

**HOLLY SCHOOL DISTRICT RE-3
HOLLY, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2022**

**HOLLY SCHOOL DISTRICT RE-3
ROSTER OF SCHOOL OFFICIALS**

JUNE 30, 2022

BOARD OF EDUCATION

Neil Fletcher - President
Jesse Frey - Vice President
Bradley Simon - Secretary
Craig Schwab - Treasurer
Dustin Heck - Director

ADMINISTRATIVE STAFF

Charles Pollart
Superintendent of Schools

Carlos Huerta
Principal of Schools

Shelbie Schenck
Business Manager

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

HOLLY SCHOOL DISTRICT RE-3 MANAGEMENT'S DISCUSSION & ANALYSIS

This section of the Holly School District RE-3's financial report offers readers of the District's financial statements its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information furnished in the District's financial statements, which immediately follow this section.

The District's a net pension liability was \$1,449,493. Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, the Public Employees Retirement Association, is recorded as a liability of the District. Ending net position of governmental activities increased by \$563,335 to \$21,412,112.

Financial Highlights

The assets of Holly School District RE-3 exceeded its liabilities at the close of June 30, 2022 by \$21,412,112 (net position) as reported in the government-wide financial statements.

Expenses of \$5,904,870 were offset by program specific charges, grants and contributions of \$514,215. General revenues from amounted to \$5,953,990.

The General Fund reported a fund balance of \$5,046,672 at the close of June 30, 2022. Fund balance increased by \$441,116 over the prior year. This District strives to adopt a balanced budget, which will both meet and exceed the needs of the students and still help provide a stable foundation for the District.

Overview of the Financial Statements

The Holly School District RE-3 basic financial statements are comprised of three components

1. Government wide financial statements - focusing on long-term and short-term information about the District's overall financial status including the General Fund, Food Service Fund, Capital Project Funds, and Bond Fund.
2. Fund financial statements - focusing on individual parts of the government, reporting the District's operations in more detail than the government wide-statements
3. Notes to the financial statements - required supplemental information that further explain and supports the information in the financial statements

Government-wide Statements

The financial statements provided are designed to supply the reader an overview of the District's financial activities similar to those statements used in the private sector. The government-wide statements relate to those activities directly related to the education of the students. The statement of net position includes all of the government's assets, liabilities and deferred flows. All of the current year revenues and expenses are accounted for in the statement of activities.

The two government-wide statements report the District's net position and how it has changed. Net position, the difference between the District's assets, liabilities and deferred flows, is one indicator of the District's financial health. Over time, increases or decreases in the District's net position measures whether the financial health is improving or deteriorating. Readers also need to consider additional non-fictional factors in rating the district overall such as changes in the District's tax base, student enrollment, and overall condition of buildings.

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2022	2021
Assets:		
Current Assets	\$ 6,653,977	\$ 6,595,985
Capital Assets – Net	21,129,219	21,874,460
Deferred Outflows of Resources	1,052,266	1,569,189
Total Assets & Deferred Outflows of Financial Resources	<u>28,835,462</u>	<u>30,039,634</u>
Liabilities:		
Current Liabilities	432,558	314,877
Non-current Liabilities	5,476,572	6,618,069
Deferred Inflows of Resources	1,514,308	2,257,911
Total Liabilities & Deferred Inflows of Financial Resources	<u>7,423,438</u>	<u>9,190,857</u>
Net Position:		
Net Invested in Capital Assets	1,126,632	1,114,311
Restricted	879,323	1,008,414
Unrestricted Net Position	19,406,069	18,726,052
Total Net Position(Deficit)	<u>21,412,024</u>	<u>20,848,777</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 28,835,462</u>	<u>\$30,039,634</u>

The government-wide financial statements of the District include the governmental activities. Most of the District's basic services are included within the governmental activities, such as instruction, support, general administration, food service, and capital outlay. The statements also indicate that funding for these services come primarily from state equalization, property tax, and grant sources.

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2022	2021
Program Revenues:		
Charges for Services	\$ 224,089	\$ 126,907
Operating Grants	1,064,217	935,366
Capital Grants and Contributions	(571,816)	(503,390)
Total Program Revenues	<u>716,490</u>	<u>558,883</u>
General Revenues:		
Taxes	1,201,951	1,140,135
State Equalization	2,342,912	2,111,545
Investment Earnings	13,402	22,389
Gain (Loss) on Capital Asset Disposals	3,913	-
Miscellaneous Revenues	2,392,033	784,469
Total General Revenues	<u>5,954,211</u>	<u>4,058,538</u>
Total Revenues	<u>6,670,701</u>	<u>4,617,421</u>
Expenses:		
Instruction	1,523,244	1,653,658
Supporting Services	4,584,210	1,220,416
Total Expenses	<u>6,107,454</u>	<u>2,874,074</u>
Change in Net Position	563,247	1,743,347
Net Position - Beginning	20,848,777	19,105,430
Net Position Ending	<u>\$ 21,412,024</u>	<u>\$20,848,777</u>

Fund Financial Statements

Fund financial statements are designed to display compliance with finance-related legal requirements. A fund is a grouping of related accounts designed to keep control over resources segregated for specific activities or objectives. The Holly School District uses fund accounting to guarantee and prove compliance. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds

Governmental funds account for the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements emphasize short-term financial resources and fund balances. Such information is used to evaluate the District's short-term financing requirements. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Comparison of the governmental funds with the government-wide funds may allow a better understanding of the long-term impact of the District's near-term financing decisions.

Holly School District maintains the following fund types:

General Fund - accounts for all financial resources except for those legally required to be accounted for separately.

Colorado Preschool Project Fund (CPP) - reported as part of the General Fund)- accounts for all financial resources related to preschool students identified by the CPP program.

Pupil Activity Agency Fund - accounts for all financial resources held by special interest groups such as clubs, organizations, and classes.

Food Service Fund - accounts for all financial resources related to the operation of the school lunch program.

Bond Fund- tracks the tax income from the bonds and the payments to the holding company.

Capital Reserve/Capital Project Fund - accounts for resources to be used for capital items.

Notes to the Basic Financial Statements

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

Required Supplementary Information

The district adopts an annual appropriated budget for each of the individual governmental funds. A budgetary comparison schedule for the general fund is included in the fund financial statements to demonstrate compliance with the adopted budget. Also the remaining governmental funds budgetary comparisons are reported as other supplemental information.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Holly School District, assets exceeded liabilities by \$21,412,112 at the close of business on June 30, 2022.

Holly School District reported assets consisting of current assets of \$6,654,065 and net capital assets of \$21,129,219. Current assets include cash and cash equivalents primarily in the General Fund. The ratio of current assets to current liabilities of 12 to 1 indicates the district's ability to meet current obligations.

The District's total net position on June 30, 2022 was \$21,412,112. Of the District's net position, \$1,126,632 reflects investment in capital assets (land, buildings, infrastructure, machinery, and equipment, net debt). The District uses capital assets to provide services to students. Thus these assets are not available for future spending. The unrestricted net position of \$19,406,157 may be used to meet the District's ongoing financial obligations.

	<u>Balance 06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/22</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Capital assets being depreciated:				
Buildings	3,301,255	-	-	3,301,255
Equipment	3,133,439	-	-	3,133,439
Food Service equipment	11,942	-	-	11,942
Transportation equipment	822,544	-	-	822,544
Land Improvements	799,223	-	-	799,223
Total capital assets being depreciated	<u>8,068,403</u>	<u>-</u>	<u>-</u>	<u>8,068,403</u>
Accumulated Depreciation				
Buildings	(1,507,877)	(64,736)	-	(1,572,613)
Equipment	(2,946,121)	(21,307)	-	(2,967,428)
Food Service equipment	(11,942)	-	-	(11,942)
Transportation equipment	(372,591)	(54,498)	-	(427,089)
Land Improvements	(352,131)	(23,570)	-	(375,701)
Total accumulated depreciation	<u>(5,190,662)</u>	<u>(164,111)</u>	<u>-</u>	<u>(5,354,773)</u>
Net Capital Assets	<u>\$ 2,987,741</u>	<u>\$ (164,111)</u>	<u>\$ -</u>	<u>\$ 2,823,630</u>

The District also has three lease agreements for copy machines. The junior high/senior high and elementary copier leases are with Canon Financial Services, and the administrative copier lease is with Business Solutions. All are operating leases.

Long-term Debt

The District issued \$3,417,833 in General Obligation Bonds in 2011 as matching money for a BEST construction grant. The outstanding balance at year-end was \$1,873,430.MDA

	<u>Balance 07/01/21</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 06/30/22</u>	<u>Due Within One Year</u>
General obligation bonds, Series 2010	\$ 2,042,943	\$ -	\$ 169,513	\$ 1,873,430	\$ 176,432

General Fund Budgetary Highlights

Holly School District Re-3 adopted a budget of \$10,796,646 the 2021-2022 fiscal year. The final budget and budget resolution was adopted on January 17, 2022.

The District was able to provide an on staff school psychologist as well as summer school opportunities using ESSER funding. REAP funding was used to purchase technology for the elementary school. The district continued to work towards providing staff wellness opportunities via our school wellness program.

Next Year' s Budget and Future Economic Status of the District

The District is also looking to add an Interventionist, full-time nurse, and a work-study coordinator for a school to work program in the high school, the majority of these positions will be funded with ESSER Funding. The district will use the remainder of their ESSER III funding to purchase social emotional curriculum. The district is also looking to provide a 5% salary increase for all positions. The REAP money will be used to upgrade technology for the high school.

Requests for Information

This financial report is designed to demonstrate accountability and provide the District' s citizens, taxpayers, customers, and creditors a general overview of the District's finances. Questions or comments concerning this report may be sent to Charles Pollart, Superintendent of Schools, PO Box 608, Holly, CO 81047 or call 719-537-6616.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Holly School District RE-3
Holly, Colorado

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Holly School District RE-3, as of and for the year ended June 30, 2022, and the related notes to the financial statements which collectively comprise Holly School District RE-3's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Holly School District RE-3 as of June 30, 2022, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of the Holly School District RE-3 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 the 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 Holly School District RE-3'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.

Auditors' Responsibility 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on 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 Holly School District RE-3'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 Holly School District RE-3'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.

Report on Summarized Comparative Information

We have previously audited the Holly School District RE-3's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 12, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Holly School District RE-3's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mayberry + Company, LLC

Englewood, CO
October 6, 2022

BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2022.

HOLLY SCHOOL DISTRICT RE-3
Statement of Net Position
June 30, 2022

	<u>Governmental</u> <u>Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 6,466,274
Cash with Fiscal Agent	15,738
Taxes Receivable	59,002
Grants Receivable	106,395
Other Accounts Receivable	5,513
Inventory	1,056
Capital and Other Assets	
BEST Grant Receivable	18,305,589
Capital Assets not Being Depreciated	110,000
Capital Assets Being Depreciated	8,068,403
Accumulated Depreciation	<u>(5,354,773)</u>
Total Assets	<u>27,783,197</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	1,010,301
Net OPEB Deferred Outflows	<u>41,965</u>
Total Deferred Outflows of Financial Resources	<u>1,052,266</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 28,835,463</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 98,598
Accrued Interest	6,373
Accrued Salaries & Benefits	325,295
Unearned Revenue	2,292
Noncurrent Liabilities	
Due Within One Year	<u>176,432</u>
Bonds Payable	1,696,998
Other Long Term Liabilities	<u>3,603,142</u>
Due In More Than One Year	<u>5,300,140</u>
Total Liabilities	<u>5,909,130</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	1,449,493
Net OPEB Deferred Inflows	<u>64,815</u>
Total Deferred Inflows of Financial Resources	<u>1,514,308</u>
Net Position	
Net Investment in Capital Assets	1,126,632
Restricted Net Position	885,323
Unrestricted Net Position	<u>19,400,070</u>
Total Net Position	<u>21,412,025</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 28,835,463</u>

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

HOLLY SCHOOL DISTRICT RE-3
Statement of Activities
For the Year Ended June 30, 2022

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government				
Governmental Activities				
Instruction	\$ 1,523,244	\$ 160,997	\$ 197,486	\$ -
Supporting Services	<u>4,584,210</u>	<u>63,092</u>	<u>866,731</u>	<u>(571,816)</u>
Total Primary Government	<u>\$ 6,107,454</u>	<u>\$ 224,089</u>	<u>\$ 1,064,217</u>	<u>\$ (5,390,964)</u>
General Revenues				
Property Taxes				1,052,387
Specific Ownership Taxes				149,565
State Equalization				2,342,912
Investment Earnings				13,402
Gain (Loss) on Capital Asset Disposals				3,913
Insurance Proceeds				2,302,462
Other Revenues				<u>89,571</u>
Total General Revenues				<u>5,954,212</u>
Change in Net Position				563,248
Beginning Net Position				<u>20,848,777</u>
Ending Net Position				<u>\$ 21,412,025</u>

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

HOLLY SCHOOL DISTRICT RE-3
Balance Sheet
Governmental Funds
June 30, 2022

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
ASSETS			
Cash and Investments	\$ 5,574,191	\$ 67,130	\$ 90,313
Cash with Fiscal Agent	11,861	-	-
Taxes Receivable	44,385	-	-
Interfund Accounts Receivable	-	-	-
Grants Receivable	106,395	-	-
Other Accounts Receivable	5,513	-	-
Inventory	-	1,056	-
TOTAL ASSETS	<u>\$ 5,742,345</u>	<u>\$ 68,186</u>	<u>\$ 90,313</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE			
Liabilities			
Interfund Accounts Payable	\$ 268,637	\$ -	\$ -
Accounts Payable	98,598	-	-
Accrued Salaries & Benefits	309,151	16,144	-
Unearned Revenue	-	2,292	-
Total Liabilities	<u>676,386</u>	<u>18,436</u>	<u>-</u>
Deferred Inflows of Financial Resources			
Deferred Inflows	<u>16,841</u>	<u>-</u>	<u>-</u>
Fund Balance			
Nonspendable Fund Balance	-	1,056	-
Restricted Fund Balance			
Restricted for Debt Service	-	-	-
Restricted for TABOR Emergencies	116,000	-	-
Restricted for BEST Replacement Reserve	51,663	-	-
Committed Fund Balance	-	48,694	90,313
Unassigned Fund Balance	<u>4,881,455</u>	<u>-</u>	<u>-</u>
Total Fund Balance	<u>5,049,118</u>	<u>49,750</u>	<u>90,313</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 5,742,345</u>	<u>\$ 68,186</u>	<u>\$ 90,313</u>

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

<u>Debt Service</u>		<u>Capital Projects</u>		<u>Totals</u>	
<u>Bond</u>					
<u>Redemption</u>	<u>Capital Reserve</u>				
<u>Fund</u>	<u>Project Fund</u>	<u>2022</u>	<u>2021</u>		
\$ 705,027	\$ 29,613	\$ 6,466,274	\$ 6,455,983		
3,877	-	15,738	21,247		
14,617	-	59,002	58,699		
-	268,637	268,637	687,728		
-	-	106,395	57,255		
-	-	5,513	1,781		
-	-	1,056	1,020		
<u>\$ 723,521</u>	<u>\$ 298,250</u>	<u>\$ 6,922,615</u>	<u>\$ 7,283,713</u>		
\$ -	\$ -	\$ 268,637	\$ 687,728		
-	-	98,598	27,347		
-	-	325,295	278,198		
-	-	2,292	2,383		
-	-	694,822	995,656		
5,861	-	22,702	33,150		
-	-	1,056	1,020		
717,660	-	717,660	669,264		
-	-	116,000	104,000		
-	-	51,663	235,150		
-	298,250	437,257	979,067		
-	-	4,881,455	4,266,406		
<u>717,660</u>	<u>298,250</u>	<u>6,205,091</u>	<u>6,254,907</u>		
<u>\$ 723,521</u>	<u>\$ 298,250</u>	<u>\$ 6,922,615</u>	<u>\$ 7,283,713</u>		

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HOLLY SCHOOL DISTRICT RE-3
Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2022

Fund Balance - Governmental Funds		\$	6,205,091
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	110,000	
Capital assets, being depreciated		8,068,403	
Accumulated depreciation		<u>(5,354,773)</u>	2,823,630
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds			
Long-Term BEST Grant Receivable			18,305,589
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows		1,010,301	
Net pension liability		(3,436,865)	
Net pension deferred inflows		<u>(1,449,493)</u>	(3,876,057)
OPEB Liability			
Net OPEB deferred outflows		41,965	
Net OPEB liability		(166,277)	
Net OPEB deferred inflows		<u>(64,815)</u>	(189,127)
Certain assets are not available to pay for current year expenditures and are therefore deferred in the funds			
Unearned property taxes			22,702
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(1,873,430)	
Accrued interest payable		<u>(6,373)</u>	(1,879,803)
Total Net Position - Governmental Activities			<u>\$ 21,412,025</u>

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

HOLLY SCHOOL DISTRICT RE-3
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	General Fund	Special Revenue		Debt Service	Capital Projects
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund	Capital Reserve Project Fund
REVENUES					
Local Sources	\$ 1,132,345	\$ 815	\$ 160,997	\$ 297,892	\$ 2,302,643
Intermediate Sources	9,377	-	-	-	-
State Sources	2,602,459	1,322	-	-	-
Federal Sources	580,006	174,425	-	-	-
TOTAL REVENUES	<u>4,324,187</u>	<u>176,562</u>	<u>160,997</u>	<u>297,892</u>	<u>2,302,643</u>
EXPENDITURES					
Current:					
Instruction	2,115,431	-	163,531	-	-
Pupil Support	154,597	-	-	-	-
Staff Support	42,288	-	-	-	-
General Administration	230,397	-	-	50	-
School Administration	154,118	-	-	-	-
Business Services	69,364	-	-	-	-
Operations and Maintenance	611,547	-	-	-	-
Transportation	206,871	-	-	-	-
Food Service	-	179,443	-	-	-
Community Support	35,156	-	-	-	-
Facilities	-	-	-	-	3,099,857
Debt Service	-	-	-	249,446	-
Contingency	-	-	-	-	-
TOTAL EXPENDITURES	<u>3,619,769</u>	<u>179,443</u>	<u>163,531</u>	<u>249,496</u>	<u>3,099,857</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	704,418	(2,881)	(2,534)	48,396	(797,214)
OTHER FINANCING SOURCES (USES)					
Transfers in (Out)	(260,855)	21,218	-	-	239,637
CHANGE IN FUND BALANCE	443,563	18,337	(2,534)	48,396	(557,577)
BEGINNING FUND BALANCE	4,605,556	31,413	92,847	669,264	855,827
ENDING FUND BALANCE	<u>\$ 5,049,119</u>	<u>\$ 49,750</u>	<u>\$ 90,313</u>	<u>\$ 717,660</u>	<u>\$ 298,250</u>

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

Totals

<u>2022</u>	<u>2021</u>
\$ 3,894,692	\$ 2,081,865
9,377	77
2,603,781	2,410,106
<u>754,431</u>	<u>714,230</u>
<u>7,262,281</u>	<u>5,206,278</u>
2,278,962	2,261,410
154,597	61,004
42,288	43,694
230,447	147,735
154,118	160,865
69,364	66,599
611,547	554,630
206,871	273,757
179,443	168,201
35,156	34,927
3,099,857	46,606
249,446	249,582
-	<u>135,842</u>
<u>7,312,096</u>	<u>4,204,852</u>
(49,815)	1,001,426
-	-
<u>(49,815)</u>	<u>1,001,426</u>
<u>6,254,907</u>	<u>5,253,481</u>
<u>\$ 6,205,092</u>	<u>\$ 6,254,907</u>

HOLLY SCHOOL DISTRICT RE-3
Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2022

Change in Fund Balance - Governmental Funds	\$	(49,815)	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Depreciation Expense			(164,111)
The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant			
Amortization of BEST grant receivable			(581,130)
Certain assets are not available to pay for current year expenditures and are therefore deferred in the funds			
Change in Deferred Revenue			(10,448)
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Pension Liability			
Current year change and amortization of deferred outflows - net	\$	(539,932)	
Change in net pension liability		977,720	
Current year change and amortization of deferred inflows - net		<u>740,468</u>	1,178,256
OPEB Liability			
Current year change and amortization of deferred outflows - net		23,009	
Change in OPEB liability		(5,736)	
Current year change and amortization of deferred inflows - net		<u>3,135</u>	20,408
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable		169,513	
Change in accrued interest payable		<u>576</u>	<u>170,089</u>
Total Net Position - Governmental Activities			<u>\$ 563,249</u>

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Holly School District RE-3 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity."

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 fourteen districts in a jointly governed organization to operate the Southeastern Colorado Board of Cooperative Educational Services (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 a member of the board of education and the superintendent from each of the participating members. 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: 703 South 3rd Street, Lamar, CO 81052. The District paid total assessments of \$41,472 to the BOCES for the year ended June 30, 2022.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District does not present any business type activities.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue (Food Service and Pupil Activity) Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

Debt Service (Bond Redemption) – This fund is used to account for the repayment of the District's general obligation indebtedness.

Capital Project (Capital Reserve) – This fund accounts for the District's routine capital projects.

The District does not maintain any fiduciary funds.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year-end.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

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 Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

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 – Inventory of the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the disbursement and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation has been provided over the estimated useful lives of the underlying asset in the government-wide presentation. Depreciation is computed on a straight-line basis based on the following useful lives:

Buildings and Site Improvements	10-80 years
Vehicles	10-25 years
Other Equipment	5-15 years

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2021 property taxes were both measurable and available at June 30, 2022, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2022 but not collected by June 30, 2022. For those amounts not received within 60 days subsequent to year end, a deferred inflow was reported at the fund level.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. As the District only allows a carryover of 10 days of unused sick leave that is not paid upon termination, no liability has been recorded in the financial statements.

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

Long-Term Debt – The District’s general obligation bonds are accounted for in the Bond Redemption Fund. Principal repayments are shown as expenditures in the fund level financial statements. For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 7 and 9.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pension and OPEB liabilities as further described in Note 7 and 9 as well as deferred inflows for property taxes at the fund level.

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position is either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as “nonspendable” include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance are reported as “restricted” when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as “committed” fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

Net Position/ Fund Balance and Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance, if allowed under the terms of the restriction. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. 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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District’s financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTE 2: CASH AND INVESTMENTS

A reconciliation of the cash components on the balance sheet to the cash categories in this footnote are as follows:

Deposits and On Hand	\$ 4,682,681
Investments	<u>1,782,571</u>
Total	<u>\$ 6,465,252</u>
 Government-wide - unrestricted	 <u>\$ 6,465,252</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed 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 institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

At June 30, 2022, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 1,000,000	\$ 1,000,000
PDPA Collateralized (not in District Name)	3,712,223	3,680,801
Cash on Hand	-	1,880
Total Cash Deposits and On Hand	<u>\$ 4,712,223</u>	<u>\$ 4,682,681</u>

The District invested in the Colorado Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. Colotrust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of Colotrust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to Colotrust in connection with the direct investment and withdrawal functions of Colotrust. Substantially all securities owned by Colotrust 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 Colotrust. The fair value of the position in the pool is the same as the valuation of the pool shares.

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of the 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

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District’s investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2022, the District did not have any investments requiring disclosure. At June 30, 2022, the District’s investment in the Colorado Government Liquid Assets Trust (Colotrust) was rated AAAM by Standard & Poor’s.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. 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, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2022, the District did not have any investments requiring safekeeping.

NOTE 3: INVENTORIES

Food Service Fund inventory of \$1,056 as of June 30, 2022, consisted of \$316 of non-food inventory and \$740 of purchased food and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	<u>Balance</u> <u>06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06/30/22</u>
Governmental activities				
Capital assets not being depreciated:				
Land	\$ 110,000	\$ -	\$ -	\$ 110,000
Capital assets being depreciated:				
Buildings	3,301,255	-	-	3,301,255
Equipment	3,133,439	-	-	3,133,439
Food Service equipment	11,942	-	-	11,942
Transportation equipment	822,544	-	-	822,544
Land Improvements	<u>799,223</u>	<u>-</u>	<u>-</u>	<u>799,223</u>
Total capital assets being depreciated	<u>8,068,403</u>	<u>-</u>	<u>-</u>	<u>8,068,403</u>
Accumulated Depreciation				
Buildings	(1,507,877)	(64,736)	-	(1,572,613)
Equipment	(2,946,121)	(21,307)	-	(2,967,428)
Food Service equipment	(11,942)	-	-	(11,942)
Transportation equipment	(372,591)	(54,498)	-	(427,089)
Land Improvements	<u>(352,131)</u>	<u>(23,570)</u>	<u>-</u>	<u>(375,701)</u>
Total accumulated depreciation	<u>(5,190,662)</u>	<u>(164,111)</u>	<u>-</u>	<u>(5,354,773)</u>
Net Capital Assets	<u>\$ 2,987,741</u>	<u>\$ (164,111)</u>	<u>\$ -</u>	<u>\$ 2,823,630</u>

Depreciation has been allocated to the District's operations in the activity level presentation as follows:

Instruction	\$ 50,607
Supporting services	<u>113,504</u>
Total depreciation	<u>\$ 164,111</u>

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2022 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$	309,151
Food Service Fund		<u>16,144</u>
Total Accrued Salaries and Benefits	\$	<u>325,295</u>

NOTE 6: LONG-TERM DEBT

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

	<u>Balance 07/01/21</u>	<u>Advances</u>	<u>Payments</u>	<u>Balance 06/30/22</u>	<u>Due Within One Year</u>
General obligation bonds, Series 2010	\$ 2,042,943	\$ -	\$ 169,513	\$ 1,873,430	\$ 176,432

An interest summary of the District's long-term debt is as follows:

	<u>Accrued Interest</u>	<u>Interest Paid</u>	<u>Interest Expense</u>	<u>PY Accrued</u>
General obligation bonds, Series 2010	\$ 6,373	\$ 80,069	\$ 79,493	\$ 6,949

In 2010, the District issued \$3,417,833 of general obligation bonds to refund bonds issued in 1999. Principal is due annually on December 1, and interest at rates from 1.50% to 3.30% is due semiannually on June 1 and December 1. The District realized \$45,385 of net present value savings on this refinancing. Payments are made through the Bond Redemption Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 176,432	\$ 72,872	\$ 249,304
2024	183,634	65,523	249,157
2025	191,130	57,875	249,005
2026	198,932	49,913	248,845
2027	207,053	41,627	248,680
2028-2031	<u>916,249</u>	<u>76,672</u>	<u>992,921</u>
Total	<u>\$ 1,873,430</u>	<u>\$ 364,482</u>	<u>\$ 2,237,912</u>

NOTE 7: 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 comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

As of December 31, 2021, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, eligible benefit recipients under the PERA benefit structure who began membership before January 1, 2007, and all eligible benefit recipients of the DPS benefit structure will receive the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% based on the parameters specified in C.R.S. § 24-51-413.

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

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

Contributions provisions as of June 30, 2022: Eligible employees of, 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 percent 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:

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	2021
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%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

The allocation for 2021 was as follows:

<u>Trust Fund</u>	<u>Direct Distribution</u>
State Division	\$ 76,706
School Division	127,781
Judicial Division	1,360
DPS Division	19,153
	<u>\$ 225,000</u>

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 District were \$366,929 for the year ended June 30, 2022.

The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability 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 total pension liability to December 31, 2021. The District proportion of the net pension liability was based on District 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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

The proportions presented in this schedule are also based on the direct distribution payment received in July 2021 for \$127,781 and is considered a nonemployer contribution that meets the definition of a special funding situation for the purposes of GASB 68 paragraph 15.

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

At June 30, 2022, the District reported a liability of \$3,436,865 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (3,436,865)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ (353,472)
Total	\$ (3,790,337)

At December 31, 2021, the District proportion was 0.02953 percent, which was an increase of 0.00033 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$816,178 and revenue of \$353,472 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:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 128,144	\$ -
Changes of assumptions or other inputs	\$ 259,428	\$ -
Net difference between projected and actual earnings on pension plan investments	\$ 147,161	\$ (1,407,498)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 299,199	\$ (41,995)
Contributions subsequent to the measurement date	\$ 176,369	\$ -
Total	\$ 1,010,301	\$ (1,449,493)

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

\$176,369 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:	Fiscal Year Totals
2023	\$ 66,320
2024	(228,896)
2025	(296,144)
2026	(156,841)
Total	\$ (615,561)

Actuarial assumptions. The total pension liability 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 increase, 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 (automatic) ¹	1.00%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ Post-retirement benefit increases are provided by the AIR, accounted separately with 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 total pension liability as of December 31, 2021, includes the anticipated adjustments to contribution rates and the annual increase cap, resulting from the 2020 automatic adjustment provision (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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

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

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

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

The actuarial assumptions used in the December 31, 2020, valuations were based on the 2020 experience analysis, for the period January 1, 2016, through December 31, 2019. Revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020

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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: 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 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected
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%	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200, 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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: 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 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (5,058,785)	\$ (3,436,865)	\$ (2,083,434)

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

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2022 program members contributed \$6,383.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

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.

General Information about the OPEB Plan

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

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

C.R.S. § 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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

PERA Benefit Structure

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

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

DPS Benefit Structure

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

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (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 percent 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 \$18,826 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 \$166,277 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 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 total OPEB liability to December 31, 2021. The District proportion of the net OPEB liability was based on District 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 proportion was 0.01928 percent, which was an increase of 0.00239 from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$2,720. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 229	\$ (36,166)
Changes of assumptions or other inputs	\$ 3,379	\$ (7,903)
Net difference between projected and actual earnings on pension plan investments	\$ 1,093	\$ (10,744)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 28,215	\$ (10,002)
Contributions subsequent to the measurement date	\$ 9,049	\$ -
Total	\$ 41,965	\$ (64,815)

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

\$9,049 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:	Fiscal Year Totals
2023	\$ (10,270)
2024	(10,960)
2025	(11,586)
2026	(3,046)
2027	3,306
2028	657
Total	\$ (31,899)

Actuarial assumptions. The total OPEB liability 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 increase, including wage inflation	3.40-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, 6.00% in 2022, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% for 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

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:

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

The 2021 Medicare Part A premium is \$471 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2020, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The PERA benefit structure health care cost trend rates used to measure the total OPEB liability 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%

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

- **Males:** 112 percent of the rates prior to age 80 and 94 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.
- **Females:** 83 percent of the rates prior to age 80 and 106 percent of the rates for ages 80 and older, with generational projection using scale MP-2019.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (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 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 percent of the rates for all ages, with generational projection using scale MP-2019.
- **Females:** 105 percent of the rates for all ages, with generational projection using scale MP-2019.

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2020 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The 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.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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.

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 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%	

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

Sensitivity of the District 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:

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
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%
Proportionate share of the net OPEB asset (liability)	\$ (178,494)	\$ (183,230)	\$ (188,743)

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Discount Rate	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (209,893)	\$ (183,230)	\$ (160,448)

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

NOTE 10: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing.

Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2022.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District’s financial statements.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 10: RISK MANAGEMENT (Continued)

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

Health Insurance

The District currently carries commercial insurance for employee health coverage with risk of loss transferred to the carrier.

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expand all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$116,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine operating transfers through June 30, 2022.

	Transfers In (Out)
<u>General Fund</u>	
Transfer to Food Service	\$ (21,218)
Transfer to Capital Reserve	<u>(239,637)</u>
Net General Fund	(260,855)
<u>Food Service Fund</u>	
Transfer from General Fund	21,218
<u>Capital Reserve Projects Fund</u>	
Transfer from General Fund	<u>239,637</u>
Net Interfund Transfers	<u><u>\$ -</u></u>

The District has the following internal balances as of year ended June 30, 2022.

	Interfund	
	Receivable	Payable
General Fund	\$ -	\$ 268,637
Capital Reserve Projects Fund	<u>268,637</u>	<u>-</u>
Balance	<u><u>\$ 268,637</u></u>	<u><u>\$ 268,637</u></u>

NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2010 with the District providing an upfront match payment held in escrow of \$3,417,833. The State funded their portion of this program, \$25,064,111 through Certificate of Participation issuances. The State coordinated the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurred. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

The improvements completed by the BEST grant totaled \$23,245,193, and have a depreciated value of \$18,305,589, as of June 30, 2022. This amount has been recorded as long-term grant receivable as of June 30, 2016. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, commencing in fiscal year 2013. The amount set aside as of June 30, 2022 was \$51,663.

HOLLY SCHOOL DISTRICT RE-3
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

NOTE 14: BUDGET VIOLATION

The District's expenditures exceed appropriations in the Capital Reserve Project Fund in the amount of \$629,056, which may be a violation of Colorado statutes.

REQUIRED SUPPLEMENTARY INFORMATION

Pension and OPEB Schedules (Unaudited)

HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION ASSET (LIABILITY)
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.032566%	\$ (4,153,781)	\$ -	\$ (4,153,781)	\$ 1,312,838	316.40%	64.07%
June 30, 2015	0.033508%	\$ (4,541,470)	\$ -	\$ (4,541,470)	\$ 1,403,748	323.52%	62.84%
June 30, 2016	0.032289%	\$ (4,938,309)	\$ -	\$ (4,938,309)	\$ 1,407,129	350.95%	59.16%
June 30, 2017	0.311210%	\$ (9,265,877)	\$ -	\$ (9,265,877)	\$ 1,381,519	670.70%	43.13%
June 30, 2018	0.030593%	\$ (9,892,759)	\$ -	\$ (9,892,759)	\$ 1,411,229	701.00%	43.96%
June 30, 2019	0.027874%	\$ (4,935,622)	\$ (593,698)	\$ (5,529,320)	\$ 1,532,370	322.09%	57.01%
June 30, 2020	0.026597%	\$ (3,973,545)	\$ (447,264)	\$ (4,420,809)	\$ 1,552,931	255.87%	64.52%
June 30, 2021	0.029201%	\$ (4,414,585)	\$ -	\$ (4,414,585)	\$ 1,581,852	279.08%	66.99%
June 30, 2022	0.029533%	\$ (3,436,865)	\$ (353,472)	\$ (3,790,337)	\$ 1,845,719	186.21%	74.86%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 203,884	\$ (203,884)	\$ -	\$ 1,312,838	15.53%
June 30, 2015	\$ 230,636	\$ (230,636)	\$ -	\$ 1,403,748	16.43%
June 30, 2016	\$ 243,855	\$ (243,855)	\$ -	\$ 1,407,129	17.33%
June 30, 2017	\$ 253,232	\$ (253,232)	\$ -	\$ 1,381,519	18.33%
June 30, 2018	\$ 262,912	\$ (262,912)	\$ -	\$ 1,411,229	18.63%
June 30, 2019	\$ 293,142	\$ (293,142)	\$ -	\$ 1,532,370	19.13%
June 30, 2020	\$ 300,958	\$ (300,958)	\$ -	\$ 1,552,931	19.38%
June 30, 2021	\$ 306,563	\$ (306,563)	\$ -	\$ 1,581,852	19.38%
June 30, 2022	\$ 366,929	\$ (366,929)	\$ -	\$ 1,845,719	19.88%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

**HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.017689%	\$ (229,350)	\$ 1,381,519	16.60%	16.70%
June 30, 2018	0.017383%	\$ (225,909)	\$ 1,411,229	16.01%	17.53%
June 30, 2019	0.018118%	\$ (246,504)	\$ 1,532,370	16.09%	17.03%
June 30, 2020	0.017384%	\$ (195,397)	\$ 1,552,931	12.58%	24.49%
June 30, 2021	0.016895%	\$ (160,541)	\$ 1,581,852	10.15%	32.78%
June 30, 2022	0.019283%	\$ (166,277)	\$ 1,845,719	9.01%	39.40%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 14,091	\$ (14,091)	\$ -	\$ 1,381,519	1.02%
June 30, 2018	\$ 14,395	\$ (14,395)	\$ -	\$ 1,411,229	1.02%
June 30, 2019	\$ 15,630	\$ (15,630)	\$ -	\$ 1,532,370	1.02%
June 30, 2020	\$ 15,840	\$ (15,840)	\$ -	\$ 1,552,931	1.02%
June 30, 2021	\$ 16,135	\$ (16,135)	\$ -	\$ 1,581,852	1.02%
June 30, 2022	\$ 18,826	\$ (18,826)	\$ -	\$ 1,845,719	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES

(Required Supplementary Information)

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2022

	2022			
	Original & Final	Actual	Variance with Final	2021
	Budget		Budget	Actual
REVENUES				
Local Sources				
Property Taxes	\$ 792,357	\$ 798,797	\$ 6,440	\$ 746,875
Specific Ownership Taxes	109,677	112,484	2,807	107,795
Delinquent Taxes	1,500	3,585	2,085	1,352
Investment Earnings	5,000	12,862	7,862	22,023
Community Service Revenue	13,000	12,015	(985)	13,219
Rent Revenue	7,950	8,984	1,034	9,598
Donations	46,156	48,852	2,696	99,409
Sale of Fixed Asser/ Insurance Proceeds	1,000	3,913	2,913	-
Indirect Cost Revenue	-	41,278	41,278	-
Insurance Proceeds	1,000	-	(1,000)	-
Other Local	70,300	89,574	19,274	50,138
Total Local Sources	<u>1,047,940</u>	<u>1,132,344</u>	<u>84,404</u>	<u>1,050,409</u>
Intermediate Sources				
Mineral Leases	100	64	(36)	77
Impact Fee Revenue	-	9,313	9,313	-
Total Intermediate Sources	<u>100</u>	<u>9,377</u>	<u>9,277</u>	<u>77</u>
State Sources				
State Share (Equalization)	2,266,544	2,342,912	76,368	2,111,545
State Transportation	35,800	36,647	847	36,763
State Grants from CDE				
State ELPA Prof Dev and Student Support	-	-	-	16,135
State ELPA	14,635	14,635	-	14,406
State Grants to Libraries	4,500	4,500	-	3,500
Small Rural Schools Additional Funding	112,013	112,013	-	95,085
Additional As- Risk Funding	-	2,405	2,405	2,042
READ Act	4,963	4,963	-	8,332
One-Time At-Risk Mitigation	2,000	17,983	15,983	-
State Grants from Other Agencies				
State Vocational Education	-	-	-	12,807
State PERA Contribution	-	42,064	42,064	-
SAFER/School Safety Grant	-	-	-	77,739
State Grants Provided through BOCES	7,241	24,337	17,096	28,583
Total State Sources	<u>2,447,696</u>	<u>2,602,459</u>	<u>154,763</u>	<u>2,406,937</u>
Federal Sources				
Federal Grants from CDE				
NCLB Title I, Part A- Imp Basic Prgms Oper by Sch	84,326	84,326	-	85,063
Coronavirus Relief Fund	-	-	-	302,606
NCLB Title II, Part A- Teacher & Principal Trng	12,069	12,069	-	13,199
ESSER III - 90%	-	127,986	127,986	-
ESSER II - 90%	282,464	282,464	-	-
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	-	10,000
Ed Stab Fd - Elem Sec Emer Relief Formula	39,000	38,470	(530)	18,591
Coronaovirus Relief Fund At-Risk	-	-	-	22,579
Direct Federal Revenue				
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	24,691	24,691	-	27,338
Total Federal Sources	<u>452,550</u>	<u>580,006</u>	<u>127,456</u>	<u>479,376</u>
TOTAL REVENUES	<u>3,948,286</u>	<u>4,324,186</u>	<u>375,900</u>	<u>3,936,799</u>

See the accompanying Independent Auditors' Report

(Continued)

HOLLY SCHOOL DISTRICT RE-3
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2022

	2022			2021 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
(Continued)				
EXPENDITURES				
Instruction				
Salaries	1,372,553	1,309,776	62,777	1,158,284
Benefits	569,895	547,586	22,309	507,581
PS-Professional	8,000	21,922	(13,922)	17,525
PS-Other	168,151	150,028	18,123	211,899
Supplies	95,230	67,099	28,131	107,182
Property	26,691	19,019	7,672	256,519
Other Expenses	4,050	-	4,050	2,420
Total Instruction	<u>2,244,570</u>	<u>2,115,430</u>	<u>129,140</u>	<u>2,261,410</u>
Supporting Services				
Pupil Support				
Salaries	48,746	46,826	1,920	-
Benefits	18,878	18,226	652	-
PS- Professional	20,534	22,822	(2,288)	20,133
PS-Other	41,472	66,472	(25,000)	40,871
Supplies	400	251	149	-
Total Pupil Support	<u>130,030</u>	<u>154,597</u>	<u>(24,567)</u>	<u>61,004</u>
Staff Support				
Salaries	20,108	20,108	-	19,310
Benefits	12,249	11,799	450	12,338
PS-Other	500	-	500	-
Supplies	10,550	7,101	3,449	(6,759)
Other Expenses	-	3,280	(3,280)	18,805
Total Staff Support	<u>43,407</u>	<u>42,288</u>	<u>1,119</u>	<u>43,694</u>
General Administration				
Salaries	85,000	88,000	(3,000)	85,000
Benefits	27,252	24,900	2,352	27,605
PS- Professional	21,650	26,913	(5,263)	(2,501)
PS-Other	41,318	32,775	8,543	35,122
Supplies	500	211	289	613
Other Expenses	11,900	57,599	(45,699)	1,870
Total General Administration	<u>187,620</u>	<u>230,398</u>	<u>(42,778)</u>	<u>147,709</u>
School Administration				
Salaries	105,982	110,695	(4,713)	108,654
Benefits	46,906	42,429	4,477	49,036
PS-Other	1,500	-	1,500	-
Supplies	2,000	745	1,255	475
Other Expenses	2,500	249	2,251	2,700
Total School Administration	<u>158,888</u>	<u>154,118</u>	<u>4,770</u>	<u>160,865</u>

See the accompanying Independent Auditors' Report

(Continued)

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2022

	2022			2021 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
(Continued)				
EXPENDITURES (Continued)				
Supporting Services (Continued)				
Business Services				
Salaries	46,944	46,944	-	44,000
Benefits	18,462	17,612	850	17,161
PS- Professional	3,000	2,655	345	2,786
PS-Other	600	260	340	581
Supplies	3,000	1,893	1,107	2,071
Total Business Services	<u>72,006</u>	<u>69,364</u>	<u>2,642</u>	<u>66,599</u>
Operations and Maintenance				
Salaries	144,498	137,996	6,502	103,026
Benefits	56,018	45,572	10,446	48,032
PS- Professional	1,000	74	926	80
PS- Property	25,000	19,103	5,897	97,461
PS-Other	111,582	108,360	3,222	109,025
Supplies	332,346	230,919	101,427	183,443
Other Expenses	101,693	69,523	32,170	13,564
Total Operations and Maintenance	<u>772,137</u>	<u>611,547</u>	<u>160,590</u>	<u>554,631</u>
Transportation				
Salaries	99,224	95,957	3,267	89,071
Benefits	30,565	31,272	(707)	28,470
PS- Professional	10,000	814	9,186	566
PS-Other	20,488	21,565	(1,077)	16,694
Supplies	50,000	56,320	(6,320)	25,461
Property	16,000	-	16,000	112,167
Other Expenses	1,500	945	555	1,328
Total Transportation	<u>227,777</u>	<u>206,873</u>	<u>20,904</u>	<u>273,757</u>
Community Support				
Salaries	22,472	22,639	(167)	21,828
Benefits	12,797	12,517	280	13,099
Total Community Support	<u>35,269</u>	<u>35,156</u>	<u>113</u>	<u>34,927</u>
Total Supporting Services	<u>1,627,134</u>	<u>1,504,341</u>	<u>122,793</u>	<u>1,343,186</u>
Contingency	<u>3,200,000</u>	<u>-</u>	<u>3,200,000</u>	<u>-</u>
TOTAL EXPENDITURES	<u>7,071,704</u>	<u>3,619,771</u>	<u>3,451,933</u>	<u>3,604,596</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(3,123,418)</u>	<u>704,415</u>	<u>3,827,833</u>	<u>332,203</u>
OTHER FINANCING SOURCES (USES)				
Transfers	<u>(75,000)</u>	<u>(260,855)</u>	<u>(185,855)</u>	<u>(58,606)</u>
CHANGE IN FUND BALANCE	<u>(3,198,418)</u>	<u>443,560</u>	<u>3,641,978</u>	<u>273,597</u>
BEGINNING FUND BALANCE	<u>3,200,000</u>	<u>4,605,556</u>	<u>1,405,556</u>	<u>4,331,959</u>
ENDING FUND BALANCE	<u>\$ 1,582</u>	<u>\$ 5,049,116</u>	<u>\$ 5,047,534</u>	<u>\$ 4,605,556</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUNDS

This fund is used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes:

The District reports the following Special Revenue Funds:

Food Service Fund

This fund is used to account for the District's Food Service operation.

Pupil Activity Fund

The District has established an agency fund to account for various student activity groups and contributions from private organizations.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2022

	2022		Variance with Final Budget	2021 Actual
	Original & Final Budget	Actual		
REVENUES				
Local Sources				
Food Service Revenue	\$ -	\$ 785	\$ 785	\$ 4,295
Rent Revenue	500	30	(470)	624
Total Local Sources	500	815	315	4,919
State Sources				
State Grants from CDE				
State Matching Child Nutrition	1,300	1,322	22	1,328
Start Smart Nutrition	-	-	-	350
School Lunch Protection: F&R for Pre-K thru 2nd	-	-	-	608
State Grants from Other Agencies				
Other Agency State Grants	-	-	-	883
Total State Sources	1,300	1,322	22	3,169
Federal Sources				
Federal Grants from CDE				
School Breakfast Program	-	-	-	8,687
National School Lunch Program	12,883	-	(12,883)	30,497
Summer Food Service Program for Children	-	-	-	87,381
SNAP - P-EBT	614	614	-	-
Seamless Summer Option - Breakfast	48,000	36,190	(11,810)	-
Seamless Summer Option - Lunch	90,000	109,766	19,766	-
Supply Chain Assistance	-	9,080	9,080	-
Federal Grants from Other State Agencies				
National School Lunch Program- Commodities	-	18,775	18,775	9,117
Total Federal Sources	151,497	174,425	22,928	135,682
TOTAL REVENUES	153,297	176,562	23,265	143,770
EXPENDITURES				
Supporting Services				
Food Service				
Salaries	62,398	62,489	(91)	65,577
Benefits	39,423	36,611	2,812	39,322
Supplies	2,100	62	2,038	32
Food	88,547	61,506	27,041	54,153
Commodities	100	18,775	(18,675)	9,117
Property	3,500	-	3,500	-
TOTAL EXPENDITURES	196,068	179,443	16,625	168,201
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(42,771)	(2,881)	39,890	(24,431)
OTHER FINANCING SOURCES (USES)				
Transfers	15,000	21,218	6,218	58,606
CHANGE IN FUND BALANCE	(27,771)	18,337	46,108	34,175
BEGINNING FUND BALANCE	27,771	31,413	3,642	(2,762)
ENDING FUND BALANCE	\$ -	\$ 49,750	\$ 49,750	\$ 31,413

See accompanying Independent Auditors' Report.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2022

	2022			2021
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Pupil Activity Revenues	\$ 225,000	\$ 160,997	\$ (64,003)	\$ 99,172
EXPENDITURES				
Instruction				
Other Expenses	225,000	163,531	61,469	135,842
CHANGE IN FUND BALANCE	-	(2,534)	(2,534)	(36,670)
BEGINNING FUND BALANCE	-	92,847	92,847	129,517
ENDING FUND BALANCE	\$ -	\$ 90,313	\$ 90,313	\$ 92,847

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

Debt Service Funds These funds are used to account for the repayment of the District's general obligation indebtedness.

The District has the following debt service fund:

Bond Redemption Fund

This fund is used to account for the repayment of the District's general obligation indebtedness.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Bond Redemption Fund
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022		Variance with Final Budget	2021 Actual
	Original & Final Budget	Actual		
REVENUES				
Local Sources				
Property Taxes	\$ 211,057	\$ 259,102	\$ 48,045	\$ 251,895
Specific Ownership Taxes	38,000	37,081	(919)	39,418
Delinquent Taxes	3,399	1,351	(2,048)	525
Investment Earnings	500	358	(142)	281
TOTAL REVENUES	<u>252,956</u>	<u>297,892</u>	<u>44,936</u>	<u>292,119</u>
EXPENDITURES				
Supporting Services				
General Administration				
PS- Professional	50	50	-	25
Debt Service				
Interest	83,393	79,933	3,460	86,717
Principal	169,513	169,513	-	162,865
Total Debt Service	<u>252,906</u>	<u>249,446</u>	<u>3,460</u>	<u>249,582</u>
Contingency	<u>578,535</u>	<u>-</u>	<u>578,535</u>	<u>-</u>
TOTAL EXPENDITURES	<u>831,491</u>	<u>249,496</u>	<u>581,995</u>	<u>249,607</u>
CHANGE IN FUND BALANCE	(578,535)	48,396	626,931	42,512
BEGINNING FUND BALANCE	<u>578,535</u>	<u>669,264</u>	<u>90,729</u>	<u>626,752</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 717,660</u>	<u>\$ 717,660</u>	<u>\$ 669,264</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Capital Reserve Project Fund - This fund accounts for the District's routine capital projects.

HOLLY SCHOOL DISTRICT RE-3
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Capital Reserve Project Fund
For the Year Ended June 30, 2022
(With Comparative Totals for the Year Ended June 30, 2021)

	2022			2021 Actual
	Original & Final Budget	Actual	Variance with Final Budget	
REVENUES				
Local Sources				
Investment Earnings	\$ 120	\$ 181	\$ 61	\$ 84
Insurance Proceeds	2,302,546	2,302,462	(84)	734,334
Total Local Sources	2,302,666	2,302,643	(23)	734,418
EXPENDITURES				
Facilities/Capital Outlay				
Buildings	2,470,801	3,099,857	(629,056)	46,606
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(168,135)	(797,214)	(629,079)	687,812
OTHER FINANCING SOURCES (USES)				
Transfers	-	239,637	239,637	-
CHANGE IN FUND BALANCE	(168,135)	(557,577)	(389,442)	687,812
BEGINNING FUND BALANCE	168,135	855,827	687,692	168,015
ENDING FUND BALANCE	\$ -	\$ 298,250	\$ 298,250	\$ 855,827

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

This report includes information required by the Colorado Department of Education.



Colorado Department of Education
Auditors Integrity Report
 District: 2670 - Holly RE-3
 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	4,605,556	4,063,332	3,619,771	5,049,118
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	4,605,556	4,063,332	3,619,771	5,049,118
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	31,413	197,779	179,442	49,750
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	92,847	160,997	163,531	90,313
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	669,264	297,892	249,496	717,661
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	855,827	2,542,281	3,099,857	298,250
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	6,254,907	7,262,283	7,312,098	6,205,092
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



Colorado Department of Education
Bolded Balance Sheet Report

District: 2670 - Holly RE-3
 Fiscal Year 2021-22

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Cash and Investments (8100-8104,8111)	5,574,191	0	0	90,313	0	0	67,130	705,027	29,613	0	0	0	0	0	0	6,466,274		
Cash with Fiscal Agent (8105)	11,861	0	0	0	0	0	0	3,877	0	0	0	0	0	0	0	15,737		
Other Investment Accounts (8112-8115)	1,307	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,307		
Taxes Receivable (8121,8122)	44,385	0	0	0	0	0	0	14,618	0	0	0	0	0	0	0	59,003		
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	268,637	0	0	0	0	0	0	268,637		
Grants Accounts Receivable (8142)	106,395	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106,395		
Other Receivables (8151-8154,8161)	4,206	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,206		
Inventories (8171,8172,8173)	0	0	0	0	0	0	1,056	0	0	0	0	0	0	0	0	1,056		
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total Assets	5,742,345	0	0	90,313	0	0	68,186	723,521	298,250	0	0	0	0	0	0	6,922,617		

	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	268,637	0	0	0	0	0	0	0	0	0	0	0	0	0	0	268,637
Other Payables (7421-7423)	98,598	0	0	0	0	0	0	0	0	0	0	0	0	0	0	98,598
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	309,151	0	0	0	0	0	16,144	0	0	0	0	0	0	0	0	325,295
Unearned Revenue (7481)	0	0	0	0	0	0	2,292	0	0	0	0	0	0	0	0	2,292
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	16,841	0	0	0	0	0	0	5,861	0	0	0	0	0	0	0	22,702
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	693,228	0	0	0	0	0	18,436	5,861	0	0	0	0	0	0	0	717,525

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	1,056	0	0	0	0	0	0	0	0	1,056
Restricted Fund Balance 6720	0	0	0	0	0	0	0	717,661	0	0	0	0	0	0	0	717,661
TABOR 3% Emergency Reserve 6721	116,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	116,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	51,663	0	0	0	0	0	0	0	0	0	0	0	0	0	0	51,663
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	90,313	0	0	48,693	0	298,250	0	0	0	0	0	0	437,257
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	4,881,455	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,881,455
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	5,049,118	0	0	90,313	0	0	49,750	717,661	298,250	0	0	0	0	0	0	6,205,092

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	5,742,345	0	0	90,313	0	0	68,186	723,521	298,250	0	0	0	0	0	0	6,922,617

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk related activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes