	-	-	-	-	-	-	-	5,280	5,280
Office Expenses	36	-	-	-	-	24	10	(188)	95	1,613	1,590
Payroll Taxes and Benefits	14,540	14,540	-	29,887	48,505	30,162	60,335	23,014	63,221	284,204	
Policy Expense	-	-	-	-	41,827	-	317	-	-	41,827	
Professional Development	-	-	-	-	(2,663)	-	-	1,049	-	15,017	13,403
Professional Fees	-	-	-	-	-	128,526	-	251,829	94,501	269,204	1,204,065
Salaries	64,584	64,584	-	133,473	197,364	2,650	-	-	-	10,594	2,650
Supplies	-	-	-	970	-	-	-	-	-	3,788	3,788
Telephone	-	-	-	-	-	670	-	-	494	-	11,564
Travel	73	-	-	-	-	9,031	-	-	-	-	9,031
Website	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	81,216	101,915	-	164,330	285,033	177,367	840	319,291	141,869	667,212	1,933,073
CHANGE IN NET ASSETS	\$ (71,116)	\$ 17,848	\$ 9,486	\$ (164,330)	\$ (60,605)	\$ (171,367)	\$ 8,585	\$ (319,291)	\$ (141,869)	\$ 1,262,057	\$ 369,399

COLORADO ASSOCIATION OF SCHOOL BOARDS
Statement of Cash Flows
Year Ended June 30, 2021

	OPERATING PROGRAM	NON-DUES PROGRAM	CAPITAL PROGRAM	ATTORNEY'S PROGRAM	EXECUTIVE SOLUTIONS	TOTAL 2021	TOTAL 2020
CASH FLOWS FROM OPERATING ACTIVITIES							
Support and Revenue Received	\$ 2,557,744	\$ -	\$ 197,038	\$ 23,786	\$ 4,401	\$ 2,782,969	\$ 2,929,140
Salaries and Operating Expenses Paid	(2,286,151)	-	(23,060)	(17,482)	(4,773)	(2,331,466)	(2,687,569)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>271,593</u>	-	<u>173,978</u>	<u>6,304</u>	<u>(372)</u>	<u>451,503</u>	<u>231,571</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of Property and Equipment	-	-	(4,496)	-	-	(4,496)	-
Reinvested Investment in Life Insurance (Net)	-	-	(114,900)	-	-	(114,900)	(65,381)
Purchase of Investments	(359,979)	-	-	-	-	(359,979)	-
(Reinvested) Withdrawn Investment Earnings (Net)	(1,224)	-	-	-	-	(1,224)	(1,292)
Proceeds from Sale of Equipment	-	-	-	-	-	-	-
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(361,203)</u>	-	<u>(119,396)</u>	-	-	<u>(480,599)</u>	<u>(66,673)</u>
CASH FLOWS FROM FINANCING ACTIVITIES							
Payments On Note Receivable	-	-	24,438	-	-	24,438	23,482
Proceeds From Paycheck Protection Program Loan	279,820	-	-	-	-	279,820	338,419
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>279,820</u>	-	<u>24,438</u>	-	-	<u>304,258</u>	<u>361,901</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>190,210</u>	-	<u>79,020</u>	<u>6,304</u>	<u>(372)</u>	<u>275,162</u>	<u>526,799</u>
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>374,094</u>	<u>1,516</u>	<u>684,461</u>	<u>20,342</u>	<u>372</u>	<u>1,080,785</u>	<u>553,976</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 564,304</u>	<u>\$ 1,516</u>	<u>\$ 763,481</u>	<u>\$ 26,646</u>	<u>\$ -</u>	<u>\$ 1,355,947</u>	<u>\$ 1,080,775</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Change in Net Assets	\$ 369,399	-	\$ 107,036	\$ 4,690	\$ (5,042)	\$ 476,083	\$ 87,076
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:							
Depreciation	-	-	66,942	-	-	66,942	66,774
Paycheck Protection Program Loan Forgiveness	(338,419)	-	-	-	-	(338,419)	-
Changes in Operating Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	227,772	-	-	-	4,401	232,173	54,702
(Increase) Decrease in Prepaid Expenses	5,042	-	-	-	-	5,042	6,751
Increase (Decrease) in Payables	(2,667)	-	-	-	269	(2,667)	20,767
Increase (Decrease) in Due To 2253 S. Oneida	(17,035)	-	-	-	-	(16,766)	17,025
Increase (Decrease) in Accrued Compensation	1,627	-	-	-	-	1,627	10,182
Increase (Decrease) in Deferred Revenue	25,874	-	-	1,614	-	27,488	(31,706)
Total Adjustments	(97,806)	-	66,942	1,614	4,670	(24,580)	144,495
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 271,593</u>	<u>\$ -</u>	<u>\$ 173,978</u>	<u>\$ 6,304</u>	<u>\$ (372)</u>	<u>\$ 451,503</u>	<u>\$ 231,571</u>

See Accompanying Notes to Financial Statements

**COLORADO ASSOCIATION
OF SCHOOL BOARDS**
Notes to Financial Statements
June 30, 2021 and 2020

NOTE 1 - ORGANIZATION

Organization and Activities

The Colorado Association of School Boards (CASB), (The Association), a non-profit Organization, was established in 1940 and originally incorporated in Colorado in 1955.

The Association provides a structure through which school board members can unite in their efforts to promote the interests and welfare of Colorado's 178 school districts.

CASB represents and advocates for over 1,000 school board members statewide to groups both within and outside the public education community. CASB provides services, information and training programs to support school board members as they govern their local districts. Membership benefits and solutions are designed to enhance school board effectiveness and help board members increase their knowledge, boost their efficiency and connect with their communities.

To meet its goals, CASB operates five primary programs:

Operating Program accounts for all operations of the Association, except for those operations for which a separate program has been established.

Non-Dues Program accounts for non-dues revenue that can be used without restriction. These operations are generally used for expenses for which school district dues cannot be used, such as campaign contributions.

Capital Program is used primarily for property and equipment purchases.

Attorney's Program accounts for the Colorado Council of School Board Attorneys (CCSBA). This association was created by CASB, however it does not have separate legal status. The members of CCSBA pay dues which are passed through directly to the National School Board Association (NASB).

CASB Executive Solutions accounts for the services that CASB Executive Solutions, a separate entity, provides to Districts within the State of Colorado for superintendent search and hiring purposes. Executive Solutions is a single member Limited Liability Company with CASB as the sole member.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation Financial statements are prepared using the accrual basis of accounting in conformity with US generally accepted accounting principles applicable to non-for-profit organizations. These principles include reporting activities according to two classes of net assets - Net Assets Without Restrictions and Net Assets With Restrictions. Net Assets With Restrictions are composed of two types; Temporarily Restricted and Permanently Restricted. For the years presented, there are no Net Assets With Restrictions.

Cash and Cash Equivalents For cash flow reporting, cash and cash equivalents includes cash on hand, and in bank checking, savings and money market accounts.

Property and Equipment Property and equipment are stated at cost if purchased and at fair market value if donated. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5 to 20 years. Expenditures for maintenance, repairs and minor replacements are expensed as incurred; major replacements and improvements are capitalized. Depreciation for the years ended June 30, 2021 and 2020 was \$66,774 for both years.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allocations of Expenses The overall costs of programs and supporting functions are reported in the statement of activities. Certain costs are allocated to programs and supporting functions.

Estimates The preparation of financial statements may require management to make estimates and assumptions that affect amounts and disclosures presented. Accordingly, actual results could differ from such estimates and assumptions.

Income Tax Exemption The Association's revenue is exempt from income taxes and the Organization is exempt, from filing a federal form 990 information return under Section 115 of the Internal Revenue Code,

Credit Risk The Association's cash deposit policy is in accordance with The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. Amounts on deposit with the depositories that are above the FDIC limits of \$250,000 must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2021 the Association had two cash deposits that totaled \$135,031 in excess of the FDIC insurance limits. The remaining cash deposits were collateralized under PDPA.

NOTE 3 – INVESTMENTS

Colorado Government Liquid Asset Trust

The Association invests in the Colorado Government Liquid Asset Trust (Colotrust) which is an investment vehicle established for local entities in Colorado to pool surplus funds. The Trust operates similarly to a money market fund and each share is equal to one dollar. Investments of the Trust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to the Trust in connection with the direct investment and withdrawal functions of the Trust. Substantially all securities owned by the Trust are held by the Federal Reserve bank in the account maintained for the custodial bank. CASB had \$438,769 and \$77,566 invested in the Colotrust at June 30, 2021 and 2020 respectively.

Life Insurance Policies

The Association purchased fully funded life insurance policies on certain current and former employees. The Association is the primary beneficiary of the policies which were purchased through The Penn Mutual Life Insurance Company. Payment on the policies is subject to risks related to the financial health of Penn Mutual. The policies had a cash surrender value of \$1,690,866 and \$1,575,965 at June 30, 2021 and 2020 respectively. The Association recognized investment earnings of \$114,901 and \$65,382 on the value of the outstanding policies at June 30, 2021 and 2020 respectively.

NOTE 3 – INVESTMENTS (Continued)

Life Insurance Policies Activity:

	<u>Cash Value</u>	<u>Life Ins. Loans</u>	<u>Loan Accrd Interest</u>	<u>Cash Surr. Value</u>
Beginning, July 1, 2020	\$ 1,575,965	\$ -	\$ -	\$ 1,575,965
Investment Earnings	<u>114,901</u>	<u>-</u>	<u>-</u>	<u>114,901</u>
Ending June 30, 2021	<u>\$ 1,690,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,690,866</u>

Cash and Investment balances by type and presentation are as follows:

	<u>Cash</u>	<u>Investments</u>	<u>Long-Term Investments</u>	<u>Total</u>
Bank Accounts	\$ 464,771	\$ -	\$ -	\$ 464,771
Certificates of Deposit	-	891,134	-	891,134
Petty Cash	42	-	-	42
Local Government Pools	-	438,769	-	438,769
Cash Value Life Insurance	-	-	1,690,866	1,690,866
Total	<u>\$ 464,813</u>	<u>\$ 1,329,903</u>	<u>\$ 1,690,866</u>	<u>\$ 3,485,582</u>

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30,

	<u>2021</u>	<u>2020</u>
Dues Receivable	\$ 1,342,668	\$ 1,479,385
CASB Executive Solutions	15,097	10,066
Colorado BOCES Association	-	17
Attorney Council	-	(1,770)
Best Health Plan Set-Up Charges	<u>(97)</u>	<u>101,772</u>
	1,357,668	1,589,470
Less: Allowance for Doubtful Accounts	<u>-</u>	<u>-</u>
	<u>\$ 1,357,668</u>	<u>\$ 1,589,470</u>

Management has reviewed all receivables as of June 30, 2021 and considers the entire amount to be collectable, therefore, no allowance for doubtful accounts has been accrued (See Note 10).

NOTE 5 – NOTE RECEIVABLE

The Association issued a note receivable in the amount of \$700,000 related to the sale of a portion of its building in April of 2019. The note matures on May 31, 2029 and has an interest rate of 4% from April 2019 until May 2029. After this date, if the note has not been paid in full, the rate changes to the Wall Street Journal prime rate plus one percent. The interest rate cannot exceed two percent of the previous year's rate and is capped at a maximum of 8%. The Association collected \$26,463 of interest for the year ending June 30, 2021 and the balance on the note was \$648,255 at June 30, 2021.

NOTE 5 – DEFINED BENEFIT PENSION PLAN

CASB participates in the State Division Trust Fund (SDTF), a cost-sharing multiple-employer defined benefit pension fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The SDTF provides retirement and disability, annual increases and death benefits for members or their beneficiaries. All employees of the Association are members of the SDTF. Terms and management of this plan are not functions in which the Organization has direct control or involvement

Plan benefits are specified in Title 24, ARTICLE 51 OF THE Colorado Revised Statutes (CRS), 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.

General Information about the Pension Plan

The SDTF serves as a defined benefit retirement plan whereby eligible retirees receive a monthly benefit for their lifetime when certain age and service-credit requirements are met. Eligibility may vary by the membership date and consider service-credits at key dates. The benefits are based upon a defined multiplier calculated based on age, years of credited service, and highest average salary. If a member reaches early retirement eligibility and wishes to begin benefit payments prior to achieving the full retirement requirements, then the monthly amount is reduced to consider the early receipt of monthly payments. Alternatively, if greater, a lifetime benefit is available that is calculated by annuitizing the member's account. At benefit commencement, the member can choose from different payment options, some of which can continue after the retiree's death to a named beneficiary, and for which the benefit amount is properly adjusted

In addition to retirement benefits, the SDTF provides refund opportunities with matching employer dollars, if eligible, when leaving covered employment, and disability retirement and survivor benefits for those meeting certain criteria.

Employer Contributions

Employers are required to contribute to the SDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. 24-51-401, et seq. Employer contribution requirements, as a percentage of salary, are summarized on the following tables:

January 1 st through June 30 th 2020	Rate
Employer Contribution Rate ¹	10.40%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Total Employer Contribution Rate to the LGDTF ¹	19.38%

NOTE 5 - DEFINED BENEFIT PENSION PLAN- (Continued)

July 1 st through December 31st 2020	Rate
Employer Contribution Rate ¹	10.90%
Amount of Employer Contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) ¹	(1.02)%
Amount Apportioned to the LGDTF ¹	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411 ¹	5.00%
Total Employer Contribution Rate to the LGDTF ¹	19.88%

¹Rates are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Employer contributions received by the trust fund from CASB were \$230,948, \$236,020 and \$267,353 for the years ended June 30, 2021, 2020 and 2019 respectively.

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

PERA conducts an annual actuarial study as of December 31 to calculate the net pension liability of the overall plan. The Association's proportion of this total net pension liability is based on CASB's contributions to the SDTF for the calendar year 2020 relative to the total contributions of all participating employers CASB's proportionate share of the net pension liability of the plan to be \$3,315,629 at December 31, 2020.

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.17 percent
Long-term investment Rate of Return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount Rate	7.25 percent
PERA Benefit Structure hired prior to 1/1/07; and DPS Benefit Structure (automatic)	1.25 percent

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with Males set back 1 year, and Females set back 2 years.

NOTE 5 - DEFINED BENEFIT PENSION PLAN- (Continued)

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2012 through December 31, 2015, adopted by PERA's Board on November 18, 2016, and an economic assumption study, adopted by PERA's Board on November 18, 2016.

The SDTF's long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

As of the most recent analysis of the long-term expected rate of return, presented to the PERA Board on November 18, 2016, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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	6.00%	4.70%
Total	100.00%	

The discount rate used to measure the total pension liability at December 31, 2020 was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the fixed statutory rates specified in law, including current and 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. Based on those assumptions, the SDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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	4,386,674	3,315,629	2,416,337

The net pension liability to be included in the financial statements but do require disclosure in the footnotes.

NOTE 5 - DEFINED BENEFIT PENSION PLAN- (Continued)

Other Post-Employment Benefits

Health Care Trust Fund

CASB contributes to the Health Care Trust Fund ("HCTF"), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF benefit provides a health care premium subsidy and health care programs (known as PERACare) to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the C.R.S., as amended, establishes the HCTF and 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 health care subsidies. PERA issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for the HCTF.

CASB is required to contribute at a rate of 1.02 percent of PERA-includable salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the Association are established under Title 24, Article 51, Part 4 of the C.R.S., as amended. The apportionment of the contributions to the HCTF is established under Title 24, Article 51, Section 208(1)(f) of the C.R.S., as amended. For the years ending June 30, 2021, June 30, 2020 and June 30, 2019, contributions to the HCTF were \$11,849, \$12,422 and \$13,705, respectively, equal to their required contributions for each year.

NOTE 6 - SBA PPP LOAN PAYABLE

In April of 2020 and May of 2021, the Organization applied for and received loan proceeds in the amount of \$338,419 and \$279,820, respectively, under the Paycheck Protection Program (PPP). The PPP established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses and organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying applicant. The loans and accrued interest may be forgiven if the Organization uses the loan proceeds for eligible purposes and maintains its payroll levels. Eligible purposes include payroll, benefits, rent and utilities. The amount of loan forgiveness could be reduced if the Organization terminates employees or reduces salaries during a specified time period.

Any unforgiven portion of the PPP loan will be repayable over two years at an interest rate of 1% with a deferral of payments for the first six months. The Organization used the proceeds from the first loan for purposes consistent with the PPP and the loan was forgiven. The Organization also intends to use the proceeds from the second loan for purposes consistent with the PPP. While the Organization currently believes that it's use of these second loan proceeds will meet the conditions for forgiveness of the loan as currently understood, it cannot assure that there won't be actions taken that could cause the Organization to become ineligible for forgiveness of the second loan in whole or part.

NOTE 7 – DEFERRED REVENUE

Deferred revenue consists primarily of advance payments made by members for dues and other services provided by the Association and is recognized in a future period. Deferred revenue consisted of the following at June 30, 2021:

District Dues	\$1,568,129
BOCES Dues	9,200
Exhibit Hall Use	20,638
Convention Sponsors	16,550
FallDelgaAssy	4,060
Fall Regionals	1,785
Partner Program	2,210
Policy Support Payments	110,250
Colorado Attorney Dues	2,000
National Attorney Dues	11,680
	<u>\$1,760,068</u>

NOTE 8 - BOARD DESIGNATED NET ASSETS

In order to be proactive in maintaining operations during seasonal cash flow fluctuations and unforeseen declines in revenues, Board policy mandates the designation of three months of the annual budget as an Operating Reserve. This designation was \$457,633 at June 30, 2020 and the June 30, 2021 amount has yet to be decided.

NOTE 9 – RELATED PARTIES

2253 S Oneida Condominium Association. In the 2019 fiscal year CASB sold a portion of the building it had acquired which created the need for a separate entity to administer collection and payment of cost common of the overall property. CASB is manager of the condo association and as such collects fees from CASB and the other occupant of the building for common area charges to be paid by the association. CASB and the Association had no balances due between them at June 30, 2021.

Colorado Association of School Boards Foundation is a 501(c)(3) non-profit entity that the Association operates with the CASB Executive Committee serving as its board.

NOTE 10 - SUBSEQUENT EVENTS

Management has evaluated all other subsequent events through September 27, 2021 which is the date the financial statements were available to be issued and found nothing that would have a material effect on the financials.