

**BIG SANDY SCHOOL DISTRICT 100J  
SIMLA, COLORADO**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2020**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
(Required Supplementary Information)

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
Simla, Colorado  
Management's Discussion and Analysis  
Year Ended June 30, 2020

Management of the District offers readers of the basic financial statements this narrative overview and analysis of the financial statements of the District for the fiscal year ended June 30, 2020.

**Financial Highlights**

At June 30, 2020, the District's net position was \$13,275,657, an increase of \$509,505.

At the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,304,096, an increase \$283,095 from the prior year.

General Fund revenues exceeded expenditures by \$273,640. The Capital Projects Fund decreased \$15,743. The Kimble Scholarship Fund increased \$1,248. The Pupil Activity Fund decreased by \$33,114. The Bond Redemption Fund increased by \$6,196. The Food Service Fund decreased \$19,917 this year.

The District has had adequate resources available for all appropriations.

The general fund local revenue increased by \$13,581. State revenue increased by \$126,298. Federal revenue increased by \$6,712.

Expenditures in the General Fund increased by \$28,190.

**Overview of the Financial Statements**

This discussion is intended as an introduction to the District's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. In addition to the basic financial statements, also provided is other supplementary information.

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net position is an indication of whether its financial health is improving or deteriorating.

The government-wide statements show all the government activities.

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

Governmental activities - all of the District's basic services are included here, such as instruction, administration, operation of the buildings and grounds, and pupil transportation. Property taxes and state and federal subsidies and grants finance these activities.

Fund Financial Statements

The District's fund financial statements provide detailed information about the most significant funds, not the District as a whole. Some funds are required by state law and by bond requirements.

Governmental funds—Most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

**Government-wide Financial Analysis**

Net position may serve over time as a useful indicator of a government's financial position. The District's total net position was \$13,275,657 on June 30, 2020.

	2020	2019
<b>Assets:</b>		
Current Assets	\$ 3,077,915	\$ 2,381,546
Capital Assets – Net	21,756,870	22,540,154
Deferred Outflows of Resources	1,382,552	2,006,850
Capital Assets & Deferred Outflows of Financial Resources	<u>26,217,337</u>	<u>26,928,550</u>
<b>Liabilities:</b>		
Current Liabilities	780,713	488,075
Non-current Liabilities	7,721,989	8,683,939
Deferred Inflows of Resources	4,438,978	4,990,383
Total Liabilities & Deferred Inflows of Financial Resources	<u>12,941,680</u>	<u>14,162,397</u>
<b>Net Position:</b>		
Net Invested in Capital Assets	(421,458)	20,403,830
Restricted	546,320	394,245
Unrestricted Net Position	13,150,795	(8,031,923)
Total Net Position(Deficit)	<u>13,275,657</u>	<u>12,766,152</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 26,217,337</u>	<u>\$ 26,928,549</u>

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the State Equalization provided by the State of Colorado, and the local taxes assessed to community taxpayers.

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

Table 2 shows the District's largest functions – revenues, instructional programs, instructional student support, administrative, operation and maintenance of plant, pupil transportation and other expenses.

	2020	2019
<b>Program Revenues:</b>		
Charges for Services	\$ 190,417	\$ 79,229
Operating Grants	389,637	427,772
Capital Grants and Contributions	(499,215)	-
Total Program Revenues	<u>80,839</u>	<u>507,001</u>
<b>General Revenues:</b>		
Taxes	911,131	801,822
State Equalization	3,050,321	2,834,203
Investment Earnings	35,545	348,372
Miscellaneous Revenues	158,517	-
Total General Revenues	<u>4,145,814</u>	<u>3,984,397</u>
<b>Total Revenues</b>	<u>4,226,653</u>	<u>4,491,398</u>
<b>Expenses:</b>		
Instruction	2,346,967	2,470,601
Supporting Services	<u>1,434,756</u>	<u>1,521,536</u>
<b>Total Expenses</b>	<u>3,781,723</u>	<u>3,992,137</u>
Change in Net Position	<u>444,930</u>	<u>499,261</u>
Net Position - Beginning	12,766,151	12,266,890
Prior Period Restatement	<u>64,575</u>	-
Net Position - Beginning (Restated)	<u>12,830,726</u>	<u>12,266,890</u>
<b>Net Position Ending</b>	<u>\$ 13,275,656</u>	<u>\$ 12,766,151</u>

Financial Analysis of the District Funds

On June 30, 2020, the District governmental funds reported a combined fund balance \$2,304,096, which is an increase of \$283,095. Approximately 64% of the total fund balance constitutes unassigned fund balance, which is available for spending at the District's discretion.

General Fund - the chief operating fund of the District. On June 30, 2020, unassigned fund balance was \$1,472,042.

State Equalization Revenues	Increase or (Decrease)	
June 2016	\$2,457,184	1.63%
June 2017	\$2,485,001	1.13%
June 2018	\$2,694,996	8.45%
June 2019	\$2,834,203	5.17%
June 2020	\$3,252,874	14.77%

The state equalization accounts for 76% of the districts operating revenue.

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

Local Revenues (GF) Increase or (Decrease)

June 2016	\$590,803	(12.47%)
June 2017	\$591,389	18.17%
June 2018	\$1,071,994	81.27%
June 2019	\$918,647	14.30%
June 2020	\$932,228	1.48%

Local revenues account for about 22% of the districts operating revenue. In 2017-18 we had a bubble in local revenue with the sale of our old school property and the donation for safety items which included 4 new buses, a skid steer and a snow plow. 2018-2019 we had a generous donation from the Sherman Foundation and with interest rates and assessed property valuation increasing a little, we had a higher than normal amount in local revenue. To help increase revenue, the district has sought many different types of grants such as CDE, BEST, Preschool, GOCO, DOLA, technology, safety, and E-Rate to help cover cost.

Total Revenues (GF) Increase or (Decrease)

June 2016	\$3,349,457	(0.01%)
June 2017	\$3,294,611	(1.64%)
June 2018	\$4,071,611	23.58%
June 2019	\$4,119,096	1.17%
June 2020	\$4,265,770	3.56%

With Covid happening during the middle of the fiscal year, there has been many big swings in revenue. We received \$299K in revenue from the Cares Act in the spring and have saved it for next fiscal year as the state will be cutting school funding by a similar amount, we will need to closely monitor the big changes in revenue and expenses during this COVID time period.

District Enrollment

School Year	Student P-12 Count
2014/2015	297
2015/2016	301
2016/2017	306
2017/2018	323
2018/2019	321
2019/2020	335
2020/2021	298

The above count is our Total Student Count. With enrollment going up and down, and with the uncertainty of the economic climate, we must continue to monitor our expenses and revenue, including state revenue, closely.

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

Expenditures (GF)		Increase or (Decrease)
June 2016	\$3,147,794	0.08%
June 2017	\$3,223,416	2.40%
June 2018	\$3,684,633	14.31%
June 2019	\$3,710,229	0.69%
June 2020	\$3,992,130	7.6%

Our expenditures for the year increased 7.6%.

Over the years, instruction accounts for approximately 65% of the operating expenditures of the district. Over the years, salaries and benefits account for over 80% of expenditures. Through the retirement of individuals at the top end of the salary schedule and their replacement with individuals on the lower end of the salary schedule, this helps offset increases in total salary expenditures. We have members on the payroll that will be looking at retirement in the next couple of years.

The table below shows an increase in the General Fund Account Balance this year. Competitive salaries, special education, technology upgrades, allocating funds for expenditures for future capital needs, and fuel costs continue to be emphasized when monitoring our budget. We received a BEST (Building Excellent Schools Today) grant in July 2011. We passed a \$2.9 million bond issue that same year. We completed the new P-12 school building using some Fund Balance to pay for some items that BEST would not cover. It is a good rule of thumb to keep at least three months of operating expenses in reserve; this amount equals around \$930,000. Our school board has set a goal of keeping \$1,300,000 in reserve. On June 30, 2019, the General Fund ending balance was \$1,618,276.

General Fund Account Balance

June 2014	\$883,269
June 2015	\$1,002,373
June 2016	\$1,085,078
June 2017	\$1,016,401
June 2018	\$1,267,473
June 2019	\$1,524,136
June 2020	\$1,618,276

Capital Reserve/Capital Projects

We sold the old school property in 2018 and had a bubble in revenue, then we built a new storage building and put LED lighting into our school which brought the fund balance down this year. We have purchased five new buses during the past three years and plan to build this fund up for future needs.

We transferred revenue into this fund this year but the expenditure for a new bus, and new football field bleachers won't happen until next fiscal year.

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

Capital Reserve/Capital Projects Account Balance

June 2014	\$123,849
June 2015	\$133,787
June 2016	\$165,532
June 2017	\$252,739
June 2018	\$472,048
June 2019	\$200,299
June 2020	\$309,556

Food Services

The Hot Lunch program has a goal of being self-sufficient, which is a hard task to even consider. It is funded through lunch sales, free and reduced government assistance, and government commodities. The district contributes to the program with a budget item in the General Fund. We also contribute to this program by purchasing capital equipment, depreciation and paying a portion of bookkeeping out of the General Fund. We received a kitchen equipment grant several years ago which paid for approximately \$27,000 in new equipment. Our new kitchen along with several new pieces of equipment were provided through the BEST grant.

We need to continue working at providing a quality product so as to increase the numbers of lunches being served in order to reach our goal of breaking even from a financial standpoint. We cut part of our staff going into the 13/14 school year due to declining lunch participation; however, because the new staff achieved high standards, our lunch participation increased significantly. During the 13/14 school year, we hired 3 full-time cooks, but gave the food service program the leeway to bring in another part-time substitute cook as needed.

Fund Balance

June 2015	\$23,036
June 2016	\$23,081
June 2017	\$17,133
June 2018	\$15,053
June 2019	\$9,775
June 2020	\$14,858

Operating Expense

June 2014	\$130,178
June 2015	\$120,499
June 2016	\$116,854
June 2017	\$128,276
June 2018	\$134,512
June 2019	\$153,091
June 2020	\$125,296

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

Because giving a cook a one year leave of absence due to a death in the family and not wanting to cut this cook that filled in for her, who did an excellent job, we will have four full-time cooks next year.

The District will continue to support the food service program with a General Fund subsidy. We will raise lunch prices during the 2020/2021 school year because of state/federal mandate. Covid has caused several new adjustments to revenue and expenses.

Student Activities Fund 23

In 2010, the Activity Fund was split into two funds as per our auditors request. This year, as per our new auditor's request, we are combining Fund 23 and Fund 74 back into one fund, Fund 23.

Student Activity Special Revenue Fund 23 Account Balance as of June 30

2016	\$8,076
2017	\$4,754
2018	\$6,731
2019	\$18,029
2020	\$86,320

Kimble Scholarship

The Kimble Scholarship was established in May 2002. The scholarship was funded from proceeds from the Kimble estate.

On May 17, 2002, the district received \$47,400.00 from the estate. On March 27, 2003 we received an additional \$506.30 with the closure of the estate.

The first scholarship was awarded in May of 2002 for \$600.00. This amount was taken from the principal.

Scholarship guidelines were established through input from community members, staff, accountability committee and administration. The scholarship was to be a perpetual scholarship with proceeds from investments funding the yearly awards. With the state of the economy at this time, the interest rate revenue is producing minimal amounts of scholarships; however, the Fund remains strong.

On June 30, 2020, this fund balance is \$48,199.

BIG SANDY SCHOOL DISTRICT NUMBER 100J  
 Simla, Colorado  
 Management's Discussion and Analysis - Continued  
 Year Ended June 30, 2020  
 (continued)

**Capital Assets**

The District's capital assets for its governmental as of June 30, 2020 amount to \$1,454,552 (net of accumulated depreciation). This investment in capital assets follows:

	Balance 6/30/19	BEST Grant Receivable Restatement	Additions	Deletions	Balance 6/30/20
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 74,277	\$ -	\$ -	\$ -	\$ 74,277
Capital assets being depreciated:					
Site Improvements	1,353,701	(996,644)	13,983		371,040
Buildings	23,570,881	(22,669,843)	-	-	901,038
Equipment	1,714,508	-	12,869	-	1,727,377
Transportation equipment	982,739	-	-	9,700	973,039
Total capital assets being depreciated	<u>27,621,829</u>	<u>(23,666,487)</u>	<u>26,852</u>	<u>9,700</u>	<u>3,972,494</u>
Accumulated Depreciation					
Site Improvements	(576,560)	352,921	(35,621)		(259,260)
Buildings	(3,223,397)	2,493,683	(94,108)	-	(823,822)
Equipment	(727,226)	-	(115,361)	-	(842,587)
Transportation equipment	(628,769)	-	(37,781)	-	(666,550)
Total accumulated depreciation	<u>(5,155,952)</u>	<u>2,846,604</u>	<u>(282,871)</u>	<u>-</u>	<u>(2,592,219)</u>
<b>Net Capital Assets</b>	<b><u>\$ 22,540,154</u></b>	<b><u>\$ (20,819,883)</u></b>	<b><u>\$ (256,019)</u></b>	<b><u>\$ 9,700</u></b>	<b><u>\$ 1,454,552</u></b>

Fixed asset purchases included an additional \$275,510 to complete the storage shed started in the prior year, \$5,638 for a preschool storage building, \$47,000 for security cameras, \$17,948 for wireless access points, \$9,668 for a phone system upgrade, \$19,155 for industrial arts equipment, and \$7,922 for overhead doors.

**Long Term Debt**

The District has a bond issue outstanding of \$2,136,324 which is the balance of a \$2,008,793 issue of 2011 to build and furnish a new school building. Payments are scheduled through 2031 at approximately \$127,531 per year. Payments will be made through a tax levy assessed in the Bond Redemption Fund.

	Balance at July 1, 2019	Increases	Decreases	Balance at June 30, 2020	Due within One Year
General obligation bonds, Series 2011	\$ 2,136,324	\$ -	\$ 127,531	\$ 2,008,793	\$ 132,784
PERA Net Pension Liability	6,357,622	-	912,138	5,445,484	-
PERA Net OPEB Liability	317,525	-	49,813	267,712	-
<b>Total</b>	<b><u>\$ 8,811,471</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,089,482</u></b>	<b><u>\$ 7,721,989</u></b>	<b><u>\$ 132,784</u></b>

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

Covid has caused big savings in revenue and expenses with many uncertainties. We finished the year in good shape fiscally and have carried forward healthy reserves in case of a down turn in the economy and in revenues. We will need to closely monitor our enrollment numbers during and after this Covid period of time.

The district retired all of the outstanding bonds resulting in being debt free as of December, 2006. With the passage of a \$2.9 million bond election in November of 2011 for the matching \$23.7 million BEST Grant, we currently have 11.5 years of payments remaining on this bond.

Our General Fund balance is greater than the goal of \$1,300,000. It has over five months in operating reserves within its Fund Balance.

We continue to look at keeping our streamlined budget and at the same time add to our revenue while maximizing student learning in the process.

### Contacting the District Financial Management

Our 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 the information provided in this report or requests for additional information should be addressed to the Superintendent of School at Big Sandy School District 100J, P O Box 68, Simla, CO 80835.

## **FINANCIAL SECTION**

# Mayberry & Company, LLC

Certified Public Accountants

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

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Board of Education  
Big Sandy School District 100J  
Silma, Colorado

## Independent Auditors' Report

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Big Sandy School District 100J, Colorado, as of and for the year ended June 30, 2020, which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' 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 of 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 auditors' 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 controls. 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.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Big Sandy School District 100J, Colorado, as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Emphasis of a Matter

As discussed in Note 16 to the financial statements, the pupil activities were reclassified to a special revenue fund presentation pursuant to GASB N0 84 – Fiduciary Activity. This restatement impacted the governmental activities. Our opinion is not modified with respect to this matter.

**Other Matters**

***Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)***

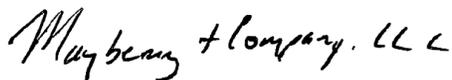
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M6 and pension schedules on pages 45 - 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial 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.

***Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 49 - 52 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. In addition, the combining and individual fund schedules on pages 53 - 59 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Report on Other Legal and Regulatory Requirements**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports pages 60 - 63 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Englewood, CO  
February 25, 2021

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## **BASIC FINANCIAL STATEMENTS**

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2020.

**BIG SANDY SCHOOL DISTRICT 100J**

**Statement of Net Position  
June 30, 2020**

	<b>Governmental Activities</b>
	<hr/>
<b>ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Investments	\$ 2,849,145
Cash with Fiscal Agent	36,011
Taxes Receivable	172,473
Grants Receivable	14,329
Other Accounts Receivable	1,714
Inventory	4,243
<b>Capital and Other Assets</b>	
BEST Grant Receivable	20,302,319
Capital Assets not Being Depreciated	74,277
Capital Assets Being Depreciated	3,972,494
Accumulated Depreciation	<u>(2,592,220)</u>
<b>Total Assets</b>	<u>24,834,785</u>
<b>Deferred Outflows of Financial Resources</b>	
Net Pension Deferred Outflows	1,358,484
Net OPEB Deferred Outflows	<u>24,068</u>
<b>Total Deferred Outflows of Financial Resources</b>	<u>1,382,552</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES</b>	<u><u>\$ 26,217,337</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND NET POSITION</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	\$ 1,014
Accrued Interest	6,894
Accrued Salaries & Benefits	394,505
Unearned Revenue	1,239
Unearned Revenue Grants	377,061
<b>Noncurrent Liabilities</b>	
Due Within One Year	132,784
Due In More Than One Year	<u>7,589,205</u>
<b>Total Liabilities</b>	<u>8,502,702</u>
<b>Deferred Inflows of Financial Resources</b>	
Net Pension Deferred Inflows	4,381,751
Net OPEB Deferred Inflows	<u>57,227</u>
<b>Total Deferred Inflows of Financial Resources</b>	<u>4,438,978</u>
<b>Net Position</b>	
Net Investment in Capital Assets	(421,458)
Restricted Net Position	546,192
Unrestricted Net Position	<u>13,150,923</u>
<b>Total Net Position</b>	<u>13,275,657</u>
<b>TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION</b>	<u><u>\$ 26,217,337</u></u>

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

**BIG SANDY SCHOOL DISTRICT 100J**

**Statement of Activities  
For the Year Ended June 30, 2020**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>			<b>Net (Expense)</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Revenue and Change in Net Position</b>
					<b>Governmental Activities</b>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Instruction	\$ 2,346,967	\$ 154,564	\$ 183,953	\$ 18,349	\$ (1,990,101)
Supporting Services	1,434,756	35,853	205,684	(517,564)	(1,710,783)
<b>Total Primary Government</b>	<u>\$ 3,781,723</u>	<u>\$ 190,417</u>	<u>\$ 389,637</u>	<u>\$ (499,215)</u>	<u>(3,700,884)</u>
<b>General Revenues</b>					
Property Taxes					788,266
Specific Ownership Taxes					122,865
State Equalization					3,050,321
Investment Earnings					35,545
Gain (Loss) on Capital Asset Disposals					(9,700)
Insurance Proceeds					85,562
Other Revenues					72,955
<b>Total General Revenues</b>					<u>4,145,814</u>
<b>Change in Net Position</b>					<u>444,930</u>
Beginning Net Position					12,766,152
Prior Period Restatement					64,575
Beginning Net Position (As Restated)					<u>12,830,727</u>
Ending Net Position					<u>\$ 13,275,657</u>

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

**BIG SANDY SCHOOL DISTRICT 100J**

**Balance Sheet**

**Governmental Funds**

**June 30, 2020**

	<u>Special Revenue</u>			
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Scholarship Fund</u>
<b>ASSETS</b>				
Cash and Investments	\$ 2,219,690	\$ 16,797	\$ 86,320	\$ 48,199
Cash with Fiscal Agent	25,910	-	-	-
Taxes Receivable	124,270	-	-	-
Interfund Accounts Receivable	1,927	-	-	-
Grants Receivable	14,329	-	-	-
Other Accounts Receivable	-	1,714	-	-
Inventory	-	4,243	-	-
<b>TOTAL ASSETS</b>	<u>\$ 2,386,126</u>	<u>\$ 22,754</u>	<u>\$ 86,320</u>	<u>\$ 48,199</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>				
<b>Liabilities</b>				
Interfund Accounts Payable	\$ -	\$ 1,927	\$ -	\$ -
Accounts Payable	1,014	-	-	-
Accrued Salaries & Benefits	389,775	4,730	-	-
Unearned Revenue	-	1,239	-	-
Unearned Revenue Grants	377,061	-	-	-
<b>Total Liabilities</b>	<u>767,850</u>	<u>7,896</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Financial Resources</b>				
<b>Fund Balance</b>				
Nonspendable Fund Balance	-	4,243	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	-	48,199
Restricted for TABOR Emergencies	128,000	-	-	-
Restricted for Colorado Preschool Program	18,234	-	-	-
Committed Fund Balance	-	10,615	86,320	-
Unassigned Fund Balance	1,472,042	-	-	-
<b>Total Fund Balance</b>	<u>1,618,276</u>	<u>14,858</u>	<u>86,320</u>	<u>48,199</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u>\$ 2,386,126</u>	<u>\$ 22,754</u>	<u>\$ 86,320</u>	<u>\$ 48,199</u>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<u>Bond Redemption Fund</u>	<u>Capital Reserve Project Fund</u>	<u>2020</u>
\$ 168,583	\$ 309,556	\$ 2,849,145
10,101	-	36,011
48,203	-	172,473
-	-	1,927
-	-	14,329
-	-	1,714
-	-	4,243
<u>\$ 226,887</u>	<u>\$ 309,556</u>	<u>\$ 3,079,842</u>
\$ -	\$ -	\$ 1,927
-	-	1,014
-	-	394,505
-	-	1,239
-	-	377,061
-	-	775,746
-	-	4,243
226,887	125,000	400,086
-	-	128,000
-	-	18,234
-	184,556	281,491
-	-	1,472,042
<u>226,887</u>	<u>309,556</u>	<u>2,304,096</u>
<u>\$ 226,887</u>	<u>\$ 309,556</u>	<u>\$ 3,079,842</u>

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**BIG SANDY SCHOOL DISTRICT 100J**

**Reconciliation of Governmental Fund Balances  
to Governmental Activities Net Position  
June 30, 2020**

Fund Balance - Governmental Funds		\$	2,304,096
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, not being depreciated	\$	74,277	
Capital assets, being depreciated		3,972,494	
Accumulated depreciation		<u>(2,592,220)</u>	1,454,551
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds			
Long-Term BEST Grant Receivable			20,302,319
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
<b>Pension Liability</b>			
Net pension deferred outflows		1,358,484	
Net pension liability		(5,445,484)	
Net pension deferred inflows		<u>(4,381,751)</u>	(8,468,751)
<b>OPEB Liability</b>			
Net OPEB deferred outflows		24,068	
Net OPEB liability		(267,712)	
Net OPEB deferred inflows		<u>(57,227)</u>	(300,871)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(2,008,793)	
Accrued interest payable		<u>(6,894)</u>	<u>(2,015,687)</u>
Total Net Position - Governmental Activities			<u>\$ 13,275,657</u>

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

**BIG SANDY SCHOOL DISTRICT 100J**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2020**

	<u>Special Revenue</u>			
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>	<u>Scholarship Fund</u>
<b>REVENUES</b>				
Local Sources	\$ 932,228	\$ 36,576	\$ 155,111	\$ 728
Intermediate Sources	83	-	-	-
State Sources	3,252,874	3,818	-	-
Federal Sources	80,585	64,985	-	-
<b>TOTAL REVENUES</b>	<u>4,265,770</u>	<u>105,379</u>	<u>155,111</u>	<u>728</u>
<b>EXPENDITURES</b>				
Current:				
Instruction	2,589,093	-	188,225	600
Pupil Support	85,154	-	-	-
Staff Support	63,109	-	-	-
General Administration	202,526	-	-	-
School Administration	192,404	-	-	-
Business Services	64,624	-	-	-
Operations and Maintenance	393,034	-	-	-
Transportation	254,555	-	-	-
Other Central Support	130,301	-	-	-
Food Service	17,330	125,296	-	-
Community Support	-	-	-	-
Facilities	-	-	-	-
Debt Service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>3,992,130</u>	<u>125,296</u>	<u>188,225</u>	<u>600</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	273,640	(19,917)	(33,114)	128
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Out)	(179,500)	25,000	29,500	-
<b>CHANGE IN FUND BALANCE</b>	<u>94,140</u>	<u>5,083</u>	<u>(3,614)</u>	<u>128</u>
<b>BEGINNING FUND BALANCE</b>	1,524,136	9,775	18,029	48,071
Prior Period Adjustment	-	-	71,905	-
<b>BEGINNING FUND BALANCE (As Restated)</b>	<u>1,524,136</u>	<u>9,775</u>	<u>89,934</u>	<u>48,071</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 1,618,276</u>	<u>\$ 14,858</u>	<u>\$ 86,320</u>	<u>\$ 48,199</u>

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

<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
<u>Bond</u>		
<u>Redemption</u>	<u>Capital Reserve</u>	
<u>Fund</u>	<u>Project Fund</u>	<u>2020</u>
\$ 222,294	\$ 4,635	\$ 1,351,572
-	-	83
-	-	3,256,692
-	-	145,570
<u>222,294</u>	<u>4,635</u>	<u>4,753,917</u>
-	-	2,777,918
-	-	85,154
-	-	63,109
3,209	-	205,735
-	-	192,404
-	-	64,624
-	20,378	413,412
-	-	254,555
-	-	130,301
-	-	142,626
-	-	-
-	-	-
<u>212,889</u>	<u>-</u>	<u>212,889</u>
<u>216,098</u>	<u>20,378</u>	<u>4,542,727</u>
6,196	(15,743)	211,190
-	125,000	-
<u>6,196</u>	<u>109,257</u>	<u>211,190</u>
220,691	200,299	2,021,001
-	-	71,905
<u>220,691</u>	<u>200,299</u>	<u>2,092,906</u>
<u>\$ 226,887</u>	<u>\$ 309,556</u>	<u>\$ 2,304,096</u>

**BIG SANDY SCHOOL DISTRICT 100J**

**Reconciliation of Governmental Changes in Fund Balance  
to Governmental Activities Change in Net Position  
For the Year Ended June 30, 2020**

Change in Fund Balance - Governmental Funds	\$	211,190
<p>Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level</p>		
Capitalized Asset Purchases	\$	26,851
Depreciation Expense		(282,874)
Gain (Loss) on Asset Disposals		<u>(9,700)</u>
		(265,723)
<p>The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant</p>		
Amortization of BEST grant receivable		(517,564)
<p>Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.</p>		
<b>Pension Liability</b>		
Current year change and amortization of deferred outflows - net		(589,246)
Change in net pension liability		912,138
Current year change and amortization of deferred inflows - net		<u>606,013</u>
		928,905
<b>OPEB Liability</b>		
Current year change and amortization of deferred outflows - net		(35,052)
Change in OPEB liability		49,813
Current year change and amortization of deferred inflows - net		<u>(54,608)</u>
		(39,847)
<p>Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.</p>		
Principal payments on bonds payable		127,531
Change in accrued interest payable		<u>438</u>
		<u>127,969</u>
Total Net Position - Governmental Activities	\$	<u><u>444,930</u></u>

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

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Big Sandy School District 100J (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

**Reporting Entity**

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

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

**Jointly Governed Organizations**

The District is a participant among four Districts in a jointly governed organization to operate the Pikes Peak Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. During the year ended June 30, 2020, the District paid \$89,564 in assessments to the BOCES. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 2883 South Circle Drive, Colorado Springs, CO 80906.

**Basis of Presentation**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

**Basis of Presentation (Continued)**

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following nonmajor governmental funds:

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

**Measurement Focus and Basis of Accounting**

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity and Scholarship Funds) – These funds are used to account for the money held in trust by the District for student organizations and for scholarships. These funds are custodial and do not measure the results of operations.

**Government-Wide Financial Statements**

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

**Governmental Fund Financial Statements**

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

**Budgets and Budgetary Accounting**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

**Budgets and Budgetary Accounting (Continued)**

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

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

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

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

The District capitalizes all assets with an individual original value of \$5,000 or more and a useful life in excess of one year.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

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

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2019 property taxes were both measurable and available at June 30, 2020, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2020 but not collected by June 30, 2020.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2020, the District has recorded accrued leave as disclosed in Note 6.

Long-Term Debt – The District’s general obligation bonds are accounted for in the Bond Redemption Fund. Principal repayments are shown as expenditures in the fund level financial statements. The District’s capital leases are paid through the General Fund and are shown as expenditures in that fund.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

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

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

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

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

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

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as “committed” fund balance.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

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

All other remaining governmental balances are reported as unassigned.

**Net Position/ Fund Balance and Flow Assumptions**

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

**Revenues and Expenditures/Expenses**

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

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2: CASH AND INVESTMENTS**

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

Deposits	3,841,819
Cash on hand	<u>300</u>
<b>Total</b>	<b><u>3,842,119</u></b>
Government-wide - unrestricted	3,782,200
Fiduciary	<u>59,919</u>
<b>Total</b>	<b><u>3,842,119</u></b>

**Deposits**

**Custodial Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

**Deposits (Continued)**

**Custodial Credit Risk – Deposits (Continued)**

At June 30, 2020, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<b>Bank Balance</b>	<b>Book Balance</b>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized	2,504,670	2,430,463
Cash on hand	-	100
<b>Total Cash</b>	<b><u>\$ 2,754,670</u></b>	<b><u>\$ 2,680,563</u></b>
Deposits		\$ 2,680,463
Investments (Level 2/Mutual Fund/AAAm)		168,583
Cash on hand		100
<b>Total</b>		<b><u>\$ 2,849,146</u></b>

**Investments**

**Credit Risk**

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

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

The District’s investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2020, the District did not have any investments requiring disclosure.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 2: CASH AND INVESTMENTS (Continued)**

Concentration of Credit Risk

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

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the District did not have any investments requiring safekeeping.

**NOTE 3: INVENTORIES**

Food Service Fund inventory of \$4,243 as of June 30, 2020, consisted of purchased food. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4: CAPITAL ASSETS**

Activity for capital assets is summarized below:

	<u>Balance 6/30/19</u>	<u>BEST Grant Receivable Restatement</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 74,277	\$ -	\$ -	\$ -	\$ 74,277
Capital assets being depreciated:					
Site Improvements	1,353,701	(996,644)	13,983		371,040
Buildings	23,570,881	(22,669,843)	-	-	901,038
Equipment	1,714,508	-	12,869	-	1,727,377
Transportation equipment	<u>982,739</u>	<u>-</u>	<u>-</u>	<u>9,700</u>	<u>973,039</u>
Total capital assets being depreciated	<u>27,621,829</u>	<u>(23,666,487)</u>	<u>26,852</u>	<u>9,700</u>	<u>3,972,494</u>
Accumulated Depreciation					
Site Improvements	(576,560)	352,921	(35,621)		(259,260)
Buildings	(3,223,397)	2,493,683	(94,108)	-	(823,822)
Equipment	(727,226)	-	(115,361)	-	(842,587)
Transportation equipment	<u>(628,769)</u>	<u>-</u>	<u>(37,781)</u>	<u>-</u>	<u>(666,550)</u>
Total accumulated depreciation	<u>(5,155,952)</u>	<u>2,846,604</u>	<u>(282,871)</u>	<u>-</u>	<u>(2,592,219)</u>
<b>Net Capital Assets</b>	<b><u>\$ 22,540,154</u></b>	<b><u>\$ (20,819,883)</u></b>	<b><u>\$ (256,019)</u></b>	<b><u>\$ 9,700</u></b>	<b><u>\$ 1,454,552</u></b>

Depreciation for the governmental activities is allocated as follows:

Instruction	\$ 181,485
Supporting services	<u>101,386</u>
<b>Total depreciation</b>	<b><u>\$ 282,871</u></b>

The District has entered into a BEST grant agreement with the State of Colorado as further described in Note 13. For the prior year financial statement presentation, the State's portion of the building was presented as a capital asset and was depreciated. Since that portion of the District's facilities will not be owned by the District until the State repays its outstanding debt obligation related to the construction, the State portion has been reclassified as a long-term grant receivable that will be amortized through the debt obligation period and will be added to the District's capital assets upon the repayment.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 5: ACCRUED SALARIES AND BENEFITS**

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2020 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$ 389,775
Food Service Fund	<u>5,502</u>
Total Accrued Salaries and Benefits	<u>\$ 395,277</u>

**NOTE 6: LONG-TERM DEBT**

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2020</u>	<u>Due within One Year</u>
General obligation bonds, Series 2011	\$ 2,136,324	\$ -	\$ 127,531	\$ 2,008,793	\$ 132,784
PERA Net Pension Liability	6,357,622	-	912,138	5,445,484	-
PERA Net OPEB Liability	317,525	-	49,813	267,712	-
<b>Total</b>	<u>\$ 8,811,471</u>	<u>\$ -</u>	<u>\$ 1,089,482</u>	<u>\$ 7,721,989</u>	<u>\$ 132,784</u>

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

	<u>Accrued Interest</u>	<u>Interest Paid</u>	<u>Interest Expense</u>
General obligation bonds, Series 2011	<u>\$ 6,894</u>	<u>\$ 85,358</u>	<u>\$ 84,920</u>

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 6: LONG-TERM DEBT(Continued)**

**General Obligation Bonds**

In 2009, the District issued \$985,000 of general obligation bonds to refund bonds issued in 1999. Principal is due annually on December 1, and interest at rates from 1.50% to 3.30% is due semiannually on June 1 and December 1. The District realized \$45,385 of net present value savings on this refinancing. Payments are made through the Bond Redemption Fund of the District. This bond was paid off in full during the 2018-2019 fiscal year.

In 2013, the District issued \$6,609,572 of general obligation bonds which were used for an escrow match to a BEST grant received. These bonds, along with the grant proceeds, were used to partially replace District facilities. Principal is due annually on December 1, and interest at a rate of 3.02% is due semiannually on June 1, and December 1. Payments are made through the Building Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 132,784	\$ 79,998	\$ 212,782
2022	138,252	74,416	212,668
2023	143,946	68,605	212,551
2024	149,874	62,555	212,429
2025	156,047	56,255	212,302
2026-2030	882,096	177,317	1,059,413
2031-2032	405,794	16,881	422,675
<b>Total</b>	<b><u>\$ 2,008,793</u></b>	<b><u>\$ 536,027</u></b>	<b><u>\$ 2,544,820</u></b>

**NOTE 7: DEFINED BENEFIT PENSION PLAN**

**Summary of Significant Accounting Policies**

*Pensions.* The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position 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. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, 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.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

*Plan description.* Eligible employees of the District are provided with pensions through the School Division Trust Fund (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, 2018.* 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:

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

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

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

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, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 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, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

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

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

*Contributions provisions as of June 30, 2019:* Eligible employees 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 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	<b>January 1, 2019 Through December 31, 2019</b>	<b>January 1, 2020 Through June 30, 2020</b>
Employer contribution rate	10.15%	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. 24-51-208(1)(f)	-1.02%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.13%</b>	<b>19.38%</b>

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

Contribution rates for the SCHDTF are expressed as a percentage of salary as defined in C.R.S. § 24-51-101(42).

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of \$225 million (in actual dollars). Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

**General Information about the Pension Plan (Continued)**

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, direct distribution.

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 \$412,443 for the year ended June 30, 2019.

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The District proportion of the net pension liability was based on the District's 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.

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

At June 30, 2020, the District reported a liability of \$5,445,484 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's proportionate share of the net pension liability	\$	(5,445,484)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(612,946)
Total	\$	(6,058,430)

At December 31, 2019, the District proportion was 0.03645 percent, which was a decrease of 0.00055 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$497,981 and revenue of \$612,946 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 299,076	\$ -
Changes of assumptions or other inputs	\$ 176,645	\$ (2,490,039)
Net difference between projected and actual earnings on pension plan investments	\$ 572,836	\$ (1,273,460)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 92,640	\$ (618,252)
Contributions subsequent to the measurement date	\$ 217,287	\$ -
<b>Total</b>	<b>\$ 1,358,484</b>	<b>\$ (4,381,751)</b>

\$217,287 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, 2021.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ended June 30:</b>	<b>Fiscal Year Totals</b>
2021	\$ (1,802,272)
2022	(1,245,648)
2023	26,801
2024	(219,435)
<b>Total</b>	<b>\$ (3,240,554)</b>

*Actuarial assumptions.* The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

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

<sup>1</sup> For 2019, the AI was 0.0%

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.

Healthy, post-retirement mortality assumptions reflect 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.
- **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, 2018, valuations 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

The 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, 2016.

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.

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>10 Year Expected Geometric Rate of Return</b>
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

*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%.
- 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. 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 .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop .50 percent every year until they are zero. Additionally, estimated employer contributions included for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State of Colorado, as a nonemployer contributing entity, provides an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)**

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

- The projected benefit payments reflect the lowered AI 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 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's proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 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:

	<b>1% Decrease (6.25%)</b>	<b>Current Discount Rate (7.25%)</b>	<b>1% Increase (8.25%)</b>
Proportionate share of the net pension asset (liability)	\$ (7,221,878)	\$ (5,445,484)	\$ (3,954,047)

*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).

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 8: DEFINED CONTRIBUTION PENSION PLAN**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2020 program members contributed \$59,982.

**NOTE 9: OTHER POST-EMPLOYMENT BENEFITS**

Health Care Trust Fund

**Summary of Significant Accounting Policies**

*OPEB*. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

**General Information about the OPEB Plan**

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

**General Information about the OPEB Plan (Continued)**

*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

*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.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

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 \$21,844 for the year ended June 30, 2019.

At June 30, 2020, the District reported a liability of \$267,712 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District's proportion was 0.02382 percent, which was an increase of 0.00048 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District's recognized OPEB expense of \$16,740. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 878	\$ (44,977)
Net difference between projected and actual earnings on pension plan investments	\$ 4,223	\$ (8,748)
Changes of assumptions or other inputs	\$ 2,184	\$ -
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 5,369	\$ (3,502)
Contributions subsequent to the measurement date	\$ 11,414	\$ -
<b>Total</b>	<b>\$ 24,068</b>	<b>\$ (57,227)</b>

\$11,414 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

<b>Year Ended June 30:</b>	<b>Fiscal Year Totals</b>
2021	\$ (9,464)
2022	(9,464)
2023	(8,185)
2024	(9,324)
2025	(7,676)
2026	(460)
<b>Total</b>	<b>\$ (44,573)</b>

*Actuarial assumptions.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

<b>Actuarial cost method</b>	<b>Entry Age</b>
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

The actuarial assumptions used in the December 31, 2018, valuations 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 2019 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Mediare Advantage/Self-Insurance Prescription	\$601	\$240
Kaiser Permanente Medicare Advantage HMO	605	237

The 2019 Medicare Part A premium is \$437 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:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Mediare Advantage/Self-Insurance Prescription	\$562
Kaiser Permanente Medicare Advantage HMO	571

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.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2018, 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:

<b>Year</b>	<b>PERACare Medicare Plans</b>	<b>Medicare Part A Premiums</b>
2019	5.60%	3.50%
2020	8.60%	3.50%
2021	7.30%	3.50%
2022	6.00%	3.75%
2023	5.70%	3.75%
2024	5.50%	3.75%
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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

- **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.

Healthy, post-retirement 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.
- **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 following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2018 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four 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, 2016.

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.

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>30 Year Expected Geometric Real Rate of Return</b>
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
<b>Total</b>	<b>100.00%</b>	

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%.

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

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

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

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

<b>Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates</b>			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
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%
Proportionate share of the net OPEB asset (liability)	\$ (261,352)	\$ (267,712)	\$ (275,061)

*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.
- 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%.
- 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.

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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

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

- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- 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. There is no change in the discount rate from the prior measurement date.

*Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 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:

<b>Sensitivity of the Net OPEB Liability to Changes in the Discount Rate</b>			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (302,702)	\$ (267,712)	\$ (237,788)

*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).

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 10: RISK MANAGEMENT**

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112.

The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2020.

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

Workers Compensation

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

Health Insurance

The District partially self-insured for employee health coverage in prior years. All potential claims from that coverage have now been settled. The District currently carries commercial insurance for employee health coverage with risk of loss transferred to the carrier. The District funds estimated claims on a monthly basis and receives partial benefit for unused amounts upon year end settlement. The District is not exposed beyond the monthly claims submission.

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES**

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

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expand all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$128,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

The District has either committed or assigned other amounts in the financial statements based on the funds underlying purpose.

**NOTE 12: INTERFUND ACTIVITY**

The District has recorded the following routine operating transfers through June 30, 2020.

	<b>Transfers</b>
	<b><u>In (Out)</u></b>
<b><u>General Fund</u></b>	
Transfer to Food Service	\$ (25,000)
Transfer Capital Reserve	(125,000.00)
Transfer to Student Activity	<u>(29,500.00)</u>
Net General Fund	(179,500.00)
<b><u>Food Service Fund</u></b>	
Transfer from General Fund	25,000.00
<b><u>Student Activity Fund</u></b>	
Transfer from General Fund	29,500.00
<b><u>Capital Reserve Fund</u></b>	
Transfer from General Fund	<u>125,000.00</u>
<b>Net Transfers</b>	<b><u><u>\$ -</u></u></b>

The District has the following internal balances as of the year ended June 30, 2020:

**BIG SANDY SCHOOL DISTRICT 100J**

**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 12: INTERFUND ACTIVITY (Continued)**

	<u>Interfund</u>	
	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,927	\$ -
Food Service Fund	-	<u>1,927</u>
Balance	<u>\$ 1,927</u>	<u>\$ 1,927</u>

**NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS**

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2013 with the District providing an upfront match payment held in escrow of \$2,900,663. The State is funding their portion of this program, \$23,666,487, through Certificate of Participation issuances. The State will coordinate the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurs. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

The improvements completed by the BEST grant and local contribution totaled \$23,666,487 and have a depreciated value of \$20,302,319 as of June 30, 2020. This amount has been recorded as long-term receivable as of June 30, 2020. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, beginning with the June 30, 2016 fiscal year. This reserve balance as of June 30, 2020 was \$48,071.

**NOTE 14: PRIOR PERIOD RESTATEMENT**

The District’s pupil activities were reclassified to a special revenue fund presentation pursuant to GASB Statement No. 84 – Fiduciary Activities. This resulted in a restatement that increased governmental activities net position in the amount of \$71,905, with offsetting restatements in the Pupil Activity special revenue fund and the fiduciary funds.

**REQUIRED SUPPLEMENTARY INFORMATION**  
Pension and OPEB Schedules (Unaudited)

**BIG SANDY SCHOOL DISTRICT 100J**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION ASSET (LIABILITY)**

**PERA Pension Plan  
Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year Ended</b>	<b>District proportion of the net pension asset (liability)</b>	<b>District proportionate share of the net pension asset (liability)</b>	<b>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</b>	<b>Total proportionate share associated with District</b>	<b>District covered payroll</b>	<b>District proportionate share of the net pension asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total pension liability</b>
June 30, 2014	0.028229%	\$ (3,600,654)	\$ -	\$ (3,600,654)	\$ 1,138,017	316.40%	64.07%
June 30, 2015	0.027816%	(3,770,027)	-	(3,770,027)	1,165,299	323.52%	62.84%
June 30, 2016	0.027248%	(4,167,357)	-	(4,167,357)	1,187,453	350.95%	59.16%
June 30, 2017	0.026535%	(7,900,426)	-	(7,900,426)	1,190,928	663.38%	43.13%
June 30, 2018	0.024716%	(7,992,191)	-	(7,992,191)	1,140,108	701.00%	43.96%
June 30, 2019	0.020737%	(3,671,904)	(441,687)	(4,113,591)	1,140,022	322.09%	57.01%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

**BIG SANDY SCHOOL 100J**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**PERA Pension Plan**

**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 176,734	(176,734)	-	\$ 1,138,017	15.53%
June 30, 2015	191,459	(191,459)	-	1,165,299	16.43%
June 30, 2016	205,786	(205,786)	-	1,187,453	17.33%
June 30, 2017	215,915	(215,915)	-	1,190,928	18.13%
June 30, 2018	212,402	(212,402)	-	1,140,108	18.63%
June 30, 2019	218,086	(218,086)	-	1,140,022	19.13%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

**BIG SANDY SCHOOL DISTRICT 100J**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE  
NET OPEB ASSET (LIABILITY)  
PERA Health Care Trust Fund  
Last 10 Fiscal Years<sup>(1)</sup>**

<b>Fiscal Year Ended</b>	<b>District's proportion of the net OPEB asset (liability)</b>	<b>District's proportionate share of the net OPEB asset (liability)</b>	<b>District's covered payroll</b>	<b>District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll</b>	<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>
June 30, 2017	0.015083%	\$ (195,552)	\$ 1,190,928	16.42%	16.70%
June 30, 2018	0.014043%	(182,508)	1,140,108	16.01%	17.53%
June 30, 2019	0.013479%	(183,389)	1,140,022	16.09%	17.03%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

**BIG SANDY SCHOOL DISTRICT 100J**

**SCHEDULE OF DISTRICT CONTRIBUTIONS**

**PERA Health Care Trust Fund**

**Last 10 Fiscal Years<sup>(1)</sup>**

<u>Fiscal Year Ended</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 12,147	\$ (12,147)	\$ -	\$ 1,190,882	1.02%
June 30, 2018	11,629	(11,629)	-	1,140,098	1.02%
June 30, 2019	11,628	(11,628)	-	1,140,000	1.02%

**Note:** All amounts are as of plan calculation dates which are one fiscal year prior to the date shown.

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

See the accompanying Independent Auditors' Report.

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**BUDGETARY COMPARISON SCHEDULES**  
(Required Supplementary Information)

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
			<b>Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Property Taxes	\$ 567,798	\$ 566,081	\$ (1,717)
Specific Ownership Taxes	81,576	122,865	41,289
Delinquent Taxes	-	1,712	1,712
Investment Earnings	24,000	27,790	3,790
Donations	30,000	55,962	25,962
Insurance Proceeds	-	85,562	85,562
Other Local	20,000	72,256	52,256
Total Local Sources	<u>723,374</u>	<u>932,228</u>	<u>208,854</u>
<b>Intermediate Sources</b>			
Mineral Leases	-	63	63
Payment in Lieu of Taxes	-	20	20
Total Intermediate Sources	<u>-</u>	<u>83</u>	<u>83</u>
<b>State Sources</b>			
State Share (Equalization)	3,037,241	3,050,321	13,080
State Transportation	57,081	60,646	3,565
State Grants from CDE			
State Share - Colorado Preschool Program (CPP)	-	707	707
READ Act	5,000	-	(5,000)
State Grants to Libraries	-	4,500	4,500
Small Rural Schools Additional Funding	78,240	-	(78,240)
Additional As- Risk Funding	-	1,927	1,927
Kindergarten Facility Grant	23,000	18,349	(4,651)
READ Act	-	5,114	5,114
State Grants from Other Agencies			
State Vocational Education	54,821	57,316	2,495
State PERA Contribution	-	50,636	50,636
State Grants Provided through BOCES	-	3,358	3,358
Total State Sources	<u>3,255,383</u>	<u>3,252,874</u>	<u>(2,509)</u>
<b>Federal Sources</b>			
Federal Grants from CDE			
NCLB Title I, Part A- Imp Basic Pgrms Oper by Sch	36,041	35,998	(43)
NCLB Title II, Part A- Teacher & Principal Trng	7,775	7,449	(326)
ESSA, Title IV-A: Stud Supp and Acad Enrich Grants	10,000	10,000	-
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	8,000	27,138	19,138
Total Federal Sources	<u>61,816</u>	<u>80,585</u>	<u>18,769</u>
<b>TOTAL REVENUES</b>	<u>4,040,573</u>	<u>4,265,770</u>	<u>225,197</u>

See the accompanying Independent Auditors' Report

(Continued)

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
			<b>Budget</b>
(Continued)			
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Salaries	1,768,733	1,720,988	47,745
Benefits	553,431	539,397	14,034
PS-Professional	24,700	17,540	7,160
PS-Property	28,800	31,053	(2,253)
PS-Other	91,200	90,546	654
Supplies	267,906	163,138	104,768
Property	107,044	24,334	82,710
Other Expenses	2,350	2,097	253
Total Instruction	<u>2,844,164</u>	<u>2,589,093</u>	<u>255,071</u>
<b>Supporting Services</b>			
<b>Pupil Support</b>			
Salaries	50,875	54,689	(3,814)
Benefits	17,216	16,837	379
PS- Professional	11,000	8,115	2,885
PS-Other	12,000	5,453	6,547
Supplies	4,050	60	3,990
Property	400	-	400
Total Pupil Support	<u>95,541</u>	<u>85,154</u>	<u>10,387</u>
<b>Staff Support</b>			
Salaries	34,086	34,849	(763)
Benefits	11,162	11,264	(102)
PS- Professional	7,000	7,066	(66)
PS- Property	400	356	44
PS-Other	1,000	187	813
Supplies	10,250	9,387	863
Property	10,000	-	10,000
Total Staff Support	<u>73,898</u>	<u>63,109</u>	<u>10,789</u>
<b>General Administration</b>			
Salaries	149,277	141,277	8,000
Benefits	41,849	42,384	(535)
PS- Professional	6,000	3,290	2,710
PS-Other	4,000	1,677	2,323
Supplies	3,500	2,083	1,417
Property	100	-	100
Other Expenses	8,200	11,815	(3,615)
Total General Administration	<u>212,926</u>	<u>202,526</u>	<u>10,400</u>
<b>School Administration</b>			
Salaries	153,507	137,632	15,875
Benefits	49,342	44,495	4,847
PS- Professional	300	-	300
PS-Other	3,000	1,149	1,851
Supplies	8,000	8,258	(258)
Property	1,000	-	1,000
Other Expenses	2,100	870	1,230
Total School Administration	<u>217,249</u>	<u>192,404</u>	<u>24,845</u>

See the accompanying Independent Auditors' Report

(Continued)

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
			<b>Budget</b>
(Continued)			
<b>EXPENDITURES (Continued)</b>			
<b>Supporting Services (Continued)</b>			
<b>Business Services</b>			
Salaries	32,254	32,254	-
Benefits	11,483	11,649	(166)
PS- Professional	13,000	13,109	(109)
PS-Other	4,900	3,834	1,066
Supplies	1,800	2,330	(530)
Property	10,500	1,448	9,052
Total Business Services	<u>73,937</u>	<u>64,624</u>	<u>9,313</u>
<b>Operations and Maintenance</b>			
Salaries	171,346	162,117	9,229
Benefits	54,072	50,661	3,411
PS- Professional	15,000	17,209	(2,209)
PS- Property	55,500	29,771	29,771
PS-Other	17,500	11,007	6,493
Supplies	140,000	118,628	21,372
Property	5,000	7,683	(2,683)
Total Operations and Maintenance	<u>458,418</u>	<u>393,034</u>	<u>65,384</u>
<b>Transportation</b>			
Salaries	146,639	138,819	7,820
Benefits	46,738	39,479	7,259
PS- Professional	3,000	2,449	551
PS- Property	3,000	793	2,207
PS-Other	16,000	12,356	3,644
Supplies	77,300	60,659	16,641
Property	5,000	-	5,000
Total Transportation	<u>297,677</u>	<u>254,555</u>	<u>43,122</u>
<b>Other Central Support</b>			
Benefits	-	-	-
PS- Professional	9,000	15,618	(6,618)
PS-Other	144,000	104,862	39,138
Property	-	9,821	(9,821)
Total Other Central Support	<u>153,000</u>	<u>130,301</u>	<u>22,699</u>
<b>Food Service</b>			
Salaries	13,633	13,633	-
Benefits	5,197	3,713	1,484
PS- Property	1,000	-	1,000
PS-Other	5,000	-	5,000
Supplies	1,000	(16)	1,016
Property	3,000	-	3,000
Total Food Service	<u>28,830</u>	<u>17,330</u>	<u>11,500</u>
<b>Community Support</b>			
PS- Property	2,500	-	2,500
Total Supporting Services	<u>1,613,976</u>	<u>1,403,037</u>	<u>210,939</u>
<b>Facilities/Capital Outlay</b>			
PS- Property	10,000	-	10,000
Buildings	-	-	-
Non-Capitalized Equipment	2,000	-	2,000
Total Facilities/Capital Outlay	<u>12,000</u>	<u>-</u>	<u>12,000</u>

(Continued)

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final</b>		<b>Variance</b>
	<b>Budget</b>	<b>Actual</b>	<b>with Final</b>
			<b>Budget</b>
(Continued)			
<b>EXPENDITURES (Continued)</b>			
Contingency	832,875	-	832,875
<b>TOTAL EXPENDITURES</b>	<u>5,303,015</u>	<u>3,992,130</u>	<u>1,310,885</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(1,262,442)	273,640	1,536,082
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	(275,000)	(179,500)	95,500
<b>CHANGE IN FUND BALANCE</b>	(1,537,442)	94,140	1,631,582
<b>BEGINNING FUND BALANCE</b>	<u>1,524,136</u>	<u>1,524,136</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ (13,306)</u>	<u>\$ 1,618,276</u>	<u>\$ 1,631,582</u>

See accompanying Independent Auditors' Report.

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### **SPECIAL REVENUE FUNDS**

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

The District reports the following Special Revenue Funds:

Food Service Fund – Accounts for District's food service operations

Pupil Activity Fund – Accounts for the District's athletic related pupil activities

Scholarship Fund – Accounts for the District's scholarship activity

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Food Service Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Investment Earnings	\$ 100	\$ 24	\$ (76)
Food Service Revenue	53,000	35,853	(17,147)
Other Local	-	699	699
Total Local Sources	<u>53,100</u>	<u>36,576</u>	<u>(16,524)</u>
<b>State Sources</b>			
State Grants from CDE			
State Matching Child Nutrition	-	1,095	1,095
School Lunch Protection - Free & Reduced	-	1,046	1,046
State Grants from Other Agencies			
State PERA Contribution	-	1,677	1,677
Total State Sources	<u>-</u>	<u>3,818</u>	<u>3,818</u>
<b>Federal Sources</b>			
Federal Grants from CDE			
National School Lunch Program	51,000	57,197	6,197
Special Milk Program for Children	-	370	370
Federal Grants from Other State Agencies			
National School Lunch Program- Commodities	8,000	7,418	(582)
Total Federal Sources	<u>59,000</u>	<u>64,985</u>	<u>5,985</u>
<b>TOTAL REVENUES</b>	<u>112,100</u>	<u>105,379</u>	<u>(6,721)</u>
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Food Service</b>			
Salaries	100,000	62,059	37,941
Benefits	-	19,471	(19,471)
PS- Professional	-	52	(52)
PS- Property	-	331	(331)
PS-Other	-	1,877	(1,877)
Supplies	18,875	1,528	17,347
Food	50,000	31,398	18,602
Commodities	-	7,418	(7,418)
Property	3,000	162	2,838
Other Expenses	10,000	1,000	9,000
<b>TOTAL EXPENDITURES</b>	<u>181,875</u>	<u>125,296</u>	<u>56,579</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(69,775)	(19,917)	49,858
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	60,000	25,000	(35,000)
<b>CHANGE IN FUND BALANCE</b>	(9,775)	5,083	14,858
<b>BEGINNING FUND BALANCE</b>	23,081	9,775	(13,306)
<b>ENDING FUND BALANCE</b>	<u>\$ 13,306</u>	<u>\$ 14,858</u>	<u>\$ 1,552</u>

See accompanying Independent Auditors' Report.

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Pupil Activity Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Investment Earnings	\$ -	\$ 547	\$ 547
Pupil Activity Revenues	45,000	154,564	109,564
<b>TOTAL REVENUES</b>	<u>45,000</u>	<u>155,111</u>	<u>110,111</u>
<b>EXPENDITURES</b>			
<b>Instruction</b>			
PS-Professional	20,000	15,588	4,412
PS-Other	20,000	7,759	12,241
Supplies	28,000	30,886	(2,886)
Property	25,029	-	25,029
Other Expenses	-	133,992	(133,992)
<b>TOTAL EXPENDITURES</b>	<u>93,029</u>	<u>188,225</u>	<u>(95,196)</u>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	(48,029)	(33,114)	14,915
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	30,000	29,500	(500)
<b>CHANGE IN FUND BALANCE</b>	<u>(18,029)</u>	<u>(3,614)</u>	<u>14,415</u>
<b>BEGINNING FUND BALANCE</b>	18,029	18,029	-
PRIOR PERIOD RESTATEMENT	-	71,905	71,905
<b>BEGINNING FUND BALANCE (As Restated)</b>	<u>18,029</u>	<u>89,934</u>	<u>71,905</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 86,320</u>	<u>\$ 86,320</u>

See accompanying Independent Auditors' Report.

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Scholarship Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Investment Earnings	\$ 960	\$ 728	\$ (232)
<b>EXPENDITURES</b>			
<b>Instruction</b>			
Other Expenses	<u>49,031</u>	<u>600</u>	<u>48,431</u>
<b>CHANGE IN FUND BALANCE</b>	<u>(48,071)</u>	<u>128</u>	<u>48,199</u>
<b>BEGINNING FUND BALANCE</b>	<u>48,071</u>	<u>48,071</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 48,199</u>	<u>\$ 48,199</u>

See accompanying Independent Auditors' Report.

**OTHER SUPPLEMENTARY INFORMATION**

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## **DEBT SERVICE FUND**

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

The District has the following debt service fund:

**Bond Redemption Fund**

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Bond Redemption Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Property Taxes	\$ 221,985	\$ 220,273	\$ (1,712)
Specific Ownership Taxes	1,000	-	(1,000)
Delinquent Taxes	-	200	200
Investment Earnings	100	1,821	1,721
<b>TOTAL REVENUES</b>	<u>223,085</u>	<u>222,294</u>	<u>(791)</u>
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>General Administration</b>			
PS- Professional	1,500	750	750
Other Expenses	<u>226,276</u>	<u>2,459</u>	<u>223,817</u>
Total General Administration	<u>227,776</u>	<u>3,209</u>	<u>224,567</u>
<b>Debt Service</b>			
Interest	86,000	85,358	642
Principal	<u>130,000</u>	<u>127,531</u>	<u>2,469</u>
Total Debt Service	<u>216,000</u>	<u>212,889</u>	<u>3,111</u>
<b>TOTAL EXPENDITURES</b>	<u>443,776</u>	<u>216,098</u>	<u>227,678</u>
<b>CHANGE IN FUND BALANCE</b>	(220,691)	6,196	226,887
<b>BEGINNING FUND BALANCE</b>	<u>220,691</u>	<u>220,691</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ -</u>	<u>\$ 226,887</u>	<u>\$ 226,887</u>

See accompanying Independent Auditors' Report.

## **CAPITAL PROJECTS FUND**

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

**BIG SANDY SCHOOL DISTRICT 100J**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**  
**Capital Reserve Project Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		
	<b>Original &amp; Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
<b>Local Sources</b>			
Investment Earnings	\$ 5,000	\$ 4,635	\$ (365)
<b>EXPENDITURES</b>			
<b>Supporting Services</b>			
<b>Operations and Maintenance</b>			
PS- Property	30,299	20,378	9,921
<b>Transportation</b>			
Property	150,000	-	150,000
<b>Facilities/Capital Outlay</b>			
Buildings	-	-	-
Non-Capitalized Equipment	150,000	-	150,000
Total Facilities/Capital Outlay	150,000	-	150,000
<b>TOTAL EXPENDITURES</b>	<b>330,299</b>	<b>20,378</b>	<b>309,921</b>
<b>REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES</b>	<b>(325,299)</b>	<b>(15,743)</b>	<b>309,556</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers	125,000	125,000	-
<b>CHANGE IN FUND BALANCE</b>	<b>(200,299)</b>	<b>109,257</b>	<b>309,556</b>
<b>BEGINNING FUND BALANCE</b>	<b>200,299</b>	<b>200,299</b>	<b>-</b>
<b>ENDING FUND BALANCE</b>	<b>\$ -</b>	<b>\$ 309,556</b>	<b>\$ 309,556</b>

See accompanying Independent Auditors' Report.

## **FIDUCIARY (AGENCY) FUNDS**

Fiduciary (Agency) Funds are used to account for assets held by the District as an agent for individuals, private and student groups. The agency funds are custodial in nature and do not involve measurement of results of operations.

### Scholarship Fund

The District has established a scholarship agency fund to account for annual student scholarships given through memorial donations.

### Pupil Activity Fund

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

**BIG SANDY SCHOOL DISTRICT 100J**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2020**

	<u>Agency Funds</u>	<u>Totals</u>
	<u>Pupil Activity Agency Fund</u>	<u>2020</u>
<b>ADDITIONS</b>		
Local Sources	\$ -	\$ -
<b>DEDUCTIONS</b>		
Instruction	-	-
<b>CHANGE IN FIDUCIARY NET POSITION</b>	-	-
<b>BEGINNING NET POSITION</b>	71,905	71,905
Prior Period Adjustment	(71,905)	(71,905)
<b>BEGINNING NET POSITION (As Restated)</b>	-	-
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report

**BIG SANDY SCHOOL DISTRICT 100J**  
**Statement of Changes in Fiduciary Net Position**  
**Budget and Actual**  
**Pupil Activity Agency Fund**  
**For the Year Ended June 30, 2020**

	<b>2020</b>		<b>Variance with Final Budget</b>
	<b>Final Budget</b>	<b>Actual</b>	
<b>ADDITIONS</b>			
Local Sources	\$ -	\$ -	\$ -
<b>DEDUCTIONS</b>			
Instruction	-	-	-
<b>TOTAL DEDUCTIONS</b>	-	-	-
<b>CHANGE IN FIDUCIARY NET POSITION</b>	-	-	-
<b>BEGINNING NET POSITION</b>	-	71,905	71,905
Prior Period Adjustment	-	(71,905)	(71,905)
<b>BEGINNING NET POSITION (As Restated)</b>	-	-	-
<b>ENDING NET POSITION</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying Independent Auditors' Report

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## **STATE COMPLIANCE**

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



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 0940 - Big Sandy 100J  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

See accompanying Independent Auditor's Report

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
<b>Governmental</b>							
000 General Fund	1,517,992		3,964,240		3,882,189		1,600,042
10 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
40 Colorado Preschool Program Fund	6,144		122,029		109,939		18,234
Sub-Total	1,524,136		4,086,269		3,992,129		1,618,276
1 Charter School Fund	0		0		0		0
2006-29 Special Revenue Fund	48,071		728		600		48,199
00 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
00 Total Program Reserve Fund	0		0		0		0
20 Food Service Spec Revenue Fund	9,775		130,379		125,296		14,858
22 Govt Designated-Purpose Grants Fund	0		0		0		0
20 Pupil Activity Special Revenue Fund	89,934		184,612		188,225		86,320
20 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	220,691		222,295		216,098		226,887
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	200,299		129,635		20,378		309,556
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	2,092,906		4,753,916		4,542,726		2,304,097
<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
Totals	0		0		0		0
<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
Totals	0		0		0		0
							<b>FINAL</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 0940 - Big Sandy 100J  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

See accompanying Independent Auditor's Report.

	Governmental							Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>ASSETS</b>																
Cash and Investments (8100-8104,8111)	2,201,457	0	18,234	134,520	0	0	16,797	168,583	309,556	0	0	0	0	0	0	2,849,146
Cash with Fiscal Agent (8105)	25,910	0	0	0	0	0	0	10,102	0	0	0	0	0	0	0	36,012
Taxes Receivable (8121,8122)	124,270	0	0	0	0	0	0	48,203	0	0	0	0	0	0	0	172,473
Interfund Loans Receivable (8131,8132)	1,927	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,927
Grants Accounts Receivable (8142)	14,329	0	0	0	0	0	0	0	0	0	0	0	0	0	0	14,329
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	1,714	0	0	0	0	0	0	0	0	1,714
Inventories (8171,8172,8173)	0	0	0	0	0	0	4,243	0	0	0	0	0	0	0	0	4,243
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>2,367,893</b>	<b>0</b>	<b>18,234</b>	<b>134,520</b>	<b>0</b>	<b>0</b>	<b>22,754</b>	<b>236,887</b>	<b>309,556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,079,843</b>

	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>																
Interfund Payables (7401,7402)	0	0	0	0	0	0	1,927	0	0	0	0	0	0	0	0	1,927
Other Payables (7421-7423)	1,014	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,014
Accrued Expenses (7461)	389,775	0	0	0	0	0	4,730	0	0	0	0	0	0	0	0	394,505
Unearned Revenue (7481)	0	0	0	0	0	0	1,240	0	0	0	0	0	0	0	0	1,240
Grants Deferred Revenue (7482)	377,061	0	0	0	0	0	0	0	0	0	0	0	0	0	0	377,061
<b>Total Liabilities</b>	<b>767,850</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,896</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>775,746</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
Non-spendable Fund Balance 6710	0	0	0	0	0	0	4,243	0	0	0	0	0	0	0	0	4,243		
Restricted Fund Balance 6720	0	0	0	48,199	0	0	0	226,887	0	0	0	0	0	0	0	275,087		
LABOR 3% Emergency Reserve 6721	128,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	128,000		
LABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Colorado Preschool Program (CPP) Reserve 6724	0	0	18,234	0	0	0	0	0	0	0	0	0	0	0	0	18,234		
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
BEST Capital Reserve 6727	0	0	0	0	0	0	0	125,000	0	0	0	0	0	0	0	125,000		
Committed Fund Balance 6750	0	0	0	0	0	0	10,615	184,556	0	0	0	0	0	0	0	195,171		
Assigned Fund Balance 6760	0	0	0	14,415	0	0	0	0	0	0	0	0	71,905	0	0	86,320		
Unassigned Fund Balance 6770	1,472,042	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,472,042		
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
Prior Period Adjustment 6880	0	0	0	71,905	0	0	0	0	0	0	0	0	-71,905	0	0	0		
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
<b>Total Fund Equity</b>	<b>1,600,042</b>	<b>0</b>	<b>18,234</b>	<b>134,520</b>	<b>0</b>	<b>0</b>	<b>14,858</b>	<b>226,887</b>	<b>309,556</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,304,097</b>		

See accompanying Independent Auditors' Report.

Total Liabilities & Fund Equity	Governmental										Proprietary					Fiduciary		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals		
2,367,893	0	0	18,234	134,520	0	0	22,754	226,887	309,556	0	0	0	0	0	0	3,079,843		
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85			
	2,367,893	0	18,234	134,520	0	0	22,754	226,887	309,556	0	0	0	0	0	0	3,079,843		

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