

**DOLORES COUNTY (DOVE CREEK)
SCHOOL DISTRICT RE-2J**

Independent Accountants' Reports
and
Basic Financial Statements
June 30, 2022

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

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June 30, 2022

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Dolores County (Dove Creek) School District RE-2J
Dove Creek, Colorado 81324

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dolores County (Dove Creek) School District RE-2J, Colorado as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Dolores County (Dove Creek) School District RE-2J, Colorado as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Food Service Fund and Student Activity Fund for the year then ended in accordance with accounting principles generally accepted in the United State of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Dolores County (Dove Creek) School District RE-2J, Colorado and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Dolores County (Dove Creek) School District RE-2J, Colorado's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Dolores County (Dove Creek) School District RE-2J, Colorado's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Dolores County (Dove Creek) School District RE-2J, Colorado's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of the District's Pension Contributions, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of the District's Other Post-Employment Benefits (OPEB) Plan Contributions, and Schedule of the District's Proportionate Share of the Net Other Post Benefits (OPEB) Plan Liability, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic

financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Dolores County (Dove Creek) School District RE-2J, Colorado's basic financial statements. The budgetary comparison schedules and Colorado Department of Education Auditors' Integrity Report, as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules and Colorado Department of Education Auditors' Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Majors and Haley P.C.

Majors and Haley PC
October 15, 2022

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended June 30, 2022

MANGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Dolores County (Dove Creek) School District RE-2J, Colorado's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2022. Please consider the information presented here in conjunction with additional information that can be found in the basic financial statements, as listed in the table of contents.

FINANCIAL HIGHLIGHTS

- The District's net position increased \$2,441,707 as result of this year's operations.
 - Net position of governmental activities increased \$2,450,561. This increase was, for the most part, the result of the District's share of PERA pension and OPEB plan benefit which, in net, totaled \$1,714,917.
 - Net position of business-type activities, the Teacherage Fund, decreased \$8,854 or 11.24%.

- The District's total revenue was \$5,280,282 which is an increase of \$893,061 from \$4,387,221 in the prior year.
 - General revenues (primarily state equalization and property tax) accounted for \$3,861,590 in revenue or 73.1% of all revenues. Program specific revenues in the form of charges for services and grants accounted for \$1,418,692 or the remaining 26.9%.

- The District incurred \$2,838,575 in expenses which is an increase of \$576,135 from \$2,262,440 in the prior year. \$1,714,917 of the expense was due to how pension and OPEB plan expenses are presented.
 - The general revenues were adequate by \$2,441,707 to cover \$1,419,883 in expenditures that were not offset by program specific revenues.

- Among the major programs, the General Fund reported a \$714,649 increase in fund balance from \$3,215,647 in the prior year to \$3,930,296. This is a 22.22% increase.
 - The General Fund revenues increased \$733,235 from \$4,109,396 in the prior year to \$4,842,631 for a 17.8% increase.
 - The General Fund expenditures (including transfers) increased \$126,598 from \$4,001,384 in the prior year to \$4,127,982. This is 3.2% increase.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2022

- The General Fund transfer to the Food Service Fund of \$30,000 was down from \$60,000 in the previous year.
- The General Fund transferred \$250,000 into the Capital Projects Fund. This is down from the \$306,513 in the previous year.
- The Student Activity transfer was \$41,048. This is up \$1,048 from the previous year transfer of \$40,000.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components.

- Government-wide financial statements.
- Fund financial statements.
- Notes to the basic financial statements.

This report also contains required supplementary and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The Government-wide financial statements are designed to provide the reader of the District Annual Financial Report a broad overview of the financial activities in a manner similar to a private sector business. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position presents information about all of the District's assets, liabilities and deferred outflows and inflows of resources, with the difference reported as net position.
- The Statement of Activities presents information showing how the net position of the District changed during the current fiscal year. Changes in net position are recorded in the Statement of Activities when the underlying event occurs, regardless of the timing of related cash flow. Thus, all of the revenues and expenses are taken into account regardless of when cash is received or paid.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2022

The Government-wide financial statements are one way to measure the District's financial health, or financial position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property base, student counts, and the condition of school facilities.

In the Government-wide financial statements, the District's activities are divided into two categories:

- **Governmental activities** – Most of the District's basic services are included here, such as instruction, students, food services, operations and maintenance, and administration. These activities are financed mainly through general revenues (state equalization and property tax).
- **Business-type activities**- The District charges fees to help cover the costs of certain services it provides. The District's Teacherage Fund is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by state law. However, the District establishes other funds to help it manage and control its finances to achieve certain results. The fund types presented here are governmental funds and proprietary funds. These two funds use different accounting approaches.

- **Governmental funds**- Most of the District's basic services are included in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

For the Year Ended June 30, 2022

- **Proprietary funds-** Services for which the District charges a fee are generally reported in proprietary funds. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Proprietary funds are reported in the same way as the government-wide financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net position was \$2,819,399 at the close of the most recent fiscal year.

Net investment in capital assets (e.g. land and improvements, buildings, and equipment net any related debt to acquire those assets that is still outstanding) represents \$3,434,418 of the net position. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Property taxes are levied specifically to fund debt service on general obligation bonds. The District has no related debt at this time.

An additional \$654,663 of the net position represents resources that are subject to external restrictions on how they may be used. \$155,000 of the restricted net position is an emergency reserve required by the Tabor amendment; \$24,005 for food services; \$185,372 for student activities; \$290,219 for capital improvements and \$67 is for the repayment of the general obligation bonds.

The remaining \$(1,269,682) is unrestricted net position. The negative balance is due to the PERA pension and OPEB plan items, \$(5,028,150), representing the District's net share of the state plans.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended June 30, 2022**

The following table indicates a summary of the Statement of Net Position for Governmental Activities as of June 30, 2022 and 2021.

Table 1

Comparative Summary of Net Position
June 30, 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current assets	\$ 4,873,638	\$ 4,194,002	\$ 43,971	\$ 51,197	\$ 4,917,609	\$ 4,245,199
Capital assets, net of depreciation	3,407,880	3,293,282	26,538	27,566	3,434,418	3,320,848
Total Assets	8,281,518	7,487,284	70,509	78,763	8,352,027	7,566,047
Deferred Outflows of Resources	1,146,580	1,958,679			1,146,580	1,958,679
Liabilities						
Current liabilities	381,547	337,565	600		382,147	337,565
Noncurrent liabilities	3,882,022	5,586,348			3,882,022	5,586,348
Total Liabilities	4,263,569	5,923,913	600		4,264,169	5,923,913
Deferred Inflows of Resources	2,415,039	3,223,121			2,415,039	3,223,121
Net Position						
Net investment in capital assets	3,407,880	3,293,282	26,538	27,566	3,434,418	3,320,848
Restricted	654,663	779,246			654,663	779,246
Unrestricted	(1,313,053)	(3,773,599)	43,371	51,197	(1,269,682)	(3,722,402)
Net Position	\$ 2,749,490	\$ 298,929	\$ 69,909	\$ 78,763	\$ 2,819,399	\$ 377,692

At the close of the most recent fiscal year current assets comprised 58.9% of total assets, increasing from 56.1% in the prior year. Investments in capital assets, less depreciation make up the remaining 41.1% of assets. Accrued wages and benefits represent 91.8% of the total current liabilities. Accrued wages and benefits (\$350,699) occur when teachers and certain other District employee's work nine or ten months of the year but are paid over a full twelve months. Current liabilities increased \$44,582 from \$337,565 to \$382,147. There was a net decrease in noncurrent liabilities from the prior year of \$(1,704,326). The net decrease was the result of the net pension liability decrease of \$(1,694,197); net decrease of \$(17,802) net OPEB plan liability and an \$7,673 increase in accrued sick leave. Deferred outflows of resources decreased \$812,099 and deferred inflows of resources decreased \$808,082.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended June 30, 2022**

The following table indicates the Summary of Net Position for Governmental and Business-type activities in for the year ending June 30, 2022 and 2021.

Table 2

Comparative Summary of Changes in Net Position
For the Year Ending June 30, 2022 and 2021

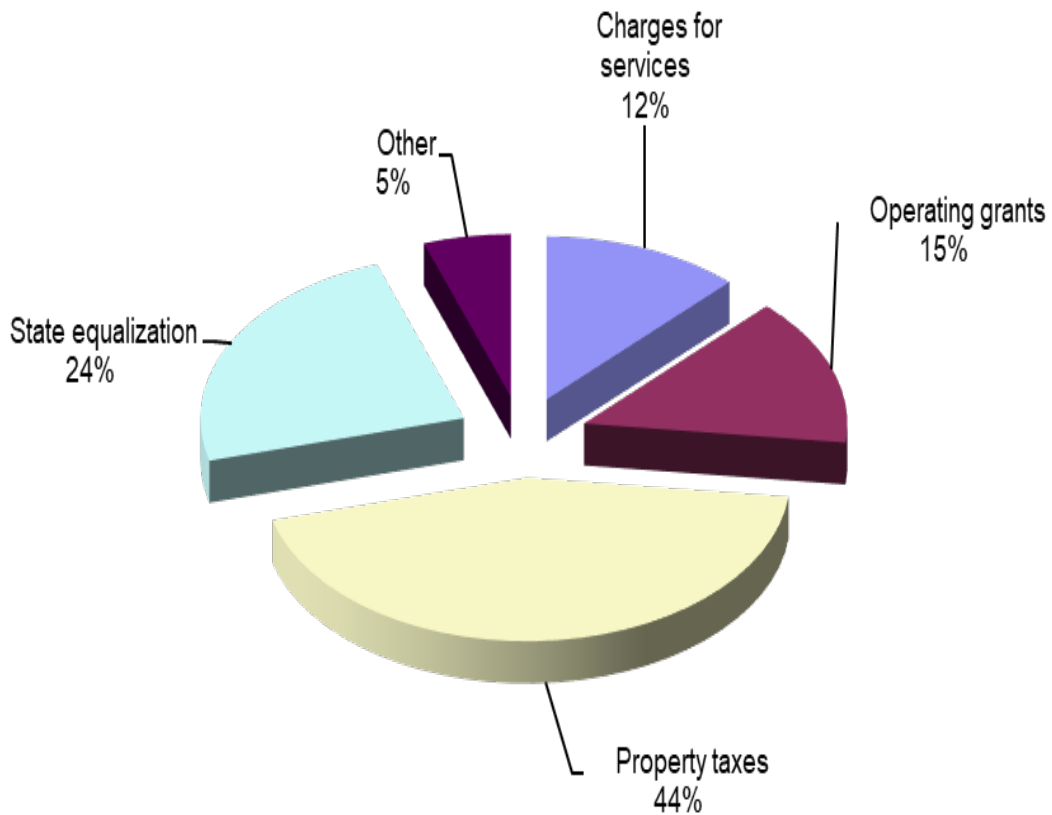
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program revenues						
Charges for services	\$ 622,744	\$ 289,486	\$ 22,177	\$ 17,470	\$ 644,921	\$ 306,956
Operating grants	773,771	707,061			773,771	707,061
General revenues						
Property tax	2,319,802	2,171,449			2,319,802	2,171,449
State equalization	1,258,009	926,242			1,258,009	926,242
Other	283,696	275,464	83	49	283,779	275,513
Total Revenues	5,258,022	4,369,702	22,260	17,519	5,280,282	4,387,221
Expenses						
Instructional	1,506,220	1,232,143			1,506,220	1,232,143
Students	23,252	68,772			23,252	68,772
Education library	53,171	56,189			53,171	56,189
General administration	85,109	127,091			85,109	127,091
School administration	102,216	144,259			102,216	144,259
Business services	37,520	73,007			37,520	73,007
Operations and maint	340,236	390,935			340,236	390,935
Student transportation	213,002	173,477			213,002	173,477
Central support	128,539	123,350			128,539	123,350
Food service operations	101,078	86,040			101,078	86,040
Facilities	71,646				71,646	-
Other		100			-	100
Teachorage operations			31,114	13,033	31,114	13,033
Interest on long-term debt		1,343			-	1,343
Unallocated depreciation	145,472	134,701			145,472	134,701
Total Expenses	2,807,461	2,611,407	31,114	13,033	2,838,575	2,624,440
Change in Net Position	2,450,561	1,758,295	(8,854)	4,486	2,441,707	1,762,781
Net Position - Beginning	298,929	(1,459,366)	78,763	74,277	377,692	(1,385,089)
Net Position - Ending	\$ 2,749,490	\$ 298,929	\$ 69,909	\$ 78,763	\$ 2,819,399	\$ 377,692

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended June 30, 2022**

State equalization and property taxes accounted for most of the District's total revenue for the most recent fiscal year, with each contributing 24 percent and 44 percent respectively (See Table 3). Another 15 percent came from state and federal grants and the remainder 17 percent from charges for services and miscellaneous sources.

**Table 3
Sources of Revenue for Fiscal Year 2022**

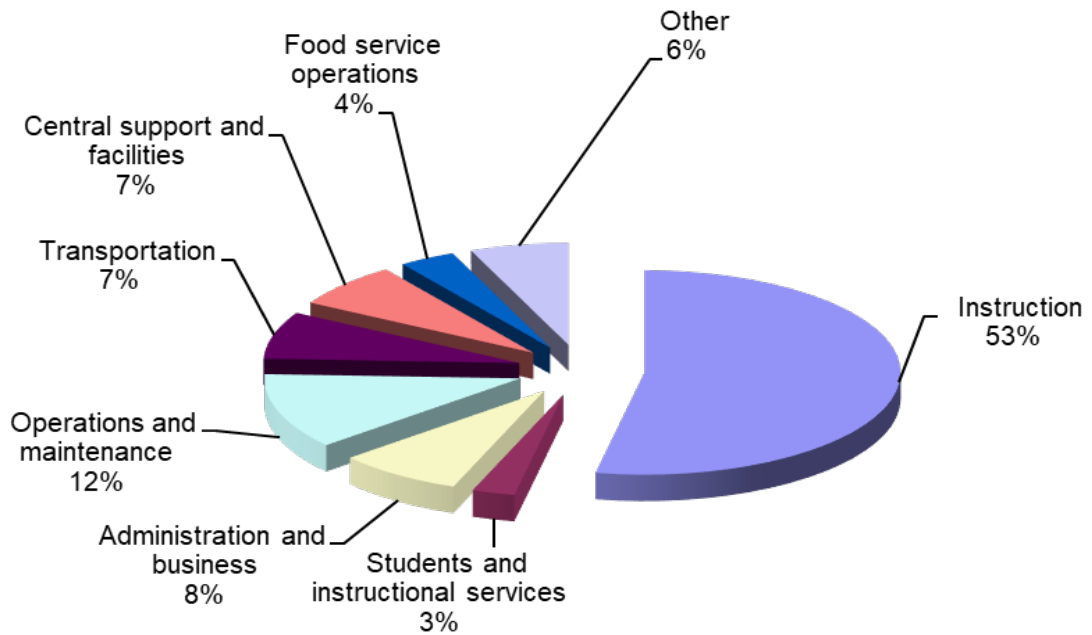


DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended June 30, 2022**

The District’s expenses for the most recent fiscal year are predominately related to students and instructional services and instruction, which total 53 percent of all expenses (See Table 4). The District’s administrative and business activities accounted for an additional 8 percent of total costs.

**Table 4
Expenses for Fiscal Year 2022**



Governmental Activities

The primary source of operating revenue for school districts comes from the School Finance Act of 1994 (SFA) which is based on a funded pupil count formula and a standardized maximum statewide property tax mill levy. Under the SFA the District received \$13,646.52 per funded student. This is \$994.97 more than the previous year of \$12,651.55. In fiscal year 2022 the funded pupil count was 244.50 (228.00, 239.3, and 237.4 and in previous three years). Funding for the SFA comes from property taxes, specific ownership taxes and state equalization. The District received 37.7 percent of this funding from state equalization while the remaining amounts come from property and specific ownership taxes.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

**MANAGEMENT’S DISCUSSION AND ANALYSIS
(UNAUDITED)**

For the Year Ended June 30, 2022

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those service costs. Table 5 shows, for governmental activities, the total cost of services and net cost of services. That is, it identifies the cost of these services supported by unrestricted state equalization and property taxes.

**Table 5
Statement of Activities for Fiscal Year 2022 and 2021**

	Governmental Activities			
	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction	\$ 1,506,220	\$ 1,232,143	\$ 646,183	\$ 522,979
Students and instructional services	76,423	124,961	51,225	111,155
Administration and business	224,845	344,357	193,509	326,376
Operations and maintenance	340,236	390,935	291,852	267,055
Transportation	213,002	173,477	154,672	136,453
Central support and facilities	200,185	123,350	(51,260)	115,565
Food service operations	101,078	86,040	(20,707)	(867)
Interest on long-term debt		1,343		1,343
Unallocated depreciation	145,472	134,701	145,472	134,701
Other		100		100
Total	\$ 2,807,461	\$ 2,611,407	\$ 1,410,946	\$ 1,614,860

The cost of all governmental activities during the year was \$2,807,461.

- \$622,744 of the cost was financed by the users of the District’s programs.
- Federal and state government subsidized certain programs with \$773,771 of operating grants.
- However, \$3,861,507 of the District’s costs was financed by State and District taxpayers. This portion of governmental activities was financed with general revenues that consisted primarily of \$1,258,009 state equalization from the School Finance Act of 1994 (SFA) and \$2,448,899 in property and specific ownership taxes. The remaining \$154,599 was from Public school lands, Mineral lease monies and earnings on investments.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) For the Year Ended June 30, 2022

Business-type Activities

Business-type activities are made up of the Teacherage Fund. This fund had revenues of \$22,260 and expenses of \$31,114. Business-type activities receive no support from tax revenue.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds include the General Fund, Food Service Fund, Student Activity Fund, Bond Redemption Fund and Capital Reserve Capital Projects Fund. These funds are accounted for using the modified accrual basis of accounting. All governmental funds have total revenues of \$5,213,151 and expenditures of \$4,584,432.

General Fund Budgetary Highlights

The District's budget process is consistent with current Colorado statutes that require a proposed budget be presented to the Board of Directors by June 1, with budget adoption by June 30. The law provides for school boards to adjust revenues and expenditures through January 31st of each year. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget by making an increase in appropriations.

- Increases in appropriations were due the receipt of additional grant funds that were not anticipated at the time of the original budget.
- Actual expenditures were \$3,482,708 below budget of which \$3,146,929 is appropriated reserves.

CAPITAL ASSET ADMINISTRATION

By the end of fiscal year 2022, the District has invested \$8,089,578 in buildings and equipment (including vehicles), of this total \$7,973,369 was from governmental activities.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)
For the Year Ended June 30, 2022**

**Table 6
Capital Assets
June 30, 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Buildings	\$ 6,593,670	\$ 6,436,763	\$ 116,209	\$ 116,209	\$ 6,709,879	\$ 6,552,972
Equipment	1,379,699	1,222,404			1,379,699	1,222,404
Total	<u>\$ 7,973,369</u>	<u>\$ 7,659,167</u>	<u>\$ 116,209</u>	<u>\$ 116,209</u>	<u>\$ 8,089,578</u>	<u>\$ 7,775,376</u>

Additional information on the District's capital assets can be found in Note 3 of the notes to the financial statements of this report as listed in the table of contents.

LONG-TERM DEBT

The District does not have any long-term obligations other than accrued compensated absences. The District has adopted GASB 87 for leases. The District does not have any leases that meet the materiality threshold of capitalization maintained by the District.

Additional information on long-term debt can be found in Note 5 of the notes to the financial statements of this report as listed in the table on contents.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District's citizens, taxpayers, parents, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office, Dolores County (Dove Creek) School District RE-2J, P.O. Box 459, Dove Creek, Colorado 81324.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments	\$ 4,544,297	\$ 43,971	\$ 4,588,268
Cash with fiscal agent	116,197		116,197
Property tax receivable	83,344		83,344
Intergovernmental accounts receivable	122,236		122,236
Other receivables	290		290
Inventories	7,274		7,274
Capital assets net of accumulated depreciation	3,407,880	26,538	3,434,418
Total Assets	8,281,518	70,509	8,352,027
Deferred Outflows of Resources			
Pensions, net of accumulated amortization	1,131,009		1,131,009
OPEB plan, net of accumulated amortization	15,571		15,571
Total Deferred Outflows of Resources	1,146,580		1,146,580
Liabilities			
Intergovernmental accounts payable	9,557		9,557
Wages and related benefits payable	350,669		350,669
Prepaid student lunch	2,697		2,697
Deposits payable		600	600
Unearned grant revenue	18,624		18,624
Non-current liabilities			
Due in more than one year	67,473		67,473
Net pension liability	3,638,516		3,638,516
Net OPEB plan liability	176,033		176,033
Total Liabilities	4,263,569	600	4,264,169
Deferred Inflows of Resources			
Unearned revenue - property taxes	54,858		54,858
Pensions, net of accumulated amortization	2,287,711		2,287,711
OPEB plan, net of accumulated amortization	72,470		72,470
Total Deferred Inflows of Resources	2,415,039		2,415,039
Net Position			
Net investment in capital assets	3,407,880	26,538	3,434,418
Restricted			
TABOR	155,000		155,000
Food Service	24,005		24,005
Student Activities	185,372		185,372
Debt Service	67		67
Capital Improvements	290,219		290,219
Unrestricted	(1,313,053)	43,371	(1,269,682)
Total Net Position	\$ 2,749,490	\$ 69,909	\$ 2,819,399

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Expenses	Program Revenues			Net (Expenses) Revenue And Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental Activities							
Instructional Program Services	\$ 1,506,220	\$ 370,276	\$ 489,761		\$ (646,183)		\$ (646,183)
Support Program Services							
Students	23,252		4,631		(18,621)		(18,621)
Educational library	53,171		20,567		(32,604)		(32,604)
General administration	85,109		10,339		(74,770)		(74,770)
School administration	102,216		13,511		(88,705)		(88,705)
Business	37,520		7,486		(30,034)		(30,034)
Operation and maintenance	340,236		48,384		(291,852)		(291,852)
Student transportation	213,002		58,330		(154,672)		(154,672)
Central support	128,539		3,519		(125,020)		(125,020)
Food service operations	101,078	4,542	117,243		20,707		20,707
Faculties acquisition and construction	71,646	247,926			176,280		176,280
Depreciation excluding amounts directly allocated to programs	145,472				(145,472)		(145,472)
Total Governmental Activities	2,807,461	622,744	773,771		(1,410,946)		(1,410,946)
Business-Type Activities							
Teacherage operations	31,114	22,177				\$ (8,937)	(8,937)
Total Business-Type Activities	31,114	22,177	-			(8,937)	(8,937)
Total School District	\$ 2,838,575	\$ 644,921	\$ 773,771	\$ -	(1,410,946)	(8,937)	(1,419,883)
General Revenues							
Current property tax for general purposes					2,284,105		2,284,105
Specific ownership tax for general purposes					129,097		129,097
Delinquent taxes and interest on taxes for general purposes					35,639		35,639
Delinquent taxes and interest on taxes for debt payment					58		58
Intergovernmental							
State Equalization - Net					1,258,009		1,258,009
Public school lands					125,893		125,893
Mineral Lease					25,184		25,184
Earnings on investments					3,522	83	3,605
Total General Revenues					3,861,507	83	3,861,590
Changes in Net Position					2,450,561	(8,854)	2,441,707
Net Position Beginning of the Year					298,929	78,763	377,692
Net Position End of the Year					\$ 2,749,490	\$ 69,909	\$ 2,819,399

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Food Service Fund	Student Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
Assets						
Cash on hand and in banks	\$ 4,028,670	\$ 40,036	\$ 185,372		\$ 290,219	\$ 4,544,297
Cash with fiscal agent	116,130			\$ 67		116,197
Property tax receivable	83,344					83,344
Intergovernmental accounts receivable	122,236					122,236
Other receivable		290				290
Inventory		7,274				7,274
Total Assets	<u>\$ 4,350,380</u>	<u>\$ 47,600</u>	<u>\$ 185,372</u>	<u>\$ 67</u>	<u>\$ 290,219</u>	<u>\$ 4,873,638</u>
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Intergovernmental accounts payable	\$ 9,557					\$ 9,557
Wages and related benefits payable	337,045	\$ 13,624				350,669
Prepaid student lunch		2,697				2,697
Unearned grant revenue	18,624					18,624
Total Liabilities	<u>365,226</u>	<u>16,321</u>				<u>381,547</u>
Deferred inflows of resources						
Unearned revenue - property tax	<u>54,858</u>					<u>54,858</u>
Fund balances						
Nonspendable - inventory		7,274				7,274
Restricted						
TABOR	155,000					155,000
Food Service		24,005				24,005
Student Activities			\$ 185,372			185,372
Debt Service				\$ 67		67
Capital Improvements					\$ 290,219	290,219
Assigned for FY23 expenditures	3,775,296					3,775,296
Total Fund Balances	<u>3,930,296</u>	<u>31,279</u>	<u>185,372</u>	<u>67</u>	<u>290,219</u>	<u>4,437,233</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,350,380</u>	<u>\$ 47,600</u>	<u>\$ 185,372</u>	<u>\$ 67</u>	<u>\$ 290,219</u>	<u>\$ 4,873,638</u>

Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position

Total Fund Balance Governmental Funds \$ 4,437,233

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.

Capital assets	\$ 7,973,369	
Accumulated depreciation	(4,565,489)	
		<u>3,407,880</u>

Long-term liabilities and related items, including net pension liability, deferred outflows of resources and deferred inflows of resources, are not due and payable in the current year, and, therefore, are not reported in the governmental funds.

Due in more than one year	(67,473)	
Net pension obligation	(3,638,516)	
Deferred outflows of resources related to pensions - net	1,131,009	
Deferred inflows of resources related to pensions - net	(2,287,711)	
Net OPEB plan obligation	(176,033)	
Deferred outflows of resources related to OBEB plan obligation - net	15,571	
Deferred inflows of resources related to OBEB plan obligation- net	(72,470)	
		<u>(5,095,623)</u>

Total Net Position Governmental Activities \$ 2,749,490

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Food Service Fund	Student Activity Fund	Bond Redemption Fund	Capital Reserve Capital Projects Fund	Total Governmental Funds
Revenues						
Current property taxes	\$ 2,284,105					\$ 2,284,105
Specific ownership taxes	129,097					129,097
Delinquent taxes and interest on taxes	35,639			\$ 58		35,697
State Equalization	1,258,009					1,258,009
State sources	303,880	\$ 2,332				306,212
Federal sources	446,062	113,226				559,288
Other	385,839	4,542	\$ 250,190		\$ 172	640,743
Total Revenues	<u>4,842,631</u>	<u>120,100</u>	<u>250,190</u>	<u>58</u>	<u>172</u>	<u>5,213,151</u>
Expenditures						
Instructional program services	1,899,015		274,074			2,173,089
Support program services						
Students	109,736					109,736
Educational Library	97,955					97,955
General administration	233,774					233,774
School administration	343,738					343,738
Business	107,717					107,717
Operations and maintenance	523,614					523,614
Student transportation	287,909					287,909
Central support	169,012					169,012
Food service operations		163,782				163,782
Facilities acquisition and construction	34,464				339,642	374,106
Total Expenditures	<u>3,806,934</u>	<u>163,782</u>	<u>274,074</u>		<u>339,642</u>	<u>4,584,432</u>
Other Financing Sources (Uses)						
Transfers in (out)	(321,048)	30,000	41,048		250,000	-
Total Other Financing Sources (Uses)	<u>(321,048)</u>	<u>30,000</u>	<u>41,048</u>		<u>250,000</u>	<u>-</u>
Excess revenue and other sources over (under) expenditures and other uses	714,649	(13,682)	17,164	58	(89,470)	628,719
Fund Balance, Beginning	3,215,647	44,961	168,208	9	379,689	3,808,514
Fund Balance, Ending	<u>\$ 3,930,296</u>	<u>\$ 31,279</u>	<u>\$ 185,372</u>	<u>\$ 67</u>	<u>\$ 290,219</u>	<u>\$ 4,437,233</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Net Change in Fund Balances Governmental Funds \$ 628,719

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

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$	314,202	
Depreciation expense		(199,604)	
			114,598

Governmental funds expenditures related to pension and OBEP obligations are measured by the amount of financial resources used (essentially, the amounts actually paid to the pension plan), whereas in the Statement of Activities, they are measured on the full accrual basis. This amount represents the change in net pension liability, pension and OPEB related deferred outflows and inflows of resources.

District pension contributions		391,933	
Cost of pension benefits earned net of employee contributions		1,298,480	
Support from the State of Colorado			
District OPEB contributions		20,109	
Cost of OPEB benefits earned net of employee contributions		4,395	
			1,714,917

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore are not reported as expenditures in government funds.

(Increase) Decrease in accrued sick leave	(7,673)
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Change in Net Position of Governmental Activities	\$ 2,450,561
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The accompanying notes to the financial statements are an integral part of this statement.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues from Local Sources				
Current property taxes	\$ 2,164,606	\$ 2,307,191	\$ 2,284,105	\$ (23,086)
Specific ownership taxes	104,720	125,215	129,097	3,882
Delinquent taxes and interest on taxes	4,000	4,000	35,639	31,639
Earnings on investments	2,000	51,672	3,350	(48,322)
Other	32,422		382,489	382,489
Total Revenues from Local Sources	2,307,748	2,488,078	2,834,680	346,602
Revenues from State Sources				
State grants from CDE				
State equalization	1,200,201	1,229,600	1,258,009	28,409
Transportation	40,000	50,595	51,713	1,118
Colorado library	3,500	4,500	4,500	-
Small rural schools	88,708	88,708	88,708	-
Additional at risk	1,300	1,300	1,859	559
Colorado read act	8,309	7,941	7,941	-
At risk mitigation			25,598	25,598
State on behalf of PERA	44,000		42,860	42,860
State grants flow through SJBoces				
Special education		46,379	13,816	(32,563)
Gifted and talented	7,000	6,487	6,487	-
SWAP			38,227	38,227
Other state grants				
Vocational education	15,000	18,504	18,434	(70)
CDHS Preschool			3,737	3,737
Total Revenues from State Sources	1,408,018	1,454,014	1,561,889	107,875
Revenues from Federal Sources				
Federal grants from CDE				
Title I, Part A	48,994	48,993	48,993	-
Title II, Part A Teacher Improvement	10,588	10,231	10,231	-
ESSER II	142,801	142,801	142,801	-
Title IV, Part A Student Support	10,000	10,000	10,000	-
ESSER III	103,095	80,767	49,053	(31,714)
Other		614	6,610	5,996
Other federal grants				
Title VI, Part B REAP - Summer School	17,519	19,361	19,361	-
Federal grants flow through SJBoces				
Perkins Grant	5,000	5,000	7,936	2,936
Mineral lease	42,000	25,184	25,184	-
Public school lands	133,000	110,000	125,893	15,893
Total Revenues from Federal Sources	512,997	452,951	446,062	(6,889)
Total Revenues	4,228,763	4,395,043	4,842,631	447,588

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures				
Instructional Programs				
Salaries	\$ 1,214,279	\$ 1,248,624	\$ 1,146,835	\$ 101,789
Employee benefits	551,984	584,580	472,101	112,479
Purchased services				
Professional and technical	32,082	26,765	11,126	15,639
Property	15,000	16,000	15,287	713
Other	120,440	131,738	148,424	(16,686)
Supplies	100,307	80,634	64,131	16,503
Property	55,000	53,270	37,366	15,904
Other	6,500	6,500	3,745	2,755
Total Instructional Programs	2,095,592	2,148,111	1,899,015	249,096
Support Services				
Students				
Salaries	71,000	71,000	71,000	-
Employee benefits	37,852	37,852	37,675	177
Supplies	2,000	2,000	1,036	964
Other	500	500	25	475
Total Students	111,352	111,352	109,736	1,616
Education Library Services				
Salaries	48,136	39,800	39,015	785
Employee benefits	21,585	19,501	19,509	(8)
Purchased services				
Professional and technical		18,640	13,351	5,289
Supplies	7,700	29,315	26,080	3,235
Total Education Library Services	77,421	107,256	97,955	9,301
General Administration				
Salaries	114,253	114,253	114,638	(385)
Employee benefits	63,592	63,592	64,763	(1,171)
Purchased services				
Professional and technical	38,200	44,200	34,557	9,643
Property	4,000	4,000	1,442	2,558
Other	9,500	9,500	8,627	873
Supplies	5,000	2,000	3,077	(1,077)
Property	2,000	2,000	23	1,977
Other	8,500	8,500	6,647	1,853
Total General Administration	245,045	248,045	233,774	14,271

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
School Administration				
Salaries	\$ 226,571	\$ 222,571	\$ 224,985	\$ (2,414)
Employee benefits	149,898	105,898	105,214	684
Purchased services				
Other	3,100	2,200		2,200
Supplies	500	11,080	9,857	1,223
Other	4,580	3,722	3,682	40
Total School Administration	384,649	345,471	343,738	1,733
Business Services				
Salaries	71,769	71,569	65,078	6,491
Employee benefits	32,889	32,539	30,762	1,777
Purchased services				
Professional and technical			80	(80)
Other	8,750	4,950	3,110	1,840
Supplies	1,000	9,000	8,422	578
Property	1,000	1,000	265	735
Other	500	500		500
Total Business Services	115,908	119,558	107,717	11,841
Operations and Maintenance				
Salaries	181,416	195,031	170,787	24,244
Employee benefits	84,308	97,763	89,638	8,125
Purchased services				
Professional and technical			5,327	(5,327)
Property	49,500	62,200	79,428	(17,228)
Other	39,400	39,400	28,370	11,030
Supplies	143,500	148,000	140,737	7,263
Property		11,000	9,327	1,673
Total Operations and Maintenance	498,124	553,394	523,614	29,780
Student Transportation				
Salaries	159,130	163,911	154,106	9,805
Employee benefits	44,377	47,281	53,853	(6,572)
Purchased services				
Professional and technical	800	800	1,172	(372)
Property	2,000	2,000	2,590	(590)
Other	3,000	3,000	1,580	1,420
Supplies	70,700	70,700	72,549	(1,849)
Property	3,300	3,300	2,059	1,241
Total Student Transportation	283,307	290,992	287,909	3,083

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Central Support				
Salaries	\$ 30,347	\$ 34,160	\$ 32,051	\$ 2,109
Employee benefits	17,638	18,291	17,882	409
Purchased services				
Professional and technical		1,500	2,060	(560)
Property		1,400	895	505
Other	115,500	115,500	102,003	13,497
Supplies	3,000	13,340	8,453	4,887
Property		5,500	5,668	(168)
Total Central Support	<u>166,485</u>	<u>189,691</u>	<u>169,012</u>	<u>20,679</u>
Facilities Acquisition and Construction				
Building Major Renovations		<u>50,000</u>	<u>34,464</u>	<u>15,536</u>
Appropriated reserves	3,115,710	3,146,929		3,146,929
Total Expenditures	<u>7,093,593</u>	<u>7,310,799</u>	<u>3,806,934</u>	<u>3,503,865</u>
Excess revenue over (under) expenditures	<u>(2,864,830)</u>	<u>(2,915,756)</u>	<u>1,035,697</u>	<u>3,951,453</u>
Transfer in - Bond Redemption Fund		109		(109)
Transfers out - Food Service Fund	(70,000)	(35,000)	(30,000)	5,000
Transfers out - Student Activity Fund	(40,000)	(40,000)	(41,048)	(1,048)
Transfers out - Capital Projects Fund	(150,000)	(225,000)	(250,000)	(25,000)
Other Financing Sources (Uses)	<u>(260,000)</u>	<u>(299,891)</u>	<u>(321,048)</u>	<u>(21,157)</u>
Net Change in Fund Balance	(3,124,830)	(3,215,647)	714,649	3,930,296
Fund Balance, Beginning	3,124,830	3,215,647	3,215,647	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,930,296</u>	<u>\$ 3,930,296</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
FOOD SERVICE FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues from Local Sources				
Charges for services	\$ 14,000	\$ 1,500	\$ 2,470	\$ 970
Other local			2,072	2,072
Total Revenues from Local Sources	<u>14,000</u>	<u>1,500</u>	<u>4,542</u>	<u>3,042</u>
Revenues from State Sources				
State grants from CDE	3,600	600	2,332	1,732
Total Revenues from State Sources	<u>3,600</u>	<u>600</u>	<u>2,332</u>	<u>1,732</u>
Revenues from Federal Sources				
National School Lunch Program	40,000	552	552	-
National School Breakfast Program	6,500			-
Summer Food Distribution			10,273	10,273
Seamless Summer Option - Breakfast		12,000	13,994	1,994
Seamless Summer Option - Lunch		63,000	63,987	987
Commodities	5,000	3,000	5,913	2,913
Other		9,754	18,507	8,753
Total Revenues from Federal Sources	<u>51,500</u>	<u>88,306</u>	<u>113,226</u>	<u>24,920</u>
Total Revenues	<u>69,100</u>	<u>90,406</u>	<u>120,100</u>	<u>29,694</u>
Expenditures				
Food services				
Salaries	55,739	50,839	54,706	(3,867)
Employee benefits	35,812	32,812	33,237	(425)
Purchased services				
Property	500		305	(305)
Supplies	49,500	50,500	63,716	(13,216)
Property	1,000	1,000	11,818	(10,818)
Other		9,754		9,754
Appropriated reserves	10,370	25,462		25,462
Total Expenditures	<u>152,921</u>	<u>170,367</u>	<u>163,782</u>	<u>6,585</u>
Excess revenue over (under) expenditures	(83,821)	(79,961)	(43,682)	36,279
Other Financing Sources (Uses)				
Transfers in (out)	70,000	35,000	30,000	(5,000)
Excess of revenues and other sources over (under) expenditures and other uses	(13,821)	(44,961)	(13,682)	31,279
Fund Balance, Beginning	13,821	44,961	44,961	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,279</u>	<u>\$ 31,279</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL REVENUE FUND
 STUDENT ACTIVITY FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Budget		(Unfavorable)
Revenues				
Student activities	\$ 260,000	\$ 180,000	\$ 250,190	\$ 70,190
Total Revenues	<u>260,000</u>	<u>180,000</u>	<u>250,190</u>	<u>70,190</u>
Expenditures				
Instruction				
Purchased services				
Other			102,106	(102,106)
Supplies	260,000	220,000	159,075	60,925
Property			12,893	(12,893)
Appropriated reserves	67,624	168,208		168,208
Total Expenditures	<u>327,624</u>	<u>388,208</u>	<u>274,074</u>	<u>114,134</u>
Excess revenue over (under) expenditures	(67,624)	(208,208)	(23,884)	184,324
Other Financing Sources (Uses)				
Transfers in (out)		40,000	41,048	1,048
Excess of revenues and other sources over (under) expenditures and other uses	(67,624)	(168,208)	17,164	185,372
Fund Balance, Beginning	67,624	168,208	168,208	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 185,372</u>	<u>\$ 185,372</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
June 30, 2022

	<u>Business-type Activities Teacherage Fund</u>
Assets	
Current Assets	
Cash in banks	\$ 43,971
Total Current Assets	<u>43,971</u>
Noncurrent Assets	
Buildings	116,209
Accumulated depreciation	(89,671)
Total Noncurrent Assets	<u>26,538</u>
Total Assets	<u>70,509</u>
Liabilities	
Current Liabilities	
Deposits payable	600
Total Current Liabilities	<u>600</u>
Net Position	
Net investment in capital assets	26,538
Unrestricted	43,371
Total Net Position	<u>\$ 69,909</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUND
For the Year Ended June 30, 2022

	<u>Business-type Activities</u> <u>Teachrage Fund</u>
Operating Revenues	
Rents	\$ 22,177
Total Operating Revenues	<u>22,177</u>
Operating Expenses	
Purchased services	
Property	19,174
Supplies	9,993
Property	619
Other	300
Depreciation	1,028
Total Operating Expenses	<u>31,114</u>
Operating income (loss)	<u>(8,937)</u>
Nonoperating Revenues (Expenses)	
Local sources	
Earnings on investments	83
Total Nonoperating Revenues (Expenses)	<u>83</u>
Income (loss) before operating transfers	<u>(8,854)</u>
Net Income (Loss)	(8,854)
Net Position, Beginning	78,763
Net Position, Ending	<u>\$ 69,909</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE - ENTERPRISE FUND
For the Year Ended June 30, 2022

	<u>Business-type</u>
	<u>Activities</u>
	<u>Teacherage</u>
	<u>Fund</u>
Cash Flows from Operating Activities	
Cash received for and rents	\$ 22,777
Cash payments to suppliers for goods and services	(30,086)
Net Cash Provided (Used) by Operating Activities	<u>(7,309)</u>
Cash Flows From Investing Activities	
Earnings on investments	83
Net Cash Provided (Used) by Investing Activities	<u>83</u>
Net increase (decrease) in cash and cash equivalents	
equivalents	(7,226)
Cash and Cash Equivalents, Beginning	51,197
Cash and Cash Equivalents, Ending	<u>\$ 43,971</u>
Reconciliation of Operating Income (Loss) to Net Cash	
Provided (used) by Operating Activities	
Operating income (loss)	\$ (8,937)
Adjustments to reconcile operating income	
(loss) to net cash provided by operating activities	
Increase in deposits payable	600
Depreciation	1,028
Total adjustments	<u>1,628</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (7,309)</u>

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The financial statements of Dolores County (Dove Creek) School District RE-2J (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements of Interpretations).

The following significant accounting policies were applied in the preparation of the accompanying financial statements.

The Financial Reporting Entity

The District is governed by the Board of Education ("Board") and is organized and operates in accordance with Colorado statutes. Board members are elected by the citizens of the District, not appointed by any other governing body. The Board selects the superintendent of schools. The Board is solely responsible for the District's budget adoption process. The District has the authority to levy taxes and issue debt. The District meets the criteria of a primary government; its' board is the publicly elected governing body; it is a legally separate entity; and it is fiscally independent. The District is not included in any other government reporting entity. In addition, there are no component units as defined the GASB Statements 14, 39 and 61, which are included in the District's reporting entity.

Government-wide and Fund Financial Statement Presentation

The government-wide financial statements (the Statement of Net Position and the Statement of Activities) display information on all the non-fiduciary activities of the primary government. The effect of Interfund activities has been removed from these statements. These statements distinguish between the governmental and business-type activities of the District. Governmental activities are supported by taxes and intergovernmental revenues. Business-type activities are financed, to a significant extent, by fees and charges.

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

The accounts of the District are organized based on funds, each of which is considered a separate accounting entity. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the later are excluded from the government-wide financial statements. Major individual funds represent the District's most important funds and are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as non-major funds. The District has no fiduciary funds. The District considers all their funds important, due to the size of the District, and therefore has no non-major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. On an accrual basis, property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

The effect of interfund activity has generally been eliminated from the government-wide financial statements. Exceptions to this are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Governmental Funds are used to account for the District's general governmental activities. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and payable. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from long-term debt and capital leases are reported as other financing sources.

Those revenues subject to accrual are property taxes, charges for services and expended grants associated with the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the government.

The accounts of the District are organized and operated based on funds. A fund is an independent fiscal accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds maintained by the District is consistent with legal and managerial requirements.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

The District reports the following major governmental funds:

Major Governmental Funds

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Major revenue sources include local property taxes, specific ownership taxes, and the Colorado Department of Education equalization funding, as determined by the School Finance Act of 1994, as amended. Expenditures include all costs associated with the daily operation of the schools, except for programs funded by certain capital outlay expenditures, food service expenditures, extracurricular athletic and pupil activities, and insurance transactions.

The Food Service Fund is a special revenue fund used to account for the financial transactions related to the food service operations of the District. The major source of revenue are food service grants.

The Student Activity Fund is a special revenue fund used to account for the financial transactions related to student activities of the District.

The Bond Redemption Fund is a debt service fund, which accounts for the resources accumulated and the payments made for principal and interest on long-term general obligation debt of governmental funds.

The Capital Reserve Capital Projects Fund is used to account for the accumulation of resources and expenditures of resources for capital improvements within the District.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and delivering goods relating to a proprietary fund's principal ongoing operations. The principal revenues of the District's enterprise funds are charges for services. Operating expenses for enterprise funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Major Proprietary Funds

Enterprise Funds are used to account for those operations financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, cost incurred, and net income is necessary for management accountability. The District reported the following major business-type funds.

Teacherage Fund accounts for residential rentals owned by the District that are rented to District teachers.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

Cash and Cash Equivalents

For the purpose of the statement of cash flows of the enterprise funds the cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments which are subject to withdrawal.

Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools.

Inventories

Inventories purchased by the Food Service Fund are stated at cost as determined by the first-in, first-out method. Commodity inventories are stated at USDA's assigned value, which approximate fair value at the date of receipt. Expenses for food items are recorded when used. The federal government donates surplus commodities to supplement the national school lunch programs.

Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. The District maintains a capitalization threshold of \$25,000 for major outlays for buildings and improvements. The District does not possess any infrastructure.

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

All reported capital assets are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities <u>Estimated Lives</u>	Business-Type Activities <u>Estimated Lives</u>
Buildings and Improvements	20-50 Years	40 Years
Furniture and Equipment	5-15 Years	5-15 Years
Vehicles	8 Years	N/A

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

Deferred Outflows/Inflows of Resources

In additions to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to future period(s) and so will not be recognized as an outflow or resources (expense/expenditure) until that time.

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Accrued Salaries and Benefits Payable

Accrued salaries and benefits payable represent the liability to teachers and certain other employees who earn their salaries over the nine- or ten-month school year but are paid over a twelve-month period. Changes in the accrual are reflected in expenditures or expense on the applicable fund's statement of revenue, expenditures and changed in fund balance.

Compensated Absences

Under the District's policies, employees earn discretionary leave and sick leave based on longevity of services or position.

The number of vacation days for full time support staff employees is two weeks per year after the completion of one year on the job and three weeks per year after the completion of five years on the job. After six years, the employee shall be granted three weeks paid vacation per year. Vacations normally must be taken during the summer months unless special arrangements are made with the immediate supervisor. Vacation time can be accrued and carried over into another year at a maximum of five days.

Full time employees will be entitled to ten days of paid discretionary leave each year. Part time employees will be entitled to discretionary leave on a pro-rated basis. Paid discretionary leave may be accumulated up to a maximum of sixty days. Employees who have accumulated more than 60 days of discretionary leave will be reimbursed at one-half the daily substitute rate of pay for each excess day of leave. Employees with at least five years of district employment who leave the district will be reimbursed for unused discretionary leave at one-half the daily substitute rate up to the maximum sixty days.

Accumulated discretionary leave and vacation leave for employees who qualify for reimbursement upon leaving the District is shown as a long-term liability of the District.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Long-term Obligations

The District does not have any long-term obligations other than accrued compensated absences. The District has adopted GASB 87 for leases. The District does not have any leases that meet the materiality threshold of capitalization maintained by the District.

Net Position

The net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position should be displayed in the following three components:

- Net investment in capital assets represents capital assets, net accumulated depreciation, reduced by the outstanding balances of any borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted consists of restricted assets that have limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- Unrestricted consists of the net amounts of assets, deferred outflows and inflows or resources and liabilities that are not included in the determination of net investment in capital assets or the restricted components of the net position.

When determining categories of net position, it is assumed that the type of expenditure determines the primary use of net position. When an expenditure is incurred for purposes for which both restricted and unrestricted net position is available, the District considers restricted fund to have been spent first.

Fund Balance

The fund balances of the governmental funds are reported in classifications based on the extent to which the District is bound to honor constraints for the specific purposes on which amounts in the fund can be spent as follows.

- Nonspendable fund balance represents assets that cannot be spent because of their form or legally or contractually must be maintained intact.
- Restricted fund balance reflects resources that are subject to externally enforceable legal limitations.
- Committed fund balance is the portion that is limited to specific purposes determined by a formal action of the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned fund balance displays the District's intended use of these resources. The assigned fund balance amounts are assigned by the Board of Education, per the District policy.
- Unassigned fund balance represents resources with residual net resources.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

When determining categories of fund balance, it is assumed that the type of expenditure determines the primary use of fund balance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. Once the commitment or assignment is satisfied unassigned resources are used.

Defined Benefit Pension Plan

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

Defined Benefit Other Post Employment Benefit (OPEB) Plan

The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows or resources and deferred inflow of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/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.

Inter-fund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the District's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows and inflows of resources, revenues, and expenditures (expenses). Actual results could differ from those estimates and assumptions used.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Property Taxes

Property taxes for a calendar year are certified by the Board of Education by December 15 and levied on assessed valuation by the county commissioners by December 22, are due and payable in the subsequent calendar year. Assessed values are established by the county assessor. Property taxes attach as an enforceable lien on property as of January 1 of the year in which payable. Property taxes are payable in full by April 30 or in two equal installments due February 28 and June 15. The county bills and collects property taxes for all taxing districts in the county. The property tax receipts collected by the county are remitted to the District in the subsequent month.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are sales related to the rental of houses in the Teacherage Fund. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activities of the fund. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Formal budgetary integration is employed as a management control device during the year. Encumbrance accounting is employed by the District. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year

Note 2 - Cash and Investments

Custodial Credit Risk for deposits is the risk that, in the event of a bank failure, the District's deposits might not be recovered. However, there is no custodial risk for public deposits because they are collateralized under the Colorado Public Deposit Protection Act (PDPA). The PDPA specify eligible depositories for public cash deposits, which must be Colorado institutions and must maintain federal insurance on deposits held. Each eligible depository with deposits in excess of the insured levels must pledge a collateral pool of defined eligible assets, to be maintained by another institution or held in trust for all of its local government depositors as a group, with a market value at least 102% of the uninsured deposits. The State Regulatory Commissions for banks and savings and loan associations are required by statute to monitor the naming of eligible depositories and the reporting of uninsured deposits and assets maintained in the collateral pools.

For investments, custodial 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. Colorado statutes define eligible investments for local governments. These include bonds and other interest-bearing obligations of or guaranteed by the United States government or its agencies, bonds which are direct obligations of the State of Colorado or any of its political subdivisions, repurchase agreements, commercial paper, guaranteed investment contracts and local government investment pools. The District has no investments exposed to custodial credit risk.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Interest Rate Risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Colorado revised statutes limits investment maturities to five years or less. The District has no investments exposed to interest rate risk.

Credit Risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Credit risk in the portfolio is minimized by investing the majority of asset in US Treasury and Instrumentalities which have the support of US government and failure to receive maturing funds is remote. The District has no investments exposed to credit risk.

On June 30, 2022, the District had investments in one local governmental investment pool, the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds for investment purposes. COLOTRUST is routinely monitored by the Colorado Division of Securities with regard to its operations and investments, which are also subject to provisions of C.R.S. Title 24, Article 75, and Section 6. The fair value of the investments in COLOTRUST is the same as the value of the pool shares. None of these types of investments are categorized because they are not evidenced by securities that exist in physical or book entry form.

COLOTRUST is rated AAAM from Standard and Poor's. Financial statements for COLOTRUST may be obtained at www.colotrust.com.

On June 30, 2022, the carrying amount of the District's cash and investments was \$4,588,268. The District's bank balances were \$3,334,652 and COLOTRUST balances were \$1,376,818. The District's bank balances on June 30, 2022 and during the year ended June 30, 2022 were entirely covered by FDIC insurance or pledged collateral held by the District's agent banks in the name of governmental accounts of which the District is a part.

Note 3 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 follows:

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

	Capital Assets			Capital Assets
	<u>July 1, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2022</u>
Governmental Activities				
Buildings and Improvements	\$ 6,436,763	\$ 156,907		\$ 6,593,670
Equipment	1,222,404	157,295		1,379,699
Less Accumulated Depreciation	(4,365,885)	(199,604)		(4,565,489)
Total Governmental Activities	<u>3,293,282</u>	<u>114,598</u>	<u>-</u>	<u>3,407,880</u>
Business-type Activities				
Buildings and Improvements	116,209			116,209
Equipment	-			-
Less Accumulated Depreciation	(88,643)	(1,028)		(89,671)
Total Business-type Activities	<u>27,566</u>	<u>(1,028)</u>	<u>-</u>	<u>26,538</u>
Total District	<u>\$ 3,320,848</u>	<u>\$ 113,570</u>	<u>\$ -</u>	<u>\$ 3,434,418</u>

Depreciation expense was charged as a direct expense to the following governmental programs:

Transportation	\$ 48,715
Operations and Maintenance	5,417
Unallocated	145,472
Total depreciation governmental activities	<u>\$ 199,604</u>

Note 4 - Accrued Salaries

Certified instructors of the District are contracted for nine- or ten-months annually between Labor Day and June 1. These instructors, while only working nine or ten months, are paid for their services in twelve equal monthly installments. On June 30 of each year they have completed their entire contract but have only received 10/12 of the related compensation with the difference to be paid over the summer break. The difference, totaling \$350,669 is reflected as an accrued expense on June 30.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 5 - Long Term Debt

Changes in Long-Term Debt

The District has no long-term debt other than accrued compensation of absences for qualified employees.

A summary of changes in general long-term debt follows:

Description	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022
Accrued compensated absences	\$ 59,800	\$ 7,673		\$ 67,473
Total	\$ 59,800	\$ 7,673	\$ -	\$ 67,473

Note 6 - Inter-fund Operating Allocations/Transfers

A summary of Inter-fund balances are as follows:

Allocations	In	Out
Governmental Activities		
General Fund		\$ 45,572
Insurance Reserve	\$ 45,572	
Total Allocations	\$ 45,572	\$ 45,572
Transfers	In	Out
Governmental Activities		
General Fund		\$ (321,048)
Food Service Fund	\$ 30,000	
Student Activity Fund	41,048	
Capital Projects Fund	250,000	
Total Transfers	\$ 321,048	\$ (321,048)

The Transfers were made with the purpose of subsidizing the Funds.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2022

Note 7 - Fund Balance Restrictions and Assignments

Restricted indicates that a portion of the fund balance can only be spent for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors. Assigned indicates amounts that are designated for a specific purpose of the Board of Education but are not spendable until appropriated. The District uses the following restrictions and assignments.

Restricted

TABOR is required by an amendment to the State Constitution, Article X; Section 20, known as the Tabor Amendment, which requires local government units to establish emergency reserves. The designation is a minimum of three percent of the current fiscal year eligible expenditures. Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. Fund balance reserved for emergencies consists of \$155,000 in the General Fund.

Food Service is the amounts to be used for future food service of the District. \$24,005 is restricted in the Food Service Fund.

Student Activities is the amounts to be used for future student activities of the District. \$185,372 restricted in the Student Activities Fund.

Debt Service is the amounts to be used for future repayment of the District's outstanding bond. Fund balance restricted for debt service consists of \$67 in the Bond Redemption Fund.

Capital Improvements is the amounts to be used for future capital improvements of the District. \$290,219 is restricted in the Capital Reserve Capital Projects Fund.

Assigned

Assigned for Future Expenditures – indicates anticipated fund balances available for appropriation in the next budget year. Fund balances assigned for future expenditures consist of the following:

General Fund	\$ 3,775,296
Total	<u><u>\$ 3,775,296</u></u>

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Note 8 - Budgets and Budgetary Accounting

The District is required by Colorado Statutes to adopt annual budgets for all funds. Each budget is prepared on the same basis (GAAP basis) as that used for accounting purposes, except for the Enterprise Funds, which are prepared essentially on the modified accrual basis of accounting. This basis of accounting is at variance with GAAP.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the Business Manager submits to the Board a proposed operating budget for the fiscal year commencing the following July 1.

The operating budget includes proposed expenditures and the means of financing them.

Public hearings are conducted to obtain comments.

Prior to June 30, the budget is legally adopted through passage of a resolution by the Board of Directors. However, the Board can review and change the adopted budget through January 31.

Formal budgetary integration is employed as a management control device during the year. Encumbrance accounting is employed by the District. Encumbrances outstanding at year end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Board of Directors throughout the year. Following is a summary of the revised budget, actual amount spent and variance.

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Activities			
General Fund	\$ 7,610,690	\$ 4,127,982	\$ 3,482,708
Food Service Fund	\$ 170,367	\$ 163,782	\$ 6,585
Student Activity Fund	\$ 388,208	\$ 274,074	\$ 114,134
Bond Redemption Fund	\$ 100	\$ 58	\$ 42
Capital Projects Fund	\$ 604,689	\$ 339,642	\$ 265,047
Business-type Activities			
Teacherage Fund	\$ 65,697	\$ 30,086	\$ 35,611

Appropriations are adopted by resolution for each fund in total and lapse at the end of each year. Over-expenditures are not deemed to exist unless the fund as a total has expenditures in excess of appropriations.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Note 9 – Jointly Governed Organization

The District is a participant among eight school districts in a jointly governed organization to operate the San Juan Board of Cooperative Educational Services (SJBoces). The SJBoces is a regional education service unit created under the “Board of Cooperative Services Act of 1965” of the Colorado Revised Statutes. The BOCES provides unique education services that the member districts could not provide individually on a cost-effective basis. The BOCES governing board is made up of representatives from each member district’s board. The governing board control budgeting and fiscal matters. 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 at www.sjboces.org The District had no debt with BOCES at year end.

Note 10 – Defined Benefit Pension Plan

Plan Description – Eligible employees of the District are provided with pensions through the (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits Provided – as of December 31, 2021. PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

- Highest average salary multiplied by 2.5 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.

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.

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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.

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

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

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

Contributions provisions as of June 30, 2022. Eligible employees of the District and the state are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements are established under C.R.S. § 24-51-401, *et seq* and C.R.S. § 24-51-413. Eligible employees are required to contribute 10.50 percent of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below:

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	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$391,943 for the year ended June 30, 2022.

For purposes of GASB 68 paragraph 15, a circumstance exists in which a non-employer contributing entity is legally responsible for making contributions to the SCHDTF and is considered to meet the definition of a special funding situation. As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) direct distribution each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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

The net pension liability for the SCHDTF was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on District contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of the participating employers and the State as a nonemployer contributing entity.

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At June 30, 2022, the District reported a liability of \$5,332,713 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 3,638,516
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	417,109
Total	<u><u>\$ 4,055,625</u></u>

On December 31, 2021, the Districts proportion was .0312658021 percent, which was an increase of .0040081661 percent from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$(1,690,416) and revenue of \$89,402 for the support from the State as a nonemployer contributing entity. On June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 139,297	
Changes in assumptions or other inputs	277,774	
Net difference between projected and actual earnings on pension plan investments	165,069	\$ 1,533,042
Changes in proportion and differences between contributions recognized and proportionate share of contributions	345,647	754,669
Contributions subsequent to the measurement date	203,222	
Total	<u><u>\$ 1,131,009</u></u>	<u><u>\$ 2,287,711</u></u>

\$203,222 reported as deferred outflows related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30,	
2023	\$ (247,757)
2024	(507,489)
2025	(438,637)
2026	(166,041)
 Total	 <u><u>\$ (1,359,924)</u></u>

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation:	3.40%- 11.00%
Long-term investment rate of return, net of pension plan	7.25%
investment expenses, including price inflation	Discount rate
Post-retirement benefit increases:	7.25%
PERA benefit structure hired prior to 1/1/07	1.00%
and DPS benefit structure (compounded annually)	
PERA benefit structure hired after 12/31/06 ¹	Financed by the AIR

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

The TPL as of December 31, 2021. Includes the anticipated adjustments to contributions rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021. And effective July 1, 2022.

The mortality tables described below are generational mortality tables developed on a benefit-weighted basis.

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

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

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

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

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

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation, and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

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

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

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

	1 % Decrease (6.25%)	Current Discount Rate (7.25%)	1 % Increase (8.25)
	<hr/>	<hr/>	<hr/>
Proportionate share of the net pension liability	\$ 5,355,598	\$ 3,638,516	\$ 2,205,675

Pension plan fiduciary net position. Detail information of the SCHDTF’s fiduciary net position is available in PERA’s comprehensive annual financial report which can be obtained at www.copera.org/investments/pera-financial-reports

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Note 11 – Defined Contribution Pension Plan

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District has not agreed to match employee contributions. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$4,933 to the Voluntary Investment Program.

Note 12 – Other Post-Employment Benefits

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

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

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

PERA Benefit Structure

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from District were \$20,109 for the year ended June 30, 2022.

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

At June 30, 2022 the District reported a liability of \$176,033 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The District proportion of the net OPEB liability was based on District contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the District proportion was .0204142078 percent, which was an increase of .0000153910 percent from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022 the District recognized OPEB expense of \$(24,504). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 268	\$ 41,740
Changes in assumptions or other inputs	3,645	9,549
Net difference between projected and actual earnings on pension plan investments	1,231	12,128
Changes in proportion and differences between contributions recognized and proportionate share of contributions		9,053
Contributions subsequent to the measurement date	10,427	
Total	<u>\$ 15,571</u>	<u>\$ 72,470</u>

\$10,427 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30,	
2023	\$ (19,959)
2024	(21,415)
2025	(16,453)
2026	(7,717)
2027	(1,561)
2028	(221)
 Total	 <u><u>\$ (67,326)</u></u>

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

Actuarial cost method	Entry age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increases, including wage inflation	3.40% - 11.00%
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	4.50% in 2021, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.75% in 2021, gradually increasing to 4.50% in 2029

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

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

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**Initial Costs for Members
without Medicare Part A**

Medicare Plan	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured	\$633	\$230	\$591
Kaiser Permanente Medicare	596	199	562

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

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

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

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

The PERA benefit structure health care cost trend rates used to measure the total TOL are summarized in the table below:

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Year	PERACare Medicare Plans	Medicare Part A
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

Mortality assumptions used in the December 31, 2020 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed using a headcount-weighted basis. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for the Judicial Division were based upon the unadjusted PubG-2010(A) Above-Median Healthy Retiree Table with generational projection using scale MP-2019.

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

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

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

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

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

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS June 30, 2022

- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

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

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability	\$ 181,889	\$ 176,033	\$ 170,978

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2021, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 204,444	\$ 176,033	\$ 152,377

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

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Colorado School Districts Self-Insurance Pool (CSDSIP). The CDSSIP was formed in 1981, when Colorado state regulators authorized the organization's creation, in response to shortcomings in the commercial insurance market. The CSDSIP provides member school districts and related educational facilities with defined property and liability coverage through joint self-insurance and excess insurance.

The District continues to carry commercial insurance for all other risks of loss including worker's compensation and employee health and accident insurance. There have been no settled claims that have exceeded insurance coverage in any of the past three fiscal years. There have been no significant decreases in insurance coverage from the prior year.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2022

Note 14 - Tax, Spending, and Debt Limitations

Colorado Voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. On November 5, 1996, the people of the District voted to authorize the spending of all monies in existing funds and to collect, retain, and expend the full revenue, including state grants and taxes, generated during fiscal year 1997 and for each subsequent year regardless of any limitation contained in Article X, Section 20, of the Colorado Constitution. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with all other requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

On November 3, 2015, the voters approved a mill levy override. The taxes may be increased by \$350,000 in the first full fiscal year (2016) and whatever amounts are raised annually thereafter by the imposition of an additional mill levy not to exceed 3 mills upon taxable real property within the District.

Note 15 – Compliance with the Financial Policies and Procedures Handbook

The school district is complying with the provisions of section 22-44-204(3), C.R.S., concerning the use of the Financial Policies and Procedures Handbook adopted by the State Board of Education." C.R.S. 29-1-603

Note 16 - Commitments and Contingent Liabilities

The District had received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under terms of the grant. District management believes that disallowance, if any, would be immaterial to the basic financial statements.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2022

Required supplementary information includes financial information disclosure that are required by the GASB but are not considered a part of the basic financial statements.

Such information includes:

Schedule of the District's Pension Contributions

Schedule of the District's Proportionate Share of the Net Pension Liability

Schedule of the District's Other Post Employment Benefits (OPEB) Plan Contributions

Schedule of the District's Proportionate Share of the Net Other Post Employment
Benefit (OPEB) Plan Liability

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J
 Schedule of the District's Pension Contributions

For the Years Ended June 30

Last 10 Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2021
Contractually required contributions	\$ 269,556	\$ 293,595	\$ 315,493	\$ 353,622	\$ 344,390	\$ 343,863	\$ 363,502	\$ 388,256	\$ 391,944
Contributions in relation to the contractually required contribution	269,556	293,595	315,493	353,622	344,390	343,863	363,502	388,256	391,944
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 1,686,593	\$ 1,738,432	\$ 1,778,896	\$ 1,923,600	\$ 1,823,894	\$ 1,797,486	\$ 1,875,657	\$ 1,952,992	\$ 1,971,548
Contributions as a percentage of covered payroll	15.98%	16.89%	17.74%	18.38%	18.88%	19.13%	19.38%	19.88%	19.88%

* Fiscal year 2015 was the 1st year of implementation. Information in not available for years prior to 2014.

Notes to Required Supplemental Information

See Note 10 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J
Schedule of the Districts' Proportionate Share of the Net Pension Liability

For the Years Ended June 30

Last 10 Years*

	2014	2015	2016	2017	2018	2019	2020	2021	2022
District's proportion of the net pension liability	0.04099029%	0.04059932%	0.04057857%	0.04109908%	0.04074981%	0.32533821%	0.03174084%	0.03527397%	0.03126580%
District's proportionate share of the Net Pension Liability	\$ 5,228,300	\$ 5,502,571	\$ 6,206,206	\$ 12,236,786	\$ 13,177,041	\$ 5,760,781	\$ 4,742,012	\$ 5,332,713	\$ 3,638,516
District's share of the State of Colorado's share of the Net Pension Liability as nonemployer contributing entity						\$ 787,707	\$ 601,464	\$ -	\$ 417,109
Total Net Pension Liability						\$ 6,548,488	\$ 5,343,476	\$ 5,332,713	\$ 4,055,625
District's covered payroll	\$ 1,686,563	\$ 1,738,432	\$ 1,778,896	\$ 1,923,600	\$ 1,823,894	\$ 1,788,557	\$ 1,875,657	\$ 1,952,992	\$ 1,954,015
District's proportionate share of the net pension liability as a percentage of its covered payroll	310.00%	316.52%	348.88%	636.14%	722.47%	366.13%	284.89%	273.05%	207.55%
Plan fiduciary net position as a percentage of the total pension liability	62.84%	64.07%	59.20%	43.13%	43.96%	57.01%	57.01%	66.99%	66.99%

The amounts presented for each year were determined as of the calendar year that occurred within the fiscal year.

* Fiscal year 2015 was the 1st year of implementation. Information in not available for years prior to 2014.

Notes to Required Supplemental Information

See Note 10 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

DOLORIS COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J
 Schedule of the District's Other Post Employment Benefits (OPEB) Plan Contributions

For the Years Ended June 30

Last 10 Years*

	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 19,620	\$ 18,604	\$ 18,335	\$ 19,132	\$ 19,921	\$ 20,109
Contributions in relation to the statutory contractually contribution	19,620	18,604	18,335	19,132	19,921	20,109
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School's covered payroll	\$ 1,923,600	\$ 1,823,894	\$ 1,797,486	\$ 1,875,657	\$ 1,952,992	\$ 1,971,548
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

* Fiscal year 2018 was the 1st year of implementation. Information in not available for years prior to 2017.

Notes to Required Supplemental Information

See Note 12 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J
 Schedule of the District's Proportionate Share of the Net Other Post Employment Benefit (OPEB) Plan Liability

For the Years Ended June 30

Last 10 Years*

	2017	2018	2019	2020	2021	2022
District's proportion of the net OPEB plan liability	0.23361242%	0.23153882%	0.02114714%	0.02074414%	0.02039882%	0.02041421%
District's proportionate share of the Net OPEB plan liability	\$ 302,886	\$ 300,908	\$ 287,716	\$ 233,164	\$ 193,835	\$ 176,033
District's covered payroll	\$ 1,923,600	\$ 1,823,894	\$ 1,788,557	\$ 1,875,657	\$ 1,952,992	\$ 1,954,015
District's proportionate share of the net OPEB plan liability as a percentage of its covered payroll	15.75%	16.50%	16.09%	12.43%	9.93%	9.01%
Plan fiduciary net position as a percentage of the total OPEB plan liability	20.07%	21.25%	17.03%	24.49%	32.78%	32.78%

The amounts presented for each year were determined as of the calendar year that occurred within the fiscal year.

* Fiscal year 2018 was the 1st year of implementation. Information is not available for years prior to 2017.

Notes to Required Supplemental Information

See Note 12 in the accompanying Notes to the Financial Statements for factors that significantly affect trends in the amounts reported.

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

OTHER SUPPLEMENTARY INFORMATION

June 30, 2022

Other supplementary information includes financial statements and schedules not required by the GASB, or a part of the basic financial statements, but are presented for purposes of additional analysis.

These statements and schedules include:

Budgetary Comparison Schedules

Debt Service Fund

Bond Redemption Fund

Capital Reserve Capital Projects Fund

Proprietary Fund

Enterprise Fund

Teacherage Fund

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 BOND REDEMPTION FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues				
Delinquent taxes and interest on taxes		\$ 100	\$ 58	\$ (42)
Total Revenues		<u>100</u>	<u>58</u>	<u>(42)</u>
Expenditures				
Excess revenue and other sources over (under) expenditures and other uses		100	58	(42)
Other Financing Sources (Uses)				
Transfers in (out)		(109)		109
Excess of revenues and other sources over (under) expenditures and other uses		<u>(9)</u>	<u>58</u>	<u>67</u>
Fund Balance, Beginning		9	9	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67</u>	<u>\$ 67</u>

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL RESERVE CAPITAL PROJECTS FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Revenues from Local Sources				
Earnings on investments			\$ 172	\$ 172
Total Revenues from Local Sources			<u>172</u>	<u>172</u>
Expenditures				
Facilities Acquisition and Construction				
Professional services		\$ 65,000	64,325	675
Property	\$ 200,000	315,000	275,317	39,683
Appropriated reserves	209,629	224,689		224,689
Total Expenditures	<u>409,629</u>	<u>604,689</u>	<u>339,642</u>	<u>265,047</u>
Excess revenue over (under) expenditures	(409,629)	(604,689)	(339,470)	265,219
Other Financing Sources (Uses)				
Transfers in (out)	150,000	225,000	250,000	25,000
Excess of revenues and other sources over (under) expenditures and other uses	(259,629)	(379,689)	(89,470)	290,219
Fund Balance, Beginning	259,629	379,689	379,689	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,219</u>	<u>\$ 290,219</u>

DOLORES COUNTY (DOVE CREEK) SCHOOL DISTRICT RE-2J

SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - BUDGET (NON GAAP BASIS) AND ACTUAL
PROPRIETARY FUND TYPE - ENTERPRISE FUND
TEACHERAGE FUND
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Operating Revenues				
Rents	\$ 17,000	\$ 14,500	\$ 22,177	\$ 7,677
Total Operating Revenues	<u>17,000</u>	<u>14,500</u>	<u>22,177</u>	<u>7,677</u>
Operating Expenses				
Purchased services				
Property	6,700	17,000	19,174	(2,174)
Supplies	8,500	13,000	9,993	3,007
Property			619	(619)
Other			300	(300)
Total Operating Expenses	<u>15,200</u>	<u>30,000</u>	<u>30,086</u>	<u>(86)</u>
Operating income (loss)	1,800	(15,500)	(7,909)	7,591
Nonoperating Revenues (Expenses)				
Local sources				
Earnings on investments	100		83	83
Appropriated reserves	(35,883)	(35,697)		35,697
Changes in Net Position Non GAAP Basis	<u>(33,983)</u>	<u>(51,197)</u>	<u>(7,826)</u>	<u>43,371</u>
Less depreciation expense			(1,028)	(1,028)
Net Position, Beginning	33,983	51,197	78,763	27,566
Net Position, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 69,909</u>	<u>\$ 69,909</u>



Colorado Department of Education
Auditors Integrity Report
 District: 0890 - Dolores County RE No.2
 Fiscal Year 2021-22
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	3,176,504	4,476,010	3,722,218	3,930,296
18 Risk Mgmt Sub-Fund of General Fund	39,143	45,572	84,715	0
19 Colorado Preschool Program Fund	0	0	0	0
Sub- Total	3,215,646	4,521,582	3,806,933	3,930,296
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	44,961	150,100	163,782	31,279
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	168,208	291,238	274,074	185,372
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	9	59	0	67
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	379,689	250,171	339,642	290,219
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	3,808,513	5,213,151	4,584,431	4,437,233
Proprietary				
50 Other Enterprise Funds	78,763	22,260	31,114	69,909
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	78,763	22,260	31,114	69,909
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL