

cPa DIXON, WALLER & CO., INC.

BACA COUNTY SCHOOL

DISTRICT RE-4

SPRINGFIELD, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2022

DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL DISTRICT RE-4

FINANCIAL STATEMENTS

June 30, 2022

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BACA COUNTY SCHOOL DISTRICT RE-4
ROSTER OF SCHOOL OFFICIALS
June 30, 2022

BOARD OF EDUCATION

Tyler Gibson	President
Clinton Arbuthnot	Vice-President
Jennifer Esch	Secretary
Vacant	Treasurer
Darrell Mackey	Member-Director

SCHOOL OFFICIALS

Shelly Swayne	Superintendent
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FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

Board of Education
Baca County School District RE-4
Springfield, Colorado 81073

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baca County School District RE-4, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Baca County School District RE-4's basic financial statements as listed in the table of contents.

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 Baca County School District RE-4, as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Baca County School District RE-4, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Baca County School District RE-4's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Baca County School District RE-4's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Baca County School District RE-4's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 pension and post employment benefits trend data be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Baca County School District RE-4's basic financial statements. The accompanying combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The 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 combining and individual fund financial statements, other schedules, and state required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


November 21, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

SPRINGFIELD SCHOOL DISTRICT RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

This Management's Discussion and Analysis (MD&A) of Springfield School District RE-4 is an element of the new reporting for the Governmental Accounting Standard Board (GASB) in their Statement No. 34, Basic Financial Statements for State and Local Governments, issued June 1999. This discussion provides an overall review of the District's financial activities for the fiscal year ending June 30, 2022. The intent of this report is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the District's financial statements following this section.

The District implemented GASB 68 in 2015. The District had a net pension liability of \$3,834,464 at June 30, 2022. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District.

The District implemented GASB 75 in 2018. The District had other post-employment benefits (OPEB) liability of \$185,513 on June 30, 2022. Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association is recorded as a liability of the district. At the implementation beginning equity is restated and deferred inflows, outflows, and the net OPEB liability are reported. The beginning net position of governmental activities decreased as a result of this change.

FINANCIAL HIGHLIGHTS

The District's total combined assets were \$25,166,689 as of June 30, 2022. This substantial increase is due to an increase in capital assets obtained through a district-issued bond due to a BEST capital construction grant. The District's total liabilities were \$12,912,789, including a total net pension liability of \$3,384,464 (due to GASB 68 required reporting). The District's Net Investment in Capital Assets as of June 30, 2022, was \$7,733,119. This considerably larger total liability comes from the districts matching money bond indebtedness.

In the spring of 2020, the District was awarded a BEST Grant to construct a new school. The District's required match of \$5.99 million dollars will be paid with a 20-year bond which was approved by the public in November of 2020. The expenses incurred during construction will greatly impact the District's over the financial position.

The General Fund reported a fund balance of \$3,652,256 at the close of the fiscal year 2021-2022 which was \$159,552 higher than the previous year. The district strives to limit the spending of their reserves; which will eventually deplete the reserves. The district through these efforts has increased the reserves for the last many years.

SPRINGFIELD SCHOOL DISTRICT RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

OVERVIEW OF FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. A comparison to the prior year's activity is normally provided in this document. Since this is the first presentation of management's discussion and analysis, no comparison data is provided. The School Districts' basic financial statements comprise three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

DISTRICT-WIDE FINANCIAL STATEMENTS

The district-wide statements report information about the District as a whole using accounting methods similar to those used in private sector companies. The statement of the net position includes all of the government's assets, liabilities, and deferred flows.

The district-wide statements report the Districts' net position and how it has changed. Net position is the difference between the Districts' assets, liabilities and deferred flows is one way to measure the District's financial health or position. Increases or decreases in the Districts' net position could indicate whether the district's financial health is improving or deteriorating. One needs to consider additional factors such as changes in the District's tax base, changes in student enrollment and the condition of school buildings.

The district-wide statements are divided into two categories: Governmental activities and Business-type Activities.

Governmental activities: Most of the Districts' basic services are included here, such as instruction, transportation, maintenance and operations, and administration. State funding from equalization and property taxes finances most of these activities. This information is comprised of all of the following Springfield School District funds – general fund, preschool fund, lunch fund, activity fund, and special revenue funds.

Business-type activities: The District charges fees to help cover the costs of certain services it provides.

FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Districts' funds, focusing on its most significant funds or "major" funds, not the District as a whole. Fund financial statements are designed to demonstrate compliance with finance-related legal requirements. 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 School District, like other governments, uses

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

fund accounting to ensure and demonstrate compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds

Governmental Funds: Most of the District's basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. The food service fund is now included in governmental funds. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Proprietary Funds: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The District has no proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

In addition to the financial statements and accompanying notes, this report also contains other supplemental information concerning the Districts' non-major governmental funds. The combining statements of the non-major governmental funds are presented after the notes to the financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as an indicator of the District's financial position. The District's total net position on June 30, 2022, was \$11,291,653. Of the District's \$25,166,689 in assets, 32% reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment).

SPRINGFIELD SCHOOL DISTRICT RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Table 1:

NET POSITION	2022			2021		
	Governmental Activities	Business Type Activities	Total	Governmental Activities	Business Type Activities	Total
ASSETS						
Current and Other Assets	11,684,535	-	11,684,535	10,919,629	-	10,919,629
Capital Assets	13,482,154	-	13,482,154	3,515,568	-	3,515,568
Total Assets	25,166,689	-	25,166,689	14,435,197	-	14,435,197
DEFERRED OUTFLOW OF RESOURCES	938,164	-	938,164	1,481,125	-	1,481,125
LIABILITIES						
Current and Other Liabilities	3,143,777	-	3,143,777	1,432,122	-	1,432,122
Long Term Liabilities	5,749,035	-	5,749,035	6,014,313	-	6,014,313
Net Pension and OPEB Liability	4,019,977	-	4,019,977	5,622,930	-	5,622,930
Total Liabilities	12,912,789	-	12,912,789	13,069,365	-	13,069,365
DEFERRED INFLOW OF RESOURCES	1,900,411	-	1,900,411	2,345,223	-	2,345,223
NET POSITION						
Net Investment in Capital Assets	7,733,119	-	7,733,119	3,256,978	-	3,256,978
Restricted for:						
Tabor Reserve	372,000	-	372,000	147,000	-	147,000
Capital Outlay	4,231,644	-	4,231,644	5,731,410	-	5,731,410
Preschool	53,269	-	53,269	48,255	-	48,255
Debt Service	338,955	-	338,955	316,616	-	316,616
Food Service	140,295	-	140,295	119,045	-	119,045
Unrestricted	(1,577,629)	-	(1,577,629)	(9,117,570)	-	(9,117,570)
	11,291,653	-	11,291,653	501,734	-	501,734

SPRINGFIELD SCHOOL DISTRICT RE-4
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Table 2:

Changes in Net Position

	2022			2021		
	Governmental	Business Type	Total	Governmental	Business Type	Total
	Activities	Activities		Activities	Activities	
Revenues						
Charges for Services	52,248	-	52,248	39,724	-	39,724
Operating Grants and Contributions	1,089,693	-	1,089,693	1,115,675	-	1,115,675
Capital Grants and Contributions	8,570,979	-	8,570,979	1,731,193	-	1,731,193
Property taxes	1,293,198	-	1,293,198	1,256,294	-	1,256,294
Specific Ownership Taxes	123,797	-	123,797	114,813	-	114,813
Equalization	2,315,707	-	2,315,707	2,098,472	-	2,098,472
Earnings on investments	9,681	-	9,681	5,335	-	5,335
Other Revenues	33,620	-	33,620	16,910	-	16,910
Transfers	-	-	-	-	-	-
TOTAL REVENUES	13,488,923	-	13,488,923	6,378,416	-	6,378,416
Expenses						
Instructional services	2,324,453	-	2,324,453	2,141,676	-	2,141,676
Students	274,138	-	274,138	264,850	-	264,850
Instructional staff	83,225	-	83,225	69,355	-	69,355
District administration	285,603	-	285,603	250,440	-	250,440
School administration	170,385	-	170,385	157,089	-	157,089
Business	73,146	-	73,146	70,408	-	70,408
Operation and maintenance of facilities	401,623	-	401,623	426,491	-	426,491
Transportation	189,620	-	189,620	179,223	-	179,223
Central	24,722	-	24,722	24,317	-	24,317
Capital outlay	29,829	-	29,829	538,876	-	538,876
Interest	137,505	-	137,505	79,018	-	79,018
Pension and OPEB	(1,504,804)	-	(1,504,804)	(1,430,966)	-	(1,430,966)
Food Service	209,559	-	209,559	173,866	-	173,866
TOTAL EXPENSES	2,699,004	-	2,699,004	2,944,643	-	2,944,643
Increase (Decrease) in Net Position	10,789,919	-	10,789,919	3,433,773	-	3,433,773

GOVERNMENTAL ACTIVITIES

The table below illustrates the total cost of the district's major services. It also shows the net costs of these services. (Net cost would include all expenses for the particular service less any revenue received for the service).

The majority of the cost for these services is financed with state equalization and property taxes.

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022

Table - 3 Governmental Activities by Major Function

	2022		2021	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	2,120,849	1,559,469	2,141,676	1,282,495
Students	320,208	216,207	264,850	212,330
Instructional staff	70,056	70,056	69,355	69,355
District administration	203,767	203,767	250,440	250,440
School administration	156,408	156,408	157,089	157,089
Business	71,010	71,010	70,408	70,408
Operation and maintenance of facilities	398,982	398,982	426,491	426,491
Transportation	178,743	155,945	179,223	153,032
Central	35,585	35,585	24,317	24,317
Capital outlay	61,625	32,454	538,876	(1,192,317)
Interest	-	-	79,018	79,018
Pension and OPEB	(853,060)	(853,060)	(1,430,966)	(1,430,966)
Food Service	203,986	(7,970)	173,866	(43,641)
Total	2,968,159	2,038,853	2,944,643	58,051

The Districts' total revenues were \$13,488,923. A significant portion of the revenue comes from federal sources, other state aid, and charges for services, while (33%) comes from state aid (equalization), (21%) comes from local property taxes, and the remaining (1%) from other sources. The total cost of all programs and services is \$2,699,004. The bulk of these expenses (84%) was spent on instruction and support services. (Total revenue percentages vary from 2020-2021 due to BEST Grant revenue and ESSER funding.

SPECIAL REVENUE ACTIVITIES

The food service fund is a special revenue fund. This program had revenues of \$210,487 and expenses of \$206,969. The District's lunch program is a recipient of federal food commodities and is greatly impacted when these commodities are not available to the district. The Food Service Fund was subsidized in part by General Fund money from seconds and staff duty reimbursements in 2021-2022. Revenues were impacted when the district was allowed to provide meals following SFSP funding guidelines as a result of COVID-19. The district participates in the National School Lunch Program and receives reimbursement for the meals that are served. During the school year, all student meals are fully funded by the Seamless Summer option through USDA. In 2004-2005 the district implemented a breakfast program that is also included in the National School Lunch Program.

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICTS' FUNDS

State funding (equalization) for the General Fund and Colorado Preschool Project Fund is based on pupil count. Equalized funding (the per pupil amount set by the Colorado Department of Education funded with local property tax and state aid) increased for 2021-2022. The District receives full per-pupil funding for preschool students who qualify for the Colorado Preschool Project program. All other students enrolled in the district are funded at 100% of the per-pupil rate. There were 297 students enrolled in Springfield School District RE-4 on October 1, 2021.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year the District did not do a supplemental budget. Actual expenditures (\$3,489,038) were below the budgeted amounts. Actual revenues (\$3,997,297) were less than the budgeted amount. Because of COVID-19 the District received grant money from ESSER funds. This revenue was restricted to only COVID-related expenses to be expended by 12/30/2020 (FY 2020-21). The district continues to maintain frugal spending habits in an effort to spend only the money that is collected in a year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The District's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$13,482,154.

Table 4: Capital Assets (Net of Depreciation)

	Governmental <u>2022</u>	Business Type <u>2022</u>	Total <u>2022</u>	Governmental <u>2021</u>	Business Type <u>2021</u>	Total <u>2021</u>
Land & Sites	-	-	-	-	-	-
Construction in Progress	11,742,126	-	11,742,126	1,676,581	-	1,676,581
Buildings & Improvements	3,608,573	-	3,608,573	3,608,573	-	3,608,573
Equipment & Vehicles	1,641,400	-	1,641,400	1,620,053	-	1,620,053
Accumulated Depreciation	(3,509,945)	-	(3,509,945)	(3,389,639)	-	(3,389,639)
Total Capital Assets	<u>13,482,154</u>	<u>-</u>	<u>13,482,154</u>	<u>3,515,568</u>	<u>-</u>	<u>3,515,568</u>

SPRINGFIELD SCHOOL DISTRICT RE-4

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

LONG-TERM DEBT

The District is responsible for future compensated absences (sick leave, vacation allowances, etc.). The amount due as of June 30, 2022 was \$24,039.

The District will be responsible for the repayment of \$5,749,035 in General Obligation Debt over the next 19 years. Long-term liabilities, including notes payable and capital lease obligations, are not due and payable in the current period and therefore not reported in current-year funds..

ECONOMIC FACTORS AND NEXT YEARS' BUDGETS AND RATES

The budget for 2021-2022 will be impacted by a decrease in enrollment, an increase in staffing (due to the district's efforts to address the loss of learning during the COVID-19 pandemic), an increase in the minimum wage, utility costs, and the rising percentage that the District pays to the Public Employees Retirement Account (PERA). The budget will also be impacted by statewide budget cuts due to COVID-19. The budget stabilization factor will continue to lower the per pupil factor. The district received \$94,988 from SB17-267 to be used for technology and other classroom needs to improve instruction. These additional funds must be approved by the State Legislature each year. The District is committed to keeping the base salary for certified employees to a level equal to or above the other districts in the area in order to obtain quality instructors. The District's goal is to monitor spending in the district to eliminate future years of spending more than the district receives. The District was awarded a BEST Grant in 2020 for new construction and renovation in the amount of \$40,144,782. The District cost will be \$5,990,000 which the district will collect through a 20-year bond. In November 2020, the district passed a \$5.99 million 20-year bond to fund the district's portion of the BEST grant received in June 2020.

The Gallagher Amendment ratchets down local property taxes. The TABOR Amendment keeps property taxes down; Amendment 23 sets requirements for increasing school funding. In 2009, Amendment 23 was reinterpreted and allowed the legislature to cut funding from one year to the next. This budget stabilization factor is responsible for a reduction in per-pupil funding. With increased school funding required and declining property taxes, the state is required to make up for the differences on both ends.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. We understand that all of your questions may not have been answered in this report; therefore, we invite you to contact the Springfield School District Office at 389 Tipton Street, Springfield, Colorado, at 719-523-6654. You may talk directly to the Superintendent, Shelly Swayne, or the Business Manager, Julie Bengé.

BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Total
<u>ASSETS</u>		
Cash and Equivalents	5,472,064	5,472,064
Investments	3,911,633	3,911,633
Accounts Receivable	2,180,720	2,180,720
Accrued Revenue	37,432	37,432
Property Taxes Receivable	73,924	73,924
Inventories	8,762	8,762
Prepaid Assets	-	-
Capital Assets	16,992,099	16,992,099
Accumulated Depreciation	<u>(3,509,945)</u>	<u>(3,509,945)</u>
<u>Total Assets</u>	<u>25,166,689</u>	<u>25,166,689</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	912,276	912,276
Other Post Employment Benefits	<u>25,888</u>	<u>25,888</u>
<u>Total Deferred Outflows</u>	<u>938,164</u>	<u>938,164</u>
<u>LIABILITIES</u>		
Accounts Payable	2,541,895	2,541,895
Accrued Salaries and Benefits	336,045	336,045
Accrued Interest	11,247	11,247
Grant Amounts Received in Advance	230,551	230,551
Compensated Absences	24,039	24,039
Noncurrent Liabilities:		
Matching Money Bonds Due Within One Year	243,501	243,501
Matching Money Bonds Due In More Than One Year	5,505,534	5,505,534
Net Pension Liability	3,834,464	3,834,464
Net Other Post Employment Benefits Liability	<u>185,513</u>	<u>185,513</u>
<u>Total Liabilities</u>	<u>12,912,789</u>	<u>12,912,789</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	1,825,891	1,825,891
Other Post Employment Benefits	<u>74,520</u>	<u>74,520</u>
<u>Total Deferred Inflows</u>	<u>1,900,411</u>	<u>1,900,411</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	7,733,119	7,733,119
Restricted for:		
TABOR Reserve	372,000	372,000
Preschool	53,269	53,269
Debt Service	338,955	338,955
Food Service	140,295	140,295
Capital Outlay	4,231,644	4,231,644
Unrestricted	<u>(1,577,629)</u>	<u>(1,577,629)</u>
<u>TOTAL NET POSITION</u>	<u>11,291,653</u>	<u>11,291,653</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	<u>General</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>					
Cash and Equivalents	237,737	4,610,371	328,955	295,001	5,472,064
Investments	3,911,633	-	-	-	3,911,633
Accounts Receivable	-	2,163,064	-	17,656	2,180,720
Accrued Revenue	37,432	-	-	-	37,432
Due from Other Funds	-	-	-	-	-
Property Taxes Receivable	51,488	-	22,436	-	73,924
Prepays	-	-	-	-	-
Inventories	-	-	-	8,762	8,762
<u>Total Assets</u>	<u>4,238,290</u>	<u>6,773,435</u>	<u>351,391</u>	<u>321,419</u>	<u>11,684,535</u>
<u>LIABILITIES:</u>					
Accounts Payable	-	2,541,791	-	-	2,541,791
Accrued Salaries and Benefits	321,995	-	-	14,050	336,045
Due to Other Funds	-	-	-	-	-
Grant Amounts Received in Advance	230,551	-	-	-	230,551
Other Liabilities	-	-	-	104	104
<u>Total Liabilities</u>	<u>552,546</u>	<u>2,541,791</u>	<u>-</u>	<u>14,154</u>	<u>3,108,491</u>
<u>DEFERRED INFLOW OF RESOURCES:</u>					
Property Tax	33,488	-	12,436	-	45,924
<u>FUND BALANCES:</u>					
Nonspendable					
Inventories and Prepays	-	-	-	8,762	8,762
Restricted:					
Emergency Reserve	372,000	-	-	-	372,000
Food Service	-	-	-	140,295	140,295
Preschool	53,269	-	-	-	53,269
Capital Outlay	-	4,231,644	-	-	4,231,644
Debt Service	-	-	338,955	-	338,955
Committed:					
Insurance	45,753	-	-	-	45,753
Capital Outlay	-	-	-	93,855	93,855
Assigned:					
Student Activities	-	-	-	64,353	64,353
Unassigned	3,181,234	-	-	-	3,181,234
<u>Total Fund Balances</u>	<u>3,652,256</u>	<u>4,231,644</u>	<u>338,955</u>	<u>307,265</u>	<u>8,530,120</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>					
	<u>4,238,290</u>	<u>6,773,435</u>	<u>351,391</u>	<u>321,419</u>	<u>11,684,535</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

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

<u>Total Fund Balance – Governmental Funds</u>	8,530,120
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$16,992,099 and the accumulated depreciation is \$3,509,945.	13,482,154
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” None of the deferred property tax revenue is available in the funds.	45,924
Accrued interest payable on long-term liabilities is not recorded in the funds.	(11,247)
Long-term liabilities, including notes payable and capital lease obligations are not due and payable in the current period and therefore are not reported in funds.	(5,749,035)
Compensated absences are not reported as a liability in the funds.	(24,039)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(3,834,464)
Net Other Post Employment Benefits Liability	(185,513)
Deferred Outflows	938,164
Deferred Inflows	(1,900,411)
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>11,291,653</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	<u>General</u>	<u>Capital Project</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>					
Property Taxes	902,132	-	399,582	-	1,301,714
Specific Ownership Taxes	123,797	-	-	-	123,797
Earnings on Investments	8,829	-	-	708	9,537
Other Local Sources	74,036	-	1,715	112,472	188,223
State Aid	2,584,542	8,565,779	-	1,169	11,151,490
Federal Aid	512,366	-	-	210,312	722,678
<u>Total Revenues</u>	<u>4,205,702</u>	<u>8,565,779</u>	<u>401,297</u>	<u>324,661</u>	<u>13,497,439</u>
<u>EXPENDITURES</u>					
Current:					
Instructional Services	2,246,149	-	-	-	2,246,149
Supporting Services:					
Students	179,997	-	-	100,945	280,942
Instructional Staff	83,225	-	-	-	83,225
District Administration	285,603	-	-	-	285,603
School Administration	170,385	-	-	-	170,385
Business	73,146	-	-	-	73,146
Operation & Maintenance					
of Facilities	412,338	-	-	-	412,338
Transportation	154,310	-	-	-	154,310
Food Service	-	-	-	206,969	206,969
Central	24,722	-	-	-	24,722
Debt Service:					
Principal	-	-	240,965	-	240,965
Interest	-	-	137,993	-	137,993
Capital Outlay	-	10,065,545	-	29,829	10,095,374
<u>Total Expenditures</u>	<u>3,629,875</u>	<u>10,065,545</u>	<u>378,958</u>	<u>337,743</u>	<u>14,412,121</u>
<u>EXCESS (DEFICIENCY)</u>					
<u>OF REVENUES OVER</u>					
<u>(UNDER) EXPENDITURES</u>	<u>575,827</u>	<u>(1,499,766)</u>	<u>22,339</u>	<u>(13,082)</u>	<u>(914,682)</u>
<u>OTHER FINANCING</u>					
<u>SOURCES (USES)</u>					
Transfers	(16,691)	-	-	16,691	-
Matching Money Bond Proceeds	-	-	-	-	-
<u>Total Other Financing</u>					
<u>Sources (Uses)</u>	<u>(16,691)</u>	<u>-</u>	<u>-</u>	<u>16,691</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>559,136</u>	<u>(1,499,766)</u>	<u>22,339</u>	<u>3,609</u>	<u>(914,682)</u>
<u>FUND BALANCES – BEGINNING</u>	<u>3,093,120</u>	<u>5,731,410</u>	<u>316,616</u>	<u>303,656</u>	<u>9,444,802</u>
<u>FUND BALANCES –ENDING</u>	<u>3,652,256</u>	<u>4,231,644</u>	<u>338,955</u>	<u>307,265</u>	<u>8,530,120</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

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

Net Change in Fund Balances – Total Governmental Funds (914,682)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays more than \$5,000	10,086,892	
Depreciation Expense	<u>(120,306)</u>	9,966,586

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred inflows in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred inflows changed by this amount. (8,516)

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Funds record interest for amounts paid in the period.

Repayment of Debt Principal	240,965	
Change in Interest Accrued	<u>488</u>	241,453

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences changed by this amount. 274

The increase or decrease in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

Pension	1,483,544	
Other Post Employment Benefits	<u>21,260</u>	<u>1,504,804</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 10,789,919

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

NOTES TO BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Baca County School District RE-4 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with five members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Baca County School District RE-4. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

Governmental Accounting Standards Board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61), "*The Financial Reporting Entity*" (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete.

Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund’s ongoing operations. The principal operating revenues of the District’s proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds

General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.

Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

Capital Project Fund – used to account for building and facility construction and improvement funded by debt and grants.

E. Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

F. Receivables

Property taxes levied in 2021 but uncollected in 2022 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2022 are recorded as deferred inflows in the fund financial statements, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued).

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. 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 (expense/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.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position.

The District records long-term debt of governmental funds at the face value. Notes payable and capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K. Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing Baca County School District RE-4 to collect, retain and expend (during 1996 and beyond) all revenues from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending. As of June 30, 2022 the District reserved \$372,000 for this purpose.

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2021 property tax calendar for Baca County was as follows:

Levy Date	December 15, 2021
Lien Date	January 1, 2022
Tax Bills Mailed	January 1, 2022
First Installment Due	February 28, 2022
Second Installment Due	June 15, 2022
If Paid in Full, Due	April 30, 2022
Tax Sale – 2020 Delinquent Property Taxes	October 25, 2021

M. Accumulated Sick Leave

District policy allows for the accumulation of staff leave. Staff with five years of service are paid an amount of money equal to their number of unused leave days in excess of five times \$25 per day when there is a separation from service.

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2022, the District has recorded an estimated liability of \$24,039 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2022</u>
Accumulated Sick Leave	<u>24,313</u>	<u> -</u>	<u> 274</u>	<u>24,039</u>

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). 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 list below.

1. Nonspendable such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. 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.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P. GASB Statement No. 54 (Continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Building Fund</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Student Activity Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:							
Inventories and Prepaids	-	-	8,762	-	-	-	8,762
Restricted:							
Emergencies	372,000	-	-	-	-	-	372,000
Preschool	53,269	-	-	-	-	-	53,269
Food Service	-	-	140,295	-	-	-	140,295
Capital Outlay	-	-	-	4,231,644	-	-	4,231,644
Debt Service	-	338,955	-	-	-	-	338,955
Committed:							
Insurance	45,753	-	-	-	-	-	45,753
Capital Outlay	-	-	-	-	93,855	-	93,855
Assigned:							
Student Activities	-	-	-	-	-	64,353	64,353
Unassigned	<u>3,181,234</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,181,234</u>
Total Fund Balances	<u>3,652,256</u>	<u>338,955</u>	<u>149,057</u>	<u>4,231,644</u>	<u>93,855</u>	<u>64,353</u>	<u>8,530,120</u>

Q. Recently Adopted Accounting Pronouncements:

In June of 2017, the Governmental Accounting Standards Board issued Statement No. 87, Leases. The original effective date was for reporting periods beginning after December 15, 2019 but was extended to periods beginning after June 15, 2021.

On July 1, 2021 the District implemented the statement for leases. The District will comply on all leases that are individually or aggregately material to the financial statements.

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

Items Eliminated

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	16,691
Food Service Fund	<u>16,691</u>	<u>-</u>
	<u>16,691</u>	<u>16,691</u>

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General, Special Revenue, Debt Service and Capital Project Funds.
6. Budgets for the General, Special Revenue, Debt Service and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4 CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 4 CASH AND INVESTMENTS (Continued)

At June 30, 2022, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	343,855	343,855
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	172,270	199,560
Cash with County Treasurer	36,036	-
Cash Equivalent - BEST	4,919,903	-
Cash on Hand	-	-
<u>Total Cash and Deposits</u>	<u>5,472,064</u>	<u>543,415</u>

As presented above, deposits with a bank balance of \$199,560 and a carrying balance of \$172,270 as of June 30, 2022 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2022, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
COLOTRUST	External Investment Pool	Under 60 Day Average	\$3,911,693

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment of COLOTRUST is rated AAAM by Standard and Poor's.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

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

The District has no recurring fair value measurements as of June 30, 2022:

- ColoTrust Investment Pool

Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2022</u>
<u>Non-Depreciable Assets:</u>				
Construction in Progress	1,676,581	10,065,545	-	11,742,126
<u>Total Non-Depreciable Assets</u>	<u>1,676,581</u>	<u>10,065,545</u>	-	<u>11,742,126</u>
<u>Depreciable Assets:</u>				
Buildings & Site Improvements	3,608,573	-	-	3,608,573
Vehicles	690,479	14,543	-	705,022
Equipment	929,574	6,804	-	936,378
<u>Total Depreciable Assets</u>	<u>5,228,626</u>	<u>21,347</u>	-	<u>5,249,973</u>
<u>Less Accumulated Depreciation for:</u>				
Building & Site Improvements	2,351,996	61,304	-	2,413,300
Vehicles	404,627	32,423	-	437,050
Equipment	633,016	26,579	-	659,595
<u>Total Accumulated Depreciation</u>	<u>3,389,639</u>	<u>120,306</u>	-	<u>3,509,945</u>
 <u>Total Capital Assets, Net</u>	 <u>3,515,568</u>	 <u>9,966,586</u>	 -	 <u>13,482,154</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Instruction	78,578
Food Service	2,590
Operations and Maintenance	3,828
Transportation	<u>35,310</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>120,306</u>

NOTE 6 INTERFUND ACTIVITY

<u>Fund</u>	<u>Transfer From Other Funds</u>	<u>Transfer To Other Funds</u>
General	-	16,691
Food Service	<u>16,691</u>	-
	<u>16,691</u>	<u>16,691</u>

Transfers were made to support operations in the year ended June 30, 2022. Due To Other Funds are paid in the upcoming period.

NOTE 7 ACCRUED SALARIES AND BENEFITS

Salaries and retirement 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 or ten months. The salaries and benefits earned, but unpaid at June 30, 2022, are estimated to be \$336,405. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. Baca County School District RE-4 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.

General Information about the Pension Plan

Plan description. Eligible employees of the Baca County School District RE-4 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 annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 PENSION PLAN (Continued)

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

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

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S.. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA’s Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2022: Eligible employees of, Baca County School District RE-4 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below.

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 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. § 24-51-101(42)

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Baca County School District RE-4 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District RE-4 were \$415,487 for the year ended June 30, 2022.

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. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution 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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The Baca County School District RE-4 proportion of the net pension liability was based on Baca County School District RE-4 contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the Baca County School District RE-4 reported a liability of \$3,834,464 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the Baca County School District RE-4 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 Baca County School District RE-4 were as follows:

Baca County School District RE-4 proportionate share of the net pension liability	\$ 3,834,464
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Baca County School District RE-4	\$ 439,572
Total	\$ 4,274,036

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 PENSION PLAN (Continued)

At December 31, 2021, the Baca County School District RE-4 proportion was 0.0329%, which was a decrease of 0.003% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Baca County School District RE-4 recognized pension income of \$1,483,544 and revenue of \$46,930 for support from the State as a nonemployer contributing entity. At June 30, 2022, the Baca County School District RE-4 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	146,799	-
Changes of assumptions or other inputs	292,733	-
Net difference between projected and actual earnings on pension plan investments	-	(1,441,644)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	261,761	(384,247)
Contributions subsequent to the measurement date	210,983	N/A
Total	912,276	(1,825,891)

\$210,983 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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, 2022	
2023	(83,708)
2024	(468,451)
2025	(397,454)
2026	(174,985)
2027	-
Thereafter	-

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 **PENSION PLAN (Continued)**

Actuarial assumptions. The TPL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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)	1.00%
PERA benefit structure hired after 12/31/06*	Financed by the AIR

*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.

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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

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

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 **PENSION PLAN (Continued)**

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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 percentage and then adding expected inflation.

The PERA Board first adopted the 7.25% 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	6.00%	4.70%
Total	100.00%	

Note: 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%.

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

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

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 PENSION PLAN (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- 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.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- 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% on pension plan investments was applied to all periods of projected benefit payments to determine the TPL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 PENSION PLAN (Continued)

Sensitivity of the Baca County School District RE-4 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension	5,644,018	3,834,464	2,324,459

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

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description – Employees of the Baca County School District RE-4 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 ACFR 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. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$13,888.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. Baca County School District RE-4 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

General Information about the OPEB Plan

Plan description. Eligible employees of the Baca County School District RE-4 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, 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 the premium subsidies. Colorado State law provisions may be amended by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) 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. § 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.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

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

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Baca County School District RE-4 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District RE-4 were \$21,318 for the year ended June 30, 2022.

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

At June 30, 2022, the Baca County School District RE-4 reported a liability of \$185,513 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The Baca County School District RE-4 proportion of the net OPEB liability was based on Baca County School District RE-4 contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the Baca County School District RE-4 proportion was 0.022%, which was an increase of 0.001% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Baca County School District RE-4 recognized OPEB income of \$21,260. At June 30, 2022, the Baca County School District RE-4 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	283	(43,987)
Changes of assumptions or other inputs	3,841	(10,063)
Net difference between projected and actual earnings on OPEB plan investments	-	(11,483)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	10,939	(8,987)
Contributions subsequent to the measurement date	10,825	N/A
Total	25,888	(74,520)

\$10,825 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. 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, 2022	
2023	(16,146)
2024	(17,296)
2025	(17,162)
2026	(8,659)
2027	(241)
Thereafter	47

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions. The TOL in the December 31, 2020 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method			Entry age	
Price inflation			2.30%	
Real wage growth			0.70%	
Wage inflation			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
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			4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, 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	

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (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, 2020, 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 TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 87% of the rates prior to age 80 and 107% 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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83% of the rates prior to age 80 and 106% of the rates for ages 80 and older, with generational projection using scale MP-2019.

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.

BACA COUNTY SCHOOL DISTRICT RE-4
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

Disabled mortality assumptions for Members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% 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 following health care costs assumptions were updated and used in the roll forward calculation for the Trust Fund:

- 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 2021 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 PERA Board's actuary, as discussed above.

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

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.

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.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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	6.00%	4.70%
Total	100.00%	

Note: 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%.

Sensitivity of the Baca County School District RE-4 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$180,185	\$185,513	\$191,684

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, 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%.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 OTHER POST EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Baca County School District RE-4 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$215,453	\$185,513	\$159,938

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

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 10 JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the Southeastern Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicate that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2021, the latest year for which audited information is available, is as follows:

Assets	1,585,198
Deferred Outflows	1,272,677
Liabilities	3,815,205
Deferred Inflows	<u>1,571,484</u>
Net Position	<u>(2,528,814)</u>
Revenues	3,450,395
Expenses	<u>2,740,871</u>
Change in Net Position	<u>709,524</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. An audited financial statement is filed annually with the office of the Colorado State Auditor.

NOTE 11 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 12 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 12 COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2022.

An audited summary of the Colorado School District's Pool financial information at June 30, 2021 and for the year then ended (latest information available) follows:

Total Assets	<u>64,950,784</u>
Total Liabilities	<u>26,531,849</u>
Total Equity	<u>38,418,935</u>
Revenue	32,051,341
Underwriting Expenses	<u>22,573,689</u>
Underwriting Gain (Loss)	9,477,652
Net Investment Income	1,118,389
Other Income	-
Net Income (Loss) Before Dividend	<u>10,596,041</u>
Dividend	-
Net Income (Loss)	10,596,041
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>(19,019)</u>
Capital Contributions from Members	-
Unassigned Surplus	<u>38,418,935</u>

NOTE 13 LONG-TERM DEBT

In November 2020, the voters of the District approved a bond issue in the amount of \$5,990,000 to supplement a BEST grant awarded by the State of Colorado to build and improve buildings on existing District land. Principal payments are due each December 1, and interest payments are due on June 1 and December 1 each year. The bond matures on December 1, 2040. The stated coupon rate is 2.351%.

BACA COUNTY SCHOOL DISTRICT RE-4
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 13 LONG-TERM DEBT (Continued)

The debt service requirements to maturity are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	243,501	132,297	375,798
2024	249,226	126,506	375,732
2025	255,085	120,577	375,662
2026	261,082	114,510	375,592
2027	267,220	108,299	375,519
2028-2032	1,433,341	443,113	1,876,454
2033-2037	1,609,941	264,437	1,874,378
2038-2041	<u>1,429,639</u>	<u>68,198</u>	<u>1,497,837</u>
	<u>5,749,035</u>	<u>1,377,937</u>	<u>7,126,972</u>

Changes in Long-Term Debt:

	<u>Beginning Balance 7-1-2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6-30-2022</u>	<u>Due Within One Year</u>
BEST Matching Money Bond	<u>5,990,000</u>	<u>-</u>	<u>240,965</u>	<u>5,749,035</u>	<u>243,501</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

GENERAL AND MAJOR SPECIAL REVENUE FUNDS

General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

BACA COUNTY SCHOOL DISTRICT RE-4
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance- Favorable (Unfavorable)
<u>Local Sources</u>	<u>Original</u>	<u>Final</u>		
Property Taxes	897,180	897,180	902,132	4,952
Specific Ownership Taxes	114,814	114,814	123,797	8,983
Earnings on Investments	2,285	2,285	8,829	6,544
Delinquent Taxes & Interest	4,000	4,000	3,421	(579)
Other	66,330	66,330	70,615	4,285
<u>State Sources</u>				
Equalization	2,287,441	2,287,441	2,315,707	28,266
Transportation	34,163	34,163	34,917	754
Vocational Education	19,720	19,720	23,385	3,665
Special Education	34,224	34,224	32,500	(1,724)
Other	179,734	179,734	178,033	(1,701)
<u>Federal Sources</u>				
Designated Purpose Grants	661,163	661,163	512,366	(148,797)
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>4,301,054</u>	<u>4,301,054</u>	<u>4,205,702</u>	<u>(95,352)</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	1,586,844	1,586,844	1,482,444	104,400
Employee Benefits	477,868	477,868	428,121	49,747
Purchased Services - Professional	26,353	26,353	26,353	-
Purchased Services – Property	39,080	39,080	31,262	7,818
Purchased Services – Other	92,476	92,476	69,768	22,708
Supplies and Materials	209,976	209,976	177,818	32,158
Property	162,237	162,237	22,109	140,128
Other Objects	6,570	6,570	8,274	(1,704)
<u>Total Instruction</u>	<u>2,601,404</u>	<u>2,601,404</u>	<u>2,246,149</u>	<u>355,255</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	68,180	68,180	62,716	5,464
Employee Benefits	15,198	15,198	14,885	313
Purchased Services – Professional	72,126	72,126	62,443	9,683
Purchased Services – Property	50	50	-	50
Purchased Services – Other	11,758	11,758	4,686	7,072
Supplies and Materials	34,558	34,558	28,903	5,655
Property	1,600	1,600	6,364	(4,764)
Other Objects	25	25	-	25
<u>Total Student Services</u>	<u>203,495</u>	<u>203,495</u>	<u>179,997</u>	<u>23,498</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		<u>Favorable</u> <u>(Unfavorable)</u>
<u>Instructional Staff</u>				
Salaries	53,241	53,241	51,731	1,510
Employee Benefits	16,010	16,010	16,523	(513)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	100	100	-	100
Purchased Services – Other	-	-	-	-
Supplies and Materials	16,200	16,200	14,971	1,229
Property	300	300	-	300
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>85,851</u>	<u>85,851</u>	<u>83,225</u>	<u>2,626</u>
<u>General Administration</u>				
Salaries	208,608	28,608	192,736	15,872
Employee Benefits	55,172	55,172	55,745	(573)
Purchased Services – Professional	19,500	19,500	20,661	(1,161)
Purchased Services – Other	1,300	1,300	1,151	149
Supplies and Materials	5,990	5,990	5,832	158
Property	250	250	256	(6)
Other Objects	9,200	9,200	9,222	(22)
<u>Total General Administration</u>	<u>300,020</u>	<u>300,020</u>	<u>285,603</u>	<u>14,417</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	116,488	116,488	119,270	(2,782)
Employee Benefits	36,954	36,954	36,633	321
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	1,950	1,950	1,766	184
Purchased Services – Other	10,650	10,650	9,322	1,328
Supplies and Materials	4,400	4,400	2,840	1,560
Property	500	500	-	500
Other Objects	1,150	1,150	554	596
<u>Total School Administration</u>	<u>172,092</u>	<u>172,092</u>	<u>170,385</u>	<u>1,707</u>
<u>Business Services</u>				
Salaries	46,097	46,097	45,566	531
Employee Benefits	12,370	12,370	12,991	(621)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	12,150	12,150	11,451	699
Purchased Services – Other	1,650	1,650	1,637	13
Supplies and Materials	2,000	2,000	1,279	721
Property	500	500	-	500
Other Objects	250	250	222	28
<u>Total Business Services</u>	<u>75,017</u>	<u>75,017</u>	<u>73,146</u>	<u>1,871</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance - Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
<u>Operations and Maintenance</u>				
Salaries	136,740	136,740	118,082	18,658
Employee Benefits	32,346	32,346	29,522	2,824
Purchased Services – Professional	500	500		500
Purchased Services – Property	33,900	33,900	25,599	8,301
Purchased Services – Other	116,992	116,992	117,043	(51)
Supplies and Materials	114,000	114,000	105,720	8,280
Property	25,500	25,500	16,372	9,128
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>459,978</u>	<u>459,978</u>	<u>412,338</u>	<u>47,640</u>
<u>Student Transportation</u>				
Salaries	92,124	92,124	87,525	4,599
Employee Benefits	20,464	20,464	21,363	(899)
Purchased Services – Professional	2,050	2,050	1,797	253
Purchased Services – Property	8,500	8,500	8,206	294
Purchased Services – Other	2,050	2,050	1,076	974
Supplies and Materials	32,750	32,750	33,194	(444)
Property	89,674	89,674	1,149	88,525
<u>Total Student Transportation</u>	<u>247,612</u>	<u>247,612</u>	<u>154,310</u>	<u>93,302</u>
<u>Central Support</u>				
Purchased Services – Other	29,678	29,678	24,722	4,956
Property	-	-	-	-
Other	13,000	13,000	-	13,000
<u>Total Central Support</u>	<u>42,678</u>	<u>42,678</u>	<u>24,722</u>	<u>17,956</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,586,743</u>	<u>1,586,743</u>	<u>1,383,726</u>	<u>203,017</u>
<u>Appropriated Reserves</u>	<u>3,070,894</u>	<u>3,070,894</u>	<u>-</u>	<u>3,070,894</u>
<u>TOTAL EXPENDITURES</u>	<u>7,259,041</u>	<u>67,259,041</u>	<u>3,629,875</u>	<u>3,629,166</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(2,957,987)</u>	<u>(2,957,987)</u>	<u>575,827</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(135,133)	(135,133)	(16,691)	118,442
<u>Total Other Financing Sources (Uses)</u>	<u>(135,133)</u>	<u>(135,133)</u>	<u>(16,691)</u>	<u>118,442</u>
<u>Revenues and Sources Over (Under)</u>				
<u>Expenditures and Uses</u>	<u>(3,093,120)</u>	<u>(3,093,120)</u>	<u>559,136</u>	
<u>FUND BALANCE, July 1</u>	<u>3,093,120</u>	<u>3,093,120</u>	<u>3,093,120</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>3,652,256</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0329%	0.0358%	0.0332%	0.0332%	0.0372%	0.0375%	0.0380%	0.0405%	0.0309%	-
District's proportionate share of the net pension liability (asset)	\$3,834,464	\$5,425,807	\$4,962,621	\$5,880,041	\$12,019,643	\$11,166,973	\$5,811,557	\$5,491,966	\$4,978,810	-
State's proportionate share of the net pension liability associated with the District**	\$439,572	-	\$629,444	\$804,014	-	-	-	-	-	-
District's covered payroll	\$2,089,976	\$2,019,068	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	185%	268%	253%	307%	688%	658%	352%	329%	301%	-
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-

** A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

BACA COUNTY SCHOOL DISTRICT RE-4
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 415,487	\$ 401,391	\$ 380,689	\$ 366,261	\$ 329,940	\$ 311,778	\$ 293,216	\$ 281,895	\$ 265,134	\$ 235,516
Contributions in relation to the contractually required contributions	<u>\$ (415,487)</u>	<u>\$ (401,391)</u>	<u>\$ (380,689)</u>	<u>\$ (366,261)</u>	<u>\$ (329,940)</u>	<u>\$ (311,778)</u>	<u>\$ (293,216)</u>	<u>\$ (281,895)</u>	<u>\$ (265,134)</u>	<u>\$ (235,516)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$2,089,976	\$2,019,068	\$1,964,388	\$1,914,588	\$1,747,330	\$1,696,245	\$1,653,329	\$1,669,754	\$1,656,317	\$1,561,542
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	16.01%	15.08%

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

BACA COUNTY SCHOOL DISTRICT RE-4
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net OPEB liability (asset)	0.0215%	0.0207%	0.0217%	0.0215%	0.0211%	0.0213%	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$185,513	\$197,123	\$244,012	\$293,672	\$274,478	\$276,406	-	-	-	-
District's covered payroll	\$2,089,976	\$2,019,068	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.87%	9.76%	12.42%	15.34%	15.71%	16.30%	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.71%	-	-	-	-

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

BACA COUNTY SCHOOL DISTRICT RE-4
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 21,318	\$ 20,595	\$ 20,036	\$ 19,528	\$ 17,823	\$ 17,302	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$ (21,318)</u>	<u>\$ (20,595)</u>	<u>\$ (20,036)</u>	<u>\$ (19,528)</u>	<u>\$ (17,823)</u>	<u>\$ (17,302)</u>	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	-
District's covered payroll	\$2,089,976	\$2,019,068	\$1,964,338	\$1,914,588	\$1,747,330	\$1,696,245	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

AND

OTHER SCHEDULES

SPECIAL REVENUE FUND

Food Service Fund – This fund accounts for all financial activities associated with the District’s school breakfast and lunch programs.

Student Activity Fund – The District holds assets in trust for various student clubs and organizations and oversees activities expenditures.

CAPITAL PROJECT FUND

Capital Reserve Capital Project Fund – This fund is used to pay for capital items and projects funded by grants, donations and transfers from the General Fund.

Building Fund – Proceeds from debt and grants received to fund a building project and their expenditures are recorded in this fund.

DEBT SERVICE FUND

Bond Redemption Fund – This fund is used to record the taxes received from levies to pay general obligation debt. The payment of the principal and interest from those receipts is recorded here.

BACA COUNTY SCHOOL DISTRICT RE-4
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	Special Revenue		Capital Project Capital Reserve Capital Project	Total Nonmajor Governmental Funds
	Food Service	Student Activity		
<u>ASSETS</u>				
Cash	136,793	64,353	93,855	295,001
Investments	-	-	-	-
Accounts Receivable	17,656	-	-	17,656
Accrued Revenue	-	-	-	-
Due from Other Funds	-	-	-	-
Inventories	<u>8,762</u>	<u>-</u>	<u>-</u>	<u>8,762</u>
<u>Total Assets</u>	<u>163,211</u>	<u>64,353</u>	<u>93,855</u>	<u>321,419</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	-	-	-	-
Accrued Salaries	14,050	-	-	14,050
Due to Other Funds	-	-	-	-
Other Liabilities – Meal Deposits	<u>104</u>	<u>-</u>	<u>-</u>	<u>104</u>
<u>Total Liabilities</u>	<u>14,154</u>	<u>-</u>	<u>-</u>	<u>14,154</u>
 <u>Fund Balances</u>				
Nonspendable:				
Inventories	8,762	-	-	8,762
Restricted:				
Food Service	140,295	-	-	140,295
Committed:				
Capital Outlay	-	-	93,855	93,855
Assigned:				
Student Activities	<u>-</u>	<u>64,353</u>	<u>-</u>	<u>64,353</u>
<u>Total Fund Balances</u>	<u>149,057</u>	<u>64,353</u>	<u>98,855</u>	<u>307,265</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>163,211</u>	 <u>64,353</u>	 <u>93,855</u>	 <u>321,419</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2022

	<u>Special Revenue</u>		<u>Capital Project</u>	<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Capital Reserve</u>	<u>Nonmajor</u>
	<u>Service</u>	<u>Activity</u>	<u>Capital Project</u>	<u>Governmental</u>
				<u>Funds</u>
<u>REVENUES</u>				
Earnings on Investments	390	202	116	708
Other Local Sources	3,816	103,382	5,274	112,472
State Aid	1,169	-	-	1,169
Federal Aid	<u>205,112</u>	<u>-</u>	<u>5,200</u>	<u>210,312</u>
<u>Total Revenues</u>	<u>210,487</u>	<u>103,584</u>	<u>10,590</u>	<u>324,661</u>
 <u>EXPENDITURES</u>				
Current:				
Instructional Services	-	-	-	-
Supporting Services:				
Students	-	100,945	-	100,945
Food Service	206,969	-	29,829	236,798
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>206,969</u>	<u>100,945</u>	<u>29,829</u>	<u>337,743</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
	3,518	2,639	(19,239)	(13,082)
 <u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	<u>16,691</u>	<u>-</u>	<u>-</u>	<u>16,691</u>
 <u>NET CHANGE IN FUND BALANCES</u>				
	20,209	2,639	(19,239)	3,609
 <u>FUND BALANCE, Beginning</u>				
	<u>128,848</u>	<u>61,714</u>	<u>113,094</u>	<u>303,656</u>
 <u>FUND BALANCE, Ending</u>				
	<u>149,057</u>	<u>64,353</u>	<u>93,855</u>	<u>307,265</u>

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

BACA COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOOD SERVICE – SPECIAL REVENUE FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	18,785	3,816	(14,969)
Earnings on Investments	375	390	15
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	2,919	1,169	(1,750)
<u>Federal Sources</u>			
School Lunches and Breakfast	176,814	194,054	17,240
Commodities	<u>5,500</u>	<u>11,058</u>	<u>5,558</u>
<u>Total Revenues</u>	<u>204,393</u>	<u>210,487</u>	<u>6,094</u>
 <u>EXPENDITURES</u>			
Salaries	79,547	75,158	4,389
Employee Benefits	21,624	20,129	1,495
Purchased Services – Professional	-	-	-
Purchased Services – Property	1,500	1,523	(23)
Purchased Services - Other	1,650	2,106	(456)
Food Purchases	103,200	88,964	14,236
Capital Outlay	52,000	2,044	49,956
Commodities	-	11,058	(11,058)
Non-Food Supplies	5,100	5,987	(887)
Appropriated Reserves	<u>78,620</u>	<u>-</u>	<u>78,620</u>
<u>Total Expenditures</u>	<u>343,241</u>	<u>206,969</u>	<u>136,272</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(138,848)	3,518	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>10,000</u>	<u>16,691</u>	<u>6,691</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(128,848)	20,209	
<u>FUND BALANCE, July 1</u>	<u>128,848</u>	<u>128,848</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>149,057</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
STUDENT ACTIVITY FUND – SPECIAL REVENUE FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	202	202
Other Local	<u>293,211</u>	<u>103,382</u>	<u>(189,829)</u>
Total Revenues	<u>293,211</u>	<u>103,584</u>	<u>(189,627)</u>
<u>EXPENDITURES:</u>			
Instruction	-	-	-
Support Services	<u>293,211</u>	<u>100,945</u>	<u>192,266</u>
Total Expenditures	<u>293,211</u>	<u>100,945</u>	<u>192,266</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	2,639	
<u>TRANSFERS</u>	-	-	-
<u>FUND BALANCE, July 1</u>	-	<u>61,714</u>	
<u>FUND BALANCE, June 30</u>	-	<u>64,353</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CAPITAL RESERVE - CAPITAL PROJECT FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	110	116	6
Other - Local Revenue	-	5,274	5,274
State Sources	<u>1,251,292</u>	<u>5,200</u>	<u>(1,246,092)</u>
<u>Total Revenues</u>	<u>1,251,402</u>	<u>10,590</u>	<u>(1,240,812)</u>
<u>EXPENDITURES</u>			
Land and Sites	-	-	-
Building and Improvements	1,370,099	29,829	1,340,270
Transportation Equipment	-	-	-
Equipment	-	-	-
Debt Service	-	-	-
Appropriated Reserves	<u>119,530</u>	<u>-</u>	<u>119,530</u>
<u>Total Expenditures</u>	<u>1,489,629</u>	<u>29,829</u>	<u>1,459,800</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(238,227)	(19,239)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>125,133</u>	<u>-</u>	<u>(125,133)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(113,094)	(19,239)	
<u>FUND BALANCE, July 1</u>	<u>113,094</u>	<u>113,094</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>93,855</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUILDING FUND – CAPITAL PROJECT FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Earnings on Investments	-	-	-
Other Local Revenue	-	-	-
State Grant Revenue	<u>32,737,265</u>	<u>8,565,779</u>	<u>(24,171,486)</u>
<u>Total Revenues</u>	<u>32,737,265</u>	<u>8,565,797</u>	<u>(24,171,486)</u>
<u>EXPENDITURES</u>			
Building and Site Improvements	38,468,675	10,065,545	28,403,130
Appropriated Reserves	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>38,468,675</u>	<u>10,065,545</u>	<u>28,403,130</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(5,731,410)</u>	<u>(1,499,766)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Matching Money Bond Proceeds	-	-	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(5,731,410)</u>	<u>(1,499,766)</u>	
<u>FUND BALANCE, July 1</u>	<u>5,731,410</u>	<u>5,731,410</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>4,231,644</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-4
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BOND REDEMPTION – DEBT SERVICE FUND
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Taxes	438,508	399,582	(38,926)
Specific Ownership Taxes	-	-	-
Other Local Sources	2,400	1,571	(829)
Earnings on Investments	85	144	59
<u>Total Revenues</u>	<u>440,993</u>	<u>401,297</u>	<u>(39,696)</u>
 <u>EXPENDITURES</u>			
Debt Service			
Principal	484,466	240,965	243,501
Interest	205,572	137,993	67,579
Other Fees	750	-	750
Appropriated Reserves	66,821	-	66,821
<u>Total Expenditures</u>	<u>757,609</u>	<u>378,958</u>	<u>378,651</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>(316,616)</u>	 <u>22,339</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 <u>(316,616)</u>	 <u>22,339</u>	
 <u>FUND BALANCE, July 1</u>	 <u>316,616</u>	 <u>316,616</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>338,955</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 0250 - Springfield RE-4
 Fiscal Year 2021-22
 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	2,992,435		3,998,015	3,437,217		3,553,234
1A Dist Mgmt Sub-Fund of General Fund	52,430		113,856	120,533		45,753
19 Colorado Pre-school Program Fund	48,255		77,140	72,126		53,269
Sub-Total	3,093,120		4,189,011	3,629,875		3,652,256
11 Charter School Fund	0		0	0		0
20 26-29 Special Revenue Fund	0		0	0		0
05 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	128,848		227,178	206,970		149,057
27 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	61,714		103,584	100,945		64,353
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	316,616		401,295	378,958		338,955
33 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	5,731,410		8,565,779	10,065,545		4,231,644
42 Special Building Fund	0		0	0		0
44 Capital Reserve Capital Projects Fund	113,094		10,580	29,830		93,855
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	9,444,803		13,497,438	14,412,122		8,530,119
Proprietary						
67 68 69 Other Purpose Funds	0		0	0		0
61 62 63 Non-Schools Arbitry Fund	0		0	0		0
64 65 66 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 Public Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Fiscal Agency Agency Fund	0		0	0		0
76 GASB 34-Permanent Fund	0		0	0		0
05 Foundation	0		0	0		0
Totals	0		0	0		0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 0250 - Springfield RE-4

Fiscal Year 2021-22

Colorado School District/BOCES

	Governmental					Proprietary					Fiduciary					
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	4,068,324	0	64,430	64,353	0	0	136,793	19,472	4,704,225	0	0	0	0	0	0	9,057,547
Cash with Fiscal Agent (8105)	16,616	0	0	0	0	0	0	309,533	0	0	0	0	0	0	0	326,149
Taxes Receivable (8121,8122)	51,488	0	0	0	0	0	0	22,436	0	0	0	0	0	0	0	73,924
Interfund Loans Receivable (8131,8132)	2,932	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,932
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	37,432	0	0	0	0	0	17,591	0	0	0	0	0	0	0	0	55,023
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	65	0	2,163,064	0	0	0	0	0	0	2,163,129
Inventories (8171,8172,8173)	0	0	0	0	0	0	8,763	0	0	0	0	0	0	0	0	8,763
Prepaid Expenses (8181,8182)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	4,176,792	0	64,430	64,353	0	0	163,211	351,391	6,867,289	0	0	0	0	0	0	11,687,467

	Governmental				Proprietary						Fiduciary					
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	2,932	0	0	0	0	0	0	0	0	0	0	0	0	2,932
Other Payables (7421-7423)	0	0	0	0	0	0	0	0	2,541,791	0	0	0	0	0	0	2,541,791
Accrued Expenses (7461)	313,766	0	8,229	0	0	14,050	0	0	0	0	0	0	0	0	0	336,045
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	230,551	0	0	0	0	0	0	0	0	0	0	0	0	0	0	230,551
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	104	0	0	0	0	0	0	0	0	0	104
Deferred Inflow (7800)	33,488	0	0	0	0	0	12,436	0	0	0	0	0	0	0	0	45,924
Total Liabilities	577,805	0	11,161	0	0	14,154	12,436	2,541,791	0	0	0	0	0	0	0	3,157,348

Governmental

Proprietary

Fiduciary

FUND EQUITY

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-assignable Fund Balance 6710	0	0	0	0	0	0	8,763	0	0	0	0	0	0	0	0	8,763
Restricted Fund Balance 6720	0	0	0	0	0	0	140,294	338,955	4,231,644	0	0	0	0	0	0	4,710,893
TABOR 3% Emergency Reserve 6721	372,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	372,000
TABOR Multi-year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	53,269	0	0	0	0	0	0	0	0	0	0	0	0	53,269
SallyDay Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9521 Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6750	45,753	0	0	0	0	0	0	0	93,855	0	0	0	0	0	0	139,607
Assigned Fund Balance 6760	0	0	0	64,353	0	0	0	0	0	0	0	0	0	0	0	64,353
Unassigned Fund Balance 6770	3,181,234	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,181,234
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6980	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	3,598,987	0	53,269	64,353	0	0	149,057	338,955	4,325,498	0	0	0	0	0	0	8,530,119

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	4,176,792	0	64,430	64,353	0	0	163,211	351,391	6,867,289	0	0	0	0	0	0	11,687,467
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes