

EL PASO COUNTY COLORADO SCHOOL



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021

Prepared by: El Paso County Colorado School District 49 – Finance Department

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El Paso County Colorado School District 49 Comprehensive Annual Financial Report



For the fiscal year ended June 30, 2021

Introductory Section

The Best Choice to Learn, Work, and Lead



Our Operated Schools

Falcon Zone	Sand Creek Zone	POWER Zone	i Connect Zone
 <p>Falcon Elementary</p>	 <p>Evans International Elementary</p>	 <p>Ridgeview Elementary</p>	 <p>Patriot High School</p>
 <p>Meridian Ranch Elementary</p>	 <p>Remington Elementary</p>	 <p>Stetson Elementary</p>	 <p>Springs Studio for Academic Excellence</p>
 <p>Woodmen Hills Elementary</p>	 <p>Springs Ranch Elementary</p>	 <p>Odyssey Elementary</p>	 <p>Falcon Home School</p>
 <p>Bennett Ranch Elem</p>	 <p>Horizon Middle</p>	 <p>ALLIES Elementary</p>	 <p>Pikes Peak Early College</p>
 <p>Falcon Middle</p>	 <p>Sand Creek High School</p>	 <p>Skyview Middle</p>	
 <p>Falcon High School</p>		 <p>Vista Ridge High School</p>	

Our Charter Schools



Banning Lewis Academy



Pikes Peak School of Expeditionary Learning



GOAL Academy High School



Rocky Mountain Classical Academy



Imagine Classical Academy



Power Technical Early College



Liberty Tree Academy



Mountain View Academy

Our Cultural Compass



The heart of the compass rose guides our actions in how we relate to and treat each other.

Respect – We respect others for their abilities, qualities and achievements

Trust – We promote trust in our relationships through honest and open communication

Care– We provide a safe and caring environment for students and staff

Responsibility – We hold ourselves accountable for our actions

The outer face of the compass rose guides us in how we treat our work.

Learning – We model continuous learning to encourage life-long learners

Purpose – We ensure all decisions align with the 'Five Big Rocks'

Innovation – We encourage risk taking by supporting creative exploration of new ideas and strategies

Teamwork – We embrace working together to achieve effective results for our students and community

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December 2, 2021



To the Citizens and Members of the Board of Education of School District 49:

Colorado State Law requires that school districts publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. In accordance with this requirement, we hereby issue the Comprehensive Annual Financial Report (CAFR) of School District 49 for the fiscal year ended June 30, 2021.

This report consists of management's representations concerning the finances of the District. Consequently, management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework designed to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information to prepare financial statements. However, the cost of internal controls should not outweigh their benefits. Accordingly, the District's designed our comprehensive framework of internal controls to provide, reasonable, rather than absolute assurance that the financial statements will be free from material misstatement.

The District's financial statements have been audited by Hoelting & Company, Inc., a firm of licensed certified public accountants based in Colorado Springs. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District, for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluation of the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with generally accepted accounting principles. We present the independent auditor's report as the first component of the financial section of this report.

In addition to the annual independent audit of the financial statements, the District must undergo a "Single Audit" due to the amount of federal funds received. This audit meets the needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis involving the administration of federal awards. The results of the District's single audit for the period ending June 30, 2021 provided no instances of material weakness in internal controls over compliance or material violations of applicable laws, regulations, contracts and grants. This report is found in the compliance section of this document.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements, in the form of a Management's Discussion and Analysis (MD&A) report. This transmittal letter will complement the Management's Discussion and Analysis, and should be read in conjunction with it. The District's MD&A immediately follows the Independent Auditor's Report.

PROFILE OF THE DISTRICT

El Paso County Colorado School District 49 was organized in 1888 and spans 133 square miles of urban and rural areas in eastern El Paso County, Colorado. Approximately 19% of the District is within the boundary of Colorado Springs and the remaining 81% is located in an unincorporated area of El Paso County historically known as Falcon, Colorado. The District is the 2nd largest district in El Paso County and the 11th largest in Colorado. The District has a resident population of 92,176 based on the latest population growth data collected.

The District operates twelve elementary schools, three middle schools, and three high schools, in its operated school portfolio; eight chartered schools (six K-8's and two high schools), two online programs, one alternative school program, one home school program, and three student support facilities. These schools service more than 23,000 students. They provide a full range of programs and services authorized by Colorado statute. This includes: pre-kindergarten, elementary and secondary curriculum at the general, college preparatory and vocational levels. The District also provides the chance for high school students to take college classes and receive college credit during the high school years.



The District charter schools' financial positions are included in these financials as component units. The charter schools are: Banning Lewis Ranch Academy, GOAL Academy, Grand Peak Academy, Pikes Peak School of Expeditionary Learning, Rocky Mountain Classical Academy, Power Technical School, Liberty Tree Academy and Mountain View Academy. The District 49 Board of Education authorizes each charter school, according to the laws of the State of Colorado, to provide education alternatives for students and parents. These schools have separate governing boards but derive their funding through District 49 and the State of Colorado with local property tax funds and state equalization revenue. The District provides some support services to the charter schools. Parent Teacher Organizations, as well as Extracurricular and Co-Curricular Booster Groups do not meet the criteria for component units and therefore are excluded from this report.

The District is governed by a five-member Board of Education (the Board). Board members are elected to staggered, four year, terms by registered voters of the District - unless filling a seat vacated mid-term, which may occasionally result in a two-year term. As of 2015, the District is divided into five representative areas and board members must live in the area they represent. All Board members are limited to two terms according to Colorado Law. Biennial school district elections are held in November of odd-numbered years. The Board elects its officers following each election and whenever mid-term vacancies necessitate a new election of one or more officer positions. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District and oversee the property, facilities and financial affairs of the District. Members of the Board serve without receiving compensation.

The Board employs a Chief Education Officer, a Chief Business Officer and a Chief Operations Officer to run day to day operations of the District. This structure deviates from the traditional Superintendent model that has a single executive over those three roles. Instead, each chief officer reports directly to the Board, focusing on their area of expertise to make this District "The Best Choice to Learn, Work and Lead".

The District Budget Process

The District uses a decentralized SBFM (Student-based financial management) process for both reporting actual results and preparing budgets. The District distributes approximately 80% of the total expense budget directly to our schools where Zone Leaders and Building Principals have direct control over how money is best spent for their individual location. Working with the Business Office, these schools develop staffing models (Personnel Spend) and programmatic models (Implementation Spend) based on anticipated revenue driven by projected student count numbers. After the actual count of students is completed each October, the budgets are amended and approved, and the process starts again to develop proposed budgets for the upcoming school year.

Budgets are prepared annually for all funds of the District. The Board of Education is required to adopt a budget for the fiscal year prior to the July 1 start of the fiscal year, and is allowed to amend that budget any time prior to January 31 of the same fiscal year. Supplemental Budgets may be adopted after January 31 for any fund, if the supplemental change is related to new spends driven by the presence of new, non-tax, revenue in that fund.

The table on the next page outlines the schools, age and enrollment in full-time equivalents (FTE) as of the official count date in October 2021 and the estimated FTE for the 2021-22 school year.

Operated Schools	Date Placed in Service	October 2021 Student Count	Projected 2021-22 Student Count
ALLIES	2017	124	130
Bennett Ranch Elementary	2018	318	328
Evans International Elementary	1976	585.5	580
Falcon Elementary	1982	262	291
Falcon Middle	1976	918.5	1021
Falcon High School	2007	1161.3	1245
Horizon Middle	1985	747.5	770
Inspiration View Elementary	2019	402.5	436
Meridian Ranch Elementary	2003	636.5	657
Odyssey Elementary	2006	389.5	416
Patriot High School	1952	165	165
Pikes Peak Early College	2015	161	175
Remington Elementary	1997	590	608
Ridgeview Elementary	2002	582	595
Sand Creek High School	1997	1089.3	1121
Skyview Middle	2000	989	1025
Springs Ranch Elementary	2002	532	541
Springs Studio for Academic Excellence	2012	472	439
Stetson Elementary	1987	439	450
Vista Ridge High School	2008	1600.8	1659
Wooden Hills Elementary	2000	550.5	581
Operated Subtotal		12,945	13,316
Chartered Schools			
Banning Lewis Ranch Academy	2008	1469	1524
GOAL Academy	N/A	5305	5,550
Grand Peak Academy	2010	727	702
Liberty Tree Academy	2018	577	640
Pikes Peak School of Expeditionary Learning	2008	431	408
Power Technical Early College	2016	325	371
Rocky Mountain Classical Academy	2015	1323	1352.5
Mountain View Academy	2020	140	574
Chartered School Subtotal		10,297	11,121.5
District 49 Total		23,242	24,437.50



ECONOMIC CONDITION

Local Economy

The District is located on the northeast side of Colorado Springs and continues to the east into the unincorporated area known as Falcon, Colorado. The city of Colorado Springs is the second most populous city in the state, behind Denver. The main employment sectors in El Paso County are: Retail trade, accommodation and food services and Health Care and Social Assistance. The military is also an important part of the community with four major bases in the Colorado Springs area. About 14% of D49 students are connected to the military; either through military families or civilian parents employed on federal property.

On March 11, 2020, the World Health Organization characterized an outbreak of novel strain of coronavirus (“COVID-19”) as a pandemic and on March 13, 2020, the United States of America declared a national emergency. As a result, the current economic environment has presented companies and organizations with unprecedented circumstances and challenges. Potential impacts to the District include disruptions and restrictions on the ability of employees to work, as well as travel and other restrictions imposed by governments that could restrict the ability of programs to continue. COVID-19 is also expected to adversely affect economies and financial markets in the United States of America and throughout the world. The extent of the impact on the District’s financial position, operating results and cash flows will depend on future developments, including the duration and spread of the outbreak, which are highly uncertain and cannot be predicted.

The local economy shows signs of being strong. Building of new homes continues to increase. There has been a significant increase, since 2010, in the number of single family building permits. Property valuations continue to increase within the District; which results in higher sales and use tax receipts and vehicle registrations. Unemployment continues to stay low at 4.5% compared to the national average of 3.7% in June 2019. Which also results in higher sales and use tax receipts and new vehicle registration increases.

Long-term Financial Planning

As Colorado Springs and El Paso County continue to expand to the East, it will significantly impact School District 49, where much of the available land is located. It is estimated, over the next 20 years, that development will generate 13,000 more students, requiring an additional 13 elementary schools, four middle schools and 3 high schools.

The District maintains no general obligation debt. The District paid off all outstanding bonds in December 2017 to convert all long term obligations to Certificates of Participation, funded by Mill Levy Override Collections. This leaves the District with borrowing capacity to build schools as the need arises, and as the constituency allows.

Financial Policies

Detailed descriptions of the District’s accounting policies are contained in the Notes to the Financial Statements on pages 26 to 36 of this report. These policies describe the basis of accounting, funds and accounts used, valuation policies for investments and capital assets, and other significant accounting information.

The District maintains a number of budgetary controls. The objective of budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the board. Budgetary control exists at the fund level. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Unencumbered amounts lapse at end of the fiscal year but are normally allowed to be re-budgeted by the original unit in the subsequent fiscal year.

Major Initiatives



The District continues to pursue the process of ‘Performance Excellence’ using the Malcolm Baldrige criteria for Performance Excellence. In 2016, the District was given the Foothills Performance Award from the regional level organization (Rocky Mountain Performance Excellence, aka RMPEX). In 2017, the District achieve the Peak Award, which is the highest regional level attainable. The District now seeks the related national award for organizational excellence in order to facilitate ever-improving operations and processes within the District.

2016 – 2018, 2020, the District was awarded the Certificate of Excellence from the Association of School Business Official for our Comprehensive Annual Financial Report (CAFR) and will continue to submit for this annual award.

With the passing of ballot item 3B in November 2016 (subsequently modified with 2018-4C), the District was able to build and open our two newest facilities: Bennett Ranch Elementary School (BRES) in August 2018, and Inspiration View Elementary (IVES) in June of 2019. In the 2021-22 school year, the District will add additional space at the BRES site and add a new middle school to the District’s portfolio of schools.

ACKNOWLEDGEMENTS

We would like to thank the Board of Education for their leadership and support to the students, staff and community. We appreciate their support in planning and conducting the financial operations of the District to their highest potential. We would also like to thank our independent auditors from Hoelting & Company Inc., for their professional and helpful approach in creating this Comprehensive Annual Financial Report. Their assistance was invaluable in creating this report. Finally, we would like to thank the Finance and Payroll staff who play an integral role in the financial success of District 49 on a daily basis.

Respectfully submitted,

Brett Ridgway
Chief Business Officer

Ron Sprinz
Director of Finance

El Paso County School District 49

Elected Officials - Board of Education



Vice President

Kevin Butcher

Treasurer

Dave Cruson

President

John Graham

Secretary

Rick Van Wieren

Director

Ivy Lieu

Administrative Officials

Peter Hilts

Brett Ridgway

Pedro Almeida

Sue Holmes

Sean Dorsey

Mike Pickering, PhD

Andy Franko

Amber Whetstine

Nancy Lemmond, PhD

Paul Andersen

Ron Sprinz

Jack Pietraallo

Monica Deines-Henderson

David Nancarrow

Donna Richer

Chief Education Officer

Chief Business Officer & Assistant Treasurer

Chief Operations Officer

Falcon Zone Superintendent

Sand Creek Zone Superintendent

Power Zone Superintendent

iConnect Zone Superintendent

Executive Director of Learning Services

Executive Dir of Individualized Education

Director of Human Resources

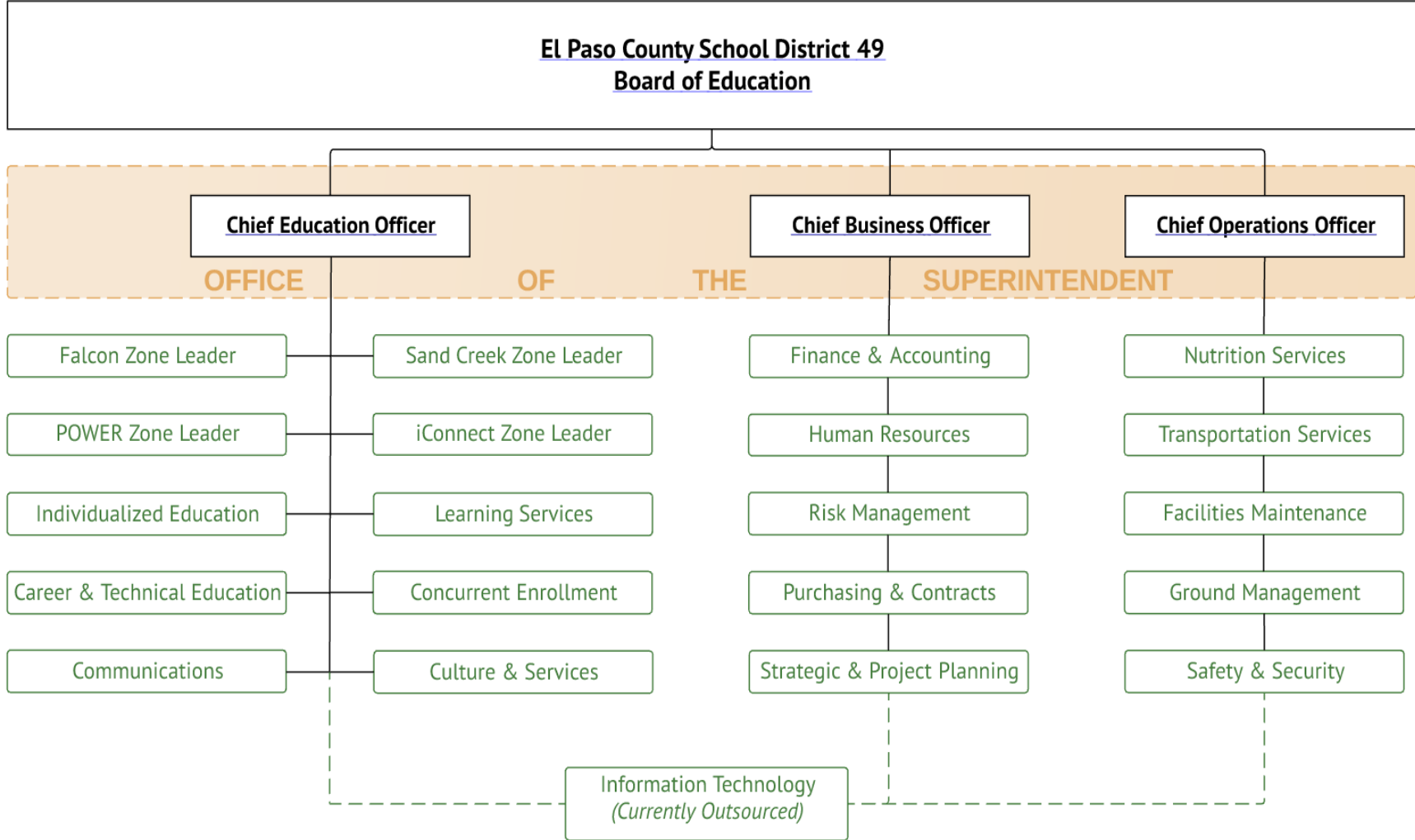
Director of Finance

Director of Transportation

Director of Nutrition Services

Director of Communications

Secretary to the Board of Education





ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

El Paso County School District 49

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



A handwritten signature in black ink, reading 'W. Edward Chabal'.

W. Edward Chabal
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director

Financial Section





INDEPENDENT AUDITORS' REPORT

To the Board of Education
El Paso County Colorado School District 49

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County Colorado School District 49, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Pikes Peak School of Expeditionary Learning and Mountain View Academy which represent 6.0 percent, 4.0 percent, and 9.0 percent respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as those reports relate to the amounts included for Pikes Peak School of Expeditionary Learning and Mountain View Academy is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the discretely presented component units were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the El Paso County Colorado School District 49, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the El Paso County Colorado School District 49's basic financial statements. The introductory section and combining and individual fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2021, on our consideration of the El Paso County Colorado School District 49's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering El Paso County Colorado School District 49's internal control over financial reporting and compliance.

Hoelting & Company Inc.

Colorado Springs, Colorado
December 2, 2021

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

The Business Office of School District 49 offers readers of our financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021.

Financial Highlights

- The Governmental Activities of School District 49 shows a Net Position deficit of \$158,939,440 at June 30, 2021 and \$213,552,547 June 30, 2020 respectively, or \$54,613,107 less than prior year.
 - Effective July 1, 2014, School Districts are required to implement GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This resulted in a new liability amount on the District's financial reports totaling \$225,600,001.
 - While the intentions of GASB 68 were appropriate for private sector pension programs. Its utility for a public sector entity, like D49, is limited and, in fact, may be more confusing for readers of the financial statements than without. To see more relevant comparability, users may want to adjust the totals presented for this amount.
- General Revenues for the Governmental Activities of the District totaled \$127,095,637 or 70.91% of all revenues. Program specific revenues in the form of charges for services and grants and contributions received accounted for \$52,146,729 or 29.09% of total revenues of \$179,242,366.
- The ending fund balance of total General Funds was \$28,358,482 at June 30, 2021 and \$23,693,300 at June 30, 2020. The General Fund portion maintained a fund balance to District Adjusted Gross Revenue (DAGR) ratio at 14.71%.
- General Fund Revenue, including the Component Unit share (Charter Schools – net of services), totaled \$211,299,353 at June 30, 2021 and \$212,727,545 at June 30, 2020.
- Total student count in the District decreased by 19 students or -0.53% from the prior year; while the corresponding funded student FTE decreased by -0.13%. The State Budget Negative Factor for District 49 remains with a balance of \$32,355,457
- The Food Service Fund reported an ending fund balance of \$938,516 and \$938,516 at June 30, 2021 and 2020 respectively, no change from the prior year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. School District 49's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

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

The *Statement of Net Position* presents information about all the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include instruction, instructional support, general and school administration, business and central services, maintenance and operations, and transportation. The business-type activity of the District includes food service.

The government-wide financial statements include not only the District itself (known as the primary government), but also legally separate charter schools. Financial information for the charter schools are presented separately because the charter schools are financially accountable to the District and provide services to the District's students.

Fund Financial Statements. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. School District 49, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: government funds, proprietary funds, and fiduciary funds.

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

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

School District 49 maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, grants fund and the bond redemption fund because all are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

School District 49 adopts an annual appropriated budget for each of the governmental funds. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds. School District 49 maintains one proprietary fund. Internal service funds are used to accumulate and allocate costs internally among the district's various functions. The district uses internal service funds to account for employee benefit programs for health insurance. Because these services predominately benefit governmental rather than business-type functions, they have been included with governmental activities in the government-wide financial statements

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the District. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support School District 49's own programs. The fiduciary fund utilized by the District is the D49 Scholarship Fund. The accounting for fiduciary funds is much like that used for proprietary funds.

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

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District.

The combining statements referred to earlier in connection with non-major governmental funds are presented after the notes to the required supplementary information.

Discretely Presented Component Units. These are operations for which the District has financial accountability, but they have certain independent qualities as well. All are considered major component units. The District's eight component units are:

- Banning Lewis Ranch Academy (BLRA)
- GOAL Academy (GOAL)
- Grand Peak Academy (GPA)
- Liberty Tree Academy (LTA)
- Pikes Peak School of Expeditionary Learning (PPSEL)
- Power Technical Early College (PTEC)
- Rocky Mountain Classical Academy (RMCA)
- Mountain View Academy (MVA)

Current guidance from CDE leads toward an overly-simplistic reporting of program revenue that can lead to an incorrect conclusion that local charter schools (non-multi-district schools) do not receive local property tax revenue as a component of total program revenue. Accordingly, the following table is provided to bring clarity to the sources and distribution of total program revenue (PPR):

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

	FTE	Real Property Taxes	% of Total	Specific Ownership Taxes	% of Total	Equalization State Share	% of Total	Total Program Revenue
Total District	28,361.00	\$ 26,425,242	11.95%	\$ 2,692,754	1.22%	\$ 192,011,540	86.83%	\$ 221,129,535
D49 Operated Portfolio	12,945.00	\$ 19,070,877	18.53%	\$ 1,943,355	1.89%	\$ 81,900,728	79.58%	\$ 102,914,960
Component Units:								
D49 Chartered Portfolio	15,416.00	\$ 7,354,364		\$ 749,399		\$ 110,110,812		\$ 118,214,575
PPSEL	431.00	\$ 634,962	18.94%	\$ 64,702	1.93%	2,652,115	79.13%	\$ 3,351,779
BLRA	1,469.00	2,164,175	18.94%	220,526	1.93%	9,039,344	79.13%	11,424,045
RMCA	1,323.00	1,949,083	18.94%	198,609	1.93%	8,140,947	79.13%	10,288,639
ICA	727.00	1,071,038	18.94%	109,137	1.93%	4,473,521	79.13%	5,653,697
PTEC	325.00	478,800	18.94%	48,789	1.93%	1,999,855	79.13%	2,527,444
LTA	577.00	850,054	18.94%	86,619	1.93%	3,550,511	79.13%	4,487,184
MVA	140.00	206,252	18.94%	21,017	1.93%	861,476	79.13%	1,088,745
GOAL	5,305.00	-	n/a	-	n/a	41,254,916	100.00%	41,254,916
BOCES	5,119.00	-	n/a	-	n/a	38,138,126	100.00%	38,138,126

Complete financial statements of the individual component units can be obtained from their respective administrative offices as well as their individual websites. Addresses and other information about the District's component units are presented in the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of changes in a government's financial position over time. In the case of School District 49, Primary Government Liabilities exceeds Assets by \$133,378,812 and \$116,501,038 at June 30, 2021 and 2020 respectively. This is due to \$225,600,001 of the Net Pension and OPEB liability being assigned to the school district. With this liability excluded, School District 49's Primary Government Assets would have exceeded Liabilities by \$92,221,189.

Included in Total Net Position, \$56,916,278 is invested in capital assets net of accumulated depreciation and related outstanding debt used to acquire those assets. 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources. Capital assets themselves cannot be used to liquidate liabilities.

As of June 30, 2021, \$25,616,165 of the District's net position represents resources that are subject to external restriction on how they may be used. This includes Colorado's required TABOR of \$4,390,000. The overall restricted amount increased by \$7,919,284 from prior year.

Governmental activities decreased the net position of the District by \$158,939,440 as of June 30, 2021. Program revenues included \$19,392,692 in charges for services, and \$31,819,644 in operating grants and contributions and \$934,393 in Capital Grants and Contributions. \$124,758,688 was received in general revenues consisting of local property taxes, specific ownership taxes, and school finance act revenue. Total revenues received totaled \$179,242,366.

Instruction expenses totaled \$50,068,030, making up a major portion of total expenses of \$122,434,141 at June 30, 2021.

Program revenue for Food Services included \$48,656 in charges for services and \$2,870,560 in operating grants and contributions. Expenditures for food services were \$3,197,021.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

SCHOOL DISTRICT 49
Statement Of Net Position
Governmental Activities

	2021	2020	Increase (Decrease) over Prior Year	
ASSETS				
Current Assets	\$ 72,351,611	\$ 76,175,962	\$ (3,824,351)	
Capital assets, net of depreciation	196,603,748	205,584,495	(8,980,747)	
Total assets	268,955,359	281,760,457	(12,805,098)	-4.54%
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	67,186,621	30,955,799	36,230,822	117.04%
LIABILITIES				
Current liabilities	22,869,881	32,554,659	(9,684,778)	
Long-term liabilities	379,464,290	365,706,836	13,757,454	
Total liabilities	402,334,171	398,261,495	4,072,676	1.02%
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	92,747,249	128,007,308	(35,260,059)	-27.55%
NET POSITION				
Net Investment in Capital Assets	56,916,278	58,456,261	(1,539,983)	
Restricted for:				
TABOR	4,390,000	4,690,000	(300,000)	
Debt Service & MLO Projects	21,093,374	12,911,221	8,182,153	
Preschool	132,791	95,660	37,131	
Unrestricted	(241,471,883)	(289,705,689)	48,233,806	
TOTAL NET POSITION	\$ (158,939,440)	\$ (213,552,547)	\$ 54,613,107	25.57%

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

SCHOOL DISTRICT 49
Statement Of Activities
Governmental

	2021	2020	Increase (Decrease) over Prior Year	
PROGRAM REVENUES				
Charges for services	\$ 19,392,692	\$ 20,853,805	\$ (1,461,113)	
Operating Grants & contributions	31,819,644	23,075,615	8,744,029	
Capital Grants & contributions	934,393	940,543	(6,150)	
GENERAL REVENUES				
Property Taxes	46,493,058	44,889,325	1,603,733	
Specific ownership taxes	5,315,329	4,710,478	604,851	
State equalization	72,950,301	82,180,476	(9,230,175)	
Grants & Contrib not restricted to specific prg	995,252	1,359,314	(364,062)	
Investment earnings	185,231	702,199	(516,968)	
Miscellaneous	1,156,466	997,364	159,102	
TOTAL REVENUES	\$ 179,242,366	\$ 179,709,119	\$ (466,753)	-0.26%
EXPENSES				
Instruction	50,068,030	68,403,466	(18,335,436)	
Supporting services	61,226,058	62,492,924	(1,266,866)	
Community services	360,869	353,450	7,419	
Facilities acquisition and construction	1,659,897	2,954,703	(1,294,806)	
Food Service	3,197,021	3,729,021	(532,000)	
Interest and fiscal charges	5,922,266	6,290,810	(368,544)	
TOTAL EXPENSES	\$ 122,434,141	\$ 144,224,374	\$ (21,790,233)	15.11%
Change in Net Position	56,808,225	35,484,745	21,323,480	
Beginning Net Position	(213,552,547)	(248,466,318)	34,913,771	
Prior Period Adjustment	(2,195,118)	(570,974)	(1,624,144)	
TOTAL NET POSITION	\$ (158,939,440)	\$ (213,552,547)	\$ 54,613,107	25.57%

Financial Analysis of the Governmental Funds

As stated earlier, School District 49 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

The Balance Sheet as of June 30, 2021, shows the District's governmental funds combined ending fund balance totals \$48,862,129 compared to \$41,673,634 at June 30, 2020.

The general fund is the main operating fund of the District. At June 30, 2021, committed and assigned fund balance of the general fund was \$14,611,031 compared to \$12,772,652 at June 30, 2020. Total unassigned fund balance is \$2,639,734 and \$0 at June 30, 2021 and 2020 respectively.

The Bond Redemption Fund remains in strong financial condition, with no debt as of June 30, 2021. The balance at June 2017 consisted of \$5,084,704 for principal and interest payments on the District's voter approved debt. As of December 31, 2017 all bond debt has been paid off.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

In 2020-21, School District 49 expended \$19,741,881 of local, state and federal grant funds, excluding charter school grant expenditures. Of these expenditures, \$3,286,097 represent funds yet to be received from the individual granting authorities prior to the close of the fiscal year and are scheduled for receipt early in the 2021-22 fiscal year.

General Fund Budgetary Highlights

The District approves the original budget in June based on enrollment projections for the following school year. In October, after a better estimate of enrollment can be made, adjustments are made to the budget. The rapid growth the District experienced for most of 2000's has moderated in the last few years, but is starting to tick up again. The 2019-20 to 2020-21 expected growth was budgeted at 3.5%.

Some significant budget highlights include:

- The final (Amended) budget for the General Fund showed an increase in revenue \$1,119,064 and also an increase in expenditures by \$1,119,064 from the original (Adopted) budget.
- Actual General Funds results for the 2020-21 fiscal year showed revenue in excess of expenses by \$19,149,538, which was better than the amended budget. Property Tax revenue were much higher than budgeted, offset by higher than expected Transportation & Operations expense. This allowed the fund balance to grow by \$4,665,182.

Capital Assets and Debt Administration

Capital assets. School District 49's investment in capital assets for governmental activities as of June 30, 2021 amounts to \$196,603,748 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, machinery, equipment, and vehicles. The total decrease in the District's investment in capital assets for the current fiscal year was due to the depreciation of existing assets and/or disposal of assets.

SCHOOL DISTRICT 49
Investment in Capital Assets

	Balance at 6/30/2021	Restated Balance at 6/30/2020	Increase (Decrease) over Prior Year
Governmental Activities:			
Land	\$ 18,343,078	\$ 18,343,078	\$ -
Buildings & Improvements	168,018,323	166,426,589	1,591,734
Equipment	9,670,664	10,448,201	(777,537)
Construction in Progress	571,683	8,283,935	(7,712,252)
Governmental activities capital assets, net accumulated depreciation	\$ 196,603,748	\$ 203,501,803	-3.51%

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

Additional information on the District's capital assets can be found in the notes to the financial statements.

Long-Term Debt. As of June 30, 2021, School District 49's total outstanding long-term debt was \$153,864,289. Of this amount, \$8,864,020 for capital leases and \$129,380,000 in certificates of participation obligations. Compensated absences for School District 49 total \$3,636,313 at June 30, 2021.

In November 2005, the constituents approved a mill levy override to pay for the construction of new facilities and additions to then-current facilities. School District 49 sold the aforementioned Certificates of Participation in July 2006 and July 2007 to finance this construction and will pay the certificates back with the approved mill levy override tax revenue.

In November 2016, the constituents approved a mill levy override to pay for the construction of new facilities and additions to then-current facilities. School District 49 sold the aforementioned Certificates of Participation in February 2017 to finance this construction and will pay the certificates back with the approved mill levy override tax revenue.

State Statutes limit the amount of the District's general obligation bonded debt to 20% of the assessed value of the District, or 6% of the retail value of the District. At the end of the current fiscal year, the District had total general obligation bonded debt of \$0 or 0.00% of assessed value.

Additional information on the District's long-term debt can be found in the notes to the financial statements.

Economic Factors and 2020-2021 Budget

- On March 11, 2020, the World Health Organization characterized an outbreak of novel strain of coronavirus ("COVID-19") as a pandemic and on March 13, 2020, the United States of America declared a national emergency. As a result, the current economic environment has presented companies and organizations with unprecedented circumstances and challenges. Potential impacts to the District include disruptions and restrictions on the ability of employees to work, as well as travel and other restrictions imposed by governments that could restrict the ability of programs to continue. COVID-19 is also expected to adversely affect economies and financial markets in the United States of America and throughout the world. The extent of the impact on the District's financial position, operating results and cash flows will depend on future developments, including the duration and spread of the outbreak, which are highly uncertain and cannot be predicted. Because of the unknown related to the COVID-19 virus, the district declared a financial emergency in the 2020/21 school year. The District started the school year with on-line learning, and full in person schooling returning the last half of the year.
- The local, state, and federal economies are performing well. This was seen with a change in the District's assessed property value, which increased over 2.98% in 2021 from \$1,049,145,210 the prior year to a total of \$1,080,389,290. Due to requirements of the Colorado State Constitution's Gallagher Amendment, passed in 1982 – which mandates a consistent ratio between residential and non-residential property. In November of 2020 the State of Colorado passed Amendment B, which repealed the Gallagher Amendment and freezing the residential property tax rate to 7.15% and non-residential to 29%,

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2021

- The District will continue to work proactively with developers, the City of Colorado Springs, and El Paso County to address enrollment growth. School District 49 has been one of the fastest growing school districts in the state, based on enrollment - on a percentage basis, for the last several years; and current expectations are for that to continue for the next 15-20 years. This would result in School District 49 eventually becoming the largest school district in the Colorado Springs / El Paso County Colorado area, potentially doubling the number of students served over that time.
- School District 49 continues to work with charter schools and had eight charter schools in operation during the current fiscal year and plans to add an additional school, Mountain View Academy joined the portfolio for the 2021-2021 school year and PTAA (Pioneer Technology & Arts Academy) will join the portfolio in the 2021-2022 school year.
- The District ended the 2020-21 school year with 14.52% revenue to fund balance – revenue ratio (excluding PERA liability), as BOE Policy DAA states. The 10-11% target equates to approximately one month of expenditures and is necessary to handle the District's annual cash flow cycle that is present due to the seasonal nature of property tax receipts.

Requests for Information

The financial report is designed to provide a general overview of School District 49's finances for those with an interest in the District. Questions concerning any of the information provided in this report or requests for additional information should be submitted to the following:

El Paso County Colorado School District 49
Attention: Business Office
10850 E. Woodmen Road
Peyton, CO 80831

BASIC FINANCIAL STATEMENTS

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government Governmental Activities	Component Units
ASSETS		
Cash and investments	\$ 39,104,930	\$ 39,189,482
Restricted cash and investments	26,996,300	11,048,093
Accounts receivable	4,727,196	2,104,987
Taxes receivable	1,341,037	-
Deposits	-	400,964
Prepaid items	110,127	187,357
Inventories	72,021	-
Capital assets, not being depreciated	18,914,761	8,154,057
Capital assets, net of depreciation	177,688,987	78,328,200
Total assets	268,955,359	139,413,140
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding	4,065,707	8,256,782
Deferred pension and OPEB outflows	63,120,914	46,438,579
Total deferred outflows of resources	67,186,621	54,695,361
LIABILITIES		
Accounts payable and other current liabilities	4,465,010	2,117,285
Accrued salaries and benefits	14,264,408	1,474,033
Compensated absences	120,378	-
Accrued interest	244,904	1,271,183
Unearned revenues	3,775,181	137,697
Long-term liabilities:		
Due within one year	6,811,052	1,160,291
Due in more than one year	147,053,237	115,556,697
Net pension and OPEB liabilities	225,600,001	91,378,681
Total liabilities	402,334,171	213,095,867
DEFERRED INFLOWS OF RESOURCES		
Deferred pension and OPEB inflows	92,747,249	36,182,448
NET POSITION		
Net investment in capital assets	56,916,278	(21,021,078)
Restricted for:		
Emergency reserve (TABOR)	4,390,000	2,469,100
Debt service	14,618,575	9,261,295
Preschool	132,791	-
MLO projects	6,474,799	149,531
Unrestricted	(241,471,883)	(46,028,662)
Total net position	\$ (158,939,440)	\$ (55,169,814)

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Units Charter Schools
Primary government						
Governmental activities						
Instruction	\$ 50,068,030	\$ 5,971,937	\$ 27,345,484	\$ 793,702	\$ (15,956,907)	\$ -
Supporting services	61,226,058	13,372,099	1,603,600	140,691	(46,109,668)	
Community services	360,869	-	-	-	(360,869)	
Food service operations	3,197,021	48,656	2,870,560	-	(277,805)	
Facilities acquisition and construction	1,659,897	-	-	-	(1,659,897)	
Interest and fiscal charges	5,922,266	-	-	-	(5,922,266)	
Total governmental activities	<u>\$ 122,434,141</u>	<u>\$ 19,392,692</u>	<u>\$ 31,819,644</u>	<u>\$ 934,393</u>	<u>(70,287,412)</u>	
Component units						
Charter schools	<u>\$ 81,811,373</u>	<u>\$ 1,439,868</u>	<u>\$ 5,850,480</u>	<u>\$ 1,296,248</u>		<u>(73,224,777)</u>
General revenues:						
Property taxes					28,191,208	-
Specific ownership taxes					3,279,486	-
State equalization					93,287,994	-
Per pupil revenue					-	78,316,714
District mill levy override					-	1,948,916
Grants and contributions not restricted to specific programs					995,252	3,713,446
Investment earnings					185,231	62,846
Miscellaneous					1,156,466	161,794
Total general revenues					<u>127,095,637</u>	<u>84,203,716</u>
Change in net position					56,808,225	10,978,939
Net position - beginning, as restated (deficit)					<u>(215,747,665)</u>	<u>(66,148,753)</u>
Net position - ending (deficit)					<u>\$ (158,939,440)</u>	<u>\$ (55,169,814)</u>

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49

**BALANCE SHEET
GOVERNMENTAL FUNDS**

JUNE 30, 2021

	General Fund	Governmental Designated Purpose Grants Fund	Certificate of Participation Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 40,026,739	\$ -	\$ -	\$ (1,421,810)	\$ 38,604,929
Restricted cash and investments	15,993,219	-	10,937,369	65,712	26,996,300
Accounts receivable	852,692	-	-	66,339	919,031
Grants receivable	-	3,071,481	-	631,024	3,702,505
Taxes receivable	1,341,037	-	-	-	1,341,037
Due from other funds	174,906	1,626,043	3,682,416	7,749,861	13,233,226
Prepaid items	110,127	-	-	-	110,127
Inventories	-	-	-	72,021	72,021
Total assets	<u>\$ 58,498,720</u>	<u>\$ 4,697,524</u>	<u>\$ 14,619,785</u>	<u>\$ 7,163,147</u>	<u>\$ 84,979,176</u>
LIABILITIES					
Accounts payable and other accrued liabilities	\$ 2,054,222	\$ 740,265	\$ 1,210	\$ 510,192	\$ 3,305,889
Accrued salaries and benefits	13,350,871	671,162	-	242,375	14,264,408
Compensated absences	120,378	-	-	-	120,378
Due to other funds	14,085,389	-	-	201,297	14,286,686
Unearned revenue	164,873	3,286,097	-	324,211	3,775,181
Total liabilities	<u>29,775,733</u>	<u>4,697,524</u>	<u>1,210</u>	<u>1,278,075</u>	<u>35,752,542</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	<u>364,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,505</u>
Total deferred inflows of resources	<u>364,505</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>364,505</u>
FUND BALANCES					
Nonspendable	110,127	-	-	72,021	182,148
Restricted for:					
Emergency reserve (TABOR)	4,390,000	-	-	-	4,390,000
Debt service	-	-	14,618,575	-	14,618,575
MLO projects	6,474,799	-	-	-	6,474,799
Preschool	132,791	-	-	-	132,791
Committed for:					
Pupil activities	-	-	-	1,231,306	1,231,306
Food Services	-	-	-	866,495	866,495
Contingencies	9,700,000	-	-	-	9,700,000
Assigned for:					
Risk management	533,928	-	-	-	533,928
Capital projects	4,377,103	-	-	3,715,250	8,092,353
Unassigned	2,639,734	-	-	-	2,639,734
Total fund balances	<u>28,358,482</u>	<u>-</u>	<u>14,618,575</u>	<u>5,885,072</u>	<u>48,862,129</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 58,498,720</u>	<u>\$ 4,697,524</u>	<u>\$ 14,619,785</u>	<u>\$ 7,163,147</u>	<u>\$ 84,979,176</u>

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021

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

Total fund balance - governmental funds		\$ 48,862,129
Capital assets used in governmental activities are not financial resources and, therefore, are		
Capital assets, not being depreciated	\$ 18,914,761	
Capital assets, net of depreciation	<u>177,688,987</u>	196,603,748
Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds.		364,505
Internal service funds are used by the District's management to charge the cost of certain activities to individual funds. The assets and liabilities of the internal service funds are included with governmental activities in the statement of net position.		500,000
Long-term liabilities and related items are not due and payable in the current year and, therefore, are not reported in government funds:		
Deferred charges on refunding	\$ 4,065,707	
Net pension liabilities	(217,684,086)	
Pension outflows	62,245,719	
Pension inflows	(89,965,044)	
Net OPEB liabilities	(7,915,915)	
OPEB outflows	875,195	
OPEB inflows	(2,782,205)	
Accrued interest	(244,904)	
Compensated absences	(3,636,313)	
Capital lease payable	(8,864,020)	
Certificates of participation payable	(129,380,000)	
Unamortized premiums	<u>(11,983,956)</u>	<u>(405,269,822)</u>
Net position of governmental activities		<u><u>\$ (158,939,440)</u></u>

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Governmental Designated Purpose Grants Fund	Certificate of Participation Debt Service Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Local sources	\$ 40,657,553	\$ -	\$ 11,312	\$ 3,379,689	\$ 44,048,554
State sources	101,447,947	684,799	-	479,929	102,612,675
Federal sources	825,646	19,057,082	-	3,026,662	22,909,390
Total revenues	<u>142,931,146</u>	<u>19,741,881</u>	<u>11,312</u>	<u>6,886,280</u>	<u>169,570,619</u>
EXPENDITURES					
Instruction	67,829,668	5,333,453	-	2,106,653	75,269,774
Supporting services	51,291,450	14,201,493	-	1,452,660	66,945,603
Community services	-	206,935	-	153,934	360,869
Food service operations	-	-	-	3,208,124	3,208,124
Facilities acquisition and construction	1,405,360	-	-	564,815	1,970,175
Debt service	3,255,130	-	11,260,023	-	14,515,153
Total expenditures	<u>123,781,608</u>	<u>19,741,881</u>	<u>11,260,023</u>	<u>7,486,186</u>	<u>162,269,698</u>
Excess (deficiency) of revenues over expenditures	<u>19,149,538</u>	<u>-</u>	<u>(11,248,711)</u>	<u>(599,906)</u>	<u>7,300,921</u>
OTHER FINANCING SOURCES (USES)					
Transfers in (out)	<u>(14,484,356)</u>	<u>-</u>	<u>12,956,065</u>	<u>1,528,291</u>	<u>-</u>
Net change in fund balances	<u>4,665,182</u>	<u>-</u>	<u>1,707,354</u>	<u>928,385</u>	<u>7,300,921</u>
Fund balances - beginning	23,693,300	-	12,911,221	5,069,113	41,673,634
Prior period adjustments	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,426)</u>	<u>(112,426)</u>
Fund balances - beginning, as restated	<u>23,693,300</u>	<u>-</u>	<u>12,911,221</u>	<u>4,956,687</u>	<u>41,561,208</u>
Fund balances - ending	<u>\$ 28,358,482</u>	<u>\$ -</u>	<u>\$ 14,618,575</u>	<u>\$ 5,885,072</u>	<u>\$ 48,862,129</u>

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

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

Net change in fund balances - total governmental funds:	\$	7,300,921
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$	3,540,684	
Depreciation		(10,438,739)	(6,898,055)

Governmental funds do not present property tax revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.		(1,290,757)
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Internal service funds are used by the District to charge the cost of certain activities to individual funds. The net revenue of the internal service funds are reported with governmental activities.		(48,238)
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Interest expense is reported when incurred in the statement of activities but is not reported in the funds until paid.		10,927
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of principal	\$	6,505,794	
Amortization of deferred on refunding		(219,768)	
Accretion of COP premium		597,302	6,883,328

Governmental funds measure compensated absences by the amount of financial resources used, whereas these expenses are reported in the statement of activities based on the amounts incurred during the year.		(90,763)
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Certain pension and OPEB expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Pension expenses	\$	50,452,153	
OPEB expenses		488,709	50,940,862

Change in net position of governmental activities	\$	56,808,225
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The accompanying notes are an integral part of these financial statements.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021

	Governmental Activities Internal Service Fund
ASSETS	
Current assets	
Cash and cash equivalents	\$ 500,001
Accounts receivable	105,660
Due from other funds	<u>1,053,460</u>
Total assets	<u>1,659,121</u>
LIABILITIES	
Current liabilities	
Accounts payable	<u>1,159,121</u>
Total liabilities	<u>1,159,121</u>
NET POSITION	
Unrestricted	<u>500,000</u>
Total net position	<u><u>\$ 500,000</u></u>

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities
	Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 12,250,889
OPERATING EXPENSES	
Purchased services	12,317,544
Other	(16,070)
Total operating expenses	12,301,474
Operating income (loss)	(50,585)
NON-OPERATING REVENUES (EXPENSES)	
Interest and investment revenue	2,347
Change in net position	(48,238)
Net position - beginning	548,238
Net position - ending	\$ 500,000

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 10,830,418
Cash payments to suppliers	<u>(11,808,107)</u>
Net cash provided (used) by operating activities	<u>(977,689)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>2,347</u>
Net increase (decrease) in cash and cash equivalents	(975,342)
Cash and cash equivalents - beginning	<u>1,475,343</u>
Cash and cash equivalents - ending	<u><u>\$ 500,001</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	<u>\$ (50,585)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	241,660
Due from other funds	(1,053,460)
Increase (decrease) in:	
Accounts payable	251,707
Due to other funds	<u>(367,011)</u>
Total adjustments	<u>(927,104)</u>
Net cash provided (used) by operating activities	<u><u>\$ (977,689)</u></u>

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2021

	Private- Purpose Trust Fund
ASSETS	
Total assets	\$ -
LIABILITIES	
Total liabilities	-
NET POSITION	
Total net position	\$ -

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE, 30 2021

	Private- Purpose Trust Fund
ADDITIONS	
Interest	\$ 2
DEDUCTIONS	
Scholarship awards	2,796
Change in net position	(2,794)
Net position - beginning	2,794
Net position - ending	\$ -

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

COMPONENT UNITS

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
COMPONENT UNITS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021

	Pikes Peak School of Expeditionary Learning	Banning Lewis Ranch Academy	Rocky Mountain Classical Academy	GOAL Academy	Liberty Tree Academy	Grand Peak Academy	Mountain View Academy	Total
ASSETS								
Cash and investments	\$ 3,591,912	\$ 5,732,895	\$ 5,308,900	\$ 20,013,052	\$ 2,205,199	\$ 2,105,609	\$ 231,915	\$ 39,189,482
Restricted cash and investments	31,418	4,156,679	3,142,094	-	2,030,111	1,687,791	-	11,048,093
Accounts receivable	73,068	230,659	896,538	825,030	25,970	703	53,019	2,104,987
Deposits	-	-	18,710	220,964	11,290	150,000	-	400,964
Prepaid items	-	42,926	54,844	69,349	20,238	-	-	187,357
Capital assets, not being depreciated	548,380	-	1,693,591	-	4,162,086	1,750,000	-	8,154,057
Capital assets, net of depreciation	3,967,399	22,698,132	24,165,007	1,903,202	9,224,628	16,369,832	-	78,328,200
Total assets	8,212,177	32,861,291	35,279,684	23,031,597	17,679,522	22,063,935	284,934	139,413,140
DEFERRED OUTFLOWS OF RESOURCES								
Deferred charge on refunding	-	86,935	6,875,818	-	1,294,029	-	-	8,256,782
Deferred pension outflows	1,589,463	-	3,589,958	34,516,527	3,561,921	1,906,425	-	45,164,294
Deferred OPEB outflows	24,155	-	70,410	1,007,506	149,477	22,737	-	1,274,285
Total deferred outflows of resources	1,613,618	86,935	10,536,186	35,524,033	5,005,427	1,929,162	-	54,695,361
LIABILITIES								
Accounts payable and other current liabilities	8,706	510,536	346,447	711,192	377,221	40,167	123,016	2,117,285
Accrued salaries and benefits	203,075	807,396	352,093	-	111,469	-	-	1,474,033
Accrued interest	20,266	66,700	507,313	-	89,604	587,300	-	1,271,183
Unearned revenues	-	-	24,067	-	101,962	-	11,668	137,697
Long-term liabilities								
Due within one year	150,291	430,000	345,000	-	-	235,000	-	1,160,291
Due in more than one year	5,355,974	26,715,000	43,880,723	-	18,700,000	20,905,000	-	115,556,697
Net Pension Liability	4,346,102	-	11,634,686	62,237,572	4,569,181	5,385,859	-	88,173,400
Net OPEB Liability	157,906	-	422,978	2,262,743	165,886	195,768	-	3,205,281
Total liabilities	10,242,320	28,529,632	57,513,307	65,211,507	24,115,323	27,349,094	134,684	213,095,867
DEFERRED INFLOWS OF RESOURCES								
Deferred pension inflows	1,838,356	-	4,791,621	24,451,690	1,773,821	2,274,096	-	35,129,584
Deferred OPEB inflows	51,318	-	136,211	728,666	53,420	83,249	-	1,052,864
Total deferred inflows of resources	1,889,674	-	4,927,832	25,180,356	1,827,241	2,357,345	-	36,182,448
NET POSITION								
Net investment in capital assets	(990,486)	(4,063,247)	(11,491,440)	1,903,202	(3,427,064)	(2,952,043)	-	(21,021,078)
Restricted for:								
Emergency reserve - TABOR	99,000	400,000	361,100	1,278,000	146,000	185,000	-	2,469,100
Debt service	25,392	4,104,145	2,634,781	-	877,311	1,619,666	-	9,261,295
Other	-	-	-	29,743	-	-	119,788	149,531
Unrestricted	(1,440,105)	3,977,696	(8,129,710)	(35,047,178)	(853,862)	(4,565,965)	30,462	(46,028,662)
Total net position	\$ (2,306,199)	\$ 4,418,594	\$ (16,625,269)	\$ (31,836,233)	\$ (3,257,615)	\$ (5,713,342)	\$ 150,250	\$ (55,169,814)

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
COMPONENT UNITS
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

	Pikes Peak School of Expeditionary Learning	Banning Lewis Ranch Academy	Rocky Mountain Classical Academy	GOAL Academy	Liberty Tree Academy	Grand Peak Academy	Mountain View Academy	Total
EXPENSES								
Instruction	\$ 1,584,095	\$ 7,288,546	\$ 1,276,772	\$ 16,449,765	\$ 2,960,175	\$ 1,908,891	\$ 1,307,636	\$ 32,775,880
Supporting services	1,361,479	4,188,618	6,049,276	21,761,881	1,805,072	1,475,118	2,685,306	39,326,750
Depreciation and amortization	120,913	-	-	-	-	-	-	120,913
Interest and fiscal charges	685,135	-	-	-	-	1,188,413	-	1,873,548
Business-type	-	2,162,940	3,643,189	-	1,908,153	-	-	7,714,282
Total expenses	3,751,622	13,640,104	10,969,237	38,211,646	6,673,400	4,572,422	3,992,942	81,811,373
PROGRAM REVENUES								
Charges for services	451,348	119,275	589,064	-	96,543	183,638	-	1,439,868
Operating grants and contributions	95,464	1,025,521	1,225,821	2,343,605	650,806	425,610	83,653	5,850,480
Capital grants and contributions	135,904	444,482	321,321	-	174,578	219,963	-	1,296,248
Total program revenues	682,716	1,589,278	2,136,206	2,343,605	921,927	829,211	83,653	8,586,596
Net expense (revenue)	(3,068,906)	(12,050,826)	(8,833,031)	(35,868,041)	(5,751,473)	(3,743,211)	(3,909,289)	(73,224,777)
GENERAL REVENUES								
Per pupil revenue	3,380,376	11,521,514	10,382,564	41,674,980	4,525,469	5,733,777	1,098,034	78,316,714
District mill levy	117,350	934,010	664,787	189,120	29,674	-	13,975	1,948,916
Grants and contributions not restricted to specific programs	514,186	143,472	59,441	10,059	24,225	20,432	2,941,631	3,713,446
Investment earnings	36,786	5,113	8,094	8,234	2,604	2,015	-	62,846
Miscellaneous	-	20,664	23,673	56,730	21	54,807	5,899	161,794
Total general revenues	4,048,698	12,624,773	11,138,559	41,939,123	4,581,993	5,811,031	4,059,539	84,203,716
Change in net position	979,792	573,947	2,305,528	6,071,082	(1,169,480)	2,067,820	150,250	10,978,939
Net position - beginning, as restated (deficit)	(3,285,991)	3,844,647	(18,930,797)	(37,907,315)	(2,088,135)	(7,781,162)	-	(66,148,753)
Net position - ending (deficit)	<u>\$ (2,306,199)</u>	<u>\$ 4,418,594</u>	<u>\$ (16,625,269)</u>	<u>\$ (31,836,233)</u>	<u>\$ (3,257,615)</u>	<u>\$ (5,713,342)</u>	<u>\$ 150,250</u>	<u>\$ (55,169,814)</u>

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

NOTES TO FINANCIAL STATEMENTS

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of El Paso County Colorado School District 49 (the District) have been prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the District are discussed below.

A. DESCRIPTION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other non-exchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

B. REPORTING ENTITY

El Paso County Colorado School District 49 was organized by a vote of qualified electorate during 1889, under the provisions of Colorado Law. The legislative power of the District is vested in the Board of Education, consisting of five members who are elected for staggered four-year terms. Over the years there have been 6 different name variations used for the District, including Falcon School District 49. On February 25, 2015, the Board passed a resolution that recognized that the six different names are one in the same entity. Going forward the District will use El Paso County Colorado School District 49 for reporting purposes. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Aggregate discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the district. The District has presented the following component units:

Discretely Presented Component Units

The Board of Education approved eight charter schools for operation. Seven of schools are considered discretely presented component units: Pikes Peak School of Expeditionary Learning, Banning Lewis Ranch Academy, Rocky Mountain Classical Academy, Guided Online Academic Learning (GOAL) Academy, Liberty Tree Academy, Grand Peak Academy and Mountain View Academy. The charter schools were formed in accordance with state statute as District charter schools. The charter schools are deemed to be fiscally dependent on the District since the District provides the majority of support to each charter school in the form of per pupil revenue. In addition, the nature and significance of the charter schools' relationship with the District is such that exclusion would cause the District's financial statements to be incomplete.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

Discretely Presented Component Units (Continued)

The amount of per pupil revenue allotted to each charter school during the year ended June 30, 2021 is as follows:

<u>Charter School</u>	<u>Amount</u>
Pikes Peak School of Expeditionary Learning	\$ 3,380,376
Banning Lewis Ranch Academy	11,521,514
Rocky Mountain Classical Academy	10,382,564
GOAL Academy	41,674,980
Liberty Tree Academy	4,525,469
Grand Peak Academy	5,733,777
Mountain View Academy	<u>1,098,034</u>
	<u>\$ 78,316,714</u>

The members of each charter school's governing board are appointed separately from the District. These charter schools have been deemed to be separate legal entities based on the formation of the schools in accordance with state statutes. Separately issued financial statements for the charter schools may be obtained by writing to the following:

Pikes Peak School of Expeditionary Learning
11925 Antlers Ridge Drive
Falcon, CO 80831

GOAL Academy
107 W 11th Street
Pueblo, CO 80204

Banning Lewis Ranch Academy
7094 Cottonwood Tree Drive
Colorado Springs, CO 80927

Liberty Tree Academy
8579 Eastonville Road
Falcon, CO 80831

Rocky Mountain Classical Academy
4620 Antelope Ridge Drive
Colorado Springs, CO 80922

Grand Peak Academy
7036 Cowpoke Road
Colorado Springs, CO 80908

Mountain View Academy
2103 Meadowbrook Parkway
Colorado Springs, CO 80951

Power Technical Early College (PTEC) is one of the District's charter schools; however, it is not considered a component unit. The District provided \$2,476,367 per pupil revenue to the school. Financial information for PTEC can be found in the James Irwin Charter Schools financial statements which can be obtained by writing to the following:

James Irwin Charter Schools
5525 Astrozon Blvd.
Colorado Springs, CO 80916

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION—GOVERNMENT-WIDE FINANCIAL STATEMENTS

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

D. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. 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.

The emphasis of fund financial statements is on major governmental and enterprise funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

The *Governmental Designated-Purpose Grants Fund* is used to record financial transactions for grants received for designated programs funded by federal, state or local governments.

The *Certificate of Participation (COP) Debt Service Fund* is used to account for the accumulation of resources and payment of principal, interest and related expenditures on COP debt.

Additionally, the District reports the following fund types:

Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects).

The *Food Service Fund* accounts for the District's food service program. This fund is required to account for USDA school breakfast and lunch money received by the District.

The *Other Special Revenue Fund* is used to account for other local revenues comprised of donations and local grants.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS (CONTINUED)

The *Pupil Activity Fund* is used to account for the revenues and expenditures related to school sponsored student intrascholastic and interscholastic athletic and other related activities.

The *Transportation Fund* is used to account for revenues from a tax levied or a fee imposed for the purpose of paying excess transportation costs.

The *Kids Corner Fund* is used to account for revenues and expenditures related to the before and after school care program for students that attend the Sand Creek Zone.

The *Other Activities Fund* is used to account for the revenues and expenditures related to school sponsored student intra-scholastic athlete and other related activities.

Capital Project Funds account for the proceeds, construction and acquisition of capital assets.

The *Capital Reserve Fund* accounts for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

The *Capital Projects Mill Levy Fund* accounts for all resources provided through mill levy overrides for acquiring and improving capital sites, buildings, and equipment.

Internal Service Funds account for operations that provide services to other departments or agencies of the government on a cost-reimbursement basis.

The *Health Insurance Fund* accounts for premium payments and claims related to the self-funded health and dental insurance programs and risk related activities.

Fiduciary Funds account for assets held by the government in a trustee capacity or as an agent on behalf of others.

The District's fiduciary fund is the *Scholarship Trust Fund*.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's internal service fund are charges to customers for sales and services. Operating expenses for the Internal Service Fund include the cost of sales, services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BASIS OF PRESENTATION—FUND FINANCIAL STATEMENTS (CONTINUED)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flow. Property taxes are recognized as revenues 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 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 *measurable* when the amount of the transaction can be determined and are considered to be *available* when they are collectible within the period or soon enough thereafter to pay liabilities of the current fiscal period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual are property taxes, and interest associated with the current fiscal year. Specific ownership taxes collected and held by the county at year-end on behalf of the District are also recognized as revenue. Other revenues, such as transportation, vocational and special education, are not susceptible to accrual because, generally, they are not measurable until received in cash. Expenditure-driven grants recognize revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND
NET POSITION/FUND BALANCE*

Cash and cash equivalents

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the cash account is available to meet current operating requirements. Surplus or temporary surplus money in each separate fund may be invested, but no mixing between funds is allowed. Cash and cash equivalents include cash on hand and in the bank and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Local government investment pools in Colorado must be organized under Colorado Revised Statutes, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in such pools are valued at the pool's share price, the price at which the investment could be sold.

Restricted cash and investments

The use of certain cash and investments of the District may be restricted. These items are classified as restricted assets on the balance sheet because they are maintained in separate accounts and their use is limited by debt agreements.

Receivables

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

Inventories and prepaid items

Inventory is valued at the lower of cost or market using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

In the Food Service Fund, commodity inventories are stated at USDA's assigned values, 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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND
NET POSITION/FUND BALANCE (CONTINUED)*

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. The capitalization threshold is \$5,000 in all funds. Donated capital assets are recorded at acquisition value on the date received. Major outlays for capital assets and improvements are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset, or materially extend asset lives, are not capitalized. Improvements are capitalized and are depreciated over the remaining useful lives of the related capital assets, as applicable.

Buildings, building improvements, and equipment of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Building improvements	20
Equipment – office	10
Equipment – technology	5
Equipment – vehicles	10

Depreciation of all capital assets is charged as an expense against operations in the government-wide and proprietary fund financial statements.

Pensions

El Paso County Colorado School District 49 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.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND
NET POSITION/FUND BALANCE (CONTINUED)*

Health Care Trust Fund

El Paso County Colorado School District 49 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position 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 that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Long-term liabilities

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the debt using the straight-line method. Bonds payable are reported net of the applicable premium or discount.

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

Net position flow assumption

The District may fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*F. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND
NET POSITION/FUND BALANCE (CONTINUED)*

Fund balance flow assumption

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

Fund balance classification

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

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action that was used when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – This classification includes amounts that are constrained by the School's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to management through the budgetary process. This classification also includes the remaining positive fund balance for any governmental funds except for the General Fund.

Unassigned – This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The District would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. REVENUES AND EXPENDITURES/EXPENSES

Program revenues

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

Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on December 31 and are payable in full by April 30, or are payable in two equal installments due February 28 and June 15. The county treasurer bills and collects the District's property tax. District property tax revenues are recognized when levied to the extent they result in current receivables.

The District is permitted to levy taxes on the assessed valuation for general governmental services and for the payment of principal and interest on long-term debt. The tax rate for the year ended December 31, 2021 is 43.021 mills for general operating expenses. The District's assessed valuation for the collection year 2021 is \$1,080,389,290.

Specific Ownership Taxes

Specific ownership taxes are collected by the county treasurer for motor vehicle and other personal property registered in the District's assessment area. The tax receipts collected by the county treasurer are remitted to the District in the subsequent month. Specific ownership taxes are recorded as revenue when collected by the county.

Compensated Absences

Sick Leave Payable: Employees accrue 10-12 days of sick leave each year dependent upon their contract basis. Sick leave may be accumulated up to a maximum of 120 days. An employee will be reimbursed one-half of the current substitute rate or one-half of his/her base daily pay per classification of any unused sick leave days beyond the 120 days annually.

Upon retirement (15 years or more in the District or eligible for PERA retirement with at least 5 years of services in the District) an employee will be reimbursed at the current substitute rate of pay for their classification, up to a maximum of 120 days.

Vacation Payable: Under the District's policies certain employees earn vacation pay of 10-20 days, based on longevity of service. All unused/accrued vacation is vested at June 30 each year.

Personal Leave: A teacher or an employee who works 30 hours or more per week may be absent for two days per year for the purpose of personal leave. Personal days which are not used during the school year may be added to the employee's sick leave days or be reimbursed at the current substitute rate of pay.

The compensated absences balance is reported in the government-wide financial statements. For the governmental fund financial statements, the recognition of this liability is limited to the amount expected to be paid using expendable available resources.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. REVENUES AND EXPENDITURES/EXPENSES (CONTINUED)

Proprietary Funds Operating and Non-operating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise fund 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.

H. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, management submits to the Board of Education, 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.
2. Public notices are released to obtain taxpayers comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Chief Education Officer is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration is employed as a management control device during the year for all funds.
6. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP), except for proprietary funds which are budgeted on the cash basis. Budgeted amounts in this report are as originally adopted or amended.
7. All original and supplemental appropriations for all funds lapse at the end of the fiscal year.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditure over Appropriations

For the year ended June 30, 2021, expenditure exceeded appropriation in the Food Service Fund and the Capital Projects Mill Levy Fund by \$397,118 and \$13,282, respectively. These excess of expenditures over appropriations were funded by additional revenues in the Food Service Fund and by a transfer in from the General Fund in the Capital Projects Mill Levy Fund.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

The District's cash and investments consist of the following at June 30, 2021:

A summary of deposits and investments as of June 30, 2021 is as follows:

Deposits	\$ 4,366,646
Investments	<u>61,734,584</u>
Total	<u>\$ 66,101,230</u>

Deposits and investments are reported in the financial statements as follows:

Cash and investments	\$ 39,104,930
Restricted cash and investments	<u>26,996,300</u>
Total	<u>\$ 66,101,230</u>

Custodial Credit Risk: Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The carrying amount of the District's deposits at June 30, 2021 for governmental activities was \$4,366,646, and the bank balance was \$10,587,416. Of the bank balance, \$750,000 was covered by federal deposit insurance and the balance was uninsured but collateralized in accordance with the provisions of the PDPA.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments

The District is authorized by Colorado statutes to invest in the following:

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

The District has invested in the Colorado Government Liquid Asset Trust (COLOTRUST). COLOTRUST is an investment vehicle established for local government entities in Colorado pursuant to Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. This investment vehicle operates similarly to money market funds and each share is equal in value to \$1.00. The fair value of the position in the pool is the same as the value of the pool shares.

The designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips, and repurchase agreements collateralized by U.S. Treasury Notes. However, the District does not categorize investments with COLOTRUST because they are not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment or deposit. State law and District investment policy limit investment maturities to five years or less as a means of management exposure to fair value loss resulting from increasing interest rates. The District does not have a formal policy that limits investment maturities as a means of managing its exposure to interest rate risk. However, almost all investments of the District have maturities less than six months. As such, due to the short-term nature of the District's investments, interest rate risk is minimized.

Credit Risk: Credit risk involves the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments to those described above. The District does not have a formal investment policy that would further limit its investment choices. As of June 30, 2021 all of the District's investments in COLOTRUST and money markets were rated AAAM by Standard & Poor's.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

At June 30, 2021 the District's investment balances were as follows:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Local Government Investment Pool (COLOTRUST)	Less than 60 days	\$ 55,957,914
Money Market	Less than 60 days	5,503,487
Certificates of Deposit	Less than 60 days	<u>273,183</u>
		<u>\$ 61,734,584</u>

Concentration of Credit Risk – The district places no limit on the amount the district may invest in any one issuer. More than 5% of the district's investments are in ColoTrust, and Money Markets. These investments are 90% and 9% respectively, of the district's total investments.

Restricted cash and investments

Cash and investments of \$26,996,300 representing reserves for debt service of \$10,937,369 in the Certificate of Participation Debt Service fund, mill levy override funds of \$15,993,219 in the General Fund, and capital project reserves of \$65,712 in the Capital Projects Mill Levy Fund.

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Receivables and Payables

Interfund receivables and payables are created in conjunction with the District's pooled cash and investment portfolios. Balances are routinely cleared as a matter of practice.

The composition of interfund balances at June 30, 2021 is as follows:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 174,906	\$ 14,085,389
Governmental Designated Purpose Grants Fund	1,626,043	-
Certificate of Participation Debt Service Fund	3,682,416	-
Nonmajor Governmental Funds	7,749,861	201,297
Risk Management – Health Insurance Fund	<u>1,053,460</u>	<u>-</u>
	<u>\$ 14,286,686</u>	<u>\$ 14,286,686</u>

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

Interfund transfers

Interfund transfer activity for the year ended June 30, 2021 is as follows:

	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>
General Fund	\$ -	\$ 14,484,356
Certificate of Participation Debt Service Fund	12,956,065	-
Nonmajor Governmental Funds	<u>1,528,291</u>	<u>-</u>
	<u>\$ 14,484,356</u>	<u>\$ 14,484,356</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations and (3) move capital assets from one fund to another fund when the fund using the capital assets changes.

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Restated Balance 06/30/20</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 06/30/21</u>
<u>Governmental activities</u>				
Capital assets not being depreciated:				
Land	\$ 18,343,078	\$ -	\$ -	\$ 18,343,078
Construction in progress	<u>8,283,935</u>	<u>1,872,499</u>	<u>(9,584,751)</u>	<u>571,683</u>
Total capital assets not being depreciated	<u>26,627,013</u>	<u>1,872,499</u>	<u>(9,584,751)</u>	<u>18,914,761</u>
Capital assets being depreciated:				
Buildings and improvements	260,510,742	9,988,559	(45,000)	270,454,301
Equipment	<u>21,024,422</u>	<u>1,264,377</u>	<u>-</u>	<u>22,288,799</u>
Total capital assets being depreciated	<u>281,535,164</u>	<u>11,252,936</u>	<u>(45,000)</u>	<u>292,743,100</u>
Less accumulated depreciation for:				
Buildings and improvements	(94,084,153)	(8,396,825)	45,000	(102,435,978)
Equipment	<u>(10,576,221)</u>	<u>(2,041,914)</u>	<u>-</u>	<u>(12,618,135)</u>
Total accumulated depreciation	<u>(104,660,374)</u>	<u>(10,438,739)</u>	<u>45,000</u>	<u>(115,054,113)</u>
Total capital assets being depreciated, net	<u>176,874,790</u>	<u>814,197</u>	<u>-</u>	<u>177,688,987</u>
Governmental activities capital assets, net	<u>\$ 203,501,803</u>	<u>\$ 2,686,696</u>	<u>\$ (9,584,751)</u>	<u>\$ 196,603,748</u>

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

Instruction	\$ (8,592,463)
Supporting services	<u>(1,846,276)</u>
	<u>\$ (10,438,739)</u>

NOTE 6 – ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately ten months. The salaries and benefits earned, but unpaid, as of June 20, 2021, are \$14,264,408. Accordingly, the accrued compensation is reflected as a liability in the accompanying Government-Wide Statement of Net Position.

NOTE 7 - LONG-TERM LIABILITIES

Certificates of Participation

In February 2015, the District issued \$70,575,000 in Refunding Certificates of Participation, Series 2015. Principal payments are due annually on December 15 and interest payments are due on June 15 and December 15, through December 2039. Interest accrues at rates ranging from 2.00% to 5.00%. Proceeds of the Certificates were used to advance refund Certificates of Participation, Series 2006 and 2007A.

In February 2017, the District issued \$79,615,000 in Certificates of Participation, Series 2017A&B. Principal payments are due annually on December 15 and interest payments are due on June 15 and December 15, through December 2042. Interest accrues at rates ranging from 3.00% to 5.00%. Proceeds of the Certificates were used to set up the Building fund.

Future debt service requirements of the Certificates of Participation are as follows:

Fiscal Year <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 5,505,000	\$ 5,766,000
2023	5,725,000	5,541,862
2024	5,950,000	5,280,662
2025	6,250,000	4,975,663
2026	6,560,000	4,655,412
2027-2031	27,175,000	19,067,188
2032-2036	30,925,000	12,743,506
2037-2041	33,345,000	5,668,563
2042-2043	<u>7,945,000</u>	<u>402,125</u>
Total	<u>\$129,380,000</u>	<u>\$ 64,100,981</u>

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 - LONG-TERM LIABILITIES (CONTINUED)

Capital Leases

The District has entered into capital lease agreements to purchase property, portable buildings, and equipment. The lease terms range from five to fifteen years with annual interest rates from 4.0% to 8.5%. Capital assets of \$7,838,346 have been capitalized under these leases.

Assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Buildings and improvements	\$ 7,171,373
Vehicles	666,973
Less: Accumulated depreciation	<u>(2,513,390)</u>
 Total	 <u>\$ 5,324,956</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021, were as follows

<u>Year Ending June 30</u>	
2022	\$ 1,759,424
2023	1,759,424
2024	1,759,424
2025	1,759,424
2026	1,652,457
2027 – 2030	<u>1,816,124</u>
Total minimum lease payments	10,506,277
Less: amount representing interest	<u>(1,642,257)</u>
Present value of minimum lease payments	<u>\$ 8,864,020</u>

Changes in Long-Term Liabilities

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

	<u>Balance 06/30/20</u>	<u>Debt Issued And Additions</u>	<u>Reductions</u>	<u>Balance 06/30/21</u>	<u>Due Within One year</u>
<i>Governmental Activities</i>					
Certificates of participation	\$ 134,625,000	\$ -	\$ (5,245,000)	\$ 129,380,000	\$ 5,505,000
COP premium	12,581,258	-	(597,302)	11,983,956	-
Capital lease obligations	10,124,814	-	(1,260,794)	8,864,020	1,306,052
Compensated absences	<u>3,566,578</u>	<u>3,569,771</u>	<u>(3,379,658)</u>	<u>3,756,691</u>	<u>120,378</u>
<i>Total Governmental Activities</i>	<u>\$ 160,897,650</u>	<u>\$ 3,569,771</u>	<u>\$ (10,482,754)</u>	<u>\$ 153,984,667</u>	<u>\$ 6,931,430</u>

Certificates of participation are serviced by the COP Debt Service fund. Capital lease obligations are serviced by the General fund. The compensated absences liabilities are paid by the fund for which the employee worked.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District accounts for and finances its risk activities in the General and Health Insurance Internal Service Funds.

The District purchases commercial insurance for property, liability and worker's compensation risks of loss. Under the District's employee health plan, the District provides coverage for up to a maximum of \$250,000 per employee for each calendar year. Settlements have not exceeded premiums for each of the past three fiscal years.

Claims liabilities are reported in the government-wide financial statements and the internal service fund if information available prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the claims liability for the year ended June 30, 2021 are as follows:

Net claims payable as of 6/30/2020	\$ 907,414
Claims presented	12,074,933
Claims paid	<u>(11,823,226)</u>
Net claims payable as of 6/30/2021	<u>\$ 1,159,121</u>

NOTE 9 – JOINTLY GOVERNED ORGANIZATION

COLORADO DIGITAL BOARD OF COOPERATIVE EDUCATIONAL SERVICES

The District in conjunction with other surrounding districts created the Colorado Digital Board of Cooperative Educational Services dba EDUCATION reENVISIONED (BOCES). The BOCES is an organization that utilizes research based learning and technology applications to provide an innovative model of public school education adapted to the needs of elementary, middle and high school students throughout the State of Colorado. The District does not have an ongoing financial interest in or responsibility for the BOCES. Financial statements for the BOCES can be obtained from their office at 4035 Tutt Blvd, Colorado Springs, 80922.

NOTE 10 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan description. Eligible employees of the El Paso County Colorado School District 49 are provided with pensions through the SCHDTF—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

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

As of December 31, 2020, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, 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 an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lessor of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2021: Eligible employees of, El Paso County Colorado School District 49 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below:

	July 1, 2020 Through June 30, 2021
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) 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. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the El Paso County Colorado School District 49 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from El Paso County Colorado School District 49 were \$15,163,379 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The El Paso County Colorado School District 49 proportion of the net pension liability was based on El Paso County Colorado School District 49 contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2021, the El Paso County Colorado School District 49 reported a liability of \$217,684,086 for its proportionate share of the net pension liability. The amount recognized by the El Paso County Colorado School District 49 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 El Paso County Colorado School District 49 were as follows:

El Paso County Colorado School District 49 proportionate share of the net pension liability	\$ 217,684,086
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the El Paso County Colorado School District 49	-
Total	\$ 217,684,086

At December 31, 2020, the El Paso County Colorado School District 49 proportion was 1.4399016433 percent, which was an increase of 0.1331128984 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the El Paso County Colorado School District 49 recognized pension expense of (\$50,452,153). At June 30, 2021, the El Paso County Colorado School District 49 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	\$ 11,960,658	\$ -
Changes of assumptions or other inputs	20,940,533	36,590,853
Net difference between projected and actual earnings on pension plan investments	-	47,917,220
Changes in proportion and differences between contributions recognized and proportionate share of contributions	21,613,410	5,456,971
Contributions subsequent to the measurement date	7,731,118	N/A
Total	\$ 62,245,719	\$ 89,965,044

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$7,731,118 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (34,253,266)
2023	11,847,127
2024	(5,485,093)
2025	(7,559,211)
2026	-
Thereafter	-

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% – 9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07; and DPS benefit structure (compounded annually)	1.25%
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.

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

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

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

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

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

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

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

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

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

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

Asset Class	Target Allocation	30 Year Expected 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%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. 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. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State, as a nonemployer contributing entity, will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded. HB 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020, for the State's 2020-21 fiscal year.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the El Paso County Colorado School District 49 proportionate share of the net pension liability to changes in the discount rate. The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 296,938,922	\$ 217,684,086	\$ 151,638,691

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

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

Health Care Trust Fund

Plan description. Eligible employees of the El Paso County Colorado School District 49 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

PERA Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the El Paso County Colorado School District 49 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from El Paso County Colorado School District 49 were \$778,046 for the year ended June 30, 2021.

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

At June 30, 2021, the El Paso County Colorado School District 49 reported a liability of \$7,915,915 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The El Paso County Colorado School District 49 proportion of the net OPEB liability was based on El Paso County Colorado School District 49 contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the El Paso County Colorado School District 49 proportion was 0.8330569351 percent, which was a decrease of 0.0209312904 from its proportion measured as of December 31, 2019.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2021, the El Paso County Colorado School District 49 recognized OPEB expense of (\$488,709). At June 30, 2021, the El Paso County Colorado School District 49 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 21,010	\$ 1,740,298
Changes of assumptions or other inputs	59,147	485,397
Net difference between projected and actual earnings on OPEB plan investments	-	323,451
Changes in proportion and differences between contributions recognized and proportionate share of contributions	398,348	233,059
Contributions subsequent to the measurement date	396,690	N/A
Total	\$ 875,195	\$ 2,782,205

\$396,690 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ (475,800)
2023	(430,549)
2024	(548,551)
2025	(578,684)
2026	(253,577)
Thereafter	(16,539)

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
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	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2019, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2020 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$588	\$227	\$550
Kaiser Permanente Medicare Advantage HMO	621	232	586

The 2020 Medicare Part A premium is \$458 (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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2019, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

Mortality assumptions used in the December 31, 2019 valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below were applied, as applicable, in the determination of the total OPEB liability for the HCTF. Affiliated employers of the State, School, Local Government, and Judicial Divisions participate in the HCTF.

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

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40% ¹	N/A

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

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

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

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

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

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

The pre-retirement mortality assumptions for the 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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

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

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

Asset Class	Target Allocation	30 Year Expected 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%	

¹ The Opportunity Fund's name changed to Alternatives, effective January 1, 2020.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Sensitivity of the El Paso County Colorado School District 49 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$7,711,316	\$7,915,915	\$8,154,095

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 – DEFINED BENEFIT OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Sensitivity of the El Paso County Colorado School District 49 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$ 9,067,825	\$ 7,915,915	\$ 6,931,700

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

NOTE 12 – COMMITMENTS AND CONTINGENCIES

Grants

The District has 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 reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. District management believes disallowances, if any, will be immaterial.

Legal

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the District.

NOTE 13 - TAX, SPENDING, AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations including revenue raising, spending abilities and other specific requirements of state and local governments.

The Amendment requires Emergency Reserves to be established. These reserves must be 3 percent of Fiscal Year Spending. The District is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls or salary or benefit increases. As of June 30, 2021 the District reserved \$4,390,000 in the General Fund for this purpose.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue. The Amendment requires, with certain exceptions, voter approval prior to imposing new taxes, increasing tax rate, increasing a mill levy above that for the prior year, extending an expiring tax, or implementing a tax policy change directly causing a net tax revenue gain to any local government.

On November 7, 2001, the registered voters approved a ballot resolution authorizing the District to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased or any new tax be imposed.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - TAX, SPENDING, AND DEBT LIMITATIONS (CONTINUED)

On November 8, 2016, the registered voters approved a ballot resolution authorizing the District to collect up to \$3,300,000 in property tax revenue in 2017 and such additional amounts generated annually thereafter by continuing to collect 10.159 mills that is currently being levied to be used for general fund purposes including rental payments on lease-purchase financings and for other capital improvements and for operations priorities.

The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment's language in order to determine its compliance.

NOTE 14 – RESTATEMENT OF NET POSITION

Correction of Capital Asset Balances

Net position as of June 30, 2020 has been restated for the change in application of generally accepted accounting principles related to capital assets due to the District recalculating accumulated depreciation and disposing of assets retired in prior periods. The District had over-reported depreciable capital assets, and under reported accumulated depreciation at June 30, 2020.

Correction of Interfund Balance

Net position and the total fund balance of governmental funds as of June 30, 2020 has been restated due to a \$112,426 overstatement of interfund balances at June 30, 2020.

Restatements had the following impact on previously reported balances:

Governmental Activities

Net Position, June 30, 2020, as originally stated	\$ (213,552,547)
Correction of capital asset balances	(2,082,692)
Correction of interfund balance	<u>(112,426)</u>
Net Position, June 30, 2020, as Restated (deficit)	<u>\$ (215,747,665)</u>

REQUIRED SUPPLEMENTARY INFORMATION

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	1.4399016433%	1.3067887449%	1.3039476734%	1.4359441087%	1.3818103030%	1.3190171248%	1.3054972089%	1.2885339442%
District's proportionate share of the net pension liability (asset)	\$ 217,684,086	\$ 195,231,403	\$ 230,890,719	\$ 464,333,291	\$ 411,418,362	\$ 201,734,357	\$ 176,938,723	\$ 164,352,157
State's proportionate share of the net pension liability (asset) associated with the District	-	24,762,620	31,571,099	-	-	-	-	-
Total	<u>\$ 217,684,086</u>	<u>\$ 219,994,023</u>	<u>\$ 262,461,818</u>	<u>\$ 464,333,291</u>	<u>\$ 411,418,362</u>	<u>\$ 201,734,357</u>	<u>\$ 176,938,723</u>	<u>\$ 164,352,157</u>
District's covered payroll	\$ 77,036,611	\$ 76,787,055	\$ 71,685,007	\$ 66,238,405	\$ 62,018,121	\$ 57,482,464	\$ 54,690,968	\$ 51,944,906
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	282.57%	254.25%	322.09%	701.00%	663.38%	350.95%	323.52%	316.40%
Plan fiduciary net position as a percentage of the total pension liability	67.0%	64.5%	57.0%	44.0%	43.1%	59.2%	62.8%	64.1%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - PENSION
JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 15,163,379	\$ 15,234,289	\$ 14,294,842	\$ 12,830,800	\$ 11,827,435	\$ 10,594,225	\$ 9,120,293	\$ 8,015,173
Contributions in relation to the contractually required contribution	<u>(15,163,379)</u>	<u>(15,234,289)</u>	<u>(14,294,842)</u>	<u>(12,830,800)</u>	<u>(11,827,435)</u>	<u>(10,594,225)</u>	<u>(9,120,293)</u>	<u>(8,015,173)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 76,274,540	\$ 78,608,303	\$ 74,724,738	\$ 67,959,745	\$ 64,349,481	\$ 59,753,100	\$ 54,030,172	\$ 50,157,530
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.88%	18.38%	17.73%	16.88%	15.98%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
JUNE 30, 2021

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
District's proportion of the net OPEB liability (asset)	0.8330569351%	0.8539882255%	0.8475729817%	0.8159079345%	0.7854398460%
District's proportionate share of the net OPEB liability (asset)	\$ 7,915,915	\$ 9,598,811	\$ 11,531,586	\$ 10,603,540	\$ 10,183,495
District's covered payroll	\$ 77,036,611	\$ 76,787,055	\$ 71,685,007	\$ 66,238,405	\$ 62,018,121
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.28%	12.50%	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total OPEB liability	24.5%	24.5%	17.0%	17.5%	16.7%

* The amounts presented for each year were determined as of 12/31.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF THE EMPLOYER'S PAYROLL CONTRIBUTIONS - OPEB
JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 778,046	\$ 801,836	\$ 762,204	\$ 693,010	\$ 656,165
Contributions in relation to the contractually required contribution	<u>(778,046)</u>	<u>(801,836)</u>	<u>(762,204)</u>	<u>(693,010)</u>	<u>(656,165)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 76,274,540	\$ 78,608,303	\$ 74,724,738	\$ 67,959,745	\$ 64,349,481
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%

* The amounts presented for each fiscal year were determined as of 6/30.

* Complete 10-year information to be presented in future years as it becomes available.

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 26,851,129	\$ 26,416,800	\$ 29,581,641	\$ 3,164,841
Specific ownership taxes	4,188,551	3,940,120	3,279,486	(660,634)
State sources	101,210,698	96,923,554	101,447,947	4,524,393
Federal sources	772,815	756,233	825,646	69,413
Other local revenue	6,152,067	7,479,795	7,796,426	316,631
Total revenues	139,175,260	135,516,502	142,931,146	7,414,644
EXPENDITURES				
Instruction	75,859,328	71,591,614	67,829,668	3,761,946
Supporting services				
Student support	7,932,933	7,485,200	7,373,951	111,249
Instructional staff	5,169,604	5,353,188	4,682,489	670,699
General administration	398,105	1,170,625	1,010,407	160,218
School administration	11,105,754	11,228,374	12,139,802	(911,428)
Business services	1,405,102	1,728,643	1,718,520	10,123
Operations and maintenance	11,271,448	15,659,243	13,075,684	2,583,559
Student transportation	2,662,721	2,505,069	2,645,008	(139,939)
Central support service	6,270,911	7,369,933	8,305,779	(935,846)
Other support services	-	2,600	339,810	(337,210)
Facilities acquisition & construction	100,894	119,476	1,405,360	(1,285,884)
Debt service	1,554,106	1,554,106	3,255,130	(1,701,024)
Contingency reserves	3,392,626	5,361,057	-	5,361,057
Total expenditures	127,123,532	131,129,128	123,781,608	7,347,520
Excess (deficiency) of revenues over expenditures	12,051,728	4,387,374	19,149,538	14,762,164
OTHER FINANCING SOURCES (USES)				
Transfers in (out)	(11,954,896)	(14,042,907)	(14,484,356)	(441,449)
Net change in fund balance	96,832	(9,655,533)	4,665,182	14,320,715
Fund balance - beginning	21,147,109	21,506,129	23,693,300	2,187,171
Fund balance - ending	\$ 21,243,941	\$ 11,850,596	\$ 28,358,482	\$ 16,507,886

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
GOVERNMENTAL DESIGNATED- PURPOSE GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
State sources	\$ 410,323	\$ 410,323	\$ 684,799	\$ 274,476
Federal sources	19,313,483	24,313,483	19,057,082	(5,256,401)
Total revenues	19,723,806	24,723,806	19,741,881	(4,981,925)
EXPENDITURES				
Salaries	8,423,856	10,559,310	8,431,576	2,127,734
Benefits	2,970,516	3,723,544	2,973,238	750,306
Purchased Services	6,128,951	7,682,645	6,134,568	1,548,077
Supplies	1,044,032	1,308,695	1,044,989	263,706
Property and Equipment	1,145,285	1,435,616	1,146,335	289,281
Other	11,165	13,995	11,175	2,820
Total expenditures	19,723,806	24,723,806	19,741,881	4,981,925
Net change in fund balance	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See the accompanying independent auditors' report.

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

CERTIFICATE OF PARTICIPATION DEBT SERVICE FUND

This fund is used to account for the accumulation of resources and payment of principal, interest and related expenditures on COP debt.

The Certificate of Participation Debt Service Fund is deemed to be a major fund for financial reporting purposes.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
CERTIFICATE OF PARTICIPATION DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 250,000	\$ 11,312	\$ (238,688)
EXPENDITURES			
Debt Service			
Principal retirement	5,245,000	5,245,000	-
Interest and fiscal charges	6,008,813	6,008,813	-
Other debt service	10,000	6,210	3,790
Total expenditures	11,263,813	11,260,023	3,790
Excess (deficiency) of revenues over expenditures	(11,013,813)	(11,248,711)	(234,898)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	15,190,274	12,956,065	(2,234,209)
Net change in fund balance	4,176,461	1,707,354	(2,469,107)
Fund balance - beginning	12,911,221	12,911,221	-
Fund balance - ending	\$ 17,087,682	\$ 14,618,575	\$ (2,469,107)

See the accompanying independent auditors' report.

NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The District has the following Special Revenue Funds:

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Other Special Revenue Fund

This fund is used to account for other local revenues comprised of donations and local grants.

Pupil Activity Fund

This fund is used to record financial transactions related to school-sponsored pupil intra-scholastic and interscholastic athletic and related events. These activities are supported by revenues from pupils, gate receipts and other fund-raising activities.

Transportation Fund

This fund is used to account for revenues from a tax levied or a fee imposed for the purpose of paying excess transportation costs pursuant to the provisions of Sections 22-40-102(1.7)(a) or 22-32-113(5)(a), C.R.S., respectively.

Kids Corner Fund

This fund is a pupil activity fund. It is used to record financial transactions related to the Kids Corner program.

Other Activities Fund

This fund is used to account for the revenues and expenditures related to school sponsored student intra-scholastic athlete and other related activities.

Capital Projects Fund

Capital Reserve Fund

This fund is used to account for the purposes and limitations specified by Section 22-45-103(1)(c), C.R.S., including the acquisition of sites, buildings, equipment, and vehicles.

Capital Projects Mill Levy Fund

This fund accounts for all resources provided through mill levy overrides for acquiring and improving capital sites, buildings, and equipment.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Food Service Fund	Other Special Revenue Fund	Pupil Activity Fund	Transportation Fund	Kids Corner Fund	Other Activities Fund	Capital Reserve Fund	Capital Projects Mill Levy Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash and investments	\$ 223,898	\$ -	\$ 484,249	\$ 155,319	\$ 35,064	\$ (759,554)	\$ -	\$ (1,560,786)	\$ (1,421,810)
Restricted cash and investments	-	-	-	-	-	-	-	65,712	65,712
Accounts receivable	41	-	-	64,075	-	2,223	-	-	66,339
Grants receivable	631,024	-	-	-	-	-	-	-	631,024
Due from other funds	281,647	341,641	-	2	36,562	1,585,814	2,930,094	2,574,101	7,749,861
Inventories	72,021	-	-	-	-	-	-	-	72,021
Total assets	<u>\$ 1,208,631</u>	<u>\$ 341,641</u>	<u>\$ 484,249</u>	<u>\$ 219,396</u>	<u>\$ 71,626</u>	<u>\$ 828,483</u>	<u>\$ 2,930,094</u>	<u>\$ 1,079,027</u>	<u>\$ 7,163,147</u>
LIABILITIES									
Accounts payable and other accrued liabilities	\$ 174,262	\$ 2,384	\$ 24,183	\$ 1,170	\$ 1,917	\$ 12,405	\$ -	\$ 293,871	\$ 510,192
Accrued salaries and benefits	95,853	15,046	-	61,767	69,709	-	-	-	242,375
Due to other funds	-	-	33,904	156,459	-	10,934	-	-	201,297
Unearned revenue	-	324,211	-	-	-	-	-	-	324,211
Total liabilities	<u>270,115</u>	<u>341,641</u>	<u>58,087</u>	<u>219,396</u>	<u>71,626</u>	<u>23,339</u>	<u>-</u>	<u>293,871</u>	<u>1,278,075</u>
FUND BALANCES									
Nonspendable	72,021	-	-	-	-	-	-	-	72,021
Committed for:									
Pupil activities	-	-	426,162	-	-	805,144	-	-	1,231,306
Food Services	866,495	-	-	-	-	-	-	-	866,495
Assigned:									
Capital Projects	-	-	-	-	-	-	2,930,094	785,156	3,715,250
Total fund balances	<u>938,516</u>	<u>-</u>	<u>426,162</u>	<u>-</u>	<u>-</u>	<u>805,144</u>	<u>2,930,094</u>	<u>785,156</u>	<u>5,885,072</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,208,631</u>	<u>\$ 341,641</u>	<u>\$ 484,249</u>	<u>\$ 219,396</u>	<u>\$ 71,626</u>	<u>\$ 828,483</u>	<u>\$ 2,930,094</u>	<u>\$ 1,079,027</u>	<u>\$ 7,163,147</u>

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Food Service Fund	Other Special Revenue Fund	Pupil Activity Fund	Transportation Fund	Kids Corner Fund	Other Activities Fund	Capital Reserve Fund	Capital Projects Mill Levy Fund	Total Nonmajor Governmental Funds
REVENUES									
Local sources	\$ 50,241	\$ 161,719	\$ 596,114	\$ 210,368	\$ 848,423	\$ 661,464	\$ 842,922	\$ 8,438	\$ 3,379,689
State sources	39,781	-	-	440,148	-	-	-	-	479,929
Federal sources	3,026,662	-	-	-	-	-	-	-	3,026,662
Total revenues	3,116,684	161,719	596,114	650,516	848,423	661,464	842,922	8,438	6,886,280
EXPENDITURES									
Instruction	-	125,608	639,569	-	607,899	644,405	-	89,172	2,106,653
Supporting services	-	27,192	14,232	1,249,515	133,361	28,360	-	-	1,452,660
Community services	-	8,919	-	-	145,015	-	-	-	153,934
Facilities acquisition & construction	-	-	-	-	-	-	47,639	517,176	564,815
Food Service	3,208,124	-	-	-	-	-	-	-	3,208,124
Total expenditures	3,208,124	161,719	653,801	1,249,515	886,275	672,765	47,639	606,348	7,486,186
Excess (deficiency) of revenues over expenditures	(91,440)	-	(57,687)	(598,999)	(37,852)	(11,301)	795,283	(597,910)	(599,906)
OTHER FINANCING SOURCES (USES)									
Transfers in (out)	91,440	-	-	598,999	37,852	-	-	800,000	1,528,291
Net change in fund balances	-	-	(57,687)	-	-	(11,301)	795,283	202,090	928,385
Fund balances - beginning	938,516	-	483,849	-	-	928,871	2,134,811	583,066	5,069,113
Prior period adjustment	-	-	-	-	-	(112,426)	-	-	(112,426)
Fund balances - beginning as restated	938,516	-	483,849	-	-	816,445	2,134,811	583,066	4,956,687
Fund balances - ending	\$ 938,516	\$ -	\$ 426,162	\$ -	\$ -	\$ 805,144	\$ 2,930,094	\$ 785,156	\$ 5,885,072

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
FOOD SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 26,864	\$ 50,241	\$ 23,377
State sources	-	39,781	39,781
Federal sources	2,017,560	3,026,662	1,009,102
	<u>2,044,424</u>	<u>3,116,684</u>	<u>1,072,260</u>
EXPENDITURES			
Salaries	1,366,677	1,354,976	11,701
Employee benefits	489,143	465,136	24,007
Purchased services	182,849	251,645	(68,796)
Supplies	749,376	1,117,860	(368,484)
Equipment	8,546	9,359	(813)
Other	14,415	9,148	5,267
	<u>2,811,006</u>	<u>3,208,124</u>	<u>(397,118)</u>
Excess of revenues over expenditures	<u>(766,582)</u>	<u>(91,440)</u>	<u>675,142</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>766,582</u>	<u>91,440</u>	<u>(675,142)</u>
Net change in fund balances	-	-	-
Fund balances - beginning	<u>938,516</u>	<u>938,516</u>	<u>-</u>
Fund balances - ending	<u><u>\$ 938,516</u></u>	<u><u>\$ 938,516</u></u>	<u><u>\$ -</u></u>

See the accompanying independent auditor's report

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
OTHER SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 276,194	\$ 161,719	\$ (114,475)
Total revenues	276,194	161,719	(114,475)
EXPENDITURES			
Salaries	34,205	20,028	14,177
Benefits	9,610	5,627	3,983
Purchased Services	18,370	10,756	7,614
Supplies	141,222	82,689	58,533
Property and Equipment	71,527	41,881	29,646
Other	1,260	738	522
Total expenditures	276,194	161,719	114,475
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See the accompanying independent auditor's report

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
PUPIL ACTIVITY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 1,422,053	\$ 596,114	\$ (825,939)
EXPENDITURES			
Instruction	1,446,372	639,569	806,803
Supporting services	32,185	14,232	17,953
Total expenditures	1,478,557	653,801	824,756
Net change in fund balance	(56,504)	(57,687)	(1,183)
Fund balance - beginning	448,041	483,849	35,808
Fund balance - ending	\$ 391,537	\$ 426,162	\$ 34,625

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 39,820	\$ 210,368	\$ 170,548
State sources	440,148	440,148	-
	<u>479,968</u>	<u>650,516</u>	<u>170,548</u>
Total revenues			
	<u>479,968</u>	<u>650,516</u>	<u>170,548</u>
EXPENDITURES			
Salaries	685,558	683,469	2,089
Employee benefits	330,601	327,607	2,994
Purchased services	38,369	33,889	4,480
Fuel charges	216,001	204,550	11,451
	<u>1,270,529</u>	<u>1,249,515</u>	<u>21,014</u>
Total expenditures			
	<u>1,270,529</u>	<u>1,249,515</u>	<u>21,014</u>
Excess (deficiency) of revenues over expenditures	<u>(790,561)</u>	<u>(598,999)</u>	<u>191,562</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	<u>790,561</u>	<u>598,999</u>	<u>(191,562)</u>
Net change in fund balance	-	-	-
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
KIDS CORNER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 752,190	\$ 848,423	\$ 96,233
EXPENDITURES			
Instruction	699,503	607,899	91,604
Supporting services	153,457	133,361	20,096
Community service	166,867	145,015	21,852
Total expenditures	1,019,828	886,275	133,553
Excess (deficiency) in revenues over expenditures	(267,638)	(37,852)	229,786
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	267,638	37,852	(229,786)
Net change in fund balance	-	-	-
Fund balance - beginning	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -

See the accompanying independent auditor's report

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
OTHER ACTIVITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 1,577,947	\$ 661,464	\$ (916,483)
EXPENDITURES			
Instruction	1,457,307	644,405	812,902
Supporting services	64,136	28,360	35,776
Total expenditures	1,521,443	672,765	848,678
Net change in fund balance	56,504	(11,301)	(67,805)
Fund balance - beginning	964,679	816,445	(148,234)
Fund balance - ending	\$ 1,021,183	\$ 805,144	\$ (216,039)

See the accompanying independent auditor's report

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
CAPITAL RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 475,000	\$ 842,922	\$ 367,922
EXPENDITURES			
Facilities acquisition and construction	475,000	47,639	427,361
Net change in fund balance	-	795,283	795,283
Fund balance - beginning	2,134,811	2,134,811	-
Fund balance - ending	\$ 2,134,811	\$ 2,930,094	\$ 795,283

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
CAPITAL PROJECTS MILL LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Local sources	\$ 10,000	\$ 8,438	\$ (1,562)
EXPENDITURES			
Instruction	87,218	89,172	(1,954)
Facilities acquisition and construction	505,848	517,176	(11,328)
Total expenditures	593,066	606,348	(13,282)
Excess (deficiency) in revenues over expenditures	(583,066)	(597,910)	(14,844)
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	800,000	800,000
Net change in fund balance	(583,066)	202,090	785,156
Fund balance - beginning	583,066	583,066	-
Fund balance - ending	\$ -	\$ 785,156	\$ 785,156

See the accompanying independent auditors' report.

INTERNAL SERVICE FUND

Internal service funds account for operations that provide services to other departments or agencies of the government on a cost-reimbursement basis.

Risk Management Fund

This fund accounts for the Health Insurance Fund risk management activities of the District.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
RISK MANAGEMENT - HEALTH INSURANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Premiums & employer contributions	\$ 11,206,490	\$ 9,426,689	\$ (1,779,801)
Refunds & other revenue	50,000	2,824,200	2,774,200
Total operating revenues	11,256,490	12,250,889	994,399
OPERATING EXPENSES			
Purchased medical services & supplies	9,600,000	11,821,855	(2,221,855)
Purchased management services	1,550,000	479,619	1,070,381
Contingency reserve	150,000	-	150,000
Total operating expenses	11,300,000	12,301,474	(1,001,474)
Operating income (loss)	(43,510)	(50,585)	(7,075)
NON-OPERATING REVENUES (EXPENSES)			
Interest and investment revenue	10,000	2,347	(7,653)
Change in net position	(33,510)	(48,238)	(14,728)
Net position - beginning	548,238	548,238	-
Net position - ending	\$ 514,728	\$ 500,000	\$ (14,728)

See the accompanying independent auditors' report.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private and student groups. The District has the following Fiduciary Fund:

Private-Purpose Trust Fund

Scholarship Fund: This fund is used to record financial transactions where both the principal and revenues earned on that principal may be expended for purposes designated by the trust agreement.

**EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
PRIVATE-PURPOSE TRUST FUND - SCHOLARSHIP FUND
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Favorable (Unfavorable)
ADDITIONS			
Interest	\$ 10	\$ 2	\$ (8)
DEDUCTIONS			
Scholarships awarded	2,804	2,796	8
Change in net position	(2,794)	(2,794)	-
Net position - beginning	2,794	2,794	-
Net position - ending	\$ -	\$ -	\$ -

See the accompanying independent auditors' report.

Statistical Section



Financial Trends - The schedules on pages 81-84 contain financial trend information to help the reader understand how the District's financial condition has changed over time.

Revenue Capacity - Pages 85-88 contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity - Pages 89-93 present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information - Pages 94-95 offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information - Pages 96-101 contain service data to help the reader understand how the information in the Districts' financial report relates to the services the District provides and the activities it performs.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	56,916,278	58,456,261	50,405,025	\$ 71,248,027	\$ 51,925,850	\$ 62,586,945	\$ 51,041,127	\$ 37,296,989	\$ 35,029,181	\$ 32,761,303
Restricted	25,616,165	17,696,881	24,421,222	22,889,437	21,459,232	19,023,043	26,707,696	33,118,602	31,302,846	29,538,781
Unrestricted	(241,471,884)	(289,705,689)	(323,292,565)	(352,056,096)	(229,847,034)	(163,732,245)	(155,030,642)	9,606,890	9,883,219	14,306,890
Total governmental activities net position	(158,939,441)	(213,552,547)	(248,466,318)	(257,918,632)	(156,461,952)	(82,122,257)	(77,281,819)	80,022,481	76,215,246	76,606,974
Business-type activities										
Net investment in capital assets	-	-	-	-	-	-	-	103,691	121,007	280,820
Unrestricted	-	-	-	-	-	-	-	1,126,991	1,061,370	956,988
Total business-type activities in net position	-	-	-	-	-	-	-	1,230,682	1,182,377	1,237,808
Primary government										
Net investment in capital assets	56,916,278	58,456,261	50,405,025	71,248,027	51,925,850	62,586,945	51,041,127	37,400,680	35,150,188	33,042,123
Restricted	25,616,165	17,696,881	24,421,222	22,889,437	21,459,232	19,023,043	26,707,696	33,118,602	31,302,846	29,538,781
Unrestricted	(241,471,884)	(289,705,689)	(323,292,565)	(352,056,096)	(229,847,034)	(163,732,245)	(155,030,642)	10,733,881	10,944,589	15,263,878
Total primary government net position	(158,939,441)	(213,552,547)	(248,466,318)	\$ (257,918,632)	\$ (156,461,952)	\$ (82,122,257)	\$ (77,281,819)	\$ 81,253,163	\$ 77,397,623	\$ 77,844,782

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49

Changes in Net Position

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities										
Instruction	\$ 50,068,030	\$ 68,403,466	\$ 74,947,710	\$ 128,146,891	\$ 116,929,506	\$ 73,810,829	\$ 69,436,074	\$ 60,020,821	\$ 54,910,864	\$ 51,047,331
Supporting services	61,226,094	62,492,924	63,403,658	100,174,835	81,426,966	55,862,491	51,860,340	44,941,313	39,933,659	35,074,259
Community services	360,869	353,450	130,871	154,679	76,220	3,110	2,309	558	5,230	-
Facilitates acquisition & constructior	1,659,897	2,954,703	-	-	4,238,269	2,313,108	1,555,578	956,249	3,921,201	-
Food services	3,197,021	3,729,021	4,120,435	3,960,940	3,869,435	3,450,685	3,563,638	-	-	-
Interest on long-term debt	5,922,266	6,290,810	6,340,784	6,705,889	6,326,064	4,957,824	5,940,860	5,711,616	6,124,842	6,477,776
Total governmental activities expenses	122,434,177	144,224,374	148,943,458	239,143,234	212,866,460	140,398,047	132,358,799	111,630,557	104,895,796	92,599,366
Business -type activities:										
Food services	-	-	-	-	-	-	-	3,544,264	3,545,394	3,315,431
Total business-type expenses	-	-	-	-	-	-	-	3,544,264	3,545,394	3,315,431
Total primary government expenses	\$ 122,434,177	\$ 144,224,374	\$ 148,943,458	\$ 239,143,234	\$ 212,866,460	\$ 140,398,047	\$ 132,358,799	\$ 115,174,821	\$ 108,441,190	\$ 95,914,797
Program revenues										
Governmental activities										
Charges for services: Instruction	5,971,937	6,729,072	5,265,629	\$ 3,658,885	\$ 1,811,590	\$ 2,996,028	\$ 2,687,910	\$ 3,426,721	\$ 1,643,086	\$ 641,917
Charges for services: Other	13,372,099	12,624,536	11,749,320	12,367,512	11,722,420	11,029,543	10,787,460	7,605,632	7,488,191	2,417,556
Operating grants and contributions	31,819,644	23,075,615	19,820,526	18,024,232	17,241,849	15,591,007	14,378,042	10,912,740	9,750,503	8,056,987
Capital grants and contributions	934,393	940,543	1,097,682	1,048,808	1,775,996	704,005	2,835,468	175,389	69,801	55,152
Total governmental activities program revenues	52,098,073	43,369,766	37,933,157	35,099,437	32,551,855	30,320,583	30,688,880	22,120,482	18,951,581	11,171,612
Business -type activities										
Food services										
Charges for services	48,656	1,500,197	1,619,045	-	-	-	-	1,783,467	1,912,878	2,004,711
Operating grants and contributions	-	-	-	-	-	-	-	1,804,446	1,712,285	1,535,564
Total business-type activities program revenue:	48,656	1,500,197	1,619,045	-	-	-	-	3,587,913	3,625,163	3,540,275
Total primary government program revenues	52,146,729	44,869,963	39,552,202	35,099,437	32,551,855	30,320,583	30,688,880	25,708,395	22,576,744	14,711,887
Net (expense) revenue										
Governmental activities	(73,224,777)	(99,354,411)	(109,391,256)	(204,043,797)	(180,314,605)	(110,077,464)	(101,669,919)	(89,510,075)	(85,944,215)	(81,427,754)
Business -type activities	-	-	-	-	-	-	-	43,649	79,769	224,844
Total primary government net (expense)revenue	\$ (73,224,777)	\$ (99,354,411)	\$ (109,391,256)	\$ (204,043,797)	\$ (180,314,605)	\$ (110,077,464)	\$ (101,669,919)	\$ (89,466,426)	\$ (85,864,446)	\$ (81,202,910)
General revenues										
Governmental activities										
Property taxes	464,963,058	44,889,325	36,953,482	35,475,485	34,687,531	33,364,551	25,822,318	27,517,073	27,217,408	27,181,450
Specific ownership taxes	5,315,329	4,710,478	4,656,501	4,649,510	4,241,772	3,676,411	2,762,983	2,737,200	2,447,418	2,476,004
State equalization	72,950,301	82,180,476	75,552,264	69,913,832	67,533,346	65,914,912	71,655,103	61,879,292	58,587,096	57,265,290
Investment earnings	185,231	702,199	1,233,685	1,441,278	518,461	84,202	36,042	43,126	76,283	63,377
Grant and Contrib not related to specific pgrams	995,252	1,359,314	-	-	-	-	-	-	-	-
Miscellaneous revenues	1,156,501	997,364	2,454,903	936,417	859,811	474,011	414,377	475,430	349,305	1,049,976
Total governmental activities	\$ 545,565,672	\$ 134,839,156	\$ 120,850,835	\$ 112,416,522	\$ 107,840,921	\$ 103,514,087	\$ 100,690,823	\$ 92,652,121	\$ 88,677,510	\$ 88,036,097
Business-type activities										
Investment earnings	-	-	-	-	-	-	-	4,656	6,406	6,621
Miscellaneous revenues	-	-	-	-	-	-	-	-	-	-
Total business-type activities	-	-	-	-	-	-	-	4,656	6,406	6,621
Total primary government	545,565,672	134,839,156	120,850,835	112,416,522	107,840,921	103,514,087	100,690,823	92,656,777	88,683,916	88,042,718
Transfers										
Governmental activities	-	-	-	-	-	-	-	665,189	-	-
Business-type activities	-	-	-	-	-	-	-	-	-	-
Changes in net position										
Governmental activities	472,340,895	35,484,745	11,459,579	(91,627,275)	(72,473,684)	(3,563,377)	(979,096)	3,807,235	2,733,295	6,608,343
Prior period adjustment	(215,747,665)	(249,037,292)	(255,911,367)	(166,291,357)	(83,970,268)	-	-	-	(3,266,628)	-
Business-type activities	-	-	-	-	-	-	-	48,305	86,175	231,465
Total primary government	\$ 256,593,230	\$ (213,552,547)	\$ (244,451,788)	\$ (257,918,632)	\$ (156,443,952)	\$ (3,563,377)	\$ (979,096)	\$ 3,855,540	\$ (447,158)	\$ 6,839,808

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 110,127	\$ 217,625	\$ 113,697	\$ 297,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	10,997,590	10,703,023	8,964,656	15,320,653	16,392,528	11,118,279	10,929,805	18,477,589	17,511,950	16,593,550
Committed	9,700,000	7,143,056	-	6,779,158	8,399,319	7,639,917	7,311,636	5,926,591	7,059,744	7,088,293
Assigned	4,911,031	5,629,596	2,750,171	-	123,846	2,006,325	2,658,563	1,442,415	968,551	4,850,061
Unassigned	2,639,733		5,635,397							
Total general fund	28,358,481	23,693,300	17,463,921	22,397,775	24,915,693	20,764,521	20,900,004	25,846,595	25,540,245	28,531,904
All other governmental funds										
Nonspendable	72,021	104,046	164,303	110,857	158,317	183,162	196,826	-	-	-
Restricted	14,618,575	12,911,221	9,666,340	7,568,784	5,087,704	7,904,764	15,777,891	14,641,013	13,790,896	12,945,231
Committed	2,097,801	2,247,190	1,394,016	34,328,722	78,803,416	1,604,279	1,996,455	792,753	393,797	357,732
Assigned	3,715,250	2,717,877	4,724,354	1,563,668	1,526,795	419,545	160,020	112,581	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	20,503,647	17,980,334	15,949,013	43,572,031	85,576,232	10,111,750	18,131,192	15,546,347	14,184,693	13,302,963
Total governmental funds	48,862,128	41,673,634	33,412,934	65,969,806	110,491,925	30,876,271	39,031,196	41,392,942	39,724,938	41,834,867

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 45
Governmental Fund Balances
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Local sources	64,386,283	62,660,691	55,648,931	\$ 52,710,499	\$48,276,157	\$ 45,351,070	\$ 35,283,456	\$ 35,954,331	\$ 33,884,059	\$ 34,392,745
State sources	82,292,701	93,229,232	86,204,246	78,467,059	75,829,997	73,529,158	78,220,600	67,010,620	62,636,526	60,826,416
Federal sources	22,891,671	14,433,756	10,898,756	8,665,810	8,510,701	7,341,539	6,920,031	5,010,456	4,429,055	4,317,990
Tuition	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	169,570,655	170,323,679	152,751,933	139,843,368	132,616,855	126,221,767	120,424,087	107,975,407	100,949,640	99,537,151
Expenditures										
Instruction	75,269,774	80,653,235	78,687,473	68,851,602	66,288,594	62,578,937	57,030,514	54,269,244	48,919,131	47,413,220
Supporting services	66,945,640	63,140,301	57,628,291	51,676,722	48,541,524	43,620,742	39,810,635	38,253,961	36,411,011	33,502,268
Community services	360,869	462,473	406,541	155,963	76,220	3,110	2,309	1,501	1,066	-
Facilities acquisition and construction	1,970,175	4,979,959	30,991,227	48,098,885	7,604,275	2,292,721	5,182,557	1,023,064	3,962,620	1,841,777
Food service	3,208,124	3,784,969	4,120,434	3,960,940	3,869,434	3,450,686	3,563,638	-	-	-
Charter schools	-	-	-	-	-	-	-	-	-	-
Debt service	14,515,153	16,629,630	12,982,105	13,739,748	15,190,455	10,927,333	13,830,071	13,722,953	13,765,741	13,952,248
Interest	-	-	-	-	-	329,419	7,725,000	5,207,569	-	-
Principal	-	-	-	-	-	4,155,000	4,016,466	7,705,000	-	-
Total expenditures	162,269,735	169,650,567	184,816,071	186,483,860	141,570,502	122,873,529	119,419,724	107,270,723	103,059,569	96,709,513
Excess of revenues over (under) expenditures	7,300,920	673,112	(32,064,138)	(46,640,492)	(8,953,647)	3,348,238	1,004,363	704,684	(2,109,929)	2,827,638
Other financing sources (uses)										
Transfers in	14,484,356	-	-	(15,862,081)	-	(420,884)	-	-	-	567,738
Transfers out	(14,484,356)	-	-	15,862,081	-	420,844	-	902,055	-	(1,200,299)
Capital lease proceeds	-	-	-	-	-	-	-	-	-	1,731,193
Capital lease issuance	-	6,683,133	666,973	2,121,373	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	(19,472,793)	-	-	-	-
Payments to escrow agent	-	-	-	-	-	-	(85,197,394)	(3,592,625)	-	-
Refunding bond proceeds	-	-	-	-	79,615,000	8,780,000	74,313,571	3,470,000	-	-
Premium on bond issued	-	-	-	-	8,951,301	-	6,353,565	183,890	-	-
Total other financing sources (uses)	-	6,683,133	666,973	2,121,373	88,566,301	(10,692,833)	(4,530,258)	963,320	-	1,098,632
Net change in fund balances	\$ 7,300,920	\$ 7,356,245	\$ (31,397,165)	\$ (44,519,119)	\$79,612,654	\$ (7,344,595)	\$ (3,525,895)	\$ 1,668,004	\$ (2,109,929)	\$ 3,926,270
Debt services as a percentage of noncapital expenditures	9.1%	10.1%	8.4%	9.9%	11.3%	9.1%	12.1%	12.9%	13.9%	14.7%

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

										Assessment Rates	
Assessment	Collection	Residential Property	Commercial Property	Industrial, Agricultural, And Natural Resources	State Assessed, Vacant Land, and Other	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Value		
Year	Year									Residential	All others
2020	2021	784,854,560	205,041,770	10,905,290	79,587,670	1,080,389,290	43.021	11,994,723,269	9.01%	7.15%	29.00%
2019	2020	755,037,290	207,452,670	12,052,080	74,603,170	1,049,145,210	43.189	11,572,795,889	9.07%	7.15%	29.00%
2018	2019	607,683,060	193,864,610	11,842,400	69,562,920	882,952,990	43.045	9,389,791,154	9.40%	7.20%	29.00%
2017	2018	573,363,440	185,587,750	12,520,430	69,103,130	840,574,750	43.648	8,727,717,738	9.63%	7.20%	29.00%
2016	2017	543,363,800	160,323,070	12,986,880	65,498,680	782,172,430	44.417	7,652,257,611	10.22%	7.96%	29.00%
2015	2016	518,510,430	157,253,610	11,800,340	64,408,090	751,972,470	44.635	7,318,389,792	10.28%	7.96%	29.00%
2014	2015	462,675,840	152,800,100	11,201,630	63,046,990	689,724,560	45.796	6,594,766,136	10.46%	7.96%	29.00%
2013	2014	442,234,860	147,150,700	11,405,580	63,806,180	664,597,320	45.617	6,321,813,966	10.51%	7.96%	29.00%
2012	2013	442,006,450	147,353,840	10,877,810	63,479,710	663,717,810	45.585	6,317,740,713	10.51%	7.96%	29.00%
2011	2012	432,478,460	147,318,740	11,351,400	67,345,580	658,494,180	45.842	6,212,889,184	10.60%	7.96%	29.00%

Source: El Paso County Treasurer's office

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Taxing Authority	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
El Paso County School District 49										
General Fund	24.459	24.459	24.459	24.459	24.459	24.459	24.459	24.459	24.459	24.459
Mill Levy Override	18.5	18.500	18.500	19.081	13.756	9.800	9.800	9.800	9.800	9.800
Abatement ⁽¹⁾	0.062	0.230	0.086	0.108	0.222	0.217	0.325	0.146	0.114	0.371
Bond Fund	0	0	0	0	5.98	10.159	11.212	11.212	11.212	11.212
Total for El Paso County School District 49	43.021	43.189	43.045	43.648	44.417	44.635	45.796	45.617	45.585	45.842
City Of Colorado Springs	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279	4.279
El Paso County	7.692	7.035	8.068	7.965	7.919	7.791	7.714	7.663	7.762	7.882
Fire Districts										
Black Forest	15.139	12.549	10.052	10.114	10.178	10.237	10.356	10.382	10.379	10.406
Cimarron Hills	16.200	16.200	16.200	16.200	15.286	15.286	15.290	14.390	11.390	12.150
Falcon	14.886	14.886	14.886	8.612	8.612	8.612	8.612	8.612	8.612	8.612
Elbert	7.715	7.528	8.500	8.500	8.500	8.500	4.575	4.575	4.575	4.575
Ellicott	8.496	8.589	9.451	9.515	9.850	9.760	10.220	10.290	10.168	9.999
Water Districts										
Up Blk Sqrll GW	1.056	1.029	1.065	1.065	1.063	1.057	1.082	1.082	1.082	1.082
Sanitation water districts										
Westmoor SWD	37.165	34.998	38.277	36.953	36.836	34.943	41.288	34.956	37.471	35.508
Special Districts										
Barnes & Pow N BID	50.000	50.000	50.000	50.000	50.000	50.000	47.000	45.000	43.000	41.000
Barnes & Pow S BID	15.000	15.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000	21.000
EPC PID #2	10.000	10.000	10.000	10.000	10.000	10.000	10.000	10.000	-	-
First & Main BID	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000
First & Main BID #2	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000	51.000
First & Main North BID	51.000	51.000	51.000	51.000	40.000	40.000	40.000	40.000	40.000	40.000
Stetson Hills SIMD	3.858	3.858	3.858	3.858	3.858	3.858	3.858	3.858	3.858	3.858
Metropolitan Districts										
4-Way Ranch #1	48.638	48.792	48.694	48.694	60.000	45.000	45.000	45.000	45.000	45.000
Banning Lewis Ranch #2	50.097	50.097	49.749	49.749	45.000	50.000	50.000	50.000	50.000	50.000
Banning Lewis Ranch #3	40.594	55.664	55.277	55.277	50.000	50.000	50.000	50.000	-	-
Banning Lewis Ranch #4	55.664	55.664	55.277	55.277	-	-	-	-	-	-
Banning Lewis Ranch #5	55.664	55.664	-	-	-	-	-	-	-	-
Banning Lewis Ranch #8	55.664	-	-	-	-	-	-	-	-	-
Banning Lewis Ranch Reg	11.131	11.131	11.055	11.055	10.000	10.000	10.000	10.000	10.000	10.000
Bent Grass	38.641	36.162	36.149	36.149	35.000	35.000	30.000	30.000	10.000	10.000
Bobcat Meadows	12.724	12.724	12.636	12.636	11.430	11.430	11.430	11.430	11.430	11.430
Central Marksheffel	27.637	33.164	33.164	33.164	30.000	30.000	30.000	40.000	40.000	40.000
Constitution Heights MD	27.830	27.830	27.637	27.637	25.000	25.000	25.000	25.000	25.000	25.000
Dublin North #2	44.436	40.000	44.120	44.138	40.000	40.000	40.000	40.000	40.000	
Falcon Highlands	43.280	43.082	39.799	39.720	35.000	35.000	35.000	35.000	35.216	35.000
Latigo Creek	5.539	5.539	5.500	5.500	5.000	5.000	5.000	5.000	5.000	5.000
Meridian Ranch	27.498	27.498	27.498	27.498	25.000	25.000	25.000	25.000	25.000	25.000
Paintbrush Hills	19.960	18.537	19.902	19.813	18.063	22.107	22.107	22.107	22.107	22.107
Paintbrush Hills Sub A	40.000	40.000	40.000	40.000	0.000	0.000	0.000	0.000	0.000	0.000
Sterling Ranch #1	55.663	55.663	55.275	55.275	50.000	50.000	-	-	-	-
Sterling Ranch #2	66.795	55.663	55.275	55.275	50.000	50.000	60.000	-	-	-
Sterling Ranch #3	50.000	50.000	50.000	50.000	50.000	50.000	60.000	-	-	-
Stetson Ridge #2	27.140	27.140	26.987	27.008	24.472	24.472	24.472	24.472	24.472	24.472
Stetson Ridge #3	38.553	38.553	39.188	37.894	35.000	35.000	35.000	35.000	35.000	35.000
Woodmen Heights #2	38.518	44.529	44.220	44.220	40.000	42.000	42.000	42.000	42.000	40.000
Woodmen Heights #3	34.600	40.000	40.000	40.000	40.000	42.000	42.000	42.000	42.000	40.000
Woodmen Road	11.657	11.680	11.599	11.599	10.800	10.800	10.800	10.800	10.800	10.800

Source: El Paso County Abstract of Assessments

Notes:

⁽¹⁾ Colorado Revised Statutes Require that districts shall levy, in the next fiscal year, the mill levy that is necessary to recoup property tax abatements granted after the mill levy is certified for the fiscal year.

Overlapping rates are those of local and county governments that apply to property owners within El Paso County School District 49.

Not all overlapping rates apply to all District property owners. The rates for special districts apply only to the proportion of the government's property owners whose property is located.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Principal Property Taxpayers
Current Year

	2020		
	Assessed Valuation	Rank	% of Total Valuation
Cellco Partnership (f/k/a Verizon Wireless)	101,367,210	1	1.90%
Wal-Mart Real Estate	45,868,060	2	1.23%
Broadmoor Hotel Inc.	35,650,570	3	1.00%
Comcast of Colorado	27,259,110	4	0.87%
Palmer Center LTD	15,378,200	5	0.55%
Progressive Direct Insurance Co	14,516,260	6	0.43%
SAP America Inc	13,077,190	7	0.40%
DPiX LLC	13,052,110	8	0.27%
TRP Colorado Springs LLC	12,887,960	9	0.26%
Great Wolf Lodge of Colorado LLC	12,845,350	10	0.24%
Totals	\$291,902,020		7.15%
Total Assessed Valuation	\$8,681,029,400		

Source: El Paso County Assessor's Office

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Property Tax Levies and Collections
Last Ten Fiscal Years

Assessment Year	Collection Year	Collected within the Calendar Year of the Levy			Collections in Subsequent Years	Total Collection to Date	
		Current Tax Levy	Amount	Percentage of Levy		Amount	Percentage of Levy
2020	2021	\$ 46,412,444	\$ 45,511,352	98.1%	\$ (222,985)	\$ 45,288,367	97.6%
2019	2020	45,311,532	43,930,087	97.0%	20,197	\$ 43,950,284	97.0%
2018	2019	38,006,711	37,384,760	98.4%	(9,051)	\$ 37,375,709	98.3%
2017	2018	36,689,407	35,971,347	98.0%	(20,744)	\$ 35,950,604	98.0%
2016	2017	34,783,165	34,480,628	99.1%	24,214	34,504,843	99.2%
2015	2016	33,564,299	33,496,436	99.8%	(121,885)	33,374,551	99.4%
2014	2015	31,586,636	31,467,474	99.6%	(1,404)	31,466,070	99.6%
2013	2014	30,316,945	30,226,286	99.7%	(88,023)	30,138,263	99.4%
2012	2013	30,255,576	30,209,654	99.8%	(45,554)	30,164,100	99.7%
2011	2012	\$ 30,186,698	\$ 30,111,476	99.8%	\$ 9,213	30,120,689	99.8%

Source: El Paso Country Treasurer's Office

Collections are from January 1 to August 31. Additional taxes will be collected from September 1 to December 31

Collections in Subsequent years includes delinquent tax collections, interest, penalties and abatements

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49

Legal Debt Margin

Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Assessed valuation	1,080,389,290	1,049,145,210	882,952,990	840,574,750	782,172,430	751,972,470	689,724,560	664,597,320	663,717,810	658,494,180
Debt Limit	216,077,858	209,829,042	176,590,598	168,114,950	156,434,486	150,394,494	137,944,912	132,919,464	132,743,562	131,698,836
Total net debt applicable to limit	-	-	-	-	4,960,000	12,305,000	26,020,000	31,300,002	36,430,000	41,085,000
Legal debt margin	216,077,858	209,829,042	176,590,598	168,114,950	151,474,486	138,089,494	111,924,912	101,619,462	96,313,562	90,613,836
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	3.17%	8.18%	18.86%	23.55%	27.44%	31.20%

Source: El Paso County Assessor's Office, District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Ratio of General Bonded Debt to Estimated Actual Taxable Value and Bonded Debt Per Capita
Last Ten Fiscal Years

Assessment Year	Collection Year	Estimated Actual Taxable Value	General Bonded Debt	Ratio of General Bonded Debt to Estimated Actual Taxable Value	Population	Net Bonded Debt per Capita
2020	2021	11,994,723,269	-	0.00%	92,176	-
2019	2020	11,572,795,889	-	0.00%	86,447	-
2018	2019	9,389,791,154	-	0.00%	84,752	-
2017	2018	8,727,717,738	-	0.00%	83,090	-
2016	2017	7,652,257,611	4,960,000	0.06%	81,566	61
2015	2016	7,318,389,792	12,305,000	0.17%	80,360	153
2014	2015	6,594,766,136	26,020,000	0.39%	79,173	329
2013	2014	6,321,813,966	31,300,002	0.50%	78,003	401
2012	2013	6,317,740,713	36,430,000	0.58%	76,850	474
2011	2012	6,212,889,184	41,085,000	0.66%	75,714	543

Sources: El Paso County Assessor's Office and Department of Local Affairs, Demography Section,
Housing and Households

Note: The population number for 2011 and 2019 are estimated based on prior years growth.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Ratio of Annual Debt Service Expenditures for General Bonded Debt to General Fund Expenditures
Last Ten Fiscal Years

Fiscal Year	Annual Debt Service Expenditures for General Bonded Debt	Total General Fund Expenditures	Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Fund Expenditures
2021	-	122,434,177	0.0%
2020	-	118,120,151	0.0%
2019	-	114,079,828	0.0%
2018	4,960,000	113,802,929	4.4%
2017	5,412,698	115,478,060	4.7%
2016	4,787,504	107,098,324	4.5%
2015	6,593,584	102,261,369	6.4%
2014	6,616,242	92,931,241	7.1%
2013	6,571,172	91,726,364	7.2%
2012	6,513,976	85,058,389	7.7%
2011	6,466,879	89,249,494	7.2%

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Total Primary Government	Population	Per Capita	Aggregate Income	Percentage of Aggregate Income	Funded Pupil Count	Total Debt per Pupil
2021	-	129,380,000	8,864,020	138,244,020	92,176	1,500	2,716,569,629	5.09%	23,242	5,948
2020	-	134,625,000	10,124,814	144,749,814	86,447	1,674	2,604,073,647	5.56%	23,366	6,195
2019	-	139,650,000	4,986,258	144,636,258	84,752	1,707	2,563,064,614	5.64%	22,664	6,382
2018	-	144,515,000	5,711,235	150,226,235	83,090	1,808	2,522,701,391	5.95%	22,501	6,676
2017	4,960,000	146,255,000	3,826,291	155,041,291	81,566	1,901	2,482,973,810	6.24%	21,744	7,130
2016	12,305,000	68,345,000	4,049,924	84,699,924	80,360	1,054	2,443,871,861	3.47%	21,839	3,878
2015	26,020,000	70,575,000	4,521,429	101,116,429	79,173	1,277	2,405,385,690	4.20%	20,223	5,000
2014	31,300,002	79,945,000	1,751,960	112,996,962	78,003	1,449	2,367,505,600	4.77%	18,279	6,182
2013	36,430,000	82,170,000	2,341,188	120,941,188	76,850	1,574	2,347,809,100	5.15%	14,573	8,299
2012	41,085,000	84,215,000	3,333,903	128,633,903	75,714	1,699	2,086,545,800	6.16%	14,284	9,006

Source: Department of Local Affairs, 2010 Census

Note: The population and aggregate income numbers for 2011 and beyond estimated based on prior years growth

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Estimation of Direct and Overlapping Debt
As of June 30, 2021

Direct Debt:	2021 Assessed Valuation	Entity's Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
El Paso County School District 49	1,049,145,210	-	100.00%	-
Overlapping Debt:				
Colorado			0.13%	
City Of Colorado Springs	6,220,351,780	2,708,164,000	13.17%	356,734,630
El Paso County	8,681,029,400	99,301,554	6.18%	6,133,503
Fire Districts				
Black Forest	213,392,180	-	8.08%	-
Cimarron Hills	168,348,100	-	49.56%	-
Falcon	469,791,670	773,134	81.27%	628,342
Elbert	6,771,660	-	19.74%	-
Ellicott	34,578,450	101,598	0.24%	248
Water Districts				
Up Blk Sqrll GW	377,353,490	-	20.08%	-
Sanitation water districts				
Westmoor SWD	72,810	-	100.00%	-
Special Districts				
Barnes & Pow N BID	6,666,780	3,324,503	100.00%	3,324,503
Barnes & Pow S BID	4,188,310	385,000	100.00%	385,000
EPC PID #2	87,389,210	-	43.05%	-
First & Main BID	3,376,820	1,390,000	100.00%	1,390,000
First & Main BID #2	10,587,200	26,814,252	100.00%	26,814,252
First & Main North BID	4,074,890	1,648,699	100.00%	1,648,699
Stetson Hills SIMD	86,621,990	-	100.00%	-
Metropolitan Districts				
4-Way Ranch #1	2,056,280	2,886,000	100.00%	2,886,000
Ban Lewis Ranch #1	n/a		100.00%	
Ban Lewis Ranch #2	22,389,740	10,945,000	100.00%	10,945,000
Ban Lewis Ranch #3	23,779,660	8,455,000	100.00%	8,455,000
Ban Lewis Ranch #4	16,585,180	12,520,000	100.00%	12,520,000
Ban Lewis Ranch #5	3,434,230	6,585,000	100.00%	6,585,000
Ban Lewis Ranch #7	n/a		100.00%	
Ban Lewis Ranch #8	830			
Ban Lewis Ranch Reg	68,987,900	10,745,000	100.00%	10,745,000
Bent Grass	5,459,860	4,645,000	100.00%	4,645,000
Bobcat Meadows	3,544,890		100.00%	-
Central Marksheffel	40,595,960	11,335,000	81.77%	9,268,630
Constitution Heights MD	16,172,790	5,194,500	100.00%	5,194,500
Dublin North #1	69,050		100.00%	
Dublin North #2	6,084,510	4,248,000	100.00%	4,248,000
Dublin North #3	2,617,670		100.00%	
Falcon Highlands	20,552,480	17,340,000	100.00%	17,340,000
Latigo Creek	1,221,810		100.00%	-
Meridian Ranch	78,587,920	59,290,000	100.00%	59,290,000
Mountain Vista	4,986,340		100.00%	
Paintbrush Hills	28,841,770		100.00%	-
Paintbrush Hills Sub A	7,453,990		100.00%	-
Sterling Ranch #1	65,000		65.41%	-
Sterling Ranch #2	3,064,300	8,656,000	7.79%	674,302
Sterling Ranch #3	64,700		49.49%	-
Stetson Ridge #1	n/a		100.00%	
Stetson Ridge #2	40,803,870	1,454,000	100.00%	1,454,000
Stetson Ridge #3	13,207,370	4,660,000	100.00%	4,660,000
Woodmen Heights #1	n/a		100.00%	
Woodmen Heights #2	61,793,490		77.32%	-
Woodmen Heights #3	3,887,570		81.61%	-
Woodmen Road	229,192,400	16,184,000	96.66%	15,643,454

Sources: Assessed value data used to estimate applicable percentages is provided by the El Paso County Assessor's office. Debt outstanding data provided by each governmental unit

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Total Personal Income	Per Capital Personal Income	School Enrollment	Unemployment rate Colorado Springs
2021	92,176	2,716,569,629	29,472	23,242	8.6%
2020	86,447	2,604,073,647	30,123	23,366	2.8%
2019	84,752	2,563,064,614	30,242	22,664	4.5%
2018	83,090	2,522,701,391	30,361	22,501	3.2%
2017	81,566	2,482,973,810	30,441	21,744	3.0%
2016	80,360	2,443,871,861	30,411	21,839	3.9%
2015	79,173	2,405,385,690	29,591	20,223	4.1%
2014	78,003	2,367,505,600	30,489	18,279	4.5%
2013	76,850	2,347,809,100	28,600	14,573	7.1%
2012	75,714	2,086,545,800	27,869	14,284	8.8%
2011	74,595	2,281,557,700	27,702	14,028	10.4%

Source: Department of Local Affairs, District records

Note: The population and aggregate income numbers for 2015-2020 are estimated based on prior years growth.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Principal Employers for El Paso County
Current Year and Nine Years Ago

Employer	Rank	<u>2020</u>	Rank	<u>2011</u>
		Percentage of Total County Employment		Percentage of Total County Employment
Fort Carson Army Post	1	11.0%	1	12.3%
United States Air Force Academy	2	3.2%	4	2.8%
Schriever Air Force Base	3	2.5%	3	3.5%
Peterson Air Force Base	4	2.0%	2	5.0%
UC Health Memorial Health System	5	2.0%	5	2.0%
Penrose-St. Francis Health Services	6	1.4%	8	1.1%
School District 11 Colorado Springs	7	1.4%	6	1.7%
School District 20 Air Academy	8	1.2%	7	1.2%
El Paso County	9	1.2%	10	0.9%
City of Colorado Springs ¹	10	0.8%	9	1.0%

Source: <https://coloradosprings.gov/accounting/page/comprehensive-annual-financial-report-cafr> pg 291
2020 is the most current CAFR available from City of Colorado Springs, the City's Fiscal Year
is from January to December.

¹ City of Colorado Springs includes the total of all full-time equivalent employees (FTE's) in all funds
and enterprises except Colorado Springs Utilities and Memorial Health System.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Full-Time Equivalent Employees by Functional Program
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Classroom Instruction	830	852	816	791	757	933	920	914	817	787
Teaching Assistants	262	278	252	192	225	300	251	209	119	149
General Office Support	80	82	89	78	79	102	100	113	96	77
Instructional Support	87	88	85	70	79	75	72	60	53	51
Facility Workers	58	60	78	76	49	66	69	69	64	61
Other Assistants	104	93	105	65	69	61	79	64	82	56
Man.Dir.Sup. Coord.	13	13	13	10	10	60	39	24	8	8
Principals/Asst/Assoc	47	49	49	44	43	53	50	64	48	42
Bus Drivers	62	70	70	59	64	47	49	46	47	44
Other Paraprofessionals	70	71	53	41	36	41	43	64	41	13
Special Service Providers	70	69	56	41	43	41	42	34	33	30
Food Services	41	63	62	18	58	35	39	46	42	43
Professionals Support	51	49	46	45	41	33	17	16	14	11
Foreman/Lead Workers	50	47	47	27	40	29	31	33	33	37
Coord./Supr.	14	18	16	14	12	18	13	11	8	6
Office Manager/Supervisor	15	11	14	14	10	18	36	31	12	14
Security	24	27	23	17	20	11	12	12	12	10
Supt/Asst Supt/BOCES Director	9	9	9	8	8	9	9	9	6	6
Computer Technology	7	7	7	6	6	6	4	12	5	9
Vehicle Drivers/Workers	5	5	5	4	4	4	4	3	4	5
Total	1,899	1,961	1,895	1,621	1,653	1,942	1,879	1,834	1,543	1,459

Source: District Financial Records

*2017 - 2021 Data does not contain Charter School information

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
School Building Capacity and Population
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Elementary Schools										
Falcon (1982)										
Building Square feet	38,561	38,561	38,561	38,561	38,561	38,561	38,561	38,561	38,561	38,561
Modular Square feet	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640
Core Capacity (building)	425	425	425	425	425	425	425	425	425	425
Total Capacity (w/modulars)	575	575	575	575	575	575	575	575	575	575
Enrollment	271	299	283	328	321	319	317	324	319	341
Meridian Ranch (2003)										
Building Square feet	58,318	58,318	58,318	58,318	55,731	55,731	55,731	55,731	55,731	55,731
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Core Capacity (building)	650	650	650	650	650	650	650	650	650	650
Total Capacity (w/modulars)	700	700	700	700	700	700	700	700	700	700
Enrollment	641	665	677	788	740	727	748	698	638	607
Woodmen Hills (2000)										
Building Square feet	56,100	56,100	56,100	56,100	51,603	51,603	51,603	51,603	51,603	51,603
Modular Square feet	11,093	11,093	11,093	11,039	11,039	11,039	11,039	11,039	11,039	11,039
Core Capacity (building)	600	600	600	600	600	600	600	600	600	600
Total Capacity (w/modulars)	900	900	900	900	900	900	900	900	900	900
Enrollment	564	597	615	799	803	738	744	743	729	714
Evans (1976)										
Building Square feet	53,148	53,148	53,148	53,148	53,101	53,101	53,101	53,101	53,101	53,101
Modular Square feet	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	11,296	7,760
Core Capacity (building)	550	550	550	550	550	550	550	550	550	550
Total Capacity (w/modulars)	850	850	850	850	850	850	850	850	850	825
Enrollment	602	653	621	670	721	684	678	666	722	679
Remington (1997)										
Building Square feet	51,311	51,311	51,311	51,311	49,784	49,784	49,784	49,784	49,784	49,784
Modular Square feet	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Core Capacity (building)	600	600	600	600	600	600	600	600	600	600
Total Capacity (w/modulars)	700	700	700	700	700	700	700	700	700	700
Enrollment	603	638	654	611	561	580	565	571	560	593
Springs Ranch (2002)										
Building Square feet	55,295	55,295	55,295	55,295	56,914	56,914	56,914	56,914	56,914	56,914
Modular Square feet	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880	2,880
Core Capacity (building)	700	700	700	650	650	650	650	650	650	650
Total Capacity (w/modular)	750	750	750	750	750	750	750	750	750	750
Enrollment	545	565	579	553	591	573	592	654	666	702
Ridgeview (2002)										
Building Square feet	57,362	57,362	57,362	57,362	57,362	57,362	57,362	57,362	57,362	57,362
Modular Square feet	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760	5,760
Core Capacity (building)	600	600	600	600	600	600	600	600	600	600
Total Capacity (w/modulars)	800	800	800	800	800	800	800	800	800	800
Enrollment	605	654	684	949	802	760	916	720	692	701
Stetson Elementary (1987)										
Building Square feet	48,963	48,963	48,965	48,965	50,223	50,223	50,223	50,223	50,223	50,223
Modular Square feet	12,120	12,120	12,120	12,120	12,120	12,120	12,120	12,120	12,120	12,120
Core Capacity (building)	575	575	575	575	525	525	525	525	525	525
Total Capacity (w/modulars)	925	925	925	925	875	875	875	875	875	875
Enrollment	451	505	521	557	527	568	619	613	625	624
Odyssey Elementary/ALLIES (2006)										
Building Square feet	60,174	60,174	60,174	48,965	44,505	44,505	44,505	44,505	44,505	44,505
Modular Square feet	-	-	-	12,120	5,760	5,760	5,760	5,760	5,760	5,760
Core Capacity (building)	625	625	625	575	450	450	450	450	450	450
Total Capacity (w/modulars)	625	625	625	925	650	650	650	650	650	650
Enrollment	521	571	576	561	538	550	579	572	571	564
Bennett Ranch Elementary (2019)										
Building Square feet	63,780	63,780	63,780	-	-	-	-	-	-	-
Modular Square feet	-	-	-	-	-	-	-	-	-	-
Core Capacity (building)	660	660	660	-	-	-	-	-	-	-
Total Capacity (w/modulars)	660	660	660	-	-	-	-	-	-	-
Enrollment	326	339	357	-	-	-	-	-	-	-
Inspiration View Elementary (2020)										
Building Square feet	70,554	70,554	-	-	-	-	-	-	-	-
Modular Square feet	-	-	-	-	-	-	-	-	-	-
Core Capacity (building)	720	720	-	-	-	-	-	-	-	-
Total Capacity (w/modulars)	720	720	-	-	-	-	-	-	-	-
Enrollment	409	368	-	-	-	-	-	-	-	-

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
School Building Capacity and Population
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Middle Schools</u>										
Falcon Middle (1976)										
Building Square feet	128,760	128,760	128,760	128,760	92,421	92,421	92,421	92,421	92,421	92,421
Modular Square feet	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640	5,640
Core Capacity (building)	900	900	900	900	800	800	800	800	800	800
Total Capacity (w/modulars)	1,100	1,100	1,100	1,100	1,000	1,000	1,000	1,000	1,000	1,000
Enrollment	919	1,021	1,021	983	978	907	934	902	918	911
Horizon Middle (1985)										
Building Square feet	67,230	67,230	67,230	67,230	66,380	66,380	66,380	66,380	66,380	66,380
Modular Square feet	42,048	42,048	42,048	41,905	43,488	43,488	7,200	7,200	7,200	9,500
Core Capacity (building)	625	625	625	625	625	625	625	625	625	625
Total Capacity (w/modulars)	1,225	1,225	1,225	1,175	1,175	1,175	800	800	800	875
Enrollment	748	769	769	746	709	650	626	610	623	615
Skyview Middle (2000)										
Building Square feet	128,953	128,953	128,953	128,953	122,317	122,317	122,317	122,317	122,317	122,317
Modular Square feet	14,760	14,760	14,760	14,760	14,760	14,760	14,760	14,760	14,760	14,760
Core Capacity (building)	900	900	900	900	900	900	900	900	900	900
Total Capacity (w/modulars)	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,350	1,150
Enrollment	989	1,057	1,058	1,109	1,057	1,127	1,144	1,022	1,028	1,024
<u>High Schools</u>										
Falcon High (2007)										
Building Square feet	192,298	192,298	192,298	192,298	176,352	176,352	176,352	176,352	176,352	176,352
Modular Square feet	-	-	-	-	-	-	-	-	-	-
Core Capacity (building)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Capacity (w/modulars)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,180	1,234	1,240	1,207	1,187	1,238	1,275	1,242	1,291	1,239
Sand Creek High (1997)										
Building Square feet	208,776	208,776	208,776	208,776	189,866	189,866	189,866	189,866	189,866	189,866
Modular Square feet	7,200	7,200	7,200	7,200	8,640	8,640	8,640	8,640	11,520	11,520
Core Capacity (building)	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600
Total Capacity (w/modulars)	1,850	1,850	1,850	1,850	1,900	1,900	1,900	1,900	1,950	2,200
Enrollment	1,127	1,128	1,133	1,205	1,247	1,274	1,245	1,238	1,184	1,175
Vista Ridge High (2008)										
Building Square feet	179,876	179,876	179,876	166,617	166,617	166,617	166,617	166,617	166,617	159,787
Modular Square feet	-	-	-	-	-	-	-	-	-	-
Core Capacity (building)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total Capacity (w/modulars)	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Enrollment	1,624	1,606	1,615	1,583	1,482	1,437	1,338	1,230	1,195	1,147
<u>Other Buildings</u>										
Springs Studio for Academic Excellence (2012)										
Building Square feet	40,000	40,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	7,000
Total Capacity	600	600	600	600	600	600	600	600	600	225
Enrollment	472	402	402	485	489	521	515	966	421	362
Patriot High School (1952)										
Building Square feet (plus butler & art)	41,929	41,929	36,750	36,750	41,929	41,929	41,929	41,929	41,929	41,929
Modular Square feet	4,812	4,812	6,330	6,330	4,812	10,572	10,572	10,572	10,572	10,572
Core Capacity (building)	425	425	425	425	125	125	125	125	125	125
Total Capacity (w/modulars)	525	525	525	525	325	325	325	325	325	325
Enrollment	74	94	86	104	120	201	258	249	244	233
<u>Administration Buildings</u>										
Central Office (1981)										
Building Square feet	6,134	6,134	6,134	6,134	6,134	6,134	6,134	6,134	6,134	6,134
Modular Square feet	5,904	5,904	6,396	7,212	7,212	7,212	7,212	7,884	8,076	8,076
Transportation/Nutrition Services (2002)										
Building Square feet	25,800	25,800	25,800	25,800	25,800	25,800	25,800	25,800	25,800	25,800
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Mohawk Building (2001)										
Building Square feet (plus butler & art)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	
Core Capacity (building)	225	225	225	225	225	225	225	225	225	
Total Capacity	225	225	225	225	225	225	225	225	225	
Creekside Success Center* (2015)										
Building Square feet	35,806	35,806	35,806	35,806	35,806	35,806				

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
School Building Capacity and Population
Last Ten Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Chartered Schools										
Pikes Peak School of Expeditionary Learning (2008)										
Building Square feet	28,967	28,967	28,967	28,967	28,967	28,967	28,967	28,967	28,967	28,967
Core Capacity (building)	475	475	475	475	475	475	475	475	475	475
Total Capacity	475	475	475	475	475	475	475	475	475	475
Enrollment	431	407	415	413	415	439	408	384	397	396
Banning Lewis Ranch Academy (2008)										
Building Square feet	161,000	161,000	161,000	57,000	57,000	57,000	57,000	57,000	57,000	57,000
Modular Square feet	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440	1,440
Core Capacity (building)	1,350	1,350	1,350	675	675	675	675	675	675	675
Total Capacity (w/modulars)	1,425	1,425	1,425	725	725	725	725	725	725	725
Enrollment	1,469	1,435	1,376	1,248	809	752	749	750	737	742
Grand Peak Academy (2010)										
Building Square feet	65,000	65,000	65,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000
Modular Square feet	-	-	-	1,440	1,440	1,440	1,440	-	-	-
Core Capacity (building)	1,000	1,000	1,000	800	800	800	800	800	800	800
Total Capacity (w/modulars)	1,000	1,000	1,000	850	850	850	850	800	800	800
Enrollment	727	760	705	747	796	773	743	831	858	802
Rocky Mountain Classical Academy (2015)										
Building Square feet	104,686	104,686	93,000	93,000	93,000	93,000	35,000	35,000	35,000	35,000
Core Capacity (building)	1,200	1,200	1,200	1,200	1,200	1,200	475	475	475	475
Total Capacity	1,200	1,200	1,200	1,200	1,200	1,200	1,075	1,075	1,075	1,075
Enrollment	1,584	1,617	1,632	1,613	1,612	1,467	1,300	746	675	892
GOAL Academy**										
Building Square feet	185,278	185,278	185,278	185,278	185,278	185,278	-	-	-	-
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	-	-	-	-
Enrollment	5,305	4,965	4,140	3,811	3,755	4,070	3,259	3,149	-	-
Power Technical Early College*** (2016)										
Building Square feet	34,250	34,250	34,250	n/a	n/a	-	-	-	-	-
Total Capacity	400	400	400	n/a	n/a	-	-	-	-	-
Enrollment	325	317	267	240	160	-	-	-	-	-
Liberty Tree Academy**** (2020)										
Building Square feet	39,376	39,376	-	-	-	-	-	-	-	-
Total Capacity	525	525	-	-	-	-	-	-	-	-
Enrollment	577	501	317	-	-	-	-	-	-	-
Mountain View Academy										
Building Square feet	-	-	-	-	-	-	-	-	-	-
Total Capacity	-	-	-	-	-	-	-	-	-	-
Enrollment	140	-	-	-	-	-	-	-	-	-
Total Student Population	23,229	23,167	21,743	21,310	20,420	20,355	19,552	18,880	15,093	15,063

*The Creekside building was built in 2015

** GOAL Academy joined the district in 2013/2014 school year. Their enrollment prior to joining the district is not included.

GOAL Academy is primarily an online school. With various small satellite sites for students to visit for additional learning. These sites change periodically based on need. Prior years were not available.

***Power Technical Early College joined the district in the 2016/2017 school year.

****Liberty Tree Academy joined the district in the 18/19 school year, and constructed own building for the 19/20 school year

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Capital Assets by Function/Program
Last Ten Fiscal Years

Governmental Activities	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	266,882,358	261,764,551	238,067,914	194,276,634	213,368,856	211,624,573	210,439,589	206,271,659	205,341,762	201,779,181
General Administration	8,357,466	8,357,466	8,357,466	8,357,466	14,679,803	12,593,392	12,313,675	8,622,325	7,121,798	7,021,798
Operation and Maintenance	5,879,468	893,143	684,818	684,818	557,283	464,480	326,569	276,762	91,930	48,394
Student Transportation	10,819,289	10,515,844	8,918,028	8,168,967	9,433,502	8,773,770	8,249,302	7,694,696	7,424,696	7,424,696
Technology	765,577	98,416	98,416	98,416	1,916,705	1,916,705	1,916,705	1,916,705	1,916,705	1,879,589
Business	38,942	38,942	38,942	38,942	45,229	45,229	45,229	45,229	45,229	45,229
Business-type Activities										
Food Service	-	-	-	-	-	-	-	1,101,957	1,101,956	1,101,956
Total	292,743,100	281,668,363	256,165,584	211,625,243	240,001,378	235,418,150	233,291,069	225,929,333	223,044,076	219,300,843

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Operating Statistics
Last Ten Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Primary Government Expenses	\$ 204,245,555	\$ 218,593,899	\$ 184,816,071	\$ 239,143,234	\$ 212,866,460	\$ 140,398,047	\$ 132,358,799	\$ 115,174,821	\$ 108,441,190	\$ 95,914,797
Enrollment, Oct 1 count	23,229	23,167	21,743	21,310	20,420	20,355	19,552	18,880	15,093	15,063
Funded Pupil Count (FPC)	23,315.7	23,366.0	22,664.1	22,501.0	21,744.0	21,839.3	20,222.5	18,279.3	14,572.9	14,283.7
Cost per FPC	8,760.00	9,355.21	8,154.57	10,628.12	9,789.66	6,428.69	6,545.13	6,300.83	7,441.29	6,714.98
Per Pupil Funding After Negative Factor	\$ 7,776.75	\$ 8,115.98	\$ 7,746.06	\$ 7,051.42	\$ 7,075.60	\$ 6,977.57	\$ 6,688.52	\$ 6,303.45	\$ 6,139.43	\$ 6,137.57
Students Qualified for Federal Assistance:										
Free Lunch Program	6,145	3,800	3,592	3,327	3,445	5,560	4,961	4,267	2,316	2,145
Reduced Lunch Program	1,488	998	963	950	951	1,556	1,345	1,404	959	1,027
SAT/ACT Average Composite score*										
Springs Studio for Academic Excellence**	1002	984	984	n/a	1466	19.6	19.1	19.9	21.0	-
Falcon HS	1017	970	970	959	993	20.2	20.1	19.9	20.0	19.9
Sand Creek HS	999	950	950	972	977	19.8	19.4	19.8	19.9	18.6
Vista Ridge HS	989	985	985	996	982	20.3	19.6	18.8	19.1	19.2
Patriot High School***	n/a	793	793	n/a	707	15.4	14.7	16.3	16.7	15.8
Goal Academy	899	824	824	831	828	15.4	16.1	16.3	-	-
Colorado Average	1011	1001	1001	976	1014	20.4	20.1	20.3	20.1	20.0
Graduation Rates										
Springs Studio for Academic Excellence**	88.7%	90.4%	90.4%	78.4%	88.1%	94.0%	93.8%	94.5%	92.3%	85.7%
Falcon High School	91.8%	90.7%	90.0%	85.8%	89.3%	98.3%	95.3%	98.5%	94.4%	92.6%
Goal Academy	32.4%	20.8%	19.2%	34.8%	40.5%	47.1%	46.7%	51.1%	-	-
Power Tech Early College	100.0%	90.9%	81.8%							
Patriot High School***	51.2%	64.3%	59.5%	57.1%	62.1%	55.4%	62.1%	74.5%	64.1%	62.4%
Pikes Peak Early College	35.0%	30.0%	30.0%	34.5%	25.0%	44.4%	-	-	-	-
Rocky Mountain Classical Academy	0.0%	33.3%	33.3%	25.0%	-	-	-	-	-	-
Sand Creek High School	88.3%	84.6%	83.3%	87.2%	81.8%	91.0%	93.7%	95.5%	88.7%	91.4%
Vista Ridge High School	90.9%	89.5%	88.6%	89.5%	88.5%	92.9%	94.3%	95.8%	94.6%	95.3%
CO state	81.9%	81.1%	81.1%	80.7%	79.0%	79.8%	77.3%	77.3%	76.9%	75.4%
Dropout Rate	9.6%	7.5%	7.5%	6.9%	9.4%	8.1%	5.9%	4.6%	6.0%	7.0%

Sources: Colorado Department of Education

Notes: The addition of GOAL Academy affects many district statistics. When possible statistics are broken out by school.

GOAL Academy is an Alternative Education Campus (AEC). Over 95% of the students serviced at AEC schools are considered at high risk of dropping out.

*2016 and Prior - ACT was used

**2016 and Prior Springs Studio for Academic Excellence was Falcon Virtual Academy

***2016 and Prior Patriot High School was Patriot Learning Center

COMPLIANCE SECTION

SINGLE AUDIT

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Agriculture				
<i>Child Nutrition Cluster</i>				
Passed Through Colorado Department of Education				
National School Lunch Program	10.555	4555	\$ -	\$ 399,582
Summer Food Service Program for Children	10.559	4559		2,338,153
Passed Through Colorado Department of Human Services				
National School Lunch Program	10.555	4555		288,926
<i>Total Child Nutrition Cluster</i>				3,026,661
Total U.S. Department of Agriculture				3,026,661
U.S. Department of Defense				
Direct Programs				
Reserve Officer Training Corps (ROTC)	12.Unknown			258,898
Promoting K-12 Student Achievement at Military- Connected Schools	12.556			713,686
Total Department of Defense				972,584
U.S. Department of Treasury				
Passed Through Colorado Department of Education				
Coronavirus Relief Fund	21.019	4012,5012		9,194,455
U.S. Department of Education				
Direct Programs				
Impact Aid	84.041			566,748
Passed Through Colorado Department of Education				
<i>Special Education Cluster</i>				
Special Education: Grants to States IDEA Part B	84.027	4027		3,196,291
Special Education: Preschool Grants	84.173	4173		27,123
<i>Total SPED Cluster</i>				3,223,414
No Child Left Behind, Title I, Part A	84.010	4010		2,116,072
Charter Schools	84.282	5282		17,719
English Language Learners, Title III, Part A	84.365	4365, 7365		113,559
Quality Teacher, Title II, Part A	84.367	4367		335,112
Student Support and Academic Enrichment Program	84.424A	4424		96,895
Education Stabilization Fund	84.425D	4425,4420,4419		857,391
Passed through Colorado Community College System				
Vocational Education - Carl Perkins	84.048	4048		73,726
Total U.S. Department of Education			-	7,400,636
Total Federal Awards			\$ -	\$ 20,594,336

See the accompanying independent auditors' report.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of El Paso County Colorado School District 49 under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of El Paso County Colorado School District 49, it is not intended to and does not present the financial position, changes in net assets, or cash flows of El Paso County Colorado School District 49.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified-accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Pass-through entity identifying numbers are presented where available. ROTC does not have a CFDA number, so the Federal CFDA number on the Schedule of Expenditures of Federal Awards identifies the Department followed by "Unknown".

NOTE 3 – INDIRECT COST RATE

El Paso County Colorado School District 49 has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 4 – NON-CASH ASSISTANCE

During the year end June 30, 2021, El Paso County Colorado School District 49 received \$288,926 in non-cash assistance in the form of food commodities. Commodities are valued at fair market value at the time of receipt.



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

To the Board of Education
El Paso County Colorado School District 49

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County Colorado School District 49, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise El Paso County Colorado School District 49's basic financial statements, and have issued our report thereon dated December 2, 2021. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered El Paso County Colorado School District 49's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of El Paso County Colorado School District 49's internal control. Accordingly, we do not express an opinion on the effectiveness of El Paso County Colorado School District 49's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether El Paso County Colorado School District 49's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

El Paso County Colorado School District 49's Response to Findings

El Paso County Colorado School District 49's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. El Paso County Colorado School District 49's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

A handwritten signature in black ink that reads "Hoelting & Company, Inc." The signature is written in a cursive, flowing style.

Colorado Springs, Colorado
December 2, 2021



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

To the Board of Education
El Paso County Colorado School District 49

Report on Compliance for Each Major Federal Program

We have audited El Paso County Colorado School District 49's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of El Paso County Colorado School District 49's major federal programs for the year ended June 30, 2021. El Paso County Colorado School District 49's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of El Paso County Colorado School District 49's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about El Paso County Colorado School District 49's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of El Paso County Colorado School District 49's compliance.

Opinion on Each Major Federal Program

In our opinion, El Paso County Colorado School District 49, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of El Paso County Colorado School District 49 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered El Paso County Colorado School District 49's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of El Paso County Colorado School District 49's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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

Hoelting & Company Inc.

Colorado Springs, Colorado
December 2, 2021

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section I—Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☒ yes ☐ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs?

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
CFDA 10.555 & 10.559	Child Nutrition Cluster
CFDA 21.019	Coronavirus Relief Fund
CFDA 84.367	Title IIA
CFDA 84.425	Education Stabilization Fund

Dollar threshold used to distinguish between type A and type B programs? \$750,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

Section II—Financial Statement Findings

2021-001 Segregation of Duties

Criteria: Segregation of duties should be implemented throughout the finance department. There should be proper segregation of duties to ensure that no one person has the ability to initiate, authorize and record financial transactions.

Condition: While policies are in place to segregate the ability to initiate, authorize, and record financial transactions, simple errors are often missed by management review resulting in a lack of segregation of duties.

Context: This was noted during substantive testing of various general ledger accounts.

Effect: Risk of misstatements due to error or fraud exists under this condition.

Cause: Lack of available staff for sufficient management review of financial transactions.

Recommendation: We recommend that the district leadership ensure sufficient senior level staff is available to oversee the day-to-day accounting processes, as well as the monthly and annual closing procedures.

Management response: Management will allocate staffing resources to improve the segregation of duties within the finance department.

Section III—Findings and Questioned Costs for Federal Awards

No findings reported.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

The Summary Schedule of Prior Audit Findings (the Summary) summarizes the status of the audit findings reported in the El Paso County Colorado School District 49 Schedule of Findings and Questioned Costs for the year ended June 30, 2020. If the prior audit finding was fully addressed, the Summary indicates that the corrective action described in the prior audit report was taken or that corrective action is no longer needed. Otherwise, the Summary references the page number of the June 30, 2021 single audit report where a repeat recommendation, description of the planned corrective action, or reason for not implementing the recommendation is presented.

<u>Finding Number</u>	<u>CFDA Number</u>	<u>Program/Cluster Title</u>	<u>Finding</u>	<u>Status of Finding</u>
2020-001	NA	NA	Lack of Segregation of Duties	Partially corrected. Reported as finding 2021-001. See page 109.
2020-002	NA	NA	Lack of Support for Journal Entries	Corrected
2020-003	NA	NA	Lack of Appropriate Bank Reconciliation Procedures	Corrected
2020-004	NA	NA	Not Maintaining the Capital Asset Subledger	Corrected
2020-005	NA	NA	Not Recording Non-Cash Transactions	Corrected



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2021**

2021-001 Segregation of Duties

Criteria: Segregation of duties should be implemented throughout the finance department. There should be proper segregation of duties to ensure that no one person has the ability to initiate, authorize and record financial transactions.

Condition: While policies are in place to segregate the ability to initiate, authorize, and record financial transactions, simple errors are often missed by management review resulting in a lack of segregation of duties.

Management Response and Planned Corrective Actions: Management will allocate staffing resources to improve the segregation of duties within the finance department.

Responsibility for Corrective Action: Brett Ridgway, CBO

Anticipated Completion Date: Spring 2022

STATE COMPLIANCE



**INDEPENDENT AUDITORS' REPORT ON
COLORADO SCHOOL DISTRICT/BOCES
AUDITOR'S INTEGRITY REPORT**

To the Board of Education
El Paso County Colorado School District 49

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of El Paso County Colorado School District 49, as of and for the year ended June 30, 2021, which collectively comprise El Paso County Colorado School District 49's basic financial statements, and our report thereon dated December 2, 2021, which expressed an unmodified opinion on those financial statements, appears as listed in the table of contents.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the El Paso County Colorado School District 49's financial statements. The accompanying *Colorado School District/BOCES, Auditor's Integrity Report* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Colorado Springs, Colorado
December 17, 2021



Colorado Department of Education
Auditors Integrity Report
District: 1110 - District 49
Fiscal Year 2020-21
Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	23,100,946	126,786,007	122,195,192	27,691,762
18 Risk Mgmt Sub-Fund of General Fund	496,693	1,160,161	1,122,926	533,928
19 Colorado Preschool Program Fund	95,660	500,622	463,491	132,791
Sub- Total	23,693,299	128,446,790	123,781,608	28,358,481
11 Charter School Fund	34,754,534	93,577,185	88,856,764	39,474,956
20,26-29 Special Revenue Fund	2,477,354	8,946,006	8,755,033	2,668,327
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	938,516	3,208,123	3,208,123	938,516
22 Govt Designated-Purpose Grants Fund	0	19,783,174	19,783,174	0
23 Pupil Activity Special Revenue Fund	483,849	596,114	653,800	426,162
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	1,249,515	1,249,515	0
31 Bond Redemption Fund	0	0	0	0
39 Certificate of Participation (COP) Debt Service Fund	12,911,221	12,967,377	11,260,022	14,618,575
41 Building Fund	583,066	808,438	606,347	785,156
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	2,134,811	842,922	47,639	2,930,094
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	77,976,651	270,425,643	258,202,026	90,200,268
Proprietary				
50 Other Enterprise Funds	-10,350,795	5,319,280	7,714,282	-12,745,797
64 (63) Risk-Related Activity Fund	548,238	2,918,430	2,966,668	500,000
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	-9,802,557	8,237,710	10,680,950	-12,245,797
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	2,794	2	2,795	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	2,794	2	2,795	0

FINAL

