

**BUENA VISTA SCHOOL DISTRICT R-31
BUENA VISTA, COLORADO**

BASIC FINANCIAL STATEMENTS

June 30, 2022

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FINANCIAL SECTION



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

Board of Education
Buena Vista School District R-31
Buena Vista, Colorado

INDEPENDENT AUDITOR'S REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Buena Vista School District R-31 (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Buena Vista School District R-31 as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 District, 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 opinions.

Responsibilities of Management for the Financial Statements

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the schedules of the District's proportionate share, and the schedules of the District's contributions on pages 47- 55 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund schedules and the Auditor's Integrity Report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is also 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules, the Auditor's Integrity Report, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 1, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

PB Solutions LLC

Littleton, Colorado
November 1, 2022

2022 Buena Vista School District R-31 Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022

The discussion and analysis of Buena Vista School District R-31's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2022. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should review the information presented here in conjunction with the notes to the basic financial statements and the financial statements to enhance their understanding of the District's performance.

FINANCIAL HIGHLIGHTS

- In total, the net position of the District increased by \$7,576,664. The assets of the Buena Vista School District R-31 exceeded its liabilities at the close of the most recent fiscal year by \$30,110,990. Fiscal year 2022 saw a decrease in the Net Pension Liability of \$6,143,881 resulting in a balance in Net Pension Liability of \$14,102,504 as compared to a Net Pension Liability of \$20,246,385 at the close of fiscal year 2021. The District also incurred a decrease in the Net OPEB Liability of \$53,481 resulting in a balance at the close of 2022 of \$682,284 as compared to \$735,765 in 2021.
- General Revenues on the Statement of Activities accounted for \$15,482,280 in revenue or 74 percent of all governmental revenues. The increase in General Fund Revenues as a percent of Total Revenue over the fiscal year 2021, was caused by a significant decrease in other forms of revenue surrounding a large capital construction project supported with a state level Building Excellent Schools Grant (BEST). The BEST project provided \$36,248 in revenue to construct the new middle and high school for the close of fiscal year 2022. Fiscal year 2022 also saw a shift to local tax collections with a new assessment period coupled with the increasing program mils. The district is now required by law to increase the local share of program mils in response to HB21-1164 each year until the District reaches 23.149 mils. The certified mil in FY 2021 as compared to FY 21 increased by one mil resulting in a higher property tax collection, which more than offset the reduction in state equalization dollars. In addition, the state also reduced the Negative Factor coupled with pre-pandemic student counts resulting in an increase in General Fund Revenues. The District did experience a slight increase in Specific Ownership Tax also in the amount of \$22,196. Specific revenues in the form of charges for services, grants and contributions accounted for \$4,205,875 or 21 percent of total governmental revenues on the Statement of Activities of \$19,688,155.
- The District incurred \$19,893,463 in expenses related to total governmental funds. The District received revenue including other sources of \$20,854,221. The excess of revenue over expenses in the amount of \$960,758, was caused primarily by one-time proceeds of the sale of property by the District to build a new preschool.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

The Bond fund had payments to bond holders of \$2,413,441. The capital construction payments amounted to \$144,301 at the close of the fiscal year which is a significant reduction due to the completion of the new middle and high school.

- Revenue also decreased in 2022 as compared to 2021 primarily due to the Capital Projects Funds. The Capital Project Fund saw a significant reduction in BEST match dollars from the state as the new middle -high school has been completed. Local Sources which are primarily made up of property tax collections actually increased with the increase in the program mil within the state funding formula and though the proceeds of property sales. The District received in sale proceeds a total amount of \$1,239,515. In addition, Federal Sources of revenue tied to Covid grants increased in fiscal 2022, but even though two sources of revenue increased is it was more than offset by the reduction in BEST grant receipts. Local Revenue increased to \$13,702,344 in fiscal year 2022 compared to \$10,791,599 for fiscal year 2021.
- The Food Service Fund is reported as a major fund on the Statement of Revenues, Expenditures and Changes in Fund Balance and had an increase in Federal Sources. During both fiscal year 2021 and 2022, the District participated in federal programs that allowed all students to eat for free regardless of income status. The increase in income in federal dollars in 2022 is due to the increase in student count.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts: Management's Discussion and Analysis, the basic financial statements, required supplementary information, and 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 government 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 supplemental information that further explains and supports the financial statements with a comparison of the District's budget for the year. The supplementary information contains combining statements for non-major governmental funds, as well as budgetary comparisons for all other funds. For fiscal year end 2022, the District did not have any combining statements for non-major governmental funds as all were considered major.

District-wide Statements

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private companies. The statement of net position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how they have changed. Net position (the difference between the District's assets and liabilities) are one way to measure the District's financial position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position 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 facilities.

Governmental activities

Most of the District's basic services are included here, such as instruction, transportation, maintenances and operation, and administration. These activities are financed mainly through property taxes and state equalization funds. Because of the change in classification, the Food Service fund is also reported under governmental activities as a special revenue fund. The Food Service fund receives much of its revenue from federal reimbursements with the balance of revenue from charging students and staff and transfers from the General fund.

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 used to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes many other funds to help it manage and control its finances to achieve certain results.

The District maintains six major governmental funds and one nonmajor governmental fund.

Governmental funds- Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Because this information does not encompass the additional long-term focus of the district-wide statements, additional reconciliations of the governmental fund statements to the district-wide statements explain the relationships (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position is used to serve as a potential indicator of a government's financial position. However, with the new requirement under GASB 68, the District has incurred a proportional share of net unfunded PERA liability of \$14,102,504 for fiscal year end 2022. This has resulted in assets including deferred outflows exceeding liabilities and deferred inflows by \$30,110,990. Under GASB 75, the District has also incurred a Net OPEB Liability of \$682,284. The District also recognized \$65,123,147 for additional new capital assets as part of the new buildings for the middle and high school campus that is also included in the 2022 Total Assets.

Condensed Statement of Net Position

Assets and Deferred Outflows:	<u>2021</u>	<u>2022</u>
Current Assets	\$ 12,792,030	\$ 13,796,907
Capital Assets	68,238,595	65,123,147
Deferred Outflow	7,242,872	4,461,832
Total Assets and Deferred Outflows:	<u>\$88,273,497</u>	<u>\$83,381,886</u>
Liabilities and Deferred Inflows		
Current Liabilities	3,506,055	3,131,957
Long Term Liabilities	29,223,339	28,013,744
Pension Liability	20,246,385	14,102,504
OPEB Liability	735,765	682,284
Deferred Outflow Related to Pensions	9,190,725	7,075,730
Deferred Outflow Related to OPEB	264,369	264,677
Total Liabilities and Deferred Inflows	<u>\$63,166,810</u>	<u>\$ 53,270,896</u>
Net Position		
Invested in Capital Assets	37,249,303	35,748,977
Restricted	4,408,376	4,202,388
Unrestricted	(16,550,992)	(9,840,375)
Total Net Position	<u>\$ 25,106,687</u>	<u>30,110,990</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$88,273,497</u>	<u>\$ 83,381,886</u>

The largest portion of the District's assets are Capital Assets. This is the result of the construction of the middle and high school facilities. The balance of Current Assets are primarily cash and investments. At the close of the fiscal year, the District reported a positive net position due to construction of the new schools and there was also decrease in the Net Pension Liability.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Buena Vista School District Statement of Activities

	<u>2021</u>	<u>2022</u>	<u>Net Difference</u>
Program Revenues			
Charges for services	\$ 435,878	\$ 161,829	\$ (274,049)
Operating Grants and Contributions	3,567,378	3,504,838	(62,540)
Capital Grants and Contributions	2,942,140	539,208	(2,402,932)
General Revenues			
Property taxes	8,590,809	9,872,547	1,281,738
Specific Ownership taxes	1,080,193	1,102,389	22,196
State Equalization	4,076,162	3,873,960	(202,202)
Other Revenues	653,307	617,542	(35,765)
Investment Earnings	7,968	15,842	7,874
Special Item	-	-	-
Total Revenues	<u>\$ 21,353,835</u>	<u>\$ 19,688,155</u>	<u>\$ (1,665,680)</u>
Expenses			
Instruction	\$ 4,747,031	4,733,209	(13,822)
Supporting Services	1,947,179	6,111,099	4,163,920
Interest on long-term debt	853,324	1,267,183	413,859
Total Expenses	<u>\$ 7,547,534</u>	<u>\$ 12,111,491</u>	<u>\$ 4,563,957</u>
change in net position	13,806,301	7,576,664	(6,229,637)
Net position -beginning -Restated	11,300,386	22,534,326	11,233,940
Net-position-ending	<u>\$ 25,106,687</u>	<u>\$ 30,110,990</u>	<u>\$ 5,004,303</u>

Governmental Activities

A large part of the District's revenue comes from the School Finance Act of 1994 (SFA). Under the SFA the District received \$8,994.48 per funded student for the close of 2022. In fiscal year 2022, the funded pupil count was 1,013. The General Fund also receives operating grants from both federal and state sources that are outside of the (SFA). The District receives local support in the form of mil levy override income. For Fiscal year end 2022, the District received mil levy override income for general operations of \$2,350,178. The Food Service program is included in with other Governmental funds. The General Fund did transfer to the Food Service fund \$10,020. The transfer is less than the previous year by \$40,000 due to the opportunity for all students to eat for free. The District also had a higher ending cash balance in the Food Service fund at the close of the fiscal year. The District participated for the entire fiscal year in the Federal

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

Summer Service Option to provide meals to families during the economic burden of Covid -19 which resulted in higher revenue and expenses as compared to fiscal year end 2021. From this federal program, the district received \$685,980.73 as compared to federal revenue of \$638,699 for year-end 2021. The commodity contributions were also higher at \$37,160 as compared to \$30,225 for fiscal year 2021. Food Service has a cash balance of \$161,335 for fiscal 2022 as compared to \$110,835 at the close of the fiscal year 2021. It is important to note that the Food Service fund is the only fund other than the General fund that has payroll and benefits being deducted from the cash balance.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of government's net resources available for spending at the end of a fiscal year. As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$12,138,905 an increase of \$960,758 in comparison with the prior year. The increase in Fund Balance was primarily due to the sale of two properties during the year.

Of the total fund balance, approximately 5 percent or \$592,743 constitutes unassigned fund balance, which is available for spending at the District's discretion. The remainder of the fund balance is non-spendable, restricted or assigned to indicate that it is not available for new spending because it has already been committed to comply with emergency reserve statutory requirements of \$425,000, pay debt service of \$3,767,902 and to set aside funding for the District's insurance and capital projects totaling \$336,478. The District also has non-spendable reserves of \$33,011. The District has an active Master Facility Plan, so the District also has assigned out \$4,850,000 to meet the needs without going to the voters for an additional mil override. The General Fund is the chief operating fund for the District. At the end of the current fiscal year, Unassigned Fund Balance of the General Fund was 592,743 or down \$905,306 from the previous year. The decrease was the result of the demands of the Master Facility Plan and deferred maintenance that needs to be addressed. The Budget Stabilization Factor is used by the state of Colorado to reduce school funding so the state can balance their budget. The District's decrease in this factor in 2022 as compared to 2021 was \$773,043.

As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and Total Fund Balance to Total Fund Expenditures. Unassigned Fund Balance represents 3.77 percent of total General Fund Expenditures, while Total Fund Balance represents 38 percent of that same amount.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

The Debt Service fund has a Total Fund Balance of \$3,767,902 which is an increase of \$83,967 due to a mil certification in December to cover payments in the fiscal year of \$2,413,441. It is recommended that the District hold additional reserves in the Bond Fund to cover unforeseen economic downturns to prevent any default to the bond holders. The most recent sale of the bonds occurred in December of 2018.

General Fund Budgetary Highlights

The District's budget is prepared according to Colorado law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund. The General Fund is where the daily operations are accounted for as well as revenue.

CAPITAL ASSET ADMINISTRATION

By the end of 2022, the District has invested \$65,123,147 in capital assets. This compares to \$65,949,966 in 2021 or an increase of \$826,819. The decrease was due to the sale of two properties to free up resources to build a preschool. The Capital Asset totals also include land, buildings, and equipment (including vehicles), which are from governmental activities. Additional information on the District's capital assets can be found in Footnote 4 of this report.

DEBT ADMINISTRATION

At the end of the current fiscal year, the District had total bonded debt outstanding of \$29,037,635. State statutes limit the amount of general obligation debt a governmental entity may issue to the largest of twenty percent of its assessed value or six percent of its market value. The current debt limitation for the District using the assessed value approach is \$56,130,960 which is significantly in excess of the District's outstanding general obligation debt. Under the actual value approach, the District's debt limit is \$161,654,505. Additional information on the District's long-term debt can be found in Note 6 of this report.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District is not aware of any existing circumstances that could significantly affect its financial health in the future.

**Buena Vista School District R-31
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents, 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 Business Office, Buena Vista School District R-31, P.O. Box 2027, Buena Vista, Colorado 81211.

BASIC FINANCIAL STATEMENTS

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF NET POSITION

June 30, 2022

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and Investments	\$ 8,913,298
Restricted Cash and Investments	3,657,700
Cash Held with Fiscal Agent	168,919
Taxes Receivable	331,449
Accounts Receivable	692,530
Prepaid Expenses	21,439
Inventories	11,572
Capital Assets, Not Depreciated	2,017,923
Capital Assets, Depreciated, Net of Accumulated Depreciation	62,978,490
Right to Use Assets, Net of Accumulated Amortization	126,734
TOTAL ASSETS	78,920,054
DEFERRED OUTFLOWS OF RESOURCES	
Related to Pensions	4,361,404
Related to OPEB	100,428
TOTAL DEFERRED OUTFLOWS OF RESOURCES	4,461,832
LIABILITIES	
Accounts Payable	237,808
Accrued Salaries and Benefits	1,331,470
Accrued Interest Payable	91,643
Unearned Revenue	19,298
Noncurrent Liabilities	
Due Within One Year	1,451,738
Due in More Than One Year	27,860,196
Compensated Absences and Early Retirement	153,548
Net Pension Liability	14,102,504
Net OPEB Liability	682,284
TOTAL LIABILITIES	45,930,489
DEFERRED INFLOWS OF RESOURCES	
Related to Pensions	7,075,730
Related to OPEB	264,677
TOTAL DEFERRED INFLOWS OF RESOURCES	7,340,407
NET POSITION	
Net Investment in Capital Assets	35,748,977
Restricted for Emergencies	425,000
Restricted for Debt Service	3,767,902
Restricted for Insurance	9,486
Unrestricted	(9,840,375)
TOTAL NET POSITION	\$ 30,110,990

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF ACTIVITIES

Year Ended June 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
PRIMARY GOVERNMENT					
Governmental Activities					
Instruction	\$ 4,733,209	\$ -	\$ 608,840	\$ -	\$ (4,124,369)
Supporting Services	6,111,099	161,829	2,895,998	539,208	(2,514,064)
Interest and Fiscal Charges	1,267,183	-	-	-	(1,267,183)
Total Governmental Activities	<u>12,111,491</u>	<u>161,829</u>	<u>3,504,838</u>	<u>539,208</u>	<u>(7,905,616)</u>
GENERAL REVENUES					
					9,872,547
					1,102,389
					3,873,960
					617,542
					15,842
					<u>15,482,280</u>
					7,576,664
					<u>22,534,326</u>
					<u>\$ 30,110,990</u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2022

	GENERAL FUND	FOOD SERVICE FUND	BOND REDEMPTION FUND	CAPITAL PROJECTS FUND
ASSETS				
Cash and Investments	\$ 6,594,914	\$ 161,335	\$ -	\$ 127,092
Restricted Cash and Investments	-	-	3,657,700	-
Cash Held at Fiscal Agent	152,026	-	16,893	-
Due From Other Funds	-	-	-	199,900
Taxes Receivable	331,449	-	-	-
Other Receivables	448,928	73,701	111,288	-
Prepaid Expenditures	21,439	-	-	-
Inventory	-	11,572	-	-
TOTAL ASSETS	\$ 7,548,756	\$ 246,608	\$ 3,785,881	\$ 326,992
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 111,272	\$ 4,305	\$ -	\$ -
Due To Other Funds	199,900	-	-	-
Accrued Salaries and Benefits	1,287,469	44,001	-	-
Unearned Revenue	-	19,298	-	-
TOTAL LIABILITIES	1,598,641	67,604	-	-
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenues	51,447	-	17,979	-
FUND BALANCES				
Nonspendable	21,439	11,572	-	-
Restricted for Emergencies	425,000	-	-	-
Restricted for Insurance	9,486	-	-	-
Restricted for Debt Service	-	-	3,767,902	-
Restricted for Capital Projects	-	-	-	326,992
Assigned	4,850,000	167,432	-	-
Unassigned	592,743	-	-	-
TOTAL FUND BALANCES	5,898,668	179,004	3,767,902	326,992
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 7,548,756	\$ 246,608	\$ 3,785,881	\$ 326,992

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

CAPITAL RESERVE FUND	Nonmajor Fund	
	PUPIL ACTIVITIES FUND	TOTAL GOVERNMENTAL FUNDS
\$ 1,705,551	\$ 324,406	\$ 8,913,298
-	-	3,657,700
-	-	168,919
-	-	199,900
-	-	331,449
58,613	-	692,530
-	-	21,439
-	-	11,572
<u>\$ 1,764,164</u>	<u>\$ 324,406</u>	<u>\$ 13,996,807</u>

\$ 122,231	\$ -	\$ 237,808
-	-	199,900
-	-	1,331,470
-	-	19,298
<u>122,231</u>	<u>-</u>	<u>1,788,476</u>

-	-	69,426
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-	-	33,011
-	-	425,000
-	-	9,486
-	-	3,767,902
-	-	326,992
1,641,933	324,406	6,983,771
-	-	592,743
<u>1,641,933</u>	<u>324,406</u>	<u>12,138,905</u>

<u>\$ 1,764,164</u>	<u>\$ 324,406</u>	<u>\$ 13,996,807</u>
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BUENA VISTA SCHOOL DISTRICT NO. R-31

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

Year Ended June 30, 2022

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

Total fund balances of governmental funds		\$	12,138,905
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.			
	Capital Assets, Not Depreciated		2,017,923
	Capital Assets, Depreciated		76,317,079
	Accumulated Depreciation		(13,338,589)
	Right to Use Assets, Amortized		179,296
	Accumulated Amortization		(52,562)
			<u>65,123,147</u>
Other long-term assets are not available to pay for current-period expenditures, and therefore, are deferred in the funds.			69,426
Long-term liabilities and related assets are not due and payable in the current period and, therefore, are not reported in the funds.			
	Compensated Absences		(46,710)
	Accrued Interest Payable		(91,643)
	Early Retirement		(169,074)
	Bonds Payable		(29,037,635)
	Bond Premium		(80,584)
	Leases Payable		(131,479)
	Net Pension Liability		(14,102,504)
	Net OPEB Liability		(682,284)
			<u>(44,341,913)</u>
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.			
	Deferred outflows of resources - Related to Pensions		4,361,404
	Deferred outflows of resources - Related to OPEB		100,428
	Deferred inflows of resources - Related to Pensions		(7,075,730)
	Deferred inflows of resources - Related to OPEB		(264,677)
			<u>(2,878,575)</u>
Net position of governmental activities		\$	<u><u>30,110,990</u></u>

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

BUENA VISTA SCHOOL DISTRICT NO. R-31

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended June 30, 2022

	GENERAL FUND	FOOD SERVICE FUND	BOND REDEMPTION FUND	CAPITAL PROJECTS FUND
REVENUES				
Local Sources	\$ 10,639,156	\$ 62,831	\$ 2,489,398	\$ 15
State Sources	4,711,460	3,660	8,010	36,233
Federal Sources	1,549,061	685,981	-	-
TOTAL REVENUES	16,899,677	752,472	2,497,408	36,248
EXPENDITURES				
Current				
Instruction	7,953,178	-	-	-
Supporting Services	5,758,471	728,091	-	6,411
Capital Outlay	1,311,159	-	-	137,890
Debt Service				
Principal	547,353	-	1,285,659	-
Interest	145,491	-	1,127,782	-
TOTAL EXPENDITURES	15,715,652	728,091	2,413,441	144,301
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,184,025	24,381	83,967	(108,053)
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	95,780			
Transfer Out	(1,099,063)	-	-	-
Transfer In	-	10,020	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,003,283)	10,020	-	-
NET CHANGE IN FUND BALANCES	180,742	34,401	83,967	(108,053)
FUND BALANCES, Beginning, Restated	5,717,926	144,603	3,683,935	435,045
FUND BALANCES, Ending	\$ 5,898,668	\$ 179,004	\$ 3,767,902	\$ 326,992

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

CAPITAL RESERVE FUND	<u>Nonmajor Fund</u> PUPIL ACTIVITIES FUND	TOTAL GOVERNMENTAL FUNDS
\$ 60,266	\$ 450,678	\$ 13,702,344
61,692	-	4,821,055
-	-	2,235,042
<u>121,958</u>	<u>450,678</u>	<u>20,758,441</u>
-	447,155	8,400,333
237,197	-	6,730,170
207,626	-	1,656,675
-	-	1,833,012
-	-	1,273,273
<u>444,823</u>	<u>447,155</u>	<u>19,893,463</u>
(322,865)	3,523	864,978
-	-	95,780
1,089,043	-	(1,099,063)
<u>1,089,043</u>	<u>-</u>	<u>1,099,063</u>
1,089,043	-	95,780
766,178	3,523	960,758
<u>875,755</u>	<u>320,883</u>	<u>11,178,147</u>
<u>\$ 1,641,933</u>	<u>\$ 324,406</u>	<u>\$ 12,138,905</u>

BUENA VISTA SCHOOL DISTRICT NO. R-31

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

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			\$	960,758
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.				
	Capital Outlay	1,454,775		
	Depreciation and Amortization	(1,671,885)		
	Loss on Disposal of Assets	<u>(621,973)</u>		(839,083)
Revenues that do not provide current financial resources are deferred in the governmental fund financial statements but are recognized in the government-wide financial statements.				(61,848)
Some expenses reported in the statement of activities do not require current financial resources and are not reported in the funds.				
	Bond Principal Payments	1,285,659		
	Lease Principal Payments	547,353		
	Amortization of Bond Premium	2,362		
	Changes in Accrued Interest Payable	3,728		
	Changes in Compensated Absences	<u>146,554</u>		1,985,656
Deferred Charges related to pensions and OPEB are not recognized in the governmental funds. However, for the government-wide funds those amounts are capitalized and amortized.				
	Deferred charges related to Pension Pla	5,456,996		
	Deferred charges related to OPEB	<u>74,185</u>		<u>5,531,181</u>
Change in net position of governmental activities			\$	<u><u>7,576,664</u></u>

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

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Buena Vista School District R-31 (the “District”) conform to generally accepted accounting principles as applicable to governmental units. The District is a political subdivision of the State of Colorado and is governed by an elected board of seven members. Following is a summary of the more significant policies:

Reporting Entity

The financial reporting entity consists of the District and organizations for which the District is financially accountable. All funds, organizations, institutions, agencies, departments, and offices that are not legally separate are part of the District. In addition, any legally separate organizations for which the District is financially accountable are considered part of the reporting entity. Financial accountability exists if the District appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if the organization provides benefits to, or imposes financial burdens on the District.

Based upon the application of these criteria, no additional organizations are includable within the District’s reporting entity.

Jointly Governed Organizations

The District is a participant among three districts in a jointly governed organization to operate the Mountain Board of Cooperative Educational Services (the “BOCES”). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of one board member from each participating member district. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 1713 Mount Lincoln Drive West, Leadville, Colorado, or from their website, <https://www.mtnboces.org/link-to-financial-transparency>

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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the District is financially accountable.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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. Fiduciary funds utilize the accrual basis of accounting.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues 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 practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the District reports the following major governmental funds:

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

The *Food Service Fund* is the fund that accounts for the District food service.

The *Bond Redemption Fund* is the fund that accounts for the repayment of the District's general obligation debt.

The *Capital Projects Fund* is the fund that accounts for activities related to the District's BEST grant project.

The *Capital Reserve Fund* is the fund that accounts for the District's capital projects, other than those accounted for in the Capital Projects Fund.

Assets, Liabilities, and Fund Balance/Net Position

Deposits and Investments – For purposes of the statement of cash flows, the District considers cash and cash equivalents to be all demand deposits as well as short-term investments with a maturity date of three months or less. Investments are stated at fair value.

Receivables – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventories – Inventories in the governmental funds are valued using the purchase method. Under this method, inventories are recorded as expenditures when purchased. A physical inventory is taken annually at June 30th in the Food Service Fund. The inventory consists of donated commodities which were valued at the estimated acquisition value. Purchased commodities and supplies are valued at cost using the first-in, first-out (FIFO) method.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Due To and Due From Other Funds - Interfund balances arise from transactions that are recorded by all funds affected in the period in which transactions are executed.

Capital Assets – Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property and equipment of the District is depreciated using the straight-line method over the following estimated useful lives.

Land Improvements	20 years
Buildings and Improvements	50 years
Vehicles and Equipment	5-20 years

Unearned Revenues – The deferred revenues include amounts received but not yet available for expenditure.

Accrued Salaries and Benefits – Salaries and benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during the school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2022, were \$1,331,470. The accrued compensation is reported as a liability in the General and Food Service Funds.

Vacation, Sick Leave, and Other Compensated Absences – District employees are entitled to certain compensated absences based on their length of employment and are allowed to accumulate unused absences. Employees may carry over a maximum of two years of unused vacation leave to the next fiscal year. All outstanding vacation leave is payable upon resignation, termination, retirement, or death.

Employees also earn sick leave and can accumulate up to 90 days. Accumulated sick leave is payable only upon retirement from the District and PERA at 100 percent of the daily substitute teachers per diem rat as specified by the District’s policy. Upon resignation, termination, retirement, or death, any outstanding sick leave is forfeited.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Fund Balance/Net Position (Continued)

These compensated absences are expensed when paid in the governmental fund types. A long-term liability in the amount of \$46,710 has been recorded in the government-wide statement of net position for the accrued compensated absences.

Qualified employees are also eligible for payments under the District's early retirement plan. Early retirement payments are reviewed annually by the Board of Education. Payment schedules for qualified employees are usually spread over five years. The amount of the benefit is based on multiple factors, including the retiring employee's current salary. A long-term liability in the amount of \$169,074, of which \$62,236 is due during fiscal year 2022-2023, has been recorded in the District's government-wide statement of net position.

Deferred Outflows and Deferred Inflows of Resources – In addition to assets, the statement of financial position and balance sheets 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 and fund balance 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 balance sheets 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 and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-Term Debt – 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 governmental activities, business-type activities, or proprietary funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

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

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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

Assets, Liabilities, and Fund Balance/Net Position (Continued)

Property Taxes – Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent, and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November. Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied.

Net Position– The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets net of accumulated depreciation, less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represents assets that do not have any third-party limitation on their use. While District management may have categorized and segmented portion for various purposes, the District Board has the unrestricted right to revisit or alter these managerial decisions.

Fund Balance Classification – The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. The District reports inventory balances and prepaid expenditures as nonspendable.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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

Assets, Liabilities, and Fund Balance/Net Position (Continued)

- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The District has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. In addition, the District has classified amounts held for insurance, capital projects, and amounts held for debt service as restricted as required by the Colorado Department of Education and bond covenants.

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The District did not have any committed resources as of June 30, 2022.

- **Assigned** – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The District has classified portions of the fund balances of the Food Service Fund, Capital Reserve Fund, and Pupil Activities Fund as assigned because their use has been designated for a specific purpose by the District.

- **Unassigned** – This classification includes the residual fund balance that does not meet any of the above criteria for the General Fund. The Unassigned classification also includes the negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned fund balance.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

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

Risk Management

The District carries commercial insurance for risks of loss, including worker's compensation and employee health and accident insurances. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

Subsequent Events

The District has evaluated events subsequent to the year ended June 30, 2022 through November 1, 2022, the date these financial statements were issued, and has incorporated any required recognition into these financial statements.

NOTE 2: **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budgets

Budgets are adopted in accordance with State Budget Law on each fund's basis of accounting unless indicated. All appropriations lapse at fiscal year-end.

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of the District submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level.
- The Board can modify the budget by line item at any time. Total appropriation can only be modified upon completion of notification and publication requirements.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted or amended by the Board of Education.

State Compliance

At June 20, 2022, the actual expenditures in the General Fund, exceeded budgeted amounts by \$306,042. This may be a violation of state statute.

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 3: CASH AND INVESTMENTS

Cash and investments at June 30, 2022 consist of the following:

Deposits	\$ 4,206,228
Investments	<u>8,364,770</u>
Total	<u>\$ 12,570,998</u>

The above amounts are classified in the statement of net position as follows:

Cash and Investments - Unrestricted	\$ 8,913,298
Cash and Investments - Restricted	<u>3,657,700</u>
	<u>\$ 12,570,998</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government’s deposits may not be returned to it. 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 regulations. At June 30, 2022, State regulatory commissioners have indicated that all financial institutions holding deposits for the District are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 102% of the uninsured deposits.

The District has no policy regarding custodial credit risk for deposits.

At June 30, 2022, the District had deposits with financial institutions with a carrying amount of \$4,206,228. The bank balances with the financial institutions were \$5,140,908. Of these balances, \$250,000 was covered by federal depository insurance and \$4,890,908 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: CASH AND INVESTMENTS (Continued)

Investments

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

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

Investments

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

	Fair Value	Investment Maturity (Years)	
		Less than One Year	One to Five Years
Government Agency Securities	\$ 454,123	\$ 7,352	\$ 446,771
Money Markets	188,119	188,119	
Local Government Investments Pools	<u>7,722,528</u>	<u>7,722,528</u>	-
Total	<u>\$ 8,364,770</u>	<u>\$ 7,917,999</u>	<u>\$ 446,771</u>

Local Government Investment Pools

The District had invested \$7,722,528 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 3: **CASH AND INVESTMENTS** (Continued)

Local Government Investment Pools (Continued)

money market fund and each share are equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

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

At June 30, 2022, the District held investments in U.S. Agency Securities in the amount of \$454,123 with maturity dates of less than one and four years. Given the low risk of this type of investment, the District has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

The District invested \$188,119 in a Money Market Mutual Fund. The Fund invests primarily in U.S. Treasury bills, notes, and other U.S. government issued obligations and is rated Aaa-mf by Moody's and AAAM by Standard and Poor's. These investments are valued with Level 1 inputs.

Restricted Cash

At June 30, 2022, cash, and investments in the amount of \$3,657,700 is restricted in the Bond Redemption Fund for debt service requirements.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: CAPITAL ASSETS

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022
Governmental Activities				
Capital Assets, Not Depreciated				
Land	\$ 2,001,260	\$ -	\$ 300,000	\$ 1,701,260
Construction in Progress	50,768,032	402,932	50,854,301	316,663
Total Capital Assets, Not Depreciated	<u>52,769,292</u>	<u>402,932</u>	<u>51,154,301</u>	<u>2,017,923</u>
Capital Asset, Being Depreciated				
Land Improvements	2,660,314	-	-	2,660,314
Buildings and Improvements	20,664,916	51,361,401	533,529	71,492,788
Equipment	1,702,750	461,227	-	2,163,977
Right to Use Asset	83,516	95,780	-	179,296
Total Capital Assets, Being Depreciated	<u>25,111,496</u>	<u>51,918,408</u>	<u>533,529</u>	<u>76,496,375</u>
Accumulated Depreciation				
Land Improvements	1,173,125	103,608	-	1,276,733
Buildings and Improvements	9,611,023	1,417,157	211,556	10,816,624
Equipment	1,146,674	98,558	-	1,245,232
Right to Use Asset	-	52,562	-	52,562
Total Depreciation	<u>11,930,822</u>	<u>1,671,885</u>	<u>211,556</u>	<u>13,391,151</u>
Net Capital Assets, Depreciated	<u>13,180,674</u>	<u>50,246,523</u>	<u>321,973</u>	<u>63,105,224</u>
Net Capital Assets	<u>\$ 65,949,966</u>	<u>\$ 50,649,455</u>	<u>\$ 51,476,274</u>	<u>\$ 65,123,147</u>

Depreciation and amortization expense was charged to functions/programs of the District as follows:

Governmental Activities	
Instruction	\$ 1,504,696
Supporting Services	<u>167,189</u>
Total	<u>\$ 1,671,885</u>

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 5: LONG-TERM DEBT

The following is a summary of the District's long-term debt transactions for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Deletions	Balance 6/30/2022	Due In One Year
Governmental Activities					
2013 GO Bonds	\$ 2,880,000	\$ -	\$ 205,000	\$ 2,675,000	\$ 215,000
2013 Bond Premium	82,946	-	2,362	80,584	-
2018 GO Bonds	27,443,294	-	1,080,659	26,362,635	1,122,729
Net Pension Liability	22,273,826	-	8,171,322	14,102,504	-
OPEB Liability	920,718	-	238,434	682,284	-
Early Retirement	162,280	85,200	78,406	169,074	62,236
Compensated Absences	200,058	84,449	44,586	46,710	-
Total	\$ 53,963,122	\$ 169,649	\$ 9,820,769	\$ 44,118,791	\$ 1,399,965

2013 General Obligation Bonds

On February 20, 2013, the District issued General Obligation Bonds, Series 2013, in the amount of \$4,460,000. Proceeds of the bonds were used to finance the cost of acquisition, construction, and equipment improvements at District facilities. The bonds carry interest rates ranging from 2.0% to 3.0%. Semi-annual interest payments are due on June 1 and December 1 of each year. Principal payments on the bonds are due on December 1 through 2033. Payments are made through the District's Bond Redemption Fund. At June 30, 2022, \$2,675,000 was outstanding on these bonds.

Annual debt service requirements on the bonds are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 215,000	\$ 71,200	\$ 286,200
2024	215,000	66,900	281,900
2025	220,000	61,450	281,450
2026	230,000	54,700	284,700
2027	235,000	47,725	282,725
2028-2032	1,280,000	132,426	1,412,426
2033	280,000	4,200	284,200
Total	\$ 2,675,000	\$ 438,601	\$ 3,113,601

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 5: LONG-TERM DEBT (Continued)

2018 General Obligation Bonds

On December 6, 2018, the District issued Building Excellent Schools Today (BEST) Matching Money General Obligation Bonds, Series 2018, in the amount of \$29,500,000. Proceeds of the bonds were used to provide matching funds under the terms of the BEST grant award to finance the cost of construction, renovation, and equipment improvements at District's middle and high school. The bonds carry an interest rates of 3.893 percent. Semi-annual interest payments are due on June 1 and December 1 of each year. Principal payments on the bonds are due on December 1 through 2038. Payments are made through the District's Bond Redemption Fund. At June 30, 2022, \$26,362,635 was outstanding on these bonds.

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 1,122,729	\$ 1,004,479	\$ 2,127,208
2024	1,166,436	959,885	2,126,321
2025	1,211,846	913,591	2,125,437
2026	1,259,023	865,496	2,124,519
2027	1,308,037	815,529	2,123,566
2028-2032	7,344,835	3,257,330	10,602,165
2033-2037	8,890,239	1,681,839	10,572,078
2038-2039	4,059,490	159,507	4,218,997
Total	<u>\$ 26,362,635</u>	<u>\$ 9,657,656</u>	<u>\$ 36,020,291</u>

Early Retirement

The District has an early retirement plan available for qualified employees. Benefits under the plan are based on a multiple of the difference between the retiring person's salary and an entry level person's salary. Payment schedules are negotiated with management by the retiring employee of the District and usually are spread over five years. Early retirement payments are reviewed annually by the Board of Education and are subject to annual appropriation by the Board. At June 30, 2022, the District's early retirement liability is \$169,074.

Compensated absences in the amount of \$46,710 and early retirement liabilities are expected to be liquidated with revenues of the General Fund.

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 6: CHANGE IN ACCOUNTING PRINCIPLES-LEASES

For the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. GASB 87 enhances the relevance and consistency of information for the government’s leasing activities. For lessees, the accounting standard establishes requirements for lease accounting based on the principle that leases are financings of the right to use a leased asset. The standard also establishes requirements for lessors to recognize a lease receivable and deferred inflow of resources.

These changes were incorporated in the District’s financial statements for the year ended June 30, 2022.

The following is a summary of the District’s lease transactions for the year ended June 30, 2022:

	Balance 6/30/2021	Additions	Payments	Balance 6/30/2022	Due In One Year
Copier Lease	\$ -	\$ 95,780	\$ 14,935	\$ 80,845	\$ 18,194
Technology Leases	83,515	-	32,881	50,634	33,579
Equipment Lease	499,537	-	499,537	-	-
Copier Leases	\$ 583,052	\$ 95,780	\$ 547,353	\$ 131,479	\$ 51,773

Copier Lease Agreements

On September 23, 2021, the District entered into a copier lease agreement with Marlin. Total lease liability under the lease is \$95,780 and the balance at June 30, 2022 was \$80,845. The interest rate implied in the lease is calculated at 4%.

The lease payment schedules require the District to make monthly lease payments of 1,758 beginning on September 30, 2021 through August 30, 2026.

Technology Lease Agreements

Commencing on January 1, 2020, the District entered into a technology lease agreement with Vantage. Total lease liability under the lease was \$126,282 and the balance at June 30, 2022 was \$32,881. The interest rate in the lease is 2.1%.

The lease payment schedules require the District to make monthly lease payments of \$2,860, beginning in January 2020 through December 2023.

Annual requirements to amortize long-term obligations and related interest are as follows:

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 6: CHANGE IN ACCOUNTING PRINCIPLES-LEASES (Continued)

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	51,773	\$ 3,644	\$ 55,417
2024	35,991	2,266	38,257
2025	19,707	1,390	21,097
2026	20,510	587	21,097
2027	3,498	18	3,516
Total	<u>\$ 131,479</u>	<u>\$ 7,905</u>	<u>\$ 139,384</u>

Total lease expense for the year ended June 30, 2022, was \$51,901.

Equipment Lease

On July 31, 2018, the District entered into a lease agreement in the amount of \$103,970 for the purchase of a new school bus. The lease carried an interest rate of 4.68 percent. Annual lease payments in the amount of \$27,802 were due through July 1, 2021.

On December 20, 2018, the District entered into a lease agreement in the amount of \$103,970 for the purchase of a new school bus. The lease carried an interest rate of 4.87 percent. Annual lease payments in the amount of \$27,875 were due through December 1, 2021.

On January 31, 2020, the District entered into a lease agreement in the amount of \$560,372 for the purchase of furniture and equipment. The lease carried an interest rate of 4.75 percent. Annual lease payment in the amount of \$125,633 were due through June 1, 2025. On October 31, 2020, the District added to the lease agreement an amount of \$99,787 for the purchase of additional furniture and equipment. The additional lease carried the same interest rate. The annual lease payments increased to \$151,368.

On February 29, 2020, the District entered into a lease agreement in the amount of \$131,765 for the purchase of technology equipment. The lease carries an interest rate of 2.10 percent. Annual lease payments in the amount of \$34,368 were due through June 1, 2024.

All of the above leases were paid off during the year ended June 30, 2022, for a total lease payment of \$640,943 including principal and interest. None of these leases fall under the requirements of GASB 87.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: INTERFUND BALANCES AND TRANSFERS

At June 30, 2022, the General Fund owed \$199,900 to the Capital Projects Fund for expenses paid by the Capital Projects Fund on behalf of the General Fund.

During the year ended June 30, 2022, the General Fund transferred \$10,020 to the Food Service Fund to support the operations of that fund and \$1,089,043 to the Capital Reserve Fund to cover capital outlay expenditures incurred in that fund.

NOTE 8: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available 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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

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.

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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

Contributions provisions as of June 30, 2022: Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 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).

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$1,524,771 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 total annual payroll of the

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

General Information about the Pension Plan (Continued)

SCHDTF, State Division Trust Fund, Judicial 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 District’s proportion of the net pension liability was based on the District’s 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 District reported a liability of \$14,102,504 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 District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District’s proportionate share of the net pension liability	\$14,102,504
The State’s proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,616,672
Total	\$15,719,176

At December 31, 2021, the District’s proportion was 0.1212%, which was a decrease of 0.0127% from its proportion measured as of December 31, 2020.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2022, the District recognized pension expense of (\$4,146,091) and revenue of \$172,600 for support from the State as a nonemployer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$539,900	\$-
Changes of assumptions or other inputs	1,076,621	-
Net difference between projected and actual earnings on pension plan investments	-	5,302,120
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,993,117	1,773,610
Contributions subsequent to the measurement date	751,766	N/A
Total	\$4,361,404	\$7,075,730

\$751,766 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:	
2023	\$130,810
2024	(1,456,842)
2025	(1,496,495)
2026	(643,565)

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 ¹	Financed by the AIR

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

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:

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

- **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.

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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

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%.
- 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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 8: **DEFINED BENEFIT PENSION PLAN** (Continued)

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

- 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 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.

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

Sensitivity of the District’s proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 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 liability	\$20,757,732	\$14,102,504	\$8,548,964

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.

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN

Summary of Significant Accounting Policies

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

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, 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.

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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

General Information about the OPEB Plan (Continued)

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% 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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

General Information about the OPEB Plan (Continued)

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$78,233 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 District reported a liability of \$682,284 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 District proportion of the net OPEB liability was based on the District's 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 District's proportion was 0.079%, which was an increase of 0.0017% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$4,047. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$1,040	\$161,778
Changes of assumptions or other inputs	14,126	37,010
Net difference between projected and actual earnings on OPEB plan investments	-	42,234
Changes in proportion and differences between contributions recognized and proportionate share of contributions	46,691	23,655
Contributions subsequent to the measurement date	38,571	N/A
Total	\$100,428	\$264,677

\$38,571 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:	
2023	(\$60,017)
2024	(62,278)
2025	(58,262)
2026	(19,873)
2027	(2,146)
Thereafter	(244)

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

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

	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				
Medicare Part A premiums			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	

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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.

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	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.

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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%

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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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

- **Males:** 94% 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.

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.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: **DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN** (Continued)

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

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.

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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.

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

	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	\$662,691	\$682,284	\$704,981

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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%.
- 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 District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of

BUENA VISTA SCHOOL DISTRICT R-31
 NOTES TO THE FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9: DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (Continued)

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

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	\$792,401	\$682,284	\$588,225

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

NOTE 10: COMMITMENTS AND CONTINGENCIES

BEST Grant

In December 2018, the District was awarded the Building Excellent Schools Today (BEST) grant in the amount of \$21,362,048. The grant funds were used in conjunction with the \$29,500,000 General Obligation Bonds, Series 2018 to provide funding for the construction, renovation, and equipment improvements at the District’s middle and high school.

As of June 30, 2022, all the bond proceeds and BEST grant funds awarded were materially expended.

Intergovernmental Agreement

On July 11, 2017, the District entered into an Intergovernmental Agreement with the Town of Buena Vista for the River Park baseball field construction, joint use, and maintenance. Pursuant to the agreement, the Town has completed construction of a baseball field on the property during the year ended June 20, 2018. Upon completion of the construction and conveyance of the property the District, the District assumed full maintenance responsibilities of the property.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 10: **COMMITMENTS AND CONTINGENCIES** (Continued)

Intergovernmental Agreement (Continued)

The District has priority use of the property, and the Town may use the property subject to payment of District fees. The District also agreed to grant the Town a license to install a disc golf course on the property for public use. For the year ended June 30, 2022, no fees were charged to the Town under the terms of the agreement.

Claims and Judgments

The District participates in a number of federal and state 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 but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the District.

Tabor Amendment

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20 (the “Tabor Amendment”), which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government.

The Tabor Amendment is complex and subject to judicial interpretations. The District believes it has complied with the Amendment.

The District has established a reserve, representing 3% of qualifying expenditures, as required by the Amendment. At June 30, 2022, the emergency reserve of \$425,000 was reported as a restriction of net position and fund balance in the Governmental Activities and General Fund, respectively.

BUENA VISTA SCHOOL DISTRICT R-31
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 12: RESTATEMENT OF BEGINNING BALANCES

The beginning fund balance of the Capital Projects Fund was increased by \$199,900 to correct a reporting error in the liabilities recorded at June 30, 2021.

The beginning net position balance of the government-wide financial statements was decreased by \$2,572,361. This amount is comprised of a reduction of the beginning balance of construction in progress in the amount of \$2,372,145, a reduction of the beginning balances of accrued compensated absences in the amount of \$400,116, and the increase of the beginning balance of the capital projects fund in the amount of \$199,900. These restatements are a result of reporting errors in the 2020-2021 audited financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 6,378,671	\$ 7,140,935	\$ 7,414,760	\$ 273,825
Specific Ownership Taxes	900,000	900,000	1,102,389	202,389
Tuition	60,000	60,000	102,692	42,692
Earnings on Investments	10,000	1,000	7,788	6,788
Sales of Property	-	1,239,515	1,239,515	-
Electric Bus and Charging Station	-	411,227	411,283	56
All Other Local Revenue Codes	145,187	128,000	360,729	232,729
Total Local Sources	<u>7,493,858</u>	<u>9,880,677</u>	<u>10,639,156</u>	<u>758,479</u>
State Sources				
State Equalization	4,892,251	3,782,650	3,873,960	91,310
Transportation	81,943	75,872	77,500	1,628
Special Education BOCES	277,120	294,572	294,943	371
Rural Schools Funding	167,596	176,416	176,416	-
PERA on Behalf Contribution	168,038	168,038	172,600	4,562
All Other State Revenue	97,911	168,680	116,041	(52,639)
Total State Sources	<u>5,684,859</u>	<u>4,666,228</u>	<u>4,711,460</u>	<u>45,232</u>
Federal Sources				
Title I	127,134	127,134	127,134	-
Title II	24,948	24,427	24,427	-
ESSER II	496,636	496,636	496,636	-
ESSER III	1,115,373	601,173	606,340	5,167
Medicaid	65,000	65,000	53,013	(11,987)
Child Fund	156,265	162,337	162,336	(1)
Other Federal Sources	15,328	58,061	79,175	21,114
Total Federal Sources	<u>2,000,684</u>	<u>1,534,768</u>	<u>1,549,061</u>	<u>14,293</u>
TOTAL REVENUES	<u>15,179,401</u>	<u>16,081,673</u>	<u>16,899,677</u>	<u>818,004</u>
EXPENDITURES				
Instruction				
Salaries	5,145,506	5,315,314	5,429,316	(114,002)
Employee Benefits	1,782,923	1,906,881	1,905,500	1,381
Purchased Services	226,173	199,384	203,546	(4,162)
Supplies and Materials	1,521,704	768,611	400,606	368,005
Property	186,043	671,301	267,601	403,700
Other Objects and Uses	17,660	17,660	14,210	3,450
Total Instruction	<u>8,880,009</u>	<u>8,879,151</u>	<u>8,220,779</u>	<u>658,372</u>

(Continued)

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES (Continued)				
Supporting Services				
Students				
Salaries	283,268	335,615	300,635	34,980
Employee Benefits	106,838	105,211	114,401	(9,190)
Purchased Services	191,107	254,836	267,401	(12,565)
Supplies and Materials	32,220	32,220	17,709	14,511
Total Students	<u>613,433</u>	<u>727,882</u>	<u>700,146</u>	<u>27,736</u>
Instructional Staff				
Salaries	438,386	408,500	387,610	20,890
Employee Benefits	324,471	309,636	311,718	(2,082)
Purchased Services	257,289	262,502	259,889	2,613
Supplies and Materials	535,757	133,743	81,577	52,166
Property	237,651	223,953	283,727	(59,774)
Total Instructional Staff	<u>1,793,554</u>	<u>1,338,334</u>	<u>1,324,521</u>	<u>13,813</u>
General Administration				
Salaries	242,118	252,367	244,270	8,097
Employee Benefits	79,557	91,830	91,266	564
Purchased Services	68,400	68,400	40,948	27,452
Supplies and Materials	117,000	117,000	87,028	29,972
Other Objects and Uses	15,000	97,676	168,435	(70,759)
Total General Administration	<u>522,075</u>	<u>627,273</u>	<u>631,947</u>	<u>(4,674)</u>
School Administration				
Salaries	514,922	501,373	560,088	(58,715)
Employee Benefits	170,942	168,555	179,790	(11,235)
Purchased Services	22,300	22,300	21,897	403
Supplies and Materials	16,630	16,630	5,902	10,728
Total School Administration	<u>724,794</u>	<u>708,858</u>	<u>767,677</u>	<u>(58,819)</u>

(Continued)

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Business Services				
Salaries	157,158	154,068	181,275	(27,207)
Employee Benefits	44,181	47,181	53,335	(6,154)
Purchased Services	18,100	15,600	43,401	(27,801)
Total Business Services	<u>219,439</u>	<u>216,849</u>	<u>278,011</u>	<u>(61,162)</u>
Operations and Maintenance				
Salaries	465,500	436,500	516,234	(79,734)
Employee Benefits	182,429	165,029	184,215	(19,186)
Purchased Services	659,545	680,546	596,818	83,728
Supplies and Materials	112,885	112,885	115,532	(2,647)
Property	2,460	2,460	-	2,460
Total Operations and Maintenance	<u>1,422,819</u>	<u>1,397,420</u>	<u>1,412,799</u>	<u>(15,379)</u>
Student Transportation				
Salaries	264,400	266,700	313,867	(47,167)
Employee Benefits	69,648	70,055	81,250	(11,195)
Purchased Services	122,403	112,302	94,153	18,149
Supplies and Materials	45,598	58,598	85,691	(27,093)
Property	169,130	471,227	443,371	27,856
Total Student Transportation	<u>671,179</u>	<u>978,882</u>	<u>1,018,332</u>	<u>(39,450)</u>
Central Support				
Salaries	127,000	127,000	113,915	13,085
Employee Benefits	3,731	3,731	9,571	(5,840)
Purchased Services	108,037	117,137	228,650	(111,513)
Property	151,368	80,000	316,460	(236,460)
Total Central Support	<u>390,136</u>	<u>327,868</u>	<u>668,596</u>	<u>(340,728)</u>

(Continued)

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
Debt Service				
Principal	-	-	547,353	(547,353)
Interest	-	-	145,491	(145,491)
Total Debt Service	-	-	692,844	(692,844)
Total Supporting Services	6,357,429	6,323,366	7,494,873	(1,171,507)
RESERVES				
Contingency	425,000	425,000	-	425,000
TOTAL RESERVES	425,000	425,000	-	425,000
TOTAL EXPENDITURES	15,662,438	15,627,517	15,715,652	(88,135)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(483,037)	454,156	1,184,025	729,869
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	95,780	95,780
Transfers In (Out)	(70,000)	(881,156)	(1,099,063)	(217,907)
TOTAL OTHER FINANCING SOURCES (USES)	(70,000)	(881,156)	(1,003,283)	(122,127)
CHANGE IN FUND BALANCE	(553,037)	(427,000)	180,742	607,742
FUND BALANCES, Beginning	5,950,739	5,950,739	5,717,926	(232,813)
FUND BALANCES, Ending	\$ 5,397,702	\$ 5,523,739	\$ 5,898,668	\$ 374,929

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Charges for Services	\$ 35,000	\$ 45,000	\$ 59,137	\$ 14,137
Other	5,000	1,000	3,694	2,694
State and Federal Sources				
School Lunches	40,000	1,613	912	(701)
School Breakfast	475,500	21,500	-	(21,500)
Summer Option	-	648,896	627,302	(21,594)
Commodities	35,000	35,000	37,160	2,160
Supply Chain Assistance	-	-	20,607	20,607
State Match	-	-	3,660	3,660
TOTAL REVENUES	590,500	753,009	752,472	(537)
EXPENDITURES				
Supporting Services				
Salaries	191,817	264,325	241,571	22,754
Benefits	109,596	69,595	82,014	(12,419)
Purchased Services	1,100	1,100	-	1,100
Food	304,287	360,289	355,596	4,693
Other Supplies	53,700	57,700	48,910	8,790
TOTAL EXPENDITURES	660,500	753,009	728,091	24,918
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(70,000)	-	24,381	24,381
OTHER FINANCING SOURCES (USES)				
Transfers In	70,000	-	10,020	10,020
CHANGE IN FUND BALANCE	-	-	34,401	34,401
FUND BALANCES, Beginning	25,000	25,000	144,603	119,603
FUND BALANCES, Ending	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 179,004</u>	<u>\$ 154,004</u>

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA SCHOOL DIVISION TRUST FUND PLAN

	Years Ended December 31,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	
Proportion of the Net Pension Liability (Asset)	0.1212%	0.1339%	0.1136%	0.1169%	0.1335%	0.1365%	0.1390%	0.1373%	0.1376%	
Proportionate Share of the Net Pension Liability (Asset)	\$14,102,504	\$20,246,385	\$16,964,003	\$20,691,295	\$43,162,416	\$40,641,589	\$21,263,422	\$18,616,976	\$17,556,591	
State of Colorado Proportionate Share of the Net Pension Liability (Asset)	1,616,672	-	2,151,668	2,829,247	-	-	-	-	-	
Total Proportionate Share of the Net Pension Liability (Asset)	\$15,719,176	\$20,246,385	\$19,115,671	\$23,520,542	\$43,162,416	\$40,641,589	\$21,263,422	\$18,616,976	\$17,556,591	
Covered payroll	\$ 7,573,551	\$ 7,160,369	\$ 6,672,263	\$ 6,424,056	\$ 6,157,230	\$ 6,126,405	\$ 6,058,831	\$ 5,754,421	\$ 5,550,212	
Proportionate Share of the Net Pension Liability as a Percentage Of its Covered Payroll	186.2%	282.8%	254.25%	322.09%	701.00%	663.38%	350.95%	323.52%	316.32%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.10%	59.20%	62.80%	64.06%	

NOTE: Information for the prior one year was not available for this report

See the accompanying independent auditor's report

BUENA VISTA SCHOOL DISTRICT NO. R-31

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA SCHOOL DIVISION TRUST FUND PLAN

	Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Contractually Required Contributions	\$ 1,524,771	\$ 1,459,873	\$ 1,334,228	\$ 1,146,993	\$ 1,185,076	\$ 1,184,687	\$ 1,149,204	\$ 1,062,788	\$ 954,090	
Contributions in Relation to the Contractually Required Contributions	1,524,771	1,459,873	1,334,228	1,146,993	1,185,076	1,184,687	1,149,204	1,062,788	954,090	
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 7,669,862	\$ 7,343,419	\$ 6,884,552	\$ 5,995,777	\$ 6,275,429	\$ 6,106,207	\$ 6,128,996	\$ 5,940,481	\$ 5,612,829	
Contributions as a Percentage of Covered Payroll	19.88%	19.88%	19.38%	19.13%	18.88%	19.40%	18.75%	17.89%	17.00%	

NOTE: Information for the prior one year was not available for this report.

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
PERA HEALTH CARE TRUST FUND PLAN

Years Ended December 31,

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion of the Net OPEB Liability (Asset)	0.0791%	0.0774%	0.0742%	0.0760%	0.0758%	0.0776%
Proportionate Share of the Net OPEB Liability (Asset)	<u>\$ 682,284</u>	<u>\$ 735,765</u>	<u>\$ 834,070</u>	<u>\$ 1,033,404</u>	<u>\$ 985,650</u>	<u>\$ 1,005,959</u>
Covered payroll	\$7,573,551	\$7,160,369	\$6,672,263	\$6,424,056	\$6,157,230	\$6,126,405
Proportionate Share of the Net OPEB Liability As a Percentage of its Covered Payroll	9.0%	10.3%	12.50%	16.09%	16.01%	16.42%
Plan Fiduciary Net position as a Percentage Of the Total OPEB Liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.72%

NOTE: Information for the prior four years was not available for this report.

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PERA HEALTH CARE TRUST FUND PLAN

Years Ended June 30,

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually Required Contributions	\$ 78,233	\$ 74,903	\$ 70,222	\$ 61,157	\$ 64,009	\$ 62,283
Contributions in Relation to the Contractually Required Contributions	<u>78,233</u>	<u>74,903</u>	<u>70,222</u>	<u>61,157</u>	<u>64,009</u>	<u>62,283</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,669,862	\$ 7,343,419	\$ 6,884,552	\$ 5,995,777	\$ 6,275,429	\$ 6,106,207
Contributions as a Percentage of Covered Payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

NOTE: Information for the prior four years was not available for this report.

See the accompanying independent auditor's report.

INDIVIDUAL FUND SCHEDULES

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
BOND REDEMPTION FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Property Taxes	\$ 2,416,912	\$ 2,416,912	\$ 2,489,398	\$ 72,486
Earnings on Investments	6,500	6,500	8,010	1,510
TOTAL REVENUES	<u>2,423,412</u>	<u>2,423,412</u>	<u>2,497,408</u>	<u>73,996</u>
EXPENDITURES				
Debt Service				
Principal	1,290,658	1,290,658	1,285,659	4,999
Interest	1,122,783	1,122,783	1,127,782	(4,999)
TOTAL EXPENDITURES	<u>2,413,441</u>	<u>2,413,441</u>	<u>2,413,441</u>	<u>-</u>
CHANGE IN FUND BALANCE	9,971	9,971	83,967	73,996
FUND BALANCE, Beginning	<u>3,628,413</u>	<u>3,628,413</u>	<u>3,683,935</u>	<u>55,522</u>
FUND BALANCE, Ending	<u>\$ 3,638,384</u>	<u>\$ 3,638,384</u>	<u>\$ 3,767,902</u>	<u>\$ 129,518</u>

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
CAPITAL PROJECTS FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Earnings on Investments	\$ -	\$ -	\$ 15	\$ 15
State Sources				
BEST Grant	-	-	36,233	36,233
TOTAL REVENUES	-	-	36,248	36,248
EXPENDITURES				
Supporting Services				
Property	300,000	1,000,000	137,890	862,110
Other Objects and Uses	-	-	6,411	(6,411)
TOTAL EXPENDITURES	300,000	1,000,000	144,301	855,699
CHANGE IN FUND BALANCE	(300,000)	(1,000,000)	(108,053)	891,947
FUND BALANCE, Beginning, Restated	300,000	1,000,000	435,045	(564,955)
FUND BALANCE, Ending	\$ -	\$ -	\$ 326,992	\$ 326,992

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
CAPITAL RESERVE FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Earnings on Investments	\$ -	\$ -	\$ 29	\$ 29
School Impact Fee	-	184,480	30,237	(154,243)
Other	-	-	30,000	30,000
State Sources				
State Grants	-	-	61,692	61,692
TOTAL REVENUES	-	184,480	121,958	(62,522)
EXPENDITURES				
Supporting Services				
Purchased Services	-	-	229,539	(229,539)
Supplies and Materials	450,000	-	7,658	(7,658)
Property	50,000	684,480	207,626	476,854
TOTAL EXPENDITURES	500,000	684,480	444,823	239,657
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(500,000)	(500,000)	(322,865)	177,135
OTHER FINANCING SOURCES (USES)				
Transfers In	-	874,156	1,089,043	214,887
CHANGE IN FUND BALANCE	(500,000)	374,156	766,178	392,022
FUND BALANCE, Beginning	500,000	500,000	875,755	375,755
FUND BALANCE, Ending	<u>\$ -</u>	<u>\$ 874,156</u>	<u>\$ 1,641,933</u>	<u>\$ 767,777</u>

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT NO. R-31

BUDGETARY COMPARISON SCHEDULE
PUPIL ACTIVITIES FUND

Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES				
Local Sources				
Other	\$ 593,000	\$ 593,000	\$ 450,678	\$ (142,322)
TOTAL REVENUES	<u>593,000</u>	<u>593,000</u>	<u>450,678</u>	<u>(142,322)</u>
EXPENDITURES				
Instruction				
Purchased Services	-	-	5,558	(5,558)
Materials and Supplies	-	-	202,486	(202,486)
Other Objects and Uses	<u>593,000</u>	<u>593,000</u>	<u>239,111</u>	<u>353,889</u>
TOTAL EXPENDITURES	<u>593,000</u>	<u>593,000</u>	<u>447,155</u>	<u>145,845</u>
CHANGE IN FUND BALANCE	-	-	3,523	3,523
FUND BALANCE, Beginning	<u>367,700</u>	<u>367,000</u>	<u>320,883</u>	<u>(46,117)</u>
FUND BALANCE, Ending	<u>\$ 367,700</u>	<u>\$ 367,000</u>	<u>\$ 324,406</u>	<u>\$ (42,594)</u>

See the accompanying independent auditor's report.



Colorado Department of Education
Auditors Integrity Report
 District: 0490 – Buena Vista R-31
 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	5,652,190		15,701,395	15,485,842		5,867,743
18 Risk Mgmt Sub-Fund of General Fund	65,735		195,000	229,810		30,925
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	5,717,926		15,896,395	15,715,653		5,898,668
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	144,601		762,493	728,089		179,004
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	320,884		450,678	447,156		324,406
25 Transportation Fund	0		0	0		0
31 Bond Redemption Fund	3,683,935		2,497,408	2,413,441		3,767,902
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	435,045		36,248	144,301		326,992
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	875,754		1,211,002	444,823		1,641,932
46 Supplemental Cap Const, Tech, Main Fund	0		0	0		0
Totals	11,178,144		20,854,224	19,893,464		12,138,904
Proprietary						
50 Other Enterprise Funds	0		0	0		0
64 (63) Risk-Related Activity Fund	0		0	0		0
60.65-69 Other Internal Service Funds	0		0	0		0
Totals	0		0	0		0
Fiduciary						
70 Other Trust and Agency Funds	0		0	0		0
72 Private Purpose Trust Fund	0		0	0		0
73 Agency Fund	0		0	0		0
74 Pupil Activity Agency Fund	0		0	0		0
79 GASB 34 Permanent Fund	0		0	0		0
85 Foundations	0		0	0		0
Totals	0		0	0		0
FINAL						0

COMPLIANCE



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

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

Board of Education
Buena Vista School District R-31
Buena Vista, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buena Vista School District R-31 (the “District”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 1, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

PB Solutions LLC

Littleton, Colorado

November 1, 2022



**PROSPECTIVE
BUSINESS
SOLUTIONS, LLC**
Certified Public Accountants

Auditing, Accounting, and Consulting Services for
Governments and Nonprofit Organizations

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

Board of Education
Buena Vista School District R-31
Buena Vista, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Buena Vista School District R-31's (the "District") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2022. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

PB Solutions LLC

Littleton, Colorado
November 1, 2022

BUENA VISTA SCHOOL DISTRICT R-31
Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity's Identification Number	Total Federal Expenditures
<u>U. S. Department of Education</u>			
<i>Passed-Through the Colorado Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	4010	127,134
Special Education Preschool Grants	(3) 84.173	4173	5,129
Supporting Effective Instruction State Grants, Title II, Part A	84.367	4367	24,427
Student Support and Academic Enrichment Program	84.424A	4424	11,217
Education Stabilization Fund - COVID 19	84.425D	4420	496,636
Education Stabilization Fund - COVID 19	84.425U	4414	<u>606,340</u>
<i>Total Passed-Through the Colorado Department of Education</i>			<u>1,270,883</u>
 <i>Passed-Through the Mountain Board of Cooperative Educational Services</i>			
Special Education Preschool Grants - ARPA	(3) 84.173X	6173	2,720
Special Education Grants to States - ARPA	(3) 84.027X	6027	38,995
Special Education Grants to States	(3) 84.027	4027	<u>162,337</u>
<i>Total Passed-Through the Mountain Board of Cooperative Educational Services</i>			<u>204,052</u>
Total U.S. Department of Education			<u>1,474,935</u>
 <u>U. S. Department of Health and Human Services</u>			
<i>Passed-Through the Colorado Office of Early Childhood Department of Human Services</i>			
Child Care Block Grant	(2) 93.575	7575	14,500
 <u>National Endowment for the Humanities</u>			
<i>Passed-Through the Colorado Department of Education</i>			
State Library Program - COVID 19	45.310	7310	6,000
 <u>U. S. Department of Agriculture</u>			
<i>Passed-Through the Colorado Department of Education</i>			
National School Lunch Program - COVID 19	(1) 10.555	6555	20,607
National School Lunch Program	(1) 10.555	4555	912
Summer Breakfast Program	(1) 10.553	5553	135,990
Summer Food Service Program	(1) 10.559	5555	491,312
State Pandemic Electronic Benefit Transfer - COVID 19	10.649	4649	614
 <i>Passed-Through the Colorado Department of Human Services Food Distribution</i>			
Commodity Supplemental Food Program	(1) 10.555	none	<u>37,160</u>
Total U.S. Department of Agriculture			<u>686,595</u>
Total Expenditures of Federal Awards			<u>\$ 2,182,030</u>
(1) Part of the Child Nutrition Cluster, total Cluster expenditures	685,981		
(2) Part of the CCDF Cluster, total Cluster expenditures	14,500		
(3) Part of Special Education Cluster (IDEA), total Cluster expenditures	209,181		

See the accompanying independent auditor's report.

BUENA VISTA SCHOOL DISTRICT R-31
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2022

1. The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the District. The Schedule includes federally funded amounts of pass-through awards received by the District through the State of Colorado. The information this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule represents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in position or cash flows of the District.
2. Amounts reported in the Schedule are recognized on the modified accrual basis when they become a demand on current available federal resources and eligibility requirements are met. Such expenditures are recognized following, as applicable, either the cost principal contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* wherein certain types of expenditures are not allowable or are limited as to reimbursements. Therefore, some amounts presented in the Schedule may differ from amounts presented in or used in the preparation of, the basic financial statements or reports to federal agencies and pass-through grantors. The District has elected not to use the de minimis 10 percent indirect cost rate allowed under the Uniform Guidance.
3. During the year ended June 30, 2022, the District did not pass through any federal funds to subrecipients.
4. For federal awards expended by the District as a subrecipient, the Schedule includes identification of the pass-through grantor and the identifying number assigned to the grant by the pass-through grantor.
5. Commodities donated to the Organization by the U.S. Department of Agriculture (USDA) are valued based on the USDA's Donated Commodity Price List. The commodities are recognized as revenue when received. The commodities are reported under the National School Lunch Program (CFDA 10.555) on the Schedule. The Organization recognized noncash awards of \$37,160 for the year ended June 30, 2022.

BUENA VISTA SCHOOL DISTRICT R-31

Schedule of Findings and Questioned Costs
For the year ended June 30, 2022

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) was: Unmodified

2. The independent auditor's report on internal control over financial reported disclosed:

Significant deficiency(ies)? Yes None Reported
Material weakness(es)? Yes No

3. Noncompliance considered material to the financial statements was disclosed by the audit: Yes No

Federal Awards

4. The independent auditor's report on internal control over compliance for major federal awards programs disclosed:

Significant deficiency(ies)? Yes None Reported
Material weakness(es)? Yes No

5. The opinions expressed in the independent auditor's report on compliance for major federal award programs were: Unmodified

6. The audit disclosed findings required to be reported by section 2 CFR §200.516(a)? Yes No

7. The Organization's major programs were:

<u>Name of federal program</u>	<u>C DFA Number</u>
Education Stabilization Fund	84.425D and 84.425U

8. Dollar threshold used to distinguish between Type A and Type B Programs: \$750,000

9. The Organization qualified as low-risk auditee: Yes No

BUENA VISTA SCHOOL DISTRICT R-31

Schedule Findings and Questioned Costs
For the year ended June 30, 2022

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings

No findings noted.