

SAN MIGUEL COUNTY SCHOOL DISTRICT R-2J  
FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2021

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INDEPENDENT AUDITORS' REPORT

December 18, 2021

The Board of Education  
San Miguel County School District R-2J  
Norwood, Colorado

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of San Miguel County School District R-2J (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

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 San Miguel County School District R-2J, as of June 30, 2021, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



San Miguel County School District R-2J  
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**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the pension schedules and the OPEB schedules 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 San Miguel County School District R2-J's basic financial statements. The statement and schedule for the nonmajor governmental funds, the bond redemption fund, food service fund, and student activities fund budgetary comparison schedules (the budgetary comparison schedules) and the Auditors Integrity Report of the Colorado Department of Education (the Report) 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

## Management's Discussion and Analysis

### San Miguel County (Norwood) School District R2-Jt.

June 30, 2021

As management of the Norwood School District R2-Jt. (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

#### Financial Highlights

The liabilities and deferred inflows of resources of the District exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$2,042,197 (net position). Of this amount, \$2,235,789 is invested in capital assets (net of related debt), \$111,677 is restricted for emergencies, and \$334,902 is restricted for debt service, leaving an unrestricted negative net position balance of (\$4,724,565).

At the end of the current fiscal year, fund balance for the general fund was \$2,330,136. This is attributable to a conservative approach in budgeting for the school district so the fund balance is covering at least three months of operating expenditures.

During the fiscal year, the fund balance in the District's general fund increased by \$127,581.

The District's long-term obligations decreased by \$260,000 as a result of current year payments on the debt.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the District's assets. Deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The government-wide financial statements only have governmental activities that are principally supported by taxes and intergovernmental revenues. The governmental activities of the District include instructional services, pupil services, instructional staff services, general administration services, school administration services, maintenance and capital asset services, and transportation services. The government-wide financial

statements include only the District itself, as the District has no component units. The government-wide financial statements can be found on pages 9 and 10 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the government fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Bond Redemption Debt Service Fund, and nonmajor governmental funds. The General Fund and Bond Redemption Fund are considered to be major funds.

The District adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-15 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District uses an agency fund to account for resources held for student activities and groups.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-43 of this report.

### **Government-wide 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 District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$2,042,197 at the close of the most recent fiscal year. This negative net position is the result of implementing GASB 68 and 75 related to pension and OPEB liabilities.

The District's net position is in its net investment in capital assets (e.g., land and improvements, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding, is \$2,235,789. The District uses these capital assets to provide services to students; consequently, these assets are not available

for future spending. Although the District's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Property taxes are levied specifically to fund debt service on general obligation bonds.

**Norwood School District R2-Jt.'s Net Position  
Governmental Activities Totals**

	2020	2021
Current and Other Assets	\$ 3,385,209	\$ 3,096,516
Capital Assets	<u>2,664,934</u>	<u>2,609,231</u>
Total Assets	6,050,143	5,705,747
Deferred Outflows	601,869	1,330,130
Current Liabilities	1,073,047	588,750
Long-term liabilities	384,937	108,756
Net Pension Liability	4,719,623	5,402,236
Net OPEB Liability	<u>232,066</u>	<u>196,416</u>
Total Liabilities	6,409,673	6,296,158
Deferred Inflows	4,065,883	2,781,916
Net Position:		
Net Investment in Capital Assets	2,029,062	2,235,789
Restricted	432,262	446,579
Unrestricted	<u>(6,284,868)</u>	<u>(4,724,565)</u>
Total Net Position	<u>\$ (3,823,544)</u>	<u>\$ (2,042,197)</u>

The District implemented GASB 68 and 75 in recent years, which address pension and OPEB liabilities and expenses. The result of the implementation of those standards is large noncurrent liabilities and a negative net position.

The largest portion of the District's assets (forty-three percent) reflects its investment in capital assets, less accumulated depreciation. Forty-nine percent of the District's assets are cash and investments. Seventy-three percent of the District's current liabilities represent accrued salaries and fringe benefits. This liability occurs when teachers and certain other District employees work nine months of the year, but are paid over a full twelve months. Therefore, for each month these employees work, they earn more than they are paid. Colorado statutes do not require the liability to be funded or budgeted for until the year in which it is paid.

The liability will be paid in the months of July and August 2021 with state funds received in fiscal year 2022. There was a decrease in long-term liabilities outstanding of \$260,000 due to payment of debt obligations.

**Governmental activities.** Governmental activities increased the District's net position by \$1,781,347.

**Norwood School District R2-Jt's Changes in Net Position  
Governmental Activities  
Totals**

	2020	2021
Revenues:		
Charges for services	\$ 129,029	\$ 64,077
Operating grants	307,428	952,281
Capital grants	200,714	168,297
Property taxes levied for general purposes	569,187	560,039
Property taxes levied for debt services	279,065	265,528
State equalization	2,843,245	2,564,648
Specific ownership taxes	62,805	71,281
Investment earnings	115	76
Mineral leases	4,357	74
Miscellaneous revenue	26,130	-
Total revenues	<u>4,422,075</u>	<u>4,646,301</u>
Expenses:		
Instructional services	1,307,371	1,781,333
Support services:		
Pupils	95,959	91,002
Instructional Staff	100,131	78,301
General administration	152,387	121,374
School administration	137,848	153,671
Operations/maintenance	390,919	343,483
Pupil transportation	118,601	89,974
Interest on long-term debt	14,304	9,787
Depreciation-unallocated	17,313	17,313
Food services	87,549	74,090
Central services	140,103	104,626
Total expenses	<u>2,562,485</u>	<u>2,864,954</u>
Change in net position	1,859,590	1,781,347
Net position - beginning	<u>(5,741,922)</u>	<u>(3,823,544)</u>
Changes in accounting principle	58,828	-
Net position, beginning, restated	<u>(5,683,094)</u>	<u>(3,823,544)</u>
Net position – ending	<u>\$ (3,823,504)</u>	<u>\$ (2,042,197)</u>

Key elements of the change in net position are as follows:

State equalization aid decreased by \$278,597(nine percent) during the fiscal year. Property taxes levied for general purposes and for debt service decreased. Some of the increase is the product of the Colorado Public School Finance Act, which provides for the majority of the funding of local school districts based on a funded pupil count formula and a standardized maximum statewide property tax mill levy. GASB 68 and 75 caused decreases in many expense categories this year due to changes in PERA funding and benefit factors.



General fund expenditures actually spent were \$2,122,187 under budget. While all staff received a longevity step increase in their salary, the District took steps to reduce expenditures in other areas. This was primarily in reaction to potential reductions in state funding. Salary and benefit expenditures account for 69 percent of the total expenditures in the General Fund.

The implementation of GASB 68 and 75 continue to have a major impact on the net position and expenses of the District.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,814,693. *Unassigned fund balance* is \$2,218,459. Restricted fund balance of \$111,677 must be set aside for emergencies (Tabor).

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the total fund balance was \$2,330,136.

The fund balance of the District's General Fund increased by \$127,581 during the current fiscal year.

### **General Fund Budgetary Highlights**

There were minor amendments to the General Fund budget, but there were no significant variances from budget to actual noteworthy.

**Capital assets.** The District's investment in capital assets for its governmental activities as of June 30, 2021 amount to \$2,609,231 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, and vehicles and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was due to depreciation.

**Long-term debt.** At the end of the current fiscal year, the District had total outstanding debt of \$370,000. This amount represents general obligation bonds that are backed by the full faith and credit of the District. The general obligation bonds maintain a rating of "AAA" from Standard & Poor's. State statutes limit the amount of general obligation debt a governmental entity may issue to 20 percent of its total assessed valuation. The current debt limitation for the District is \$9,421,797 which is significantly in excess of the District's outstanding general obligation debt.

### **Economic Factors and Next Year's Budgets**

The District's enrollment decreased again, continuing the declining student count that decreases money from the State. This trend could continue with the way the current economy is. Trends in enrollment directly impact the school district's budget for funding. Rising inflation costs and State budget cuts will directly affect the State of Colorado's funding formula for school districts in the future.

Ever-rising costs of health insurance for our staff benefit program means the District has to be very resourceful in purchasing goods and services. Salary increases to our staff are better keeping up with inflation since prior year passage of additional tax revenues.

In November 2000, voters in Colorado approved Amendment 23 to the Colorado constitution providing that K-12 funding would increase at pupil growth plus inflation plus one percent for 10 years and thereafter, growth plus inflation. The amendment created a State Education Fund, which was intended to accumulate revenues to support this level of funding. This provision was intended to stabilize and remove funding from the political process.

### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Norwood School District R2-Jt., Business Manager, and P.O. Box 448, Norwood, Colorado 81423.

San Miguel County School District R-2J

STATEMENT OF NET POSITION

June 30, 2021

ASSETS	Governmental Activities	Total
Cash and investments	\$ 2,709,251	\$ 2,709,251
Restricted cash and investments	316,725	316,725
Receivables		
Property tax	38,804	38,804
Grant receivables	22,627	22,627
Intergovernmental	3,500	3,500
Inventories	5,609	5,609
Capital assets (net of accumulated depreciation)	2,609,231	2,609,231
Total assets	<u>5,705,747</u>	<u>5,705,747</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows	1,311,627	1,311,627
OPEB related deferred outflows	13,189	13,189
Deferred loss on debt refunding	5,314	5,314
Total deferred outflows of resources	<u>1,330,130</u>	<u>1,330,130</u>
<b>LIABILITIES</b>		
Accounts payable	423	423
Accrued salaries and benefits	273,336	273,336
Accrued interest payable	768	768
Unearned revenues	8,064	8,064
Noncurrent liabilities:		
Due within one year:		
General obligation bonds	270,000	270,000
Compensated absences	36,159	36,159
Due in more than one year:		
General obligation bonds	108,756	108,756
Net pension liability	5,402,236	5,402,236
Net OPEB liability	196,416	196,416
Total liabilities	<u>6,296,158</u>	<u>6,296,158</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related deferred inflows	2,692,627	2,692,627
OPEB related deferred inflows	89,289	89,289
Total deferred inflows of resources	<u>2,781,916</u>	<u>2,781,916</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,235,789	2,235,789
Restricted for emergencies	111,677	111,677
Restricted for debt service	334,902	334,902
Unrestricted	(4,724,565)	(4,724,565)
Total net position	<u>\$ (2,042,197)</u>	<u>\$ (2,042,197)</u>

The notes to the financial statements are an integral part of this statement.

San Miguel County School District R-2J

STATEMENT OF ACTIVITIES

Year ended June 30, 2021

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Governmental activities						
Instructional services	\$ 1,781,333	\$ 59,905	\$ 796,559	\$ -	\$ (924,869)	\$ (924,869)
Support services:						
Pupils	91,002	-	46,999	-	(44,003)	(44,003)
Instructional staff	78,301	-	17,626	-	(60,675)	(60,675)
General administrator	121,374	-	-	168,297	46,923	46,923
School administrator	153,671	-	-	-	(153,671)	(153,671)
Operations and maintenance	343,483	-	-	-	(343,483)	(343,483)
Pupil transportation	89,974	-	20,735	-	(69,239)	(69,239)
Central services	104,626	-	-	-	(104,626)	(104,626)
Food service	74,090	4,172	70,362	-	444	444
Interest on long-term deb	9,787	-	-	-	(9,787)	(9,787)
Depreciation - unallocat	17,313	-	-	-	(17,313)	(17,313)
Total governmental activities:	<u>\$ 2,864,954</u>	<u>\$ 64,077</u>	<u>\$ 952,281</u>	<u>\$ 168,297</u>	<u>(1,680,299)</u>	<u>(1,680,299)</u>
General revenues						
Property taxes levied for general purposes:					560,039	560,039
Property taxes levied for debt service:					265,528	265,528
State equalization					2,564,648	2,564,648
Specific ownership taxes					71,281	71,281
Insurance claim revenue					-	-
Investment earnings:					76	76
Other taxes including mineral lease:					74	74
Total general revenues					<u>3,461,646</u>	<u>3,461,646</u>
Change in net position					<u>1,781,347</u>	<u>1,781,347</u>
Net position - beginning					<u>(3,823,544)</u>	<u>(3,823,544)</u>
Net position - ending					<u>\$ (2,042,197)</u>	<u>\$ (2,042,197)</u>

The notes to the financial statements are an integral part of this statement.

San Miguel County School District R-2J

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General	Bond Redemption	Nonmajor Governmental	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 2,575,657	\$ 316,725	\$ 133,594	\$ 3,025,976
Property tax receivable	20,627	18,177	-	38,804
Grant receivables	22,627	-	-	22,627
Due from other funds	-	-	19,020	19,020
Due from other governments	3,500	-	-	3,500
Inventory	-	-	5,609	5,609
Total assets	<u>\$ 2,622,411</u>	<u>\$ 334,902</u>	<u>\$ 158,223</u>	<u>\$ 3,115,536</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 423	\$ 423
Accrued salaries and benefits	265,191	-	8,145	273,336
Unearned revenue	8,064	-	-	8,064
Due to other funds	19,020	-	-	19,020
Total liabilities	292,275	-	8,568	300,843
<b>Fund balances</b>				
Nonspendable	-	-	5,609	5,609
Restricted - TABOR reserve	111,677	-	-	111,677
Restricted for debt service	-	334,902	-	334,902
Assigned for food service	-	-	62,533	62,533
Assigned for student activities	-	-	81,513	81,513
Unassigned	2,218,459	-	-	2,218,459
Total fund balances	<u>2,330,136</u>	<u>334,902</u>	<u>149,655</u>	<u>2,814,693</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,622,411</u>	<u>\$ 334,902</u>	<u>\$ 158,223</u>	<u>\$ 3,115,536</u>

The notes to the financial statements are an integral part of this statement.

San Miguel County School District R-2J

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

June 30, 2021

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

Total fund balance - governmental funds		\$	2,814,693
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is	6,664,426		
and the accumulated depreciation is	<u>(4,055,195)</u>		2,609,231
Deferred loss on the refunding is not a current financial resource and, therefore, is not reported in the funds.			5,314
Net pension and OPEB obligations and the related deferred items are not financial resources and, therefore, are not recorded in the funds. The assessed value of the net pension obligation is (\$4,719,623), the net OPEB obligation is (\$232,066), deferred outflows total \$592,804, and deferred inflows total (\$4,065,883).			(7,055,752)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.			
Long-term bonds	(370,000)		
Bond premium	(8,756)		
Compensated absences	<u>(36,159)</u>		(414,915)
Interest accrued on long-term liabilities are not due and payable in the current period, and therefore, are not reported in the funds.			<u>(768)</u>
Total net position - governmental activities		\$	<u><u>(2,042,197)</u></u>

The notes to the financial statements are an integral part of this statement.

San Miguel County School District R-2J

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS

Year ended June 30, 2021

	General	Bond Redemption	Nonmajor Governmental Fund	Total Governmental Funds
<b>Revenues</b>				
Local sources	\$ 897,987	\$ 276,447	\$ 26,062	\$ 1,200,496
State sources	2,824,517	-	507	2,825,024
Federal sources	536,482	-	69,856	606,338
Interest and other revenues	76	14,364	-	14,440
Total revenues	<u>4,259,062</u>	<u>290,811</u>	<u>96,425</u>	<u>4,646,298</u>
<b>Expenditures</b>				
<b>Current</b>				
Instruction	2,345,337	-	-	2,345,337
Supporting services	1,428,651	-	-	1,428,651
Food service	-	-	105,019	105,019
Student activities	-	-	28,291	28,291
Capital outlay	277,493	-	-	277,493
Debt service, interest and fiscal charges	-	12,650	-	12,650
Debt service principal	-	260,000	-	260,000
Total expenditures	<u>4,051,481</u>	<u>272,650</u>	<u>133,310</u>	<u>4,457,441</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	207,581	18,161	(36,885)	188,857
<b>Other financing sources (uses)</b>				
Transfers in (out)	(80,000)	-	80,000	-
	<u>(80,000)</u>	<u>-</u>	<u>80,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	127,581	18,161	43,115	188,857
Fund balances beginning of year	<u>2,202,555</u>	<u>316,741</u>	<u>106,540</u>	<u>2,625,836</u>
Fund balance end of year	<u>\$ 2,330,136</u>	<u>\$ 334,902</u>	<u>\$ 149,655</u>	<u>\$ 2,814,693</u>

San Miguel County School District R-2J

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

Year ended June 30, 2021

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

Net change in fund balances - total governmental funds	\$ 188,857
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay was exceeded by depreciation in the current period. (\$168,295-223,998)	(55,703)
In the governmental funds, expenditures for the defined benefit pension and OPEB plans are measured by the amount of financial resources used , whereas in the statement of activities they are measured as the liability is accrued according to actuarial estimates. This is the amount the net pension and OPEB liabilities, with accompanying deferred outflows/inflows, changed in the current year.	1,369,017
Governmental funds report repayment of debt principal as an expenditure. Also, governmental funds report the effect of debt premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of long-term debt is as follows:	
Debt principal payments	260,000
Change in early retirement and compensated absences payable	16,311
Change in accrued interest payable	435
Amortization of deferred loss on debt refunding	(3,751)
Accretion on bond premium	6,181
	<u>6,181</u>
Change in net position of governmental activities	<u>\$ 1,781,347</u>

The notes to the financial statements are an integral part of this statement.



San Miguel County School District R-2J

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Current property taxes	\$ 620,060	\$ 613,995	\$ 560,038	\$ (53,957)
Specific ownership taxes	11,413	10,362	45,996	35,634
State equalization	2,573,033	2,518,281	2,564,648	46,367
Transportation	18,000	19,668	20,735	1,067
Federal sources	387,422	535,186	536,482	1,296
State sources, other	10,496	208,167	239,134	30,967
Interest income	70	60	76	16
Other	56,800	145,394	291,953	146,559
Total revenues	3,677,294	4,051,113	4,259,062	207,949
<b>Expenditures</b>				
<b>Current</b>				
Instruction	2,290,440	2,666,331	2,345,337	320,994
<b>Supporting services</b>				
Pupils	123,443	148,443	139,045	9,398
Instructional staff	136,874	186,874	135,287	51,587
General administration	166,602	180,102	177,547	2,555
School administration	315,017	315,017	299,642	15,375
Operations and maintenance	500,200	509,200	419,767	89,433
Pupil transportation	228,200	228,200	111,014	117,186
Central services	194,940	199,940	146,349	53,591
Capital outlay	281,797	283,082	277,493	5,589
Contingency	1,059,782	1,456,479	-	1,456,479
Total expenditures	5,297,295	6,173,668	4,051,481	2,122,187
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,620,001)	(2,122,555)	207,581	2,330,136
<b>Other financing sources (uses)</b>				
Transfers in (out)	(80,000)	(80,000)	(80,000)	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(1,700,001)	(2,202,555)	127,581	2,330,136
Fund balance beginning of year	1,700,001	2,202,555	2,202,555	-
Fund balance end of year	\$ -	\$ -	\$ 2,330,136	\$ 2,330,136

The notes to the financial statements are an integral part of this statement.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of San Miguel County School District R-2J (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles.

The following is a summary of the District’s significant accounting policies:

1. The Reporting Entity

The District is governed by a five member Board of Education and is organized and operates in accordance with Colorado statutes. Board of Education members are elected by the citizens of San Miguel County, not appointed by any other governing body. The Board selects the superintendent of schools and senior level administrators. The Board is solely responsible for the District’s budget adoption process. The District independently issues debt for short and long-term financing. The District meets the criteria of a primary government: its Board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other governmental reporting entity, and has no component units.

2. Government-wide and Fund Financial Statements

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

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

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

The *Bond Redemption Fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

Additionally, the government reports the following fund types:

The *Student Activities Fund* (a special revenue fund type) accounts for activities mostly directed by students and resources are obtained through fund raising.

The *Food Service Fund* (a special revenue fund type) accounts for the activities of the nutrition services operations.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund activity is not eliminated in the fund financial statements.

Amounts reported as *program revenues* include 1) charges to students and customers for tuition, fees, rental or services provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes.

4. Assets, Liabilities and Net Position or Equity

*Cash and Investments*

State statutes authorize the government and the District to invest in obligations of the U.S. Treasury, obligations unconditionally guaranteed by U.S. agencies, certain international agency securities, certain types of bonds of U.S. local government entities, bankers acceptances of certain banks, commercial paper, written repurchase agreements collateralized by certain authorized securities, certain money market funds and guaranteed investment contracts.

Investments for the government are reported at fair value.

*Receivables and Payables*

Interfund receivables and payables result from overdrafts of the cash and investment pool. These outstanding balances between funds are reported as “due to/from other funds.”

*Inventories*

Inventories of expendable supplies and materials are valued at cost using the first-in, first-out basis. Inventory items are charged to expenditures when they are consumed. United States Department of Agriculture commodity inventories are valued using Federal guidelines.

*Capital Assets*

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	05 - 40
Land improvements	10 - 20
Vehicles	05 - 10
Equipment	03 - 20

Future Compensated Absences

Vacation vests and accumulates; however, personal leave does not vest or accumulate. Sick leave does vest and accumulate up to 30 days and can be paid through the District buy-back program. This program pays at a varying rates per day. The employee can choose to be paid annually or can accumulate up to 30 days and then be paid any excess days annually. Any days remaining at termination or retirement are paid at the varying per day rates.

Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example as a result of employee resignations and retirements.

*Long-term obligations*

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

5. Stewardship, compliance and accountability

*Budgetary Information*

Annual budgets are adopted for all funds on a basis consistent with GAAP. In June, the Board of Education adopts the budget for the following fiscal year. In accordance with Colorado statutes, the Board makes final changes, if any, when it “readopts” the budget by January 2021. The Board may amend or adopt supplemental budgets during the budget year. There was one supplemental appropriation during the current year.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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*Budgeted level of expenditures*

Expenditures may not legally exceed appropriations at the fund level. Administrative control is maintained through the use of detailed line-item budgets. Budgets must be amended at the fund level by the Board of Education. At year-end, all appropriations lapse in accordance with Colorado statutes.

6. 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 and additions to/deductions from the fiduciary net position 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.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2021.

7. Defined Benefit Other Post Employment Benefit (OPEB) Plan

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 and additions to/deductions from the fiduciary net position 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.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

**NOTE B – CASH AND INVESTMENTS**

Cash and investments consist of the following:

Demand accounts	\$ 2,709,251
Money market	<u>316,725</u>
Total	3,025,976
Less restricted cash	<u>316,725</u>
Unrestricted cash	<u>\$ 2,709,251</u>

Restricted cash and investments consist of \$316,725 for debt service.

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least 102% of the aggregate uninsured deposits.

**NOTE C – PROPERTY TAXES**

Revenue Recognized in 2021

Local property taxes levied for 2020 and collected by June 30, 2021 are recognized as revenue in these financial statements as shown below:

	<u>Assessed Valuation</u>	<u>Mill Levy</u>	<u>Amount of Taxes</u>			<u>Percent Collected of</u>	
			<u>Levied</u>	<u>Budgeted</u>	<u>Collected</u>	<u>Levied</u>	<u>Budgeted</u>
General fund	\$ 47,108,986	12.641	\$595,505	\$614,195	\$541,103	90.9%	88.1%
Debt service fund	\$ 47,108,986	6.350	299,142	272,692	265,528	88.8%	97.4%

Property taxes are assessed on a calendar year basis. The mill levies noted here are for the 2020 calendar year. The monies collected are for the period July 1, 2020 through June 30, 2021.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Property Tax Calendar

The District's property taxes certified by the Board of Education by December 14 and levied on assessed valuation by the County Commissioners by December 15, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. The taxes are payable under two methods: 1) in full on or before April 30, 2) one-half on or before February 28 and the remaining one-half on or before June 15. The County Treasurer collects all property taxes. District taxes are received by the 10th of the month following the month of collection, except for the month of June, when two payments are received.

**NOTE D – CAPITAL ASSETS**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated				
Construction in progress	\$ 168,298	\$ -	\$(168,298)	\$ -
Land	46,012	-	-	46,012
Total capital assets, not being depreciated:	214,310	-	(168,298)	46,012
Capital assets, being depreciated				
Buildings	4,995,681	-	-	4,995,681
Land improvements	158,884	-	-	158,884
Vehicles and equipment	1,268,780	336,593	(141,524)	1,463,849
Total capital assets, being depreciated	6,423,345	336,593	(141,524)	6,618,414
Less accumulated depreciation for:				
Buildings	(2,840,650)	(112,660)	-	(2,953,310)
Land improvements	(121,149)	(3,068)	-	(124,217)
Vehicles and equipment	(1,010,922)	(108,270)	141,524	(977,668)
Total accumulated depreciation	(3,972,721)	(223,998)	141,524	(4,055,195)
Total capital assets being depreciated, net	2,450,624	112,595	-	2,563,219
Governmental activities capital assets, net	<u>\$2,664,934</u>	<u>\$112,595</u>	<u>\$(168,298)</u>	<u>\$2,609,231</u>



San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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

Governmental activities:	
Instructional services	\$ 154,145
Instructional staff services	13,375
General administration services	6,294
Operations and maintenance services	6,974
Pupil transportation services	25,897
Depreciation – unallocated	<u>17,313</u>
Total depreciation expense governmental activities	<u>\$ 223,998</u>

**NOTE E – LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities transactions of the District for the year ended June 30, 2021:

	Balance <u>6/30/20</u>	Additions	Reductions	Balance <u>6/30/21</u>	Due within <u>one year</u>
General obligation bonds	\$ 630,000	\$ -	\$ 260,000	\$ 370,000	\$ 270,000
Bond premium	14,938	-	6,180	8,756	6,181
Future compensated absences	<u>52,470</u>	-	<u>16,310</u>	<u>39,160</u>	<u>39,160</u>
	<u>\$ 697,408</u>	<u>\$ -</u>	<u>\$ 282,490</u>	<u>\$ 417,916</u>	<u>\$ 315,341</u>

General Obligation Refunding Bonds

On September 4, 2014, the District issued \$1,885,000 in general obligation serial bonds with interest rates varying between 2.00% and 2.50%. The District issued bonds to advance refund \$1,845,000 of the outstanding series 2004 general obligation bonds. There are no defeased bonds outstanding at June 30, 2021.

The issuance of the debt resulted in a premium of \$50,990. This is being amortized over the life of the bonds. The balance of the premium at June 30, 2021 is \$8,756.

Debt service requirements for general obligation bonds are as follows:

Maturity <u>June 30</u>	Principal	Interest	Total
2022	\$ 270,000	\$ 5,875	\$ 275,875
2023	<u>100,000</u>	<u>1,250</u>	<u>101,250</u>
Total	<u>\$ 370,000</u>	<u>\$ 7,125</u>	<u>\$ 377,125</u>

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE F – FUND BALANCES**

GASB Statement No. 54 clearly defines fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. In the fund financial statements the following classifications describe the relative strength of the spending constraints.

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as inventory) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by the District's highest level of decision making authority, the School Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the School Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the School Board or other individuals authorized to assign funds to be used for a specific purpose. Assigned fund balances in special revenue funds will also include any remaining fund balance that is not restricted or committed. This classification is necessary to indicate that those funds are, at a minimum intended to be used for the purpose of that particular fund.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. The District will only report a positive unassigned fund balance in the General Fund.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is District policy to use restricted amounts first. Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

**NOTE G – DEFINED BENEFIT PENSION PLAN**

San Miguel County School District R-2J 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.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to eliminate with a High Probability the Unfunded Liability of the Plan within the Next Thirty Years. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 made changes to certain benefit provisions. Most of these changes were in effect as of June 30, 2021.

**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 (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://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.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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

In all cases the service retirement benefit is limited to 100 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, 2020, 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. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent 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.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

*Contributions provisions as of June 30, 2021:* Eligible employees of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 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%

Contribution rates for the SCHDTF 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 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. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB 20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$401,566 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The District proportion of the net pension liability was based on the District contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

Due to the aforementioned suspension of the July 1, 2020, direct distribution payment, the nonemployer contributing entity's proportion is zero percent. Pursuant to C.R.S. § 24-51-414, the direct distribution payment from the State of Colorado is to recommence annually starting on July 1, 2021. For purposes of GASB 68 paragraph 15, a circumstance exists in which a nonemployer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation.

At June 30, 2021, the District reported a liability of \$5,402,236 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District proportionate share of the net pension liability	\$5,402,236
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$0
Total	\$5,402,236

At December 31, 2020, the District proportion was 0.035734 percent, which was an increase of 0.004143 from its proportion measured as of December 31, 2019.

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For the year ended June 30, 2021, the District recognized negative pension expense of \$(944,108). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 296,826	\$ –
Changes of assumptions or other inputs	519,678	908,070
Net difference between projected and actual earnings on pension plan investments	–	1,189,155
Changes in proportion and differences between contributions recognized and proportionate share of contributions	280,464	595,402
Contributions subsequent to the measurement date	214,659	N/A
Total	\$ 1,311,627	\$2,692,627

\$214,659 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, 2022. 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, 2021	
2022	\$ (1,306,850)
2023	90,049
2024	(191,261)
2025	(187,597)
2026	–
Thereafter	–

*Actuarial assumptions.* The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

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Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 – 9.70 percent
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (automatic) <sup>1</sup>	1.25 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) <sup>1</sup>	Financed by the AIR

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

Healthy mortality assumptions for active members reflect the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

For disabled retirees, the mortality assumption was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.



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Based on the 2020 experience analysis, dated October 28, 2020, 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, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total pension liability from December 31, 2019, to December 31, 2020.

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%-11.00%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (compounded annually)	1.25%
PERA benefit structure hired after 12/31/06 <sup>1</sup>	Financed by the AIR

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

Salary scale assumptions were revised to align with revised economic assumptions and to more closely reflect actual experience.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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.

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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 mortality tables described above are generational mortality tables on a benefit-weighted basis.

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. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.40 percent per year to 2.30 percent per year.
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the SCHDTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 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:

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Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 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 3.50 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 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the 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

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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 provides an annual direct distribution of \$225 million, which commenced 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 fiduciary net position, 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 fiduciary net 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 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the SCHDTF's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return 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 rate, and therefore, the discount rate is 7.25 percent. There was no change in the discount rate from the prior measurement date.

*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:

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	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$7,369,092	\$ 5,402,236	\$ 3,763,196

*Pension plan fiduciary net position.* Detailed information about the SCHDTF’s fiduciary net position is available in PERA’s CAFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

**NOTE H – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN**

**General Information about the OPEB Plan**

San Miguel County School District R-2J 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.

*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 (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://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

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employers in the Denver Public Schools (DPS) Division and one or more of the other four Divisions (State, School, Local Government and Judicial), the premium subsidy is allocated between the HCTF and the Denver Public Schools Health Care Trust Fund (DPS HCTF). The basis for the amount of the premium subsidy funded by each trust fund is the percentage of the member contribution account balance from each division as it relates to the total member contribution account balance from which the retirement benefit is paid.

C.R.S. § 24-51-1202 et seq. specifies the eligibility for enrollment in the health care plans offered by PERA and the amount of the premium subsidy. The law governing a benefit recipient's eligibility for the subsidy and the amount of the subsidy differs slightly depending under which benefit structure the benefits are calculated. All benefit recipients under the PERA benefit structure and all retirees under the DPS benefit structure are eligible for a premium subsidy, if enrolled in a health care plan under PERACare. Upon the death of a DPS benefit structure retiree, no further subsidy is paid.

Enrollment in the PERACare 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 basis for 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.

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*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 basis for 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.

*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 \$20,603 for the year ended June 30, 2021.

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

At June 30, 2021, the District reported a liability of \$196,416 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The District proportion of the net OPEB liability was based on the District contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the District proportion was 0.02067 percent, which was an increase of .000024 from its proportion measured as of December 31, 2019.

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For the year ended June 30, 2021, the District recognized negative OPEB expense of \$(2,740). At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 521	\$ 43,182
Changes of assumptions or other inputs	1,468	12,044
Net difference between projected and actual earnings on OPEB plan investments	-	8,026
Changes in proportion and differences between contributions recognized and proportionate share of contributions	186	26,037
Contributions subsequent to the measurement date	11,014	N/A
Total	\$ 13,188	\$ 89,288

\$11,014 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, 2022. 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, 2021:	
2022	\$ (21,753)
2023	(20,631)
2024	(21,006)
2025	(18,001)
2026	(5,392)
Thereafter	(331)



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*Actuarial assumptions.* The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

Actuarial cost method	Entry age
Price inflation	2.40 percent
Real wage growth	1.10 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	3.50 percent in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25 percent
Discount rate	7.25 percent
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	8.10 in 2020 to 4.50 percent in 2029
Medicare Part A premiums	3.50 in 2020 to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2020 for the PERA Benefit Structure:

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Medicare Plan	Cost for Members Without Medicare Part A	Premiums for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$588	\$227
Kaiser Permanente Medicare Advantage HMO	621	232

The 2020 Medicare Part A premium is \$458 per month.

In determining the additional liability for PERACare enrollees in the PERA Benefit Structure who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following chart details the initial expected value of Medicare Part A benefits, age adjusted to age 65 for the year following the valuation date:

Medicare Plan	Cost for Members Without Medicare Part A
Medicare Advantage/Self-Insured Prescription	\$550
Kaiser Permanente Medicare Advantage HMO	586

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, 2019, 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 that were used to measure the total OPEB liability are summarized in the table below:

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Year	PERACare Medicare Plans	Medicare Part A Premiums
2020	8.10%	3.50%
2021	6.40%	3.75%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	4.00%
2025	5.30%	4.00%
2026	5.10%	4.00%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions for the determination of the total pension liability for each of the Division Trust Funds as shown below are 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.

Healthy mortality assumptions for active members were based on the RP-2014 White Collar Employee Mortality Table, a table specifically developed for actively working people. To allow for an appropriate margin of improved mortality prospectively, the mortality rates incorporate a 70 percent factor applied to male rates and a 55 percent factor applied to female rates.

Post-retirement non-disabled mortality assumptions for the State and Local Government Divisions were based on the RP-2014 Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

Post-retirement non-disabled mortality assumptions for the School and Judicial Divisions were based on the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

- Males: Mortality improvement projected to 2018 using the MP-2015 projection scale, a 93 percent factor applied to rates for ages less than 80, a 113 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

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- Females: Mortality improvement projected to 2020 using the MP-2015 projection scale, a 68 percent factor applied to rates for ages less than 80, a 106 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

The mortality assumption for disabled retirees was based on 90 percent of the RP-2014 Disabled Retiree Mortality Table.

The actuarial assumptions used in the December 31, 2019, valuation were based on the results of the 2016 experience analysis for the period January 1, 2012, through December 31, 2015, as well as the October 28, 2016, actuarial assumptions workshop and were adopted by PERA's Board during the November 18, 2016, Board meeting.

Based on the 2020 experience analysis, dated October 28, 2020, and November 4, 2020, for the period of January 1, 2016, through December 31, 2019, revised economic and demographic assumptions were adopted by PERA's Board on November 20, 2020, and were effective as of December 31, 2020. The assumptions shown below were reflected in the roll forward calculation of the total OPEB liability from December 31, 2019, to December 31, 2020.

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-	3.40%-	3.20%-	2.80%-
State Troopers	3.20%-	N/A	3.20%-	N/A

<sup>1</sup> C.R.S. § 24-51-101 (46), as amended, expanded the definition of "State Troopers" to include certain employees within the Local Government Division, effective January 1, 2020. See Note 4 of the Notes to the Financial Statements in PERA's 2020 Annual Report for more information.

The long-term rate of return, net of OPEB plan investment expense, including price inflation and discount rate assumptions were 7.25 percent.

Rates of termination/withdrawal, retirement, and disability were revised to more closely reflect actual experience.

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Mortality assumptions used in the roll forward calculations for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable in the roll forward calculation for the HCTF, using a headcount-weighted basis.

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 District Division were based upon the PubT-2010 Employee Table with generational projection using scale MP-2019.

Post-retirement non-disabled mortality assumptions for the District Division were based upon the PubT-2010 Health 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 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.

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 measurement of the obligations for the HCTF:

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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- 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 capital health care costs and their related trend rates are analyzed and updated annually by the Board's actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2020. As a result of the November 20, 2020, PERA Board meeting, the following economic assumptions were changed, effective December 31, 2020:

- Price inflation assumption decreased from 2.4 percent per year to 2.30 percent per year
- Real rate of investment return assumption increased from 4.85 percent per year, net of investment expenses to 4.95 percent per year, net of investment expenses.
- Wage inflation assumption decreased from 3.50 percent per year to 3.00 percent per year.

Several factors were considered in evaluating the long-term rate of return assumption for the HCTF, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation.

The PERA Board first adopted the 7.25 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:

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives	6.00%	4.70%
Total	100.00%	

<sup>1</sup> The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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 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:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	191,339	196,416	202,326

*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, 2019, measurement date.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

- 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 3.50 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates the HCTF’s fiduciary net position 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.

*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:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	224,998	196,416	171,995

*OPEB plan fiduciary net position.* Detailed information about the HCTF’s fiduciary net position is available in PERA’s CAFR which can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).



San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE I – DEFINED CONTRIBUTION PLAN**

Funding Policy. The 401(k) Plan is funded by voluntary member contributions of up to a maximum limit set by the IRS. The contribution requirements for the District are established under Title 24, Article 51, Section 1402 of the CRS, as amended. The District made no contributions for the fiscal years ended June 30, 2019, 2020, and 2021.

**NOTE J – RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has established the Self-Insurance bank account to finance its uninsured risks of loss for employee health insurance. The District purchases commercial insurance for claims in excess of coverage for health insurance. The District purchases commercial insurance for worker's compensation, general liability and property insurance. Settled claims have not exceeded this coverage in any of the past three fiscal years. No material claims payable exist as of June 30, 2021.

**NOTE K – TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the Amendment. However, the District has made certain interpretations of the Amendment's language in order to determine its compliance.

**NOTE L – JOINT VENTURE**

The District is a member of the Uncompahgre Board of Cooperative Services (BOCS), a joint venture of several local school districts. The BOCS is governed by a board formed of one board member from each member district. The participants oversee budgeting and finance. The following was extracted from the BOCS fund financial statements of June 30, 2021, and for the year then ended.

Total assets	\$ 401,886
Total liabilities	162,167
Total fund equity	239,719
Total revenues	1,537,248
Total expenditures	1,516,774
Excess of revenues over (under) expenditures	20,474

The District had no debt with the joint venture at June 30, 2021.

San Miguel County School District R-2J

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

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**NOTE M – INTERFUND TRANSFERS AND RECEIVABLE/PAYABLES**

The General Fund transferred \$80,000 to the Food Service Fund to subsidize operations. The Food Service Fund owes the General Fund \$19,020.

REQUIRED SUPPLEMENTARY INFORMATION

San Miguel County School District R-2J

SCHEDULE OF ACTIVITY - NET PENSION LIABILITY

June 30, 2021

<u>Measurement date:</u>	<u>Employer proportion of NPL</u>	<u>Employer proportionate share of NPL</u>	<u>Nonemployer contributing entity proportionate share of NPL associated with employer</u>	<u>Total of employer and nonemployer proportionate share of NPL</u>	<u>Covered payroll</u>	<u>Employer proportionate share of NPL as a percentage of covered payroll</u>	<u>Pension plan's fiduciary net position as a percentage of total pension liability</u>
December 31, 2014	0.046972%	\$ 6,366,224	\$ -	\$ 6,366,224	\$ 1,967,772	324%	63%
December 31, 2015	0.045386%	6,941,456	-	6,941,456	1,977,906	351%	59%
December 31, 2016	0.042341%	12,606,618	-	12,606,618	1,899,814	664%	43%
December 31, 2017	0.041360%	13,374,234	-	13,374,234	1,906,570	701%	44%
December 31, 2018	0.034779%	6,158,286	740,770	6,899,056	1,886,726	326%	57%
December 31, 2019	0.031591%	4,719,623	531,243	5,250,866	1,856,447	254%	65%
December 31, 2020	0.035734%	5,402,236	-	5,402,236	1,911,491	267%	67%

San Miguel County School District R-2J

SCHEDULE OF ACTIVITY - EMPLOYER PENSION CONTRIBUTIONS

June 30, 2021

	Required employer contribution	Employer contributions recognized by the plan	Difference	Covered payroll	Contributions as a percentage of covered payroll
June 30, 2015	\$ 338,564	\$ 338,564	\$ -	\$ 2,005,189	16.88%
June 30, 2016	340,402	340,402	-	1,977,906	17.21%
June 30, 2017	347,543	347,543	-	1,890,886	18.38%
June 30, 2018	364,185	364,185	-	1,929,060	18.88%
June 30, 2019	358,864	358,864	-	1,875,919	19.13%
June 30, 2020	368,691	368,691	-	1,902,427	19.38%
June 30, 2021	401,566	401,566	-	2,019,947	19.88%

San Miguel County School District R-2J

SCHEDULE OF ACTIVITY - NET OPEB LIABILITY

June 30, 2021

<u>Measurement date:</u>	<u>Employer proportion of NOPEBL</u>	<u>Employer proportionate share of NOPEBL</u>	<u>Covered payroll</u>	<u>Employer proportionate share of NOPEBL as a percentage of covered payroll</u>	<u>OPEB plan's fiduciary net position as a percentage of total OPEB liability</u>
December 31, 2017	0.023500%	\$ 305,411	\$ 1,906,570	16%	17.53%
December 31, 2018	0.022606%	307,569	1,886,726	16%	17.03%
December 31, 2019	0.020646%	232,066	1,856,447	13%	24.49%
December 31, 2020	0.020670%	196,416	1,911,491	10%	32.78%

San Miguel County School District R-2J

SCHEDULE OF ACTIVITY - EMPLOYER OPEB CONTRIBUTIONS

June 30, 2021

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	Required employer contribution	Employer contributions recognized by the plan	Difference	Covered payroll	Contributions as a percentage of covered payroll
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
June 30, 2018	\$ 19,676	\$ 19,676	\$ -	\$ 1,929,060	1.02%
June 30, 2019	19,134	19,134	-	1,875,919	1.02%
June 30, 2020	19,405	19,405	-	1,902,427	1.02%
June 30, 2021	20,603	20,603	-	2,019,947	1.02%

San Miguel County School District R-2J

BALANCE SHEET - NONMAJOR GOVERNMENTAL FUND

June 30, 2021

	Special Revenue		Total Nonmajor Governmental Funds
	Food Service Fund	Student Activities Fund	
ASSETS			
Cash and investments	\$ 52,081	\$ 81,513	\$ 133,594
Due from other funds	19,020	-	19,020
Inventories	5,609	-	5,609
Total assets	<u>\$ 76,710</u>	<u>\$ 81,513</u>	<u>\$ 158,223</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 423	\$ -	\$ 423
Accrued salaries and benefits	8,145	-	8,145
Total liabilities	8,568	-	8,568
Fund balances			
Nonspendable	5,609	-	5,609
Unassigned	62,533	81,513	144,046
Total fund balances	<u>68,142</u>	<u>81,513</u>	<u>149,655</u>
Total liabilities and fund balances	<u>\$ 76,710</u>	<u>\$ 81,513</u>	<u>\$ 158,223</u>



San Miguel County School District R-2J

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUND

Year ended June 30, 2021

	Special Revenue		Total Nonmajor Governmental Funds
	Food Service Fund	Student Activities Fund	
Revenues			
Local sources	\$ 4,172	\$ 21,890	\$ 26,062
State sources	507	-	507
Federal sources	69,856	-	69,856
Total revenues	74,535	21,890	96,425
Expenditures			
Current			
Food service	105,019	-	105,019
Student activities	-	28,291	28,291
Total expenditures	105,019	28,291	133,310
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(30,484)	(6,401)	(36,885)
Other financing sources (uses)			
Transfers in (out)	80,000	-	80,000
	80,000	-	80,000
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	49,516	(6,401)	43,115
Fund balances beginning of year	18,626	87,914	106,540
Fund balance end of year	\$ 68,142	\$ 81,513	\$ 149,655

San Miguel County School District R-2J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - BOND REDEMPTION DEBT SERVICE FUND

Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property and specific ownership taxes	\$ 267,800	\$ 272,692	\$ 276,447	\$ 3,755
Interest income	8	8	14,364	14,356
Total revenues	<u>267,808</u>	<u>272,700</u>	<u>290,811</u>	<u>18,111</u>
Expenditures				
Debt service principal	266,958	271,850	260,000	11,850
Interest and fiscal charges	850	850	12,650	(11,800)
Total expenditures	<u>267,808</u>	<u>272,700</u>	<u>272,650</u>	<u>50</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	18,161	18,161
Fund balance beginning of year	-	-	316,741	316,741
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,902</u>	<u>\$ 334,902</u>

San Miguel County School District R-2J

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - FOOD SERVICE FUND

Year ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Local sources	\$ 22,000	\$ 4,500	\$ 4,172	\$ (328)
State sources	2,100	720	507	(213)
Federal sources	21,000	47,500	69,856	22,356
Total revenues	<u>45,100</u>	<u>52,720</u>	<u>74,535</u>	<u>21,815</u>
Expenditures				
Food service	126,100	133,720	105,019	28,701
Total expenses	<u>126,100</u>	<u>133,720</u>	<u>105,019</u>	<u>28,701</u>
EXCESS OF REVENUES OVER (UNDER) EXPENSES	(81,000)	(81,000)	(30,484)	50,516
Other financing sources (uses)				
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENSES AND OTHER USES	(1,000)	(1,000)	49,516	50,516
Fund balance beginning of year	<u>1,000</u>	<u>1,000</u>	<u>18,626</u>	<u>17,626</u>
Fund balance end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,142</u>	<u>\$ 68,142</u>

San Miguel County School District R-2J

SCHEDULE OF REVENUES AND EXPENDITURES  
STUDENT ACTIVITIES FUND - BUDGET AND ACTUAL

Year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Local sources	\$ 200,000	\$ 100,000	\$ 21,890	\$ (78,110)
Total revenue	200,000	100,000	21,890	(78,110)
Expenditures				
Student activities	200,000	100,000	28,291	71,709
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(6,401)	(6,401)
Fund balance beginning of year	-	-	87,914	87,914
Fund balance end of year	\$ -	\$ -	\$ 81,513	\$ 81,513



**Colorado Department of  
Education**

**Auditors Integrity Report**

District: 2840 - Norwood R-2J

Fiscal Year 2020-21

Colorado School District/BOCES

**Revenues, Expenditures, & Fund Balance by Fund**

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+			=
10 General Fund	2,202,556	4,179,063	4,051,483	2,330,137
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	0	0	0
<b>Sub- Total</b>	<b>2,202,556</b>	<b>4,179,063</b>	<b>4,051,483</b>	<b>2,330,137</b>
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	18,627	154,535	105,019	68,143
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	87,914	21,890	28,292	81,513
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	316,741	290,811	272,650	334,902
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	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>2,625,837</b>	<b>4,646,300</b>	<b>4,457,443</b>	<b>2,814,694</b>
<b>Proprietary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
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
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FINAL

\*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your priorperiod adjustment is added into both your ending and beginning fund balances on this report.

12/14/21

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