

cPa DIXON, WALLER & CO., INC.

BACA COUNTY

SCHOOL DISTRICT RE-6

CAMPO, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2022

DIXON, WALLER & CO., INC.

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BACA COUNTY SCHOOL DISTRICT RE-6

FINANCIAL STATEMENTS

JUNE 30, 2022

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**BACA COUNTY SCHOOL DISTRICT RE-6
ROSTER OF SCHOOL OFFICIALS
June 30, 2022**

BOARD OF EDUCATION

D'Ann Heberd	President
Bob Lenning	Vice-President
Anthony LeBlanc	Secretary
Rob Patrick	Treasurer
Stan Elmore	Member

SCHOOL OFFICIALS

Nikki Johnson	Superintendent
Kim Jenkins	Principal
Coantha Johnson	Business Manager

FINANCIAL SECTION

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TRINIDAD, COLORADO 81082
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INDEPENDENT AUDITOR'S REPORT

**Board of Education
Baca County School District RE-6
Campo, Colorado 81146**

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-6, 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-6'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-6, 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-6, 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-6'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-6'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-6'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-6'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.

Debra Walker & Co., Inc.

November 16, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Campo School District RE-6
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

As management of the Campo School District RE-6, we offer readers of the Campo School District RE-6's financial statements this narrative overview and analysis of the financial activities of the Campo School District RE-6 for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

Financial Highlights

- The District's financial status for governmental funds increased over the course of the 2022 fiscal year. Total net position for entity wide financial statements increased \$4,027,910 or 421%. This increase is primarily due to the capital construction grant.
- General revenues, primarily property taxes and state equalization payments, account for \$1,105,450 or approximately 21% of all revenues. Program specific revenues in the form of charges for services and sales, operating grants and contributions, and capital grants and contributions accounted for \$4,143,010 or 79% of total revenues of \$5,248,460.
- The District had \$4,143,010 in expenses related to governmental activities; \$2,922,460 of these expenses were offset by program specific charges for services, grants and contributions for a net difference of \$ 1,220,550. General revenues of \$1,105,450 helped to provide for these programs.

Overview of the Financial Statements

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

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

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

District-wide Financial Statements

The district-wide financial statements are designed to provide readers a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Campo School District RE-6's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Campo School District RE-6 is improving or deteriorating. To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Both of the district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Included in governmental activities are most of the District's basic services such as regular and special education, transportation, and administration. The only services accounted for as business-type activities are the District's food services.

The district-wide financial statements can be found on pages 3 & 4 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to track specific sources of funding and spending on particular programs. The Campo School District RE-6, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's funds are divided into two categories: governmental funds and proprietary funds.

Governmental Funds: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the District's programs. Because this information does not encompass the long-term focus of the district-wide statements, additional information in the reconciliation of the governmental funds statements explains the relationship (or differences) between them.

Campo School District RE-6 maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the Food Services Special Revenue Fund because they are considered major funds.

Special Revenue funds: The Campo School District RE-6 maintains one type of special revenue fund. Campo School District RE-6 uses special revenue funds to account for its nutrition services.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found on pages 9-40 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents supplementary information. Supplementary information includes combining statements mentioned earlier in connection with non-major governmental funds as well as budget-to-actual information for all funds as dictated by state law.

FINANCIAL HIGHLIGHTS

The District was required to implement GASB 68 resulting in a net pension liability of \$1,211,491. 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. At implementation beginning equity is restated and deferred inflows, outflows and the net pension liability are reported.

The District was required to implement GASB 75 in 2018 resulting in a net other post-employment benefit (OPEB) liability of \$58,612. 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 implementation beginning equity is restated and deferred inflows, outflows and the net OPEB liability are reported.

District-wide Financial Analysis

Table 1 provides a summary of the district's net assets at June 30, 2022 with comparative June 30, 2021.

	Governmental Activities	Total 2022 School District	Total 2021 School District
Current and other assets	2,020,531	2,020,531	2,889,514
Capital assets, net	5,748,351	5,748,351	2,348,724
Total assets	7,768,882	7,768,882	5,238,238
Deferred Outflows	317,361	317,361	615,404
Current liabilities	899,172	899,172	1,867,523
Noncurrent liabilities	1,279,257	1,279,257	1,805,072
Total liabilities	2,178,429	2,178,429	3,672,595
Deferred Inflows	623,941	623,941	925,084
Net position			
Net Investment in Capital Assets	5,748,351	5,748,351	2,348,724

Restricted	274,511	274,511	238,838
Unrestricted (Deficit)	5,009,362	5,009,362	(1,331,599)
Total net position at June 30, 2022	5,283,873	5,283,873	1,255,963

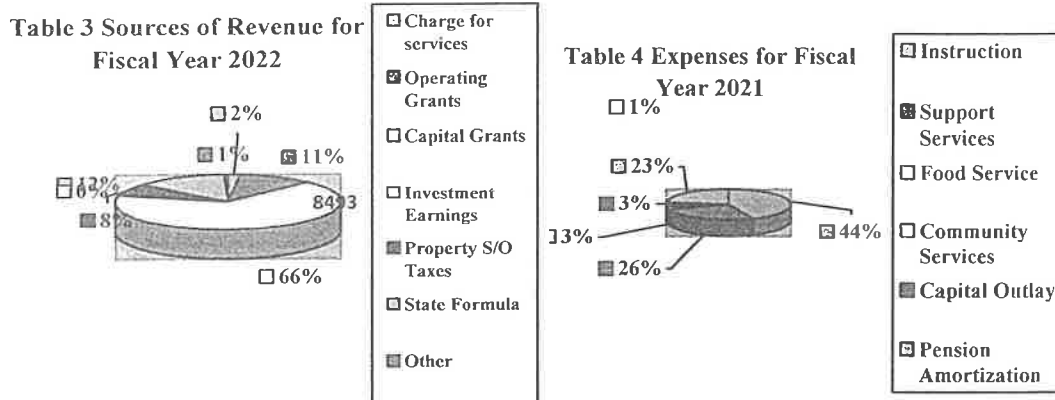
Table 2 provides a summary of the changes in net assets. Following Table 2 is a specific discussion related to overall revenues and expenses.

	Governmental Activities	Total 2022 School District	Total 2021 School District
Revenues			
Program Revenues			
Charges for Services	88,482	88,842	49,446
Operating grants and contributions	562,021	562,021	307,058
Capital grants/restricted	3,492,507	3,492,507	2,438,655
Investment earnings	2,503	2,503	4,931
General revenues			
Property taxes	395,418	395,418	380,121
State formula revenue	678,687	678,687	618,682
Other	28,842	28,842	19,627
Direct Distribution payment			
Intergovernmental			17,717
Total Revenues	5,248,820	5,248,820	3,836,237
Expenses			
Instruction	972,682	972,682	756,096
Support Services:			
Students	101,266	101,266	54,314
Instructional staff	18,459	18,459	11,890
General administration	183,659	183,659	179,343
Operations and maintenance	203,005	203,005	485,406
Student transportation	71,496	71,496	59,804
Central	10,797	10,797	10,717
Food service operations	74,821	74,821	64,416
Community Services	21,364	21,364	41,482
Capital Outlay	74,537	74,537	1,163,083
Pension and Other Post Employment Benefit Costs	(511,536)	(511,536)	(474,154)
Total Expenses	1,220,550	1,220,550	2,352,397
	4,027,910	4,027,910	1,483,840

Property taxes and per pupil state formula revenue (state equalization) usually account for most of the District's revenue, contributing about 8 cents and 13 cents respectively for every dollar raised (see Table 3). The remainder of revenue comes from fees charged for services and miscellaneous sources. The current capital construction offset revenue structure in the 2021-21 fiscal year, contributing 67%.

The District expenses predominantly relate to instruction and support services, which includes support for students and instructional staff, administration, operations and maintenance, and transportation. Given that Campo School District RE-6 is a service organization providing educational services to students, the majority of expenses are paid in the form of compensation (salaries and benefits) to the District's employees.

Detailed below in Tables 3 and 4 are charts displaying revenues by source and expenses by program for the total school district.



Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994. Under this act, the district should have received \$19,258.11 per funded student but with a budget stabilization factor totaling (\$57,118.92), the amount was reduced to \$18,115.73 per funded student. In fiscal year 2021-2022, the district had a funded pupil count (FTE) of 45, but the district received floor funding for 50. Funding for the school finance act comes from property taxes, specific ownership taxes and state equalization. The district receives approximately 16% of this funding from state equalization while the remaining amounts come from property taxes and specific ownership tax, grants, and interest. The district receives approximately 10% of funding from property tax.

The statement of activities provides the cost of program services and the related charges for services and grants offsetting those costs. Table 5 reflects each program's net cost (total cost less fees generated by the programs and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these programs.

	Total Cost of Services	Net Cost of Services
Instruction	972,682	(464,393)
Students	101,266	(23,708)
Instructional Staff	18,459	(18,459)
General Administration	183,659	(183,659)
Operations and Maintenance	203,005	(195,109)
Student Transportation	71,496	(60,634)
Central	10,797	(10,797)

Food Services	74,821	(28,923)
Community Services	21,364	(21,364)
Capital Outlay	74,537	3,417,970
Pension and Other Post Employment Benefit Costs	(511,536)	511,536
Total	1,220,550	2,922,460

- The cost of all governmental activities this year was \$1,220,550.
- Federal and State government subsidized certain programs with grants and contributions amounting to \$4,054,528.
- Most of the District's costs \$1,220,550, however, were financed by District and State taxpayers.
- This portion of governmental activities was financed with \$395,418 in property taxes, \$678,687 in state aid (equalization) based on the statewide formula for per pupil funding, and \$2,503 in investment earnings.

Financial Analysis of the District's Funds

Information about the District's funds starts on page 5. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$5,248,460 and expenditures of \$5,140,430. The net change in fund balance for the general fund was a increase of \$108,030.

General Fund Budgetary Highlights

The District adopts a budget in June based on enrollment projections for the following school year.

The actual expenditures were \$1,188,273 below budget, primarily because the District budgeted \$887,952 from fund balance for unplanned expenditures (contingency).

The fund balance as of June 30, 2022 (budgetary basis) was \$ 981,680 compared to \$883,220 (actual) as of June 30, 2021, including \$144,000, \$45,000, \$6,835, \$55,976, and \$22,700 respectively, for TABOR Amendment emergency reserves, Scholarships, Preschool, Capital Outlay, and Lunch Fund.

Capital Assets

By the end of the fiscal year 2022, the District had invested \$5,748,351 in a broad range of capital assets, including land, buildings, site improvements, vehicles, and other equipment. (See Table 6.)

	Governmental Activities		Total	
	2022	2021	2022	2021
Land	13,930	13,930	13,930	13,930
Construction in Progress		1,163,066		1,163,066
Building & Site Improvement	6,730,298	2,150,523	6,730,298	2,150,523
Equipment & Vehicles	1,063,684	962,686	1,063,684	962,686
Equipment Lunch Fund	37,282	37,282	37,282	37,282
Total	5,748,351	4,327,487	5,748,351	4,327,487

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- Based on historical trends, our projections for student enrollment for fall 2022 will show District enrollment stable, if not improved. We recognize that student mobilization within families and the county can cause enrollment numbers to fluctuate to some degree.
- The United States and the State of Colorado are finally experiencing economic recovery with Colorado showing a stronger than average rate. Because of this growth, the State of Colorado reached its TABOR limits which impact funding to education as legislators try to balance the State budget while dealing with mandatory taxpayer rebates. If the District revenues are reduced from the State, the District will be required to reduce its future expenditures.
- The Colorado Department of Education determined that the Campo School District RE-6 is meeting the intent of the requirements, as set forth in Colorado State Board of Education Rules 2202-R-0.00 through 4.02 (5), and continues to be fully accredited.
- With floor funding set at 50, the district is able to plan budgets for the upcoming school years, anticipating the legislators will reduce the negative factor as the Colorado economy continues to improve, resulting in increased revenue for the district. This district administration will remain actively engaged in conversations at the state level to help communicate the funding needs of small districts.
- The BEST Grant has provided funding for major renovations and updates to the district facilities. Matching funds are required from the district so this impacted the overall finances.
- The COVID-19 Pandemic also made an economic impact on our school district. The state provided funding to support increased costs in educating our students in different manners, which was a positive impact. The pandemic itself has caused great economic downfalls that we believe will impact school finances for many years to come.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Superintendent, Campo School District RE-6, 480 Maple Street, Campo, CO 81029.

BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-6
STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental Activities</u>	<u>Total Governmental Activities</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Investments	1,195,740	1,195,740
Accounts Receivable - Net	4,377	4,377
Grants Receivable	809,732	809,732
Property Taxes Receivable	8,558	8,558
Inventories	2,124	2,124
Capital Assets	7,845,194	7,845,194
Accumulated Depreciation	<u>(2,096,843)</u>	<u>(2,096,843)</u>
<u>TOTAL ASSETS</u>	<u>7,768,882</u>	<u>7,768,882</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	311,630	311,630
Other Post Employment Benefits	<u>5,731</u>	<u>5,731</u>
<u>Total Deferred Outflow of Resources</u>	<u>317,361</u>	<u>317,361</u>
 <u>LIABILITIES</u>		
Accounts Payable	764,683	764,683
Accrued Salaries	115,414	115,414
Compensated Absences	8,520	8,520
Unearned Revenue	6,376	6,376
Net Pension Liability	1,211,491	1,211,491
Net OPEB Liability	58,612	58,612
Lease Payable - Current	4,179	4,179
Lease Payable - Long Term	<u>9,154</u>	<u>9,154</u>
<u>TOTAL LIABILITIES</u>	<u>2,178,429</u>	<u>2,178,429</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	598,871	598,871
Other Post Employment Benefits	<u>25,070</u>	<u>25,070</u>
<u>Total Deferred Inflow of Resources</u>	<u>623,941</u>	<u>623,941</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	5,735,018	5,735,018
Restricted for:		
TABOR Reserve	144,000	144,000
Preschool	6,835	6,835
Food Service	22,700	22,700
Scholarship	45,000	45,000
Capital Outlay	55,976	55,976
Unrestricted	<u>(725,656)</u>	<u>(725,656)</u>
<u>TOTAL NET POSITION</u>	<u>5,283,873</u>	<u>5,283,873</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2022**

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
<u>FUNCTIONS/PROGRAMS</u>					
<u>Primary Government:</u>					
<u>Governmental Activities</u>					
Instructional Services	972,682	508,289	-	(464,393)	(464,393)
Supporting Services:					
Students	101,266	-	-	(23,708)	(23,708)
Instructional Staff	18,459	-	-	(18,459)	(18,459)
School Administration	183,659	-	-	(183,659)	(183,659)
Operation & Maintenance of Facilities	203,005	-	-	(195,109)	(195,109)
Transportation	71,496	10,862	-	(60,634)	(60,634)
Central Support	10,797	-	-	(10,797)	(10,797)
Community Service	21,364	-	-	(21,364)	(21,364)
Food Service	74,821	42,870	-	(28,923)	(28,923)
Capital Outlay	74,537	-	3,492,507	3,417,970	3,417,970
Net Pension Changes	(506,984)	-	-	506,984	506,984
Net OPEB Changes	(4,552)	-	-	4,552	4,552
<u>Total Governmental Activities</u>	<u>1,220,550</u>	<u>562,021</u>	<u>3,492,507</u>	<u>2,922,460</u>	<u>2,922,460</u>
<u>Total Primary Government</u>	<u>1,220,550</u>	<u>562,021</u>	<u>3,492,507</u>	<u>2,922,460</u>	<u>2,922,460</u>
<u>General Revenues</u>					
Property Taxes Levied for General Purposes				361,235	361,235
Specific Ownership Taxes				34,183	34,183
Equalization				678,687	678,687
Earnings on Investments				2,503	2,503
Other Revenues				28,842	28,842
<u>Total General Revenues and Transfers</u>				<u>1,105,450</u>	<u>1,105,450</u>
<u>Change in Net Position</u>				<u>4,027,910</u>	<u>4,027,910</u>
<u>Net Position, Beginning</u>				<u>1,255,963</u>	<u>1,255,963</u>
<u>Net Position, Ending</u>				<u>5,283,873</u>	<u>5,283,873</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022**

	<u>General Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS:</u>				
Cash and Investments	994,957	80,017	120,766	1,195,740
Accounts Receivable	821	-	3,556	4,377
Grants Receivable	95,788	711,144	2,800	809,732
Due From Other Funds	17,500	-	-	17,500
Property Taxes Receivable	8,558	-	-	8,558
Inventories	-	-	2,124	2,124
<u>Total Assets</u>	<u>1,117,624</u>	<u>791,161</u>	<u>129,246</u>	<u>2,038,031</u>
<u>LIABILITIES:</u>				
Accounts Payable	23,056	735,185	6,442	764,683
Accrued Salaries	106,512	-	8,902	115,414
Due To Other Funds	-	-	17,500	17,500
Unearned Revenue	6,376	-	-	6,376
<u>Total Liabilities</u>	<u>135,944</u>	<u>735,185</u>	<u>32,844</u>	<u>903,973</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Taxes	-	-	-	-
<u>FUND BALANCES:</u>				
Nonspendable:				
Inventories	-	-	2,124	2,124
Restricted for:				
TABOR Reserve	144,000	-	-	144,000
Preschool	6,835	-	-	6,835
Food Service	-	-	22,700	22,700
Capital Outlay	-	55,976	-	55,976
Scholarship	45,000	-	-	45,000
Committed for:				
Capital Outlay	-	-	32,545	32,545
Assigned for:				
Pupil Activities	-	-	39,033	39,033
Unassigned	785,845	-	-	785,845
<u>Total Fund Balances</u>	<u>981,680</u>	<u>55,976</u>	<u>96,402</u>	<u>1,134,058</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>1,117,624</u>	<u>791,161</u>	<u>129,246</u>	<u>2,038,031</u>

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

**BACA COUNTY SCHOOL DISTRICT RE-6
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO 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>	1,134,058
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$7,845,194 and the accumulated depreciation is \$2,096,843.	5,748,351
Compensated absences are not reported as a liability in the funds.	(8,520)
Long-Term Liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Capital Lease Payable	(13,333)
The Districts portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(1,211,491)
The Districts portion of the net OPEB obligation is reported on the statement of net position is not reported as a liability in the funds.	(58,612)
Deferred flows for pension and OPEB obligations are not reported in the funds.	
Deferred Outflows	317,361
Deferred Inflows	<u>(623,941)</u>
<u>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</u>	<u>5,283,873</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2022

	<u>General Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:				
Property Taxes	361,235	-	-	361,235
Specific Ownership Taxes	34,183	-	-	34,183
Earnings on Investments	2,386	104	34	2,524
Other Local Sources	36,738	-	80,565	117,303
State Aid	793,425	3,492,507	213	4,286,145
Federal Aid	<u>404,413</u>	-	<u>42,657</u>	<u>447,070</u>
Total Revenues	<u>1,632,380</u>	<u>3,492,611</u>	<u>123,469</u>	<u>5,248,460</u>
EXPENDITURES:				
Current:				
Instructional	962,188	-	-	962,188
Supporting Services:				
Pupil	2,382	-	98,884	101,266
Instructional Staff	18,459	-	-	18,459
District Administration	-	-	-	-
School Administration	187,696	-	-	187,696
Operation & Maintenance of Facilities	209,405	-	-	209,405
Transportation	64,076	-	-	64,076
Central Support	10,797	-	-	10,797
Community Service	21,364	-	-	21,364
Food Service	-	-	73,933	73,933
Capital Outlay	-	<u>3,491,246</u>	-	<u>3,491,246</u>
Total Expenditures	<u>1,476,367</u>	<u>3,491,246</u>	<u>172,817</u>	<u>5,140,430</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>156,013</u>	<u>1,365</u>	<u>(49,348)</u>	<u>108,030</u>
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(57,553)</u>	-	<u>57,553</u>	-
Total Other Financing Sources (Uses)	<u>(57,553)</u>	-	<u>57,553</u>	-
NET CHANGE IN FUND BALANCES	98,460	1,365	8,205	108,030
FUND BALANCES, Beginning	<u>883,220</u>	<u>54,611</u>	<u>88,197</u>	<u>1,026,028</u>
FUND BALANCES, Ending	<u>981,680</u>	<u>55,976</u>	<u>96,402</u>	<u>1,134,058</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
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 **108,030**

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 used 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	3,517,525	
Depreciation Expense	<u>(117,898)</u>	3,399,627

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 decreased by this amount. 4,680

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

Debt Payment	4,037
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The statement of activities reports net pension obligation which is not reported in the fund financial statements.

Change in net pension obligation	504,670
Change in net OPEB obligation	3,766
Deferred flows from net pension obligation	2,314
Deferred flows from net OPEB obligations	<u>786</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **4,027,910**

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

NOTES TO BASIC FINANCIAL STATEMENTS

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Baca County School District RE-6 of Baca County was reorganized by a vote of qualified electorate in 1959, under the provisions of the Colorado School Organization Act of 1957.

The District operates under an elected Board of Education with five members and provides educational services to approximately 44 students.

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-6. 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 Statement 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 reporting entity of the District.

BACA COUNTY SCHOOL DISTRICT RE-6
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 and proprietary funds. Major individual governmental funds (General and Building Funds) and 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.

BACA COUNTY SCHOOL DISTRICT RE-6
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)

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 unassigned fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

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 to collect within 60 days after year-end.

Property taxes are reported as receivables and unearned revenue 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.

The 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 statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

BACA COUNTY SCHOOL DISTRICT RE-6
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)

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 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.

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**

1. **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.
2. **Building Fund** – is used to account for the acquisition or major improvements to buildings.

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.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 unearned revenue 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.

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.

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 (7-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition and any remaining depreciation is recorded in the year of disposition.

BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

I. Liabilities

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. Capital leases are serviced from property taxes and other revenues of the General Fund and Capital Reserve Capital Projects Fund.

J. 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.

On November 5, 1996 the registered voters approved a ballot resolution authorizing Baca County School District RE-6 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

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 (excluding bonded debt service). As of June 30, 2022, the District reserved \$144,000 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-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

K. 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

L. 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.

M. 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).

BACA COUNTY SCHOOL DISTRICT NUMBER RE-6
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

M. GASB Statement No. 54 (continued)

4. Assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.
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, 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 NUMBER RE-6
NOTES TO FINANCIAL STATEMENTS
June 30, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. GASB Statement No. 54 (continued)

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Building Fund</u>	<u>Pupil Activity Fund</u>	<u>Capital Reserve Capital Project Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	-	2,124	2,124
<u>Restricted:</u>						
TABOR	144,000	-	-	-	-	144,000
Preschool	6,835	-	-	-	-	6,835
Food Service	-	-	-	-	22,700	22,700
Capital Outlay	-	55,976	-	-	-	55,976
Scholarship	45,000	-	-	-	-	45,000
<u>Committed:</u>						
Capital Outlay	-	-	-	32,545	-	32,545
<u>Assigned:</u>						
Pupil Activities	-	-	39,033	-	-	39,033
<u>Unassigned:</u>	<u>785,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>785,845</u>
<u>Total Fund Balances</u>	<u>981,680</u>	<u>55,976</u>	<u>39,033</u>	<u>32,545</u>	<u>24,824</u>	<u>1,134,058</u>

N. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of financial position and the balance sheet 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 and the balance sheet 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.

O. GASB 87

On July 1, 2021 Baca County School District RE-6 adopted GASB 87, Leases. The District will comply with GASB 87 on all leases that are individually and 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.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022**

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

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. The items which were eliminated are as follows:

<u>Items Eliminated:</u>	<u>Transfers In (Out)</u>	<u>Interfund Receivables (Payables)</u>
General Fund	(57,533)	17,500
Pupil Activity Fund	18,500	-
Capital Reserve - Capital Projects Fund	10,000	-
Food Service Fund	29,053	(17,500)

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 Superintendent 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 Superintendent 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 Fund, Special Revenue Funds and Capital Projects Funds.
6. Budgets for the General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS**

June 30, 2022

NOTE 3 BUDGETARY INFORMATION (continued)

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

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.

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)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	940,816	975,438
Cash on Hand	175	-
Cash with County Treasurer	4,749	-
<u>Total Cash and Deposits</u>	<u>1,195,740</u>	<u>1,225,438</u>

Deposits and Certificates of Deposit with bank balance of \$975,438 and a carrying balance of \$940,816 as of June 30, 2022 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022**

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

<u>Governmental Activities</u>	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>
<u>Capital Assets Not Being</u>				
<u>Depreciated:</u>				
Land	13,930	-	-	13,930
Construction in Progress	<u>1,163,066</u>	<u>3,416,709</u>	<u>4,579,775</u>	<u>-</u>
<u>Total Assets Not Being</u>				
<u>Depreciated</u>	<u>1,176,996</u>	<u>3,416,709</u>	<u>4,579,775</u>	<u>13,930</u>
<u>Capital Assets Being</u>				
<u>Depreciated:</u>				
<u>Buildings &</u>				
Site Improvements	2,150,523	4,579,775	-	6,730,298
Equipment & Vehicles	962,868	100,816	-	1,063,684
Food Service Equipment	<u>37,282</u>	<u>-</u>	<u>-</u>	<u>37,282</u>
<u>Total Capital Assets Being</u>				
<u>Depreciated</u>	<u>3,150,673</u>	<u>4,680,591</u>	<u>-</u>	<u>7,831,264</u>
<u>Less Accumulated</u>				
<u>Depreciation for:</u>				
<u>Building &</u>				
Site Improvements	1,045,960	96,298	-	1,142,258
Equipment & Vehicles	896,593	20,712	-	917,305
Food Service Equipment	<u>36,392</u>	<u>888</u>	<u>-</u>	<u>37,280</u>
<u>Total Accumulated</u>				
<u>Depreciation</u>	<u>1,978,945</u>	<u>117,898</u>	<u>-</u>	<u>2,096,843</u>
<u>Total Capital Assets, Net</u>	<u>2,348,724</u>	<u>7,979,402</u>	<u>4,579,775</u>	<u>5,748,351</u>

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

<u>Governmental Activities:</u>	
Instruction	109,590
Transportation	7,420
Food Service	<u>888</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>117,898</u>

BACA COUNTY SCHOOL DISTRICT RE-6
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 6 **CAPITAL LEASE PAYABLE**

A summary of changes in Capital Lease Payable is as follows:

<u>General Governmental:</u>	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Current</u> <u>Amount Due</u>
3 Copiers	<u>17,370</u>	<u>-</u>	<u>4,037</u>	<u>13,333</u>	<u>4,179</u>

During fiscal year 2021, the District entered into a capital lease to purchase 3 copiers. Notwithstanding the fact that the District may elect not to renew the agreement in any year, it is the present intention of the District that the agreement will be renewed annually until full rights to the copiers are acquired. The annual interest rate is 3.45% with monthly payments of \$381.06. The balance due as of June 30, 2021 was \$17,370. Annual debt service requirements to maturity for the capital lease is as follows:

	<u>Fiscal</u> <u>Year</u>	<u>Annual</u> <u>Payments</u>	<u>Principal</u>	<u>Interest</u>
	2023	4,573	4,179	394
	2024	4,573	4,324	249
	2025	4,572	4,477	95
	2026	<u>354</u>	<u>353</u>	<u>1</u>
Total Minimum Payments		14,072	<u>13,333</u>	<u>739</u>
Less Amount Representing Interest		<u>739</u>		
Net Present Value of Future Minimum Payments			<u>13,333</u>	

NOTE 7 **COMPENSATED ABSENCES PAYABLE**

Staff members will receive 7 days of leave per year and may accumulate up to 40 days. For employees who have been employed by the District for 5 years and have accumulated over 30 days may have the district buy back up to 5 days. Staff will be paid \$30 or ½ of the member’s pay whichever is lower when they leave the District. Staff members leaving prior to the five years are not eligible for the buy back plan. Staff members will also be given the opportunity to donate their days to individuals that are over the amount of days for leave that are allowed. At June 30, 2022, the District has a liability for compensated absences payable of \$8,520.

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>13,200</u>	<u>-</u>	<u>4,680</u>	<u>8,520</u>

**BACA COUNTY SCHOOL DISTRICT RE-6
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-6 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-6 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-6
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-6 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-6
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-6 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Baca County School District RE-6 were \$137,082 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-6 proportion of the net pension liability was based on Baca County School District RE-6 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-6 reported a liability of \$1,211,491 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-6 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-6 were as follows:

Baca County School District RE-6 proportionate share of the net pension liability	\$ 1,211,491
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Baca County School District RE-6	\$ 138,882
Total	\$ 1,350,373

**BACA COUNTY SCHOOL DISTRICT RE-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022**

NOTE 8 PENSION PLAN (Continued)

At December 31, 2021, the Baca County School District RE-6 proportion was 0.01%, which was a decrease 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-6 recognized pension income of \$506,984 and revenue of \$14,827 for support from the State as a nonemployer contributing entity. At June 30, 2022, the Baca County School District RE-6 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	46,381	-
Changes of assumptions or other inputs	92,488	-
Net difference between projected and actual earnings on pension plan investments	-	(455,485)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	102,484	(143,386)
Contributions subsequent to the measurement date	70,277	N/A
Total	311,630	(598,871)

\$70,277 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	(34,717)
2024	(141,660)
2025	(125,855)
2026	(55,286)
2027	-
Thereafter	-

**BACA COUNTY SCHOOL DISTRICT RE-6
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-6
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-6
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-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022**

NOTE 8 PENSION PLAN (Continued)

Sensitivity of the Baca County School District RE-6 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	1,783,216	1,211,491	734,408

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-6 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 \$716.

BACA COUNTY SCHOOL DISTRICT RE-6
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-6 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-6 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-6
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-6
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-6 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Baca County School District RE-6 were \$7,033 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-6 reported a liability of \$58,612 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-6 proportion of the net OPEB liability was based on Baca County School District RE-6 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-6 proportion was 0.007%, which was a decrease of 0.0247% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the Baca County School District RE-6 recognized OPEB income of \$4,552. At June 30, 2022, the Baca County School District RE-6 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	89	(13,898)
Changes of assumptions or other inputs	1,213	(3,179)
Net difference between projected and actual earnings on OPEB plan investments	-	(3,628)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	823	(4,365)
Contributions subsequent to the measurement date	3,606	N/A
Total	5,731	(25,070)

\$3,606 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	(6,051)
2024	(6,528)
2025	(6,577)
2026	(3,070)
2027	(629)
Thereafter	(90)

**BACA COUNTY SCHOOL DISTRICT RE-6
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-6
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-6
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-6
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-6
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-6 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	\$56,929	\$58,612	\$60,562

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-6
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-6 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	\$68,072	\$58,612	\$50,532

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-6
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 10 **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 11 **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.

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 General 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.

BACA COUNTY SCHOOL DISTRICT RE-6
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 11 **COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (continued)**

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	<u>10,596,041</u>
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 12 **LITIGATION**

None.

NOTE 13 **SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

Claims and Judgments - The District participates in a number of federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of June 30, 2022, significant amounts of grant expenditures have not been audited by the grantor but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the District.

BACA COUNTY SCHOOL DISTRICT RE-6
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 14 JOINT VENTURES

Southeastern Board of Cooperative Educational Services

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 District's share of the joint venture is not determinable at June 30, 2022. The joint venture summary audited financial information as of June 30, 2021 is as follows:

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

The BOCES has no long term debt.

The equity interest of each member District is not known, nor is the change in such interest. The equity interest will be determined only at the disbanding of the B.O.C.E.S.

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.

NOTE 15 INTERFUND ACTIVITY

Transfers and interfund receivables and payables were to support operational requirements and were made in the following amounts:

Fund	Interfund		Transfers
	Receivables	Payables	In (Out)
General	17,500	-	(57,553)
Food Service	-	17,500	29,053
Pupil Activity	-	-	18,500
Capital Reserve - Capital Projects	-	-	10,000

Interfund receivables and payables are expected to be repaid within the subsequent year.

Transfers were made for operational purposes.

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFIT

TREND DATA

MAJOR GOVERNMENTAL 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-6
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Revenues</u>				
Property Taxes	356,912	356,912	361,235	4,323
Specific Ownership Taxes	34,000	34,000	34,183	183
Earnings on Investments	4,700	4,700	2,386	(2,314)
Delinquent Taxes & Interest	500	500	512	12
Other	29,930	29,930	36,226	6,296
<u>State Sources</u>				
Equalization	628,902	628,902	678,687	49,785
Transportation	12,000	12,000	10,862	(1,138)
Other	76,385	76,385	103,876	27,491
<u>Federal Sources</u>				
Other	<u>690,086</u>	<u>690,086</u>	<u>404,413</u>	<u>(285,673)</u>
TOTAL REVENUES	<u>1,833,415</u>	<u>1,833,415</u>	<u>1,632,380</u>	<u>(201,035)</u>
<u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	448,984	448,984	451,662	(2,678)
Employee Benefits	150,823	150,823	153,062	(2,239)
Purchased Services – Professional	89,187	89,187	29,131	60,056
Purchased Services - Property	-	-	-	-
Purchased Services – Other	54,770	54,770	45,550	9,220
Supplies and Materials	359,202	359,202	175,596	183,606
Property	123,600	123,600	80,037	43,563
Other Objects	<u>14,608</u>	<u>14,608</u>	<u>27,150</u>	<u>(12,542)</u>
Total Instruction	<u>1,241,174</u>	<u>1,241,174</u>	<u>962,188</u>	<u>278,986</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	2,100	2,100	1,850	250
Purchased Services - Property	-	-	-	-
Purchased Services – Other	500	500	346	154
Supplies and Materials	4,158	4,158	186	3,972
Property	-	-	-	-
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Student Services	<u>6,758</u>	<u>6,758</u>	<u>2,382</u>	<u>4,376</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	2,933	2,933	5,865	(2,932)
Employee Benefits	1,340	1,340	2,823	(1,483)
Purchased Services – Professional	100	100	4,500	(4,400)
Purchased Services - Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	9,094	9,094	5,271	3,823
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>13,467</u>	<u>13,467</u>	<u>18,459</u>	<u>(4,992)</u>
<u>General Administration</u>				
Salaries	112,547	112,547	110,642	1,905
Employee Benefits	38,349	38,349	33,282	5,067
Purchased Services – Professional	23,375	23,375	20,523	2,852
Purchased Services - Property	-	-	-	-
Purchased Services – Other	3,000	3,000	580	2,420
Supplies and Materials	9,000	9,000	2,968	6,032
Property	1,500	1,500	-	1,500
Other Objects	17,990	17,990	19,701	(1,711)
<u>Total General Administration</u>	<u>205,761</u>	<u>205,761</u>	<u>187,696</u>	<u>18,065</u>
<u>Operations and Maintenance</u>				
Salaries	50,783	50,783	49,283	1,500
Employee Benefits	11,434	11,434	12,796	(1,362)
Purchased Services – Professional	12,000	12,000	4,875	7,125
Purchased Services - Property	9,500	9,500	7,759	1,741
Purchased Services – Other	69,141	69,141	69,034	107
Supplies and Materials	44,500	44,500	53,308	(8,808)
Property	13,450	6,450	12,350	(5,900)
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>210,808</u>	<u>203,808</u>	<u>209,405</u>	<u>(5,597)</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Student Transportation</u>				
Salaries	22,340	22,340	24,181	(1,841)
Employee Benefits	8,499	8,499	8,305	194
Purchased Services – Professional	290	290	300	(10)
Purchased Services - Property	10,000	10,000	10,598	(598)
Purchased Services – Other	10,789	10,789	9,171	1,618
Supplies and Materials	11,200	11,200	11,521	(321)
<u>Total Student Transportation</u>	<u>63,118</u>	<u>63,118</u>	<u>64,076</u>	<u>(958)</u>
<u>Central Support</u>				
Purchased Services – Other	13,244	13,244	10,797	2,447
<u>Total Central Support</u>	<u>13,244</u>	<u>13,244</u>	<u>10,797</u>	<u>2,447</u>
<u>Community Service</u>				
Salaries	17,353	17,353	16,142	1,211
Employee Benefits	3,920	3,920	4,010	(90)
Supplies and Materials	850	850	987	(137)
Other Objects	235	235	225	10
<u>Total Community Service</u>	<u>22,358</u>	<u>22,358</u>	<u>21,364</u>	<u>994</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>535,514</u>	<u>528,514</u>	<u>514,179</u>	<u>14,335</u>
<u>Appropriated Reserves</u>	<u>887,952</u>	<u>894,952</u>	<u>-</u>	<u>894,952</u>
<u>TOTAL EXPENDITURES</u>	<u>2,664,640</u>	<u>2,664,640</u>	<u>1,476,367</u>	<u>1,188,273</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(831,225)</u>	<u>(831,225)</u>	<u>156,013</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(51,995)	(51,995)	(57,553)	(5,558)
<u>Total Other Financing Sources (Uses)</u>	<u>(51,995)</u>	<u>(51,995)</u>	<u>(57,553)</u>	<u>(5,558)</u>
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	<u>(883,220)</u>	<u>(883,220)</u>	<u>98,460</u>	
<u>Fund Balance, July 1</u>	<u>883,220</u>	<u>883,220</u>	<u>883,220</u>	
<u>Fund Balance, June 30</u>	<u>-</u>	<u>-</u>	<u>981,680</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-6
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>
Plan Measurement Date	12-31-21	12-31-20	12-31-19	12-31-18	12-31-17	12-31-16	12-31-15	12-31-14	12-31-13	-
District's proportion of the net pension liability (asset)	0.0104%	0.0114%	0.0103%	0.0109%	0.0122%	0.0122%	0.0126%	0.0131%	0.0130%	-
District's proportionate share of the net pension liability (asset)	\$1,211,491	\$1,716,161	\$1,539,428	\$1,932,003	\$3,930,705	\$3,620,184	\$1,924,934	\$1,772,383	\$1,654,685	-
State's proportionate share of the net pension liability associated with the District**	\$138,882	-	\$195,257	\$264,175	-	-	-	-	-	-
District's covered payroll	\$689,547	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	\$547,799	\$542,862	\$547,520	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	176%	277%	256%	319%	673%	665%	351%	326%	302%	-
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.2%	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.

BACA COUNTY SCHOOL DISTRICT RE-6
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	\$ 137,082	\$ 123,325	\$ 116,337	\$ 116,022	\$ 110,290	\$ 100,110	\$ 97,138	\$ 91,705	\$ 87,586	\$ 73,374
Contributions in relation to the contractually required contributions	<u>\$(137,082)</u>	<u>\$(123,325)</u>	<u>\$(116,337)</u>	<u>\$(116,022)</u>	<u>\$(110,290)</u>	<u>\$(100,110)</u>	<u>\$(97,138)</u>	<u>\$(91,705)</u>	<u>\$(87,586)</u>	<u>\$(73,374)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$689,547	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	\$547,799	\$542,862	\$547,520	\$487,559
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%	18.89%	18.38%	17.73%	16.89%	16.00%	15.05%

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

BACA COUNTY SCHOOL DISTRICT RE-6
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)	0.0067%	0.0066%	0.0067%	0.0071%	0.0069%	0.0069%	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$58,612	\$62,378	\$75,702	\$96,492	\$89,761	\$89,607	-	-	-	-
District's covered payroll	\$689,547	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	8.5%	10.06%	12.61%	15.91%	15.37%	16.46%	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-

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

**BACA COUNTY SCHOOL DISTRICT RE-6
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	\$ 7,033	\$ 6,327	\$ 6,123	\$ 6,186	\$ 5,956	\$ 5,554	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(7,033)</u>	<u>\$(6,327)</u>	<u>\$(6,123)</u>	<u>\$(6,186)</u>	<u>\$(5,956)</u>	<u>\$(5,554)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered payroll	\$689,547	\$620,341	\$600,291	\$606,491	\$583,946	\$544,534	-	-	-	-
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 STATEMENTS AND OTHER SCHEDULES

MAJOR GOVERNMENTAL FUND

Capital Projects Fund

Building Fund – This fund accounts for the acquisition or major improvements to buildings.

NON MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Capital Reserve – Capital Projects Fund – This fund accounts for the acquisition of sites, buildings, equipment and vehicles.

Special Revenue Funds

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

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

Pupil Activity Fund – This fund accounts for transactions involving student clubs, classes and activities.

BACA COUNTY SCHOOL DISTRICT RE-6
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	<u>Capital Reserve Capital Projects</u>	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS</u>				
Cash and Investments	32,545	41,919	46,302	120,766
Accounts Receivable	-	3,556	-	3,556
Grants Receivable	-	-	2,800	2,800
Inventories	-	-	2,124	2,124
<u>Total Assets</u>	<u>32,545</u>	<u>45,475</u>	<u>51,226</u>	<u>129,246</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
<u>Liabilities</u>				
Accounts Payable	-	6,442	-	6,442
Accrued Salaries Payable	-	-	8,902	8,902
Due to Other Funds	-	-	17,500	17,500
<u>Total Liabilities</u>	<u>-</u>	<u>6,442</u>	<u>26,402</u>	<u>32,844</u>
 <u>Deferred Inflow of Resources</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>Fund Balances</u>				
Nonspendable:				
Inventories	-	-	2,124	2,124
Restricted for:				
Food Service	-	-	22,700	22,700
Committed for:				
Capital Outlay	32,545	-	-	32,545
Assigned for:				
Pupil Activities	-	39,033	-	39,033
Unrestricted	-	-	-	-
<u>Total Fund Balances</u>	<u>32,545</u>	<u>39,033</u>	<u>24,824</u>	<u>96,402</u>
 <u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	 <u>32,545</u>	 <u>45,475</u>	 <u>51,226</u>	 <u>129,246</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	<u>Capital Reserve Capital Projects</u>	<u>Pupil Activity</u>	<u>Food Service</u>	<u>Total Nonmajor Governmental Funds</u>
<u>REVENUES:</u>				
Earnings on Investments	13	-	21	34
Other Local Sources	-	77,558	3,007	80,565
State Aid	-	-	213	213
Federal Aid	-	-	<u>42,657</u>	<u>42,657</u>
<u>Total Revenues</u>	<u>13</u>	<u>77,558</u>	<u>45,898</u>	<u>123,469</u>
<u>EXPENDITURES:</u>				
Supporting Services:				
Students	-	98,884	-	98,884
Food Service	-	-	<u>73,933</u>	<u>73,933</u>
<u>Total Expenditures</u>	<u>-</u>	<u>98,884</u>	<u>73,933</u>	<u>172,817</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>13</u>	<u>(21,326)</u>	<u>(28,035)</u>	<u>(49,348)</u>
<u>OTHER FINANCING SOURCES</u>				
<u>(USES)</u>				
Transfers	<u>10,000</u>	<u>18,500</u>	<u>29,053</u>	<u>57,553</u>
<u>Total Other Financing</u>				
<u>Sources (Uses)</u>	<u>10,000</u>	<u>18,500</u>	<u>29,053</u>	<u>57,553</u>
<u>NET CHANGE IN FUND BALANCES</u>	10,013	(2,826)	1,018	8,205
<u>FUND BALANCES, Beginning</u>	<u>22,532</u>	<u>41,859</u>	<u>23,806</u>	<u>88,197</u>
<u>FUND BALANCES, Ending</u>	<u>32,545</u>	<u>39,033</u>	<u>24,824</u>	<u>96,402</u>

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

BACA COUNTY SCHOOL DISTRICT RE-6
BUILDING FUND – CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
<u>REVENUES</u>	<u>Original & Final</u>		
Earnings on Investments	78	104	26
Grant Revenue	<u>4,765,353</u>	<u>3,492,507</u>	<u>(1,272,846)</u>
<u>Total Revenues</u>	<u>4,765,431</u>	<u>3,492,611</u>	<u>(1,272,820)</u>
<u>EXPENDITURES</u>			
Building and Improvements	<u>4,820,042</u>	<u>3,491,246</u>	<u>1,328,796</u>
<u>Total Expenditures</u>	<u>4,820,042</u>	<u>3,491,246</u>	<u>1,328,796</u>
<u>Revenues Over (Under) Expenditures</u>	(54,611)	1,365	
<u>Other Financing Sources (Uses).</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	-
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	(54,611)	1,365	
<u>FUND BALANCE, July 1</u>	<u>54,611</u>	<u>54,611</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>55,976</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-6
 CAPITAL RESERVE – CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
	<u>Original & Final</u>		
<u>REVENUES</u>			
Earnings on Investments	13	13	-
<u>Total Revenues</u>	<u>13</u>	<u>13</u>	<u>-</u>
<u>EXPENDITURES</u>			
Building and Improvements	32,545	-	32,545
<u>Total Expenditures</u>	<u>32,545</u>	<u>-</u>	<u>32,545</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(32,532)</u>	<u>13</u>	
<u>Other Financing Sources (Uses).</u>			
Transfers	10,000	10,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	<u>(22,532)</u>	<u>10,013</u>	
<u>FUND BALANCE, July 1</u>	<u>22,532</u>	<u>22,532</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>32,545</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-6
 FOOD SERVICE – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 For The Year Ended June 30, 2022

	<u>Budgeted Amounts</u> <u>Original and Final</u>	<u>Actual</u>	<u>Variance- Favorable</u> <u>(Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	3,525	3,007	(518)
Earnings on Investments	17	21	4
<u>State Sources</u>			
School Lunches	213	213	-
<u>Federal Sources</u>			
School Lunches	36,287	40,269	3,982
Commodities	<u>2,000</u>	<u>2,388</u>	<u>388</u>
<u>TOTAL REVENUES</u>	<u>42,042</u>	<u>45,898</u>	<u>3,856</u>
<u>EXPENDITURES</u>			
Salaries	39,807	38,307	1,500
Employee Benefits	8,537	9,952	(1,415)
Purchased Services - Professional	-	-	-
Purchased Services - Property	-	78	(78)
Purchased Services – Other	757	-	757
Supplies and Materials	21,330	23,048	(1,718)
Capital Outlay	-	-	-
Other	19,917	160	19,757
Commodities	-	<u>2,388</u>	<u>(2,388)</u>
<u>TOTAL EXPENDITURES</u>	<u>90,348</u>	<u>73,933</u>	<u>16,415</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(48,306)</u>	<u>(28,035)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>24,500</u>	<u>29,053</u>	<u>4,553</u>
<u>Total Other Financing Sources (Uses)</u>	<u>24,500</u>	<u>29,053</u>	<u>4,553</u>
<u>REVENUES OVER (UNDER) OTHER FINANCING SOURCES (USES) AND EXPENDITURES</u>	<u>(23,806)</u>	<u>1,018</u>	
<u>FUND BALANCE, Beginning</u>	<u>23,806</u>	<u>23,806</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>24,824</u>	

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

BACA COUNTY SCHOOL DISTRICT RE-6
PUPIL ACTIVITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u> <u>Original & Final</u>	<u>Actual</u>	<u>Variance with Final Budget- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Local Sources	<u>87,027</u>	<u>77,558</u>	<u>(9,469)</u>
<u>Total Revenues</u>	<u>87,027</u>	<u>77,558</u>	<u>(9,469)</u>
<u>EXPENDITURES</u>			
Student Activities	<u>148,098</u>	<u>98,884</u>	<u>49,214</u>
<u>Total Expenditures</u>	<u>148,098</u>	<u>98,884</u>	<u>49,214</u>
<u>Revenues Over (Under) Expenditures</u>	(61,071)	(21,326)	
<u>Other Financing Sources (Uses)</u>			
Transfers	<u>17,495</u>	<u>18,500</u>	<u>1,005</u>
<u>Total Other Financing Sources (Uses)</u>	<u>17,495</u>	<u>18,500</u>	<u>1,005</u>
<u>Revenues Over (Under) Other Financing Sources (Uses) and Expenditures</u>	(43,576)	(2,826)	
<u>FUND BALANCE, July 1</u>	<u>43,576</u>	<u>41,859</u>	
<u>FUND BALANCE, June 30</u>	<u>-----</u> -	<u>39,033</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: 0270 - Campo RE-6
 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	883,220	1,574,827	1,476,387	981,680
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub-Total	883,220	1,574,827	1,476,387	981,680
11 Charter School Fund	0	0	0	0
20-26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	23,806	74,951	73,933	24,824
22 Govt Designated Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	41,859	96,058	98,884	39,032
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Bonding Fund	54,611	3,492,611	3,491,248	55,976
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	22,532	19,003	0	32,545
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	1,027,628	5,240,400	5,146,400	1,134,067
Proprietary				
30 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60-65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
81 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34 Permitted Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0
FINAL				



Colorado Department of Education
Bolded Balance Sheet Report
 District: 0270 - Campo RE-6
 Fiscal Year 2021-22
 Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20,...	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	
Cash and Investments (8100-8104,8111)	990,208	0	0	41,919	0	0	46,302	0	112,562	0	0	0	0	0	0	1,190,992	
Cash with Fiscal Agent (8105)	4,749	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,749	
Other Investment Accounts (8112-8115)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Taxes Receivable (8121,8122)	8,558	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,558	
Interfund Loans Receivable (8131,8132)	17,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,500	
Intergovernmental Accounts Rec (8141)	820	0	0	0	0	0	0	0	0	0	0	0	0	0	0	820	
Grants Accounts Receivable (8142)	95,789	0	0	0	0	0	2,800	0	711,144	0	0	0	0	0	0	809,732	
Other Receivables (8151-8154,8161)	0	0	0	3,556	0	0	0	0	0	0	0	0	0	0	0	3,556	
Inventories (8171,8172,8173)	0	0	0	0	0	0	2,124	0	0	0	0	0	0	0	0	2,124	
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	1,117,624	0	0	45,475	0	0	51,276	0	823,706	0	0	0	0	0	0	2,038,031	

	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
LIABILITIES & FUND EQUITY															
LIABILITIES															
Interfund Payables (7401,7402)	0	0	0	0	0	0	17,500	0	0	0	0	0	0	0	17,500
Other Payables (7421-7423)	23,056	0	0	6,442	0	0	0	445,847	0	0	0	0	0	0	475,345
Accrued Expenses (7461)	106,513	0	0	0	0	0	8,902	0	0	0	0	0	0	0	115,415
Grants Deferred Revenue (7482)	6,376	0	0	0	0	0	0	0	0	0	0	0	0	0	6,376
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	289,338	0	0	0	0	0	0	289,338
Total Liabilities	135,944	0	0	6,442	0	0	26,402	735,185	0	0	0	0	0	0	903,974

Fund EQUITY	General Funds	Charter School	Preschool	Special Revenue	Supplemental Cap Const	Total Program Reserve	Food Service Special Revenue	Debt Service Funds	Capital Projects	Supplemental Cap Const	Other Enterprise Funds	Risk-Related Activity Funds	Other Internal Service Funds	Trust & Agency Funds	Foundations Fund 85	Totals
	10,12-18	Fund 11	Fund 19	Funds 20, 22-29	Fund 06	Fund 07	Fund 21	30-39	Funds 40-45, 47-49	Fund 46	Funds 50, 52-59	Funds 63-64	Funds 60, 70-79	Funds 70-79	Fund 85	
Non-spendable Fund Balance 6710	0	0	0	0	0	0	2,124	0	0	0	0	0	0	0	0	2,124
Restricted Fund Balance 6720	45,000	0	0	0	0	0	22,700	0	35,976	0	0	0	0	0	0	123,676
TABOR 3% Emergency Reserve 6721	144,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	144,000
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	6,835	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,835
Full-Day 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
BEST 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
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	32,545	0	0	0	0	0	0	32,545
Assigned Fund Balance 6760	0	0	0	39,032	0	0	0	0	0	0	0	0	0	0	0	39,032
Unassigned Fund Balance 6770	785,844	0	0	0	0	0	0	0	0	0	0	0	0	0	0	785,844
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 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	981,680	0	0	39,032	0	0	24,824	0	88,521	0	0	0	0	0	0	1,134,057

Total Liabilities & Fund Equity	General Funds	Charter School	Preschool	Special Revenue	Supplemental Cap Const	Total Program Reserve	Food Service Special Revenue	Debt Service Funds	Capital Projects	Supplemental Cap Const	Other Enterprise Funds	Risk-Related Activity Funds	Other Internal Service Funds	Trust & Agency Funds	Foundations Fund 85	Totals
	10,12-18	Fund 11	Fund 19	Funds 20, 22-29	Fund 06	Fund 07	Fund 21	30-39	Funds 40-45, 47-49	Fund 46	Funds 50, 52-59	Funds 63-64	Funds 60, 70-79	Funds 70-79	Fund 85	
1,117,624	0	0	0	45,475	0	0	51,226	0	823,706	0	0	0	0	0	0	2,038,031

Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
For Each Fund Type:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes