

EL PASO COUNTY COLORADO SCHOOL



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2020

10850 East Woodmen Road

Peyton, Colorado 80831

www.d49.org

El Paso County Colorado School District 49 Comprehensive Annual Financial Report



For the fiscal year ended June 30, 2020

Introductory Section

The Best Choice to Learn, Work, and Lead



Our Operated Schools

Falcon Zone



Falcon Elementary



Meridian Ranch Elementary



Woodmen Hills Elementary



Bennett Ranch Elem



Falcon Middle



Falcon High School

Sand Creek Zone



Evans International Elementary



Remington Elementary



Springs Ranch Elementary



Horizon Middle



Sand Creek High School

POWER Zone



Ridgeview Elementary



Stetson Elementary



Odyssey Elementary



ALLIES Elementary



Inspiration View Elem



Skyview Middle



Vista Ridge High School

i Connect Zone



Patriot High School



Springs Studio for Academic Excellence



Falcon Home School



Pikes Peak Early College

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

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 18, 2020



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, 2020.

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, 2020, 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, 2020 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, 2020 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 84,752 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; seven chartered schools (four 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 and Liberty Tree 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 2019 and the estimated FTE for the 2020-21 school year.



| Operated Schools | Date Placed in Service | October 2020 Student Count | Projected 2020-21 Student Count |
|---|------------------------|----------------------------|---------------------------------|
| ALLIES | 2017 | 121 | 130 |
| Bennett Ranch Elementary | 2018 | 328 | 317 |
| Evans International Elementary | 1976 | 636 | 580 |
| Falcon Elementary | 1982 | 291 | 263 |
| Falcon Middle | 1976 | 1021 | 1022 |
| Falcon High School | 2007 | 1215 | 1281 |
| Horizon Middle | 1985 | 769 | 770 |
| Inspiration View Elementary | 2019 | 359 | 439 |
| Meridian Ranch Elementary | 2003 | 657 | 661 |
| Odyssey Elementary | 2006 | 441 | 450 |
| Patriot High School | 1952 | 165 | 165 |
| Pikes Peak Early College | 2015 | 176 | 175 |
| Remington Elementary | 1997 | 620 | 608 |
| Ridgeview Elementary | 2002 | 628 | 645 |
| Sand Creek High School | 1997 | 1099 | 1104 |
| Skyview Middle | 2000 | 1057 | 1055 |
| Springs Ranch Elementary | 2002 | 552 | 541 |
| Springs Studio for Academic Excellence | 2012 | 401 | 439 |
| Stetson Elementary | 1987 | 489 | 478 |
| Vista Ridge High School | 2008 | 1600 | 1626 |
| Wooden Hills Elementary | 2000 | 581 | 567 |
| Operated Subtotal | | 13,206 | 13,316 |
| Chartered Schools | | | |
| Banning Lewis Ranch Academy | 2008 | 1435 | 1478 |
| GOAL Academy | N/A | 4962 | 5,110 |
| Grand Peak Academy | 2010 | 760 | 782 |
| Liberty Tree Academy | 2018 | 484 | 498 |
| Pikes Peak School of Expeditionary Learning | 2008 | 407 | 406 |
| Power Technical Early College | 2016 | 316 | 325 |
| Rocky Mountain Classical Academy | 2015 | 1345 | 1385 |
| Chartered School Subtotal | | 9,709 | 10,000 |
| District 49 Total | | 22,915 | 23,316 |



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.

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, the District was awarded the Certificate of Excellence from the Association of School Business Officials 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.

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



Treasurer

Dave Cruson

Vice President
Kevin Butcher

President

John Graham

Director
John Koster

Secretary

Rick Van Wieren

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

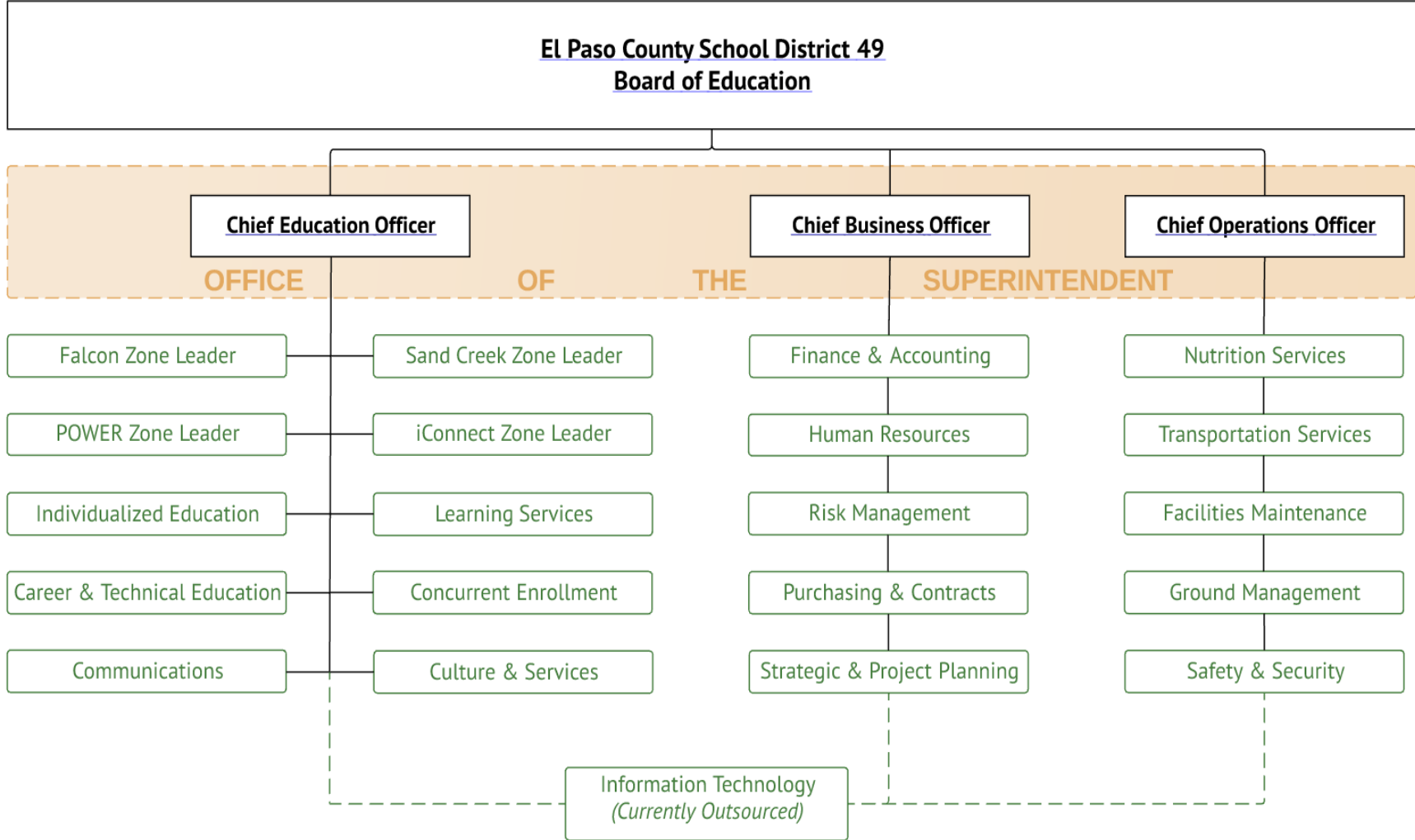
Director of Finance

Director of Transportation

Director of Nutrition Services

Director of Communications

Secretary to the Board of Education



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, 2020, 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 Rocky Mountain Classical Academy which represent 33.0 percent, 32.0 percent, and 19.0 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 Rocky Mountain Classical 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, 2020, 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.

Adoption of new accounting standard

As described in Note 1 to the financial statements, effective July 1, 2019, El Paso County Colorado School District 49 adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

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 18, 2020, 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 18, 2020

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2020

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, 2020.

Financial Highlights

- The Governmental Activities of School District 49 shows a Net Position deficit of \$213,552,547 at June 30, 2020 and \$249,037,292 (as restated) June 30, 2019 respectively, or \$35,484,745 less than prior year.
 - Effective July 1, 2014, School Districts were 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 \$204,830,214.
 - 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 \$134,839,156 or 75.03% of all revenues. Program specific revenues in the form of charges for services and grants and contributions received accounted for \$44,869,963 or 24.97% of total revenues of \$179,709,119.
- The ending fund balance of total General Funds was \$23,693,300 at June 30, 2020 and \$17,463,921 at June 30, 2019. The General Fund portion maintained a fund balance to District Adjusted Gross Revenue (DAGR) ratio at 9.94%. District 49's Board of Education recommended staying at a flat rate for the fiscal year and dropping to 9.0% for the upcoming fiscal year.
- General Fund Revenue, including the Component Unit share (Charter Schools – net of services), totaled \$212,727,545 at June 30, 2020 and \$186,992,715 at June 30, 2019.
- Total student count in the District increased by 815 students or 3.17% from the prior year; while the corresponding funded student FTE increased by 9.09%. The State Budget Negative Factor for District 49 remains with a balance of \$15,825,390
- The Food Service Fund reported an ending fund balance of \$938,516 and \$998,677 at June 30, 2020 and 2019 respectively, a decrease of \$60,161 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, 2020

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: governmental 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, governmental designated purpose grants fund, and the debt service 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, 2020

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 seven 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)

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, 2020

| | FTE | Real Property Taxes | % of Total | Specific Ownership Taxes | % of Total | Equalization State Share | % of Total | Total Program Revenue |
|--------------------------------|------------------|------------------------|---------------|--------------------------------|--------------|-----------------------------|---------------|--------------------------|
| Total District | 25,811.40 | \$ 25,661,043 | 12.25% | \$ 1,994,761 | 0.95% | \$ 181,814,417 | 86.80% | \$ 209,470,221 |
| D49 Operated Portfolio | 13,422.90 | \$ 18,957,982 | 17.32% | \$ 1,473,698 | 1.35% | \$ 89,000,469 | 81.33% | \$ 109,432,150 |
| Component Units: | | | | | | | | |
| D49 Chartered Portfolio | 12,388.50 | \$ 6,703,061 | | \$ 521,063 | | \$ 92,813,947 | | \$ 100,038,071 |
| PPSEL | 407.00 | \$ 574,831 | 17.32% | \$ 44,685 | 1.35% | 2,699,065 | 81.33% | 3,318,580 |
| BLRA | 1,435.00 | 2,026,737 | 17.32% | 157,549 | 1.35% | 9,516,360 | 81.33% | 11,700,646 |
| RMCA | 1,344.50 | 1,898,918 | 17.32% | 147,613 | 1.35% | 8,916,200 | 81.33% | 10,962,730 |
| ICA | 760.00 | 1,073,394 | 17.32% | 83,440 | 1.35% | 5,040,024 | 81.33% | 6,196,858 |
| PTEC | 316.00 | 446,306 | 17.32% | 34,694 | 1.35% | 2,095,589 | 81.33% | 2,576,588 |
| LTA | 483.50 | 682,876 | 17.32% | 53,083 | 1.35% | 3,206,383 | 81.33% | 3,942,343 |
| GOAL | 4,961.50 | - | n/a | - | n/a | 40,454,880 | 100.00% | 40,454,880 |
| BOCES | 2,681.00 | - | n/a | - | n/a | 20,885,446 | 100.00% | 20,885,446 |

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 \$116,501,038 and \$163,053,608 at June 30, 2020 and 2019 respectively. This is due to \$204,830,214 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 \$88,329,176.

Included in Total Net Position, \$58,456,261 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, 2020, \$17,696,881 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 \$4,690,000. The overall restricted amount decreased by -\$934,115 from prior year.

Governmental activities decreased the net position of the District by \$213,552,547 as of June 30, 2020. Program revenues included \$20,853,805 in charges for services, and \$23,075,615 in operating grants and contributions and \$940,543 in Capital Grants and Contributions. \$134,839,156 was received in general revenues consisting of local property taxes, specific ownership taxes, and school finance act revenue. Total revenues received totaled \$179,709,119.

Instruction expenses totaled \$68,403,466, making up the majority of total expenses of \$144,244,374 at June 30, 2020.

Program revenue for Food Services included \$1,510,050 in charges for services and \$2,210,858 in operating grants and contributions. Expenditures of \$3,784,969 were for food services.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2020

SCHOOL DISTRICT 49
Statement Of Net Position
Governmental Activities

| | 2020 | 2019 | Increase (Decrease) over Prior Year | |
|---------------------------------------|-------------------------|-------------------------|--|---------------|
| ASSETS | | | | |
| Current Assets | \$ 76,175,962 | \$ 57,443,699 | \$ 18,732,263 | |
| Capital assets, net of depreciation | 205,584,495 | 204,726,378 | 858,117 | |
| Total assets | 281,760,457 | 262,170,077 | 19,590,380 | 7.47% |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Total deferred outflows of resources | 30,955,799 | 81,840,906 | (50,885,107) | -62.18% |
| LIABILITIES | | | | |
| Current liabilities | 32,554,659 | 23,187,647 | 9,367,012 | |
| Long-term liabilities | 365,706,836 | 402,036,038 | (36,329,202) | |
| Total liabilities | 398,261,495 | 425,223,685 | (26,962,190) | -6.34% |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Total deferred inflows of resources | 128,007,308 | 167,253,616 | (39,246,308) | -23.47% |
| NET POSITION | | | | |
| Net Investment in Capital Assets | 58,456,261 | 50,405,025 | 8,051,236 | |
| Restricted for: | | | | |
| TABOR | 4,690,000 | 4,260,000 | 430,000 | |
| Debt Service & MLO Projects | 12,911,221 | 14,314,557 | (1,403,336) | |
| Preschool | 95,660 | 56,439 | 39,221 | |
| Unrestricted | (289,705,689) | (317,502,339) | 27,796,650 | |
| TOTAL NET POSITION | \$ (213,552,547) | \$ (248,466,318) | \$ 34,913,771 | 14.05% |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2020

SCHOOL DISTRICT 49
Statement Of Activities
Governmental

| | | | Increase (Decrease) over | |
|---|-------------------------|-------------------------|--------------------------|---------------|
| | 2020 | 2019 | Prior Year | |
| PROGRAM REVENUES | | | | |
| Charges for services | \$ 20,853,805 | \$ 18,633,994 | \$ 2,219,811 | |
| Operating Grants & contributions | 23,075,615 | 19,820,526 | 3,255,089 | |
| Capital Grants & contributions | 940,543 | 1,097,682 | (157,139) | |
| GENERAL REVENUES | | | | |
| Property Taxes | 44,889,325 | 36,953,482 | 7,935,843 | |
| Specific ownership taxes | 4,710,478 | 4,656,501 | 53,977 | |
| State equalization | 82,180,476 | 75,552,264 | 6,628,212 | |
| Grants & Contrib not restricted to specific prg | 1,359,314 | - | 1,359,314 | |
| Investment earnings | 702,199 | 1,233,685 | (531,486) | |
| Miscellaneous | 997,364 | 2,454,903 | (1,457,539) | |
| TOTAL REVENUES | \$ 179,709,119 | \$ 160,403,037 | \$ 19,306,082 | 10.74% |
| EXPENSES | | | | |
| Instruction | 68,403,466 | 74,947,710 | (6,544,244) | |
| Supporting services | 62,492,924 | 63,403,658 | (910,734) | |
| Community services | 353,450 | 130,871 | 222,579 | |
| Facilities acquisition and construction | 2,954,703 | - | 2,954,703 | |
| Food Service | 3,729,021 | 4,120,435 | (391,414) | |
| Interest and fiscal charges | 6,290,810 | 6,340,784 | (49,974) | |
| TOTAL EXPENSES | \$ 144,224,374 | \$ 148,943,458 | \$ (4,719,084) | 3.17% |
| Change in Net Position | 35,484,745 | 11,459,579 | 24,025,166 | |
| Beginning Net Position | (248,466,318) | (257,918,632) | 9,452,314 | |
| Prior Period Adjustment | (570,974) | (2,007,265) | 1,436,291 | |
| TOTAL NET POSITION | \$ (213,552,547) | \$ (248,466,318) | \$ 34,913,771 | 14.05% |

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, 2020, shows the District's governmental funds combined ending fund balance totals \$41,673,634 compared to \$33,412,934 at June 30, 2019.

The general fund is the main operating fund of the District. At June 30, 2020, committed and assigned fund balance of the general fund was \$12,772,652 compared to \$2,750,171 at June 30, 2019. Total unassigned fund balance is \$0 and \$5,635,397 at June 30, 2020 and 2019 respectively.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2020

The Bond Redemption Fund remains in strong financial condition, with no debt as of June 30, 2020. 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.

In 2019-20, School District 49 expended \$11,959,626 of local, state and federal grant funds, excluding charter school grant expenditures. Of these expenditures, \$2,319,013 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 2020-21 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 2018-19 to 2019-20 expected growth was budgeted at 3.3%.

Some significant budget highlights include:

- The final (Amended) budget for the General Fund showed an increase in revenue \$2,626,869 and also an increase in expenditures by \$2,626,869 from the original (Adopted) budget.
- Actual General Fund results for the 2019-20 fiscal year showed revenue in excess of expenses by \$15,352,025, 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 \$6,229,379.

Capital Assets and Debt Administration

Capital assets. School District 49's investment in capital assets for governmental activities as of June 30, 2020 amounts to \$205,584,495 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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2020

SCHOOL DISTRICT 49
Investment in Capital Assets

| | Balance at 6/30/2020 | Balance at 6/30/2019 | Increase (Decrease) over Prior Year |
|---|-------------------------|-------------------------|--|
| Governmental Activities: | | | |
| Land | \$ 18,343,078 | \$ 18,343,078 | \$ - |
| Buildings & Improvements | 167,895,877 | 151,294,593 | 16,601,284 |
| Equipment | 11,061,605 | 10,030,105 | 1,031,500 |
| Construction in Progress | 8,283,935 | 25,058,602 | (16,774,667) |
| Governmental activities capital assets, net accumulated depreciation | \$ 205,584,495 | \$ 204,726,378 | 0.42% |

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, 2020, School District 49's total outstanding long-term debt was \$160,876,622. Of this amount, \$10,124,814 for capital leases and \$134,625,000 in certificates of participation obligations. Compensated absences for School District 49 total \$3,545,550 at June 30, 2020.

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,

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
MANAGEMENT DISCUSSION & ANALYSIS
JUNE 30, 2020

including the duration and spread of the outbreak, which are highly uncertain and cannot be predicted.

- 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 18.8% in 2020 from \$882,952,990 the prior year to a total of \$1,049,145,210. 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, the residential assessment rate is likely to continue to decline.
- 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 seven charter schools in operation during the current fiscal year and plans to add an additional school, Mountain View Academy will join the portfolio for the 2020-2021 school year.
- The District ended the 2019-20 school year with 9.94% 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, 2020

| | Primary Government Governmental Activities | Component Units |
|--|---|-------------------------------|
| ASSETS | | |
| Cash and investments | \$ 50,943,870 | \$ 35,368,610 |
| Restricted cash and investments | 18,917,862 | 9,589,931 |
| Accounts receivable | 2,829,808 | 1,123,745 |
| Taxes receivable | 3,162,751 | - |
| Deposits | - | 424,197 |
| Prepaid items | 217,625 | 105,090 |
| Inventories | 104,046 | - |
| Capital assets, not being depreciated | 26,627,013 | 4,782,662 |
| Capital assets, net of depreciation | 178,957,482 | 80,634,789 |
| Total assets | <u>281,760,457</u> | <u>132,029,024</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred charge on refunding | 4,285,475 | 9,259,043 |
| Deferred pension and OPEB outflows | 26,670,324 | 16,451,341 |
| Total deferred outflows of resources | <u>30,955,799</u> | <u>25,710,384</u> |
| LIABILITIES | | |
| Accounts payable and other current liabilities | 4,915,239 | 1,607,292 |
| Accrued salaries and benefits | 14,526,862 | 1,479,779 |
| Compensated absences | 21,028 | - |
| Accrued interest | 255,831 | 670,251 |
| Unearned revenues | 12,833,631 | 94,071 |
| Payable to fiduciary funds | 2,068 | - |
| Long-term liabilities: | | |
| Due within one year | 6,505,794 | 1,016,872 |
| Due in more than one year | 154,370,828 | 109,804,370 |
| Net pension and OPEB liabilities | 204,830,214 | 67,025,594 |
| Total liabilities | <u>398,261,495</u> | <u>181,698,229</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred pension and OPEB inflows | 128,007,308 | 40,662,831 |
| NET POSITION | | |
| Net investment in capital assets | 58,456,261 | (20,514,600) |
| Restricted for: | | |
| Emergency reserve (TABOR) | 4,690,000 | 2,440,700 |
| Debt service | 12,911,221 | 5,606,906 |
| Preschool | 95,660 | - |
| Other | - | 199,000 |
| Unrestricted | <u>(289,705,689)</u> | <u>(52,353,658)</u> |
| Total net position | <u><u>\$ (213,552,547)</u></u> | <u><u>\$ (64,621,652)</u></u> |

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, 2020

| 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 | \$ 68,403,466 | \$ 6,729,072 | \$ 18,858,080 | \$ 852,426 | \$ (41,963,888) | \$ - |
| Supporting services | 62,492,924 | 12,624,536 | 2,006,678 | 88,117 | (47,773,593) | |
| Community services | 353,450 | - | - | - | (353,450) | |
| Food service operations | 3,729,021 | 1,500,197 | 2,210,857 | - | (17,967) | |
| Facilities acquisition and construction | 2,954,703 | - | - | - | (2,954,703) | |
| Interest and fiscal charges | 6,290,810 | - | - | - | (6,290,810) | |
| Total governmental activities | <u>\$ 144,224,374</u> | <u>\$ 20,853,805</u> | <u>\$ 23,075,615</u> | <u>\$ 940,543</u> | <u>(99,354,411)</u> | |
| Component units | | | | | | |
| Charter schools | <u>\$ 74,369,525</u> | <u>\$ 1,152,993</u> | <u>\$ 2,782,331</u> | <u>\$ 1,127,934</u> | | <u>(69,306,267)</u> |
| General revenues: | | | | | | |
| Property taxes | | | | | 44,889,325 | - |
| Specific ownership taxes | | | | | 4,710,478 | - |
| State equalization | | | | | 82,180,476 | - |
| Per pupil revenue | | | | | - | 76,218,934 |
| District mill levy | | | | | - | 613,151 |
| Grants and contributions not restricted to specific programs | | | | | 1,359,314 | 122,980 |
| Investment earnings | | | | | 702,199 | 350,475 |
| Miscellaneous | | | | | 997,364 | 582,849 |
| Total general revenues | | | | | <u>134,839,156</u> | <u>77,888,389</u> |
| Change in net position | | | | | 35,484,745 | 8,582,122 |
| Net position - beginning, as restated (deficit) | | | | | <u>(249,037,292)</u> | <u>(73,203,774)</u> |
| Net position - ending (deficit) | | | | | <u>\$ (213,552,547)</u> | <u>\$ (64,621,652)</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, 2020

| | General Fund | Governmental Designated Purpose Grants Fund | Certificate of Participation Debt Service Fund | Total Nonmajor Funds | Total Governmental Funds |
|---|----------------------|--|---|-------------------------------------|---|
| ASSETS | | | | | |
| Cash and investments | \$ 48,546,814 | \$ - | \$ - | \$ 921,713 | \$ 49,468,527 |
| Restricted cash and investments | 11,356,200 | - | 7,436,414 | 125,248 | 18,917,862 |
| Accounts receivable | 29,127 | - | - | 61,651 | 90,778 |
| Grants receivable | - | 2,319,013 | - | 72,697 | 2,391,710 |
| Taxes receivable | 3,162,751 | - | - | - | 3,162,751 |
| Due from other funds | 329,507 | 11,642,274 | 5,474,807 | 5,442,704 | 22,889,292 |
| Prepaid items | 217,625 | - | - | - | 217,625 |
| Inventories | - | - | - | 104,046 | 104,046 |
| Total assets | <u>\$ 63,642,024</u> | <u>\$ 13,961,287</u> | <u>\$ 12,911,221</u> | <u>\$ 6,728,059</u> | <u>\$ 97,242,591</u> |
| LIABILITIES | | | | | |
| Accounts payable and other accrued liabilities | \$ 1,782,786 | \$ 1,130,054 | \$ - | \$ 1,094,985 | \$ 4,007,825 |
| Accrued salaries and benefits | 13,800,426 | 502,266 | - | 224,171 | 14,526,863 |
| Compensated absences | 21,028 | - | - | - | 21,028 |
| Payable to fiduciary funds | 2,068 | - | - | - | 2,068 |
| Due to other funds | 22,522,281 | - | - | - | 22,522,281 |
| Unearned revenue | 164,873 | 12,328,967 | - | 339,790 | 12,833,630 |
| Total liabilities | <u>38,293,462</u> | <u>13,961,287</u> | <u>-</u> | <u>1,658,946</u> | <u>53,913,695</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue-property taxes | 1,655,262 | - | - | - | 1,655,262 |
| Total deferred inflows of resources | <u>1,655,262</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,655,262</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 217,625 | - | - | 104,046 | 321,671 |
| Restricted for: | | | | | |
| Emergency reserve (TABOR) | 4,690,000 | - | - | - | 4,690,000 |
| Debt service | - | - | 12,911,221 | - | 12,911,221 |
| MLO capital projects | 5,917,363 | - | - | - | 5,917,363 |
| Preschool | 95,660 | - | - | - | 95,660 |
| Committed for: | | | | | |
| Pupil activities | - | - | - | 1,412,720 | 1,412,720 |
| Food Services | - | - | - | 834,470 | 834,470 |
| Contingencies | 7,143,056 | - | - | - | 7,143,056 |
| Assigned for: | | | | | |
| Risk management | 496,693 | - | - | - | 496,693 |
| Capital projects | 5,132,903 | - | - | 2,717,877 | 7,850,780 |
| Unassigned | - | - | - | - | - |
| Total fund balances | <u>23,693,300</u> | <u>-</u> | <u>12,911,221</u> | <u>5,069,113</u> | <u>41,673,634</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 63,642,024</u> | <u>\$ 13,961,287</u> | <u>\$ 12,911,221</u> | <u>\$ 6,728,059</u> | <u>\$ 97,242,591</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, 2020

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

| | | |
|---|---------------------|--------------------------------|
| Total fund balance - governmental funds | | \$ 41,673,634 |
| Capital assets used in governmental activities are not financial resources and, therefore, are | | |
| Capital assets, not being depreciated | \$ 26,627,013 | |
| Capital assets, net of depreciation | <u>178,957,482</u> | 205,584,495 |
| Property tax receivable is not available to pay current period expenditures and, therefore, is not reported in the funds. | | 1,655,262 |
| 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. | | 548,238 |
| 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 | \$ 4,285,475 | |
| Net pension liabilities | (195,231,403) | |
| Pension outflows | 25,609,977 | |
| Pension inflows | (126,234,138) | |
| Net OPEB liabilities | (9,598,811) | |
| OPEB outflows | 1,060,347 | |
| OPEB inflows | (1,773,170) | |
| Accrued interest | (255,831) | |
| Compensated absences | (3,545,550) | |
| Capital lease payable | (10,124,814) | |
| Certificates of participation payable | (134,625,000) | |
| Unamortized premiums | <u>(12,581,258)</u> | <u>(463,014,176)</u> |
| Net position of governmental activities | | <u><u>\$ (213,552,547)</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, 2020

| | General Fund | Governmental Designated Purpose Grants Fund | Certificate of Participation Debt Service Fund | Total Nonmajor Funds | Total Governmental Funds |
|---|----------------------|--|---|-------------------------------------|---|
| REVENUES | | | | | |
| Local sources | \$ 55,361,535 | \$ - | \$ 217,840 | \$ 7,081,316 | \$ 62,660,691 |
| State sources | 92,187,107 | 538,558 | - | 503,567 | 93,229,232 |
| Federal sources | 876,068 | 11,421,068 | - | 2,136,620 | 14,433,756 |
| | <u>148,424,710</u> | <u>11,959,626</u> | <u>217,840</u> | <u>9,721,503</u> | <u>170,323,679</u> |
| EXPENDITURES | | | | | |
| Instruction | 73,182,623 | 4,035,346 | - | 3,435,266 | 80,653,235 |
| Supporting services | 53,804,735 | 7,687,460 | - | 1,648,106 | 63,140,301 |
| Community services | - | 236,820 | - | 225,653 | 462,473 |
| Food service operations | - | - | - | 3,784,969 | 3,784,969 |
| Facilities acquisition and construction | 730,535 | - | - | 4,249,424 | 4,979,959 |
| Debt service | 5,354,792 | - | 11,274,838 | - | 16,629,630 |
| | <u>133,072,685</u> | <u>11,959,626</u> | <u>11,274,838</u> | <u>13,343,418</u> | <u>169,650,567</u> |
| Total expenditures | | | | | |
| | <u>133,072,685</u> | <u>11,959,626</u> | <u>11,274,838</u> | <u>13,343,418</u> | <u>169,650,567</u> |
| Excess (deficiency) of revenues over expenditures | 15,352,025 | - | (11,056,998) | (3,621,915) | 673,112 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in (out) | (15,805,779) | - | 14,301,879 | 1,503,900 | - |
| Capital lease issuance | 6,683,133 | - | - | - | 6,683,133 |
| | <u>(9,122,646)</u> | <u>-</u> | <u>14,301,879</u> | <u>1,503,900</u> | <u>6,683,133</u> |
| Total other financing sources (uses) | | | | | |
| | <u>(9,122,646)</u> | <u>-</u> | <u>14,301,879</u> | <u>1,503,900</u> | <u>6,683,133</u> |
| Net change in fund balances | 6,229,379 | - | 3,244,881 | (2,118,015) | 7,356,245 |
| Fund balances - beginning, as restated | 17,463,921 | - | 9,666,340 | 7,187,128 | 34,317,389 |
| Fund balances - ending | <u>\$ 23,693,300</u> | <u>\$ -</u> | <u>\$ 12,911,221</u> | <u>\$ 5,069,113</u> | <u>\$ 41,673,634</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, 2020

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

| | | |
|---|----|-----------|
| Net change in fund balances - total governmental funds: | \$ | 7,356,245 |
|---|----|-----------|

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 | \$ | 8,937,432 | |
| Depreciation | | (8,079,315) | 858,117 |

| | | |
|--|--|---------|
| 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. | | 951,612 |
|--|--|---------|

| | | |
|--|--|---------|
| 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. | | 143,781 |
|--|--|---------|

| | | |
|--|--|-------|
| Interest expense is reported when incurred in the statement of activities but is not reported in the funds until paid. | | 9,158 |
|--|--|-------|

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 | \$ | 6,569,577 | |
| Issuance of capital lease | | (6,683,133) | |
| Amortization of deferred on refunding | | (219,768) | |
| Accretion of COP premium | | 597,302 | 263,978 |

| | | |
|--|--|-----------|
| 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. | | (271,206) |
|--|--|-----------|

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 | \$ | 26,117,957 | |
| OPEB expenses | | 55,103 | 26,173,060 |

| | | |
|---|----|------------|
| Change in net position of governmental activities | \$ | 35,484,745 |
|---|----|------------|

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, 2020

| | Governmental Activities Internal Service Fund |
|---------------------------|--|
| ASSETS | |
| Current assets | |
| Cash and cash equivalents | \$ 1,475,343 |
| Accounts receivable | 347,320 |
| Total assets | <u>1,822,663</u> |
| LIABILITIES | |
| Current liabilities | |
| Accounts payable | 907,414 |
| Due to other funds | 367,011 |
| Total liabilities | <u>1,274,425</u> |
| NET POSITION | |
| Unrestricted | <u>548,238</u> |
| Total net position | <u><u>\$ 548,238</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, 2020

| | Governmental Activities Internal Service Fund |
|--|--|
| OPERATING REVENUES | |
| Charges for services | \$ 11,450,387 |
| OPERATING EXPENSES | |
| Purchased services | 11,328,208 |
| Operating income (loss) | 122,179 |
| NON-OPERATING REVENUES (EXPENSES) | |
| Interest and investment revenue | 21,602 |
| Change in net position | 143,781 |
| Net position - beginning | 404,457 |
| Net position - ending | \$ 548,238 |

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, 2020

| | Governmental Activities Internal Service Fund |
|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash received from customers and users | \$ 11,954,826 |
| Cash payments to suppliers | <u>(10,836,178)</u> |
| Net cash provided (used) by operating activities | <u>1,118,648</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | <u>21,602</u> |
| Net increase (decrease) in cash and cash equivalents | 1,140,250 |
| Cash and cash equivalents - beginning | <u>335,093</u> |
| Cash and cash equivalents - ending | <u><u>\$ 1,475,343</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income (loss) | <u>\$ 122,179</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities: | |
| Change in assets and liabilities: | |
| (Increase) decrease in: | |
| Accounts receivable | 179,209 |
| Due from other funds | 137,428 |
| Increase (decrease) in: | |
| Accounts payable | 312,821 |
| Due to other funds | <u>367,011</u> |
| Total adjustments | <u>996,469</u> |
| Net cash provided (used) by operating activities | <u><u>\$ 1,118,648</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, 2020

| | Private- Purpose Trust Fund |
|--|--|
| ASSETS | |
| Cash and cash equivalents | \$ 726 |
| Receivable from primary government | 2,068 |
| | <hr/> |
| Total assets | 2,794 |
| | <hr/> |
| LIABILITIES | |
| Total liabilities | - |
| | <hr/> |
| NET POSITION | |
| Held in trust for scholarship recipients | 2,794 |
| | <hr/> |
| Total net position | \$ 2,794 |
| | <hr/> <hr/> |

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 2020

| | Private- Purpose Trust Fund |
|--------------------------|--|
| ADDITIONS | |
| Interest | \$ 31 |
| DEDUCTIONS | |
| Scholarship awards | 2,020 |
| Change in net position | (1,989) |
| Net position - beginning | 4,783 |
| Net position - ending | \$ 2,794 |

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, 2020

| | Pikes Peak School of Expeditionary Learning | Banning Lewis Ranch Academy | Rocky Mountain Classical Academy | GOAL Academy | Liberty Tree Academy | Grand Peak Academy | Total |
|--|--|-----------------------------------|---|-----------------|----------------------------|-----------------------|-----------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 3,341,605 | \$ 4,675,572 | \$ 5,369,254 | \$ 18,873,160 | \$ 1,526,725 | \$ 1,582,294 | \$ 35,368,610 |
| Restricted cash and investments | 41,670 | 4,384,859 | 3,150,529 | - | 543,634 | 1,469,239 | 9,589,931 |
| Accounts receivable | 57,654 | - | 106,210 | 883,526 | 76,355 | - | 1,123,745 |
| Deposits | - | - | 18,710 | 224,197 | 11,290 | 170,000 | 424,197 |
| Prepaid items | - | 41,514 | 44,868 | 5,232 | 13,476 | - | 105,090 |
| Capital assets, not being depreciated | 548,380 | 17,000 | 1,693,591 | - | 773,691 | 1,750,000 | 4,782,662 |
| Capital assets, net of depreciation | 4,088,314 | 23,291,396 | 24,782,610 | 2,294,464 | 9,298,827 | 16,879,178 | 80,634,789 |
| Total assets | 8,077,623 | 32,410,341 | 35,165,772 | 22,280,579 | 12,243,998 | 21,850,711 | 132,029,024 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | |
| Deferred charge on refunding | 480,175 | 92,949 | 8,685,919 | - | - | - | 9,259,043 |
| Deferred pension outflows | 509,387 | - | 1,531,651 | 10,343,382 | 2,738,194 | 563,420 | 15,686,034 |
| Deferred OPEB outflows | 18,032 | - | 85,357 | 524,182 | 125,080 | 12,656 | 765,307 |
| Total deferred outflows of resources | 1,007,594 | 92,949 | 10,302,927 | 10,867,564 | 2,863,274 | 576,076 | 25,710,384 |
| LIABILITIES | | | | | | | |
| Accounts payable and other current liabilities | 417,149 | 320,048 | 36,454 | 664,194 | 148,917 | 20,530 | 1,607,292 |
| Accrued salaries and benefits | 161,081 | 651,444 | 560,086 | - | 107,168 | - | 1,479,779 |
| Accrued interest | 15,800 | 67,151 | - | - | - | 587,300 | 670,251 |
| Unearned revenues | - | - | - | - | 94,071 | - | 94,071 |
| Long-term liabilities | | | | | | | |
| Due within one year | 185,622 | 475,000 | 356,250 | - | - | - | 1,016,872 |
| Due in more than one year | 5,245,211 | 27,145,000 | 44,233,750 | - | 12,040,409 | 21,140,000 | 109,804,370 |
| Net Pension Liability | 3,602,673 | - | 10,160,046 | 42,704,418 | 2,947,293 | 4,473,007 | 63,887,437 |
| Net OPEB Liability | 177,323 | - | 499,495 | 2,096,653 | 144,799 | 219,887 | 3,138,157 |
| Total liabilities | 9,804,859 | 28,658,643 | 55,846,081 | 45,465,265 | 15,482,657 | 26,440,724 | 181,698,229 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| Deferred pension inflows | 2,531,201 | - | 6,931,552 | 25,202,882 | 1,686,000 | 3,700,464 | 40,052,099 |
| Deferred OPEB inflows | 35,148 | - | 94,763 | 387,311 | 26,749 | 66,761 | 610,732 |
| Total deferred inflows of resources | 2,566,349 | - | 7,026,315 | 25,590,193 | 1,712,749 | 3,767,225 | 40,662,831 |
| NET POSITION | | | | | | | |
| Net investment in capital assets | (313,964) | (3,922,221) | (14,791,270) | 2,294,464 | (1,342,319) | (2,439,290) | (20,514,600) |
| Restricted for: | | | | | | | |
| Emergency reserve - TABOR | 99,000 | 393,000 | 365,700 | 1,250,000 | 130,000 | 203,000 | 2,440,700 |
| Debt service | 25,870 | 4,128,887 | - | - | 54,441 | 1,397,708 | 5,606,906 |
| Other | - | - | 172,000 | 27,000 | - | - | 199,000 |
| Unrestricted | (3,096,897) | 3,244,981 | (3,150,127) | (41,478,779) | (930,256) | (6,942,580) | (52,353,658) |
| Total net position | \$ (3,285,991) | \$ 3,844,647 | \$ (17,403,697) | \$ (37,907,315) | \$ (2,088,134) | \$ (7,781,162) | \$ (64,621,652) |

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, 2020

| | Pikes Peak School of Expeditionary Learning | Banning Lewis Ranch Academy | Rocky Mountain Classical Academy | GOAL Academy | Liberty Tree Academy | Grand Peak Academy | Total |
|--|--|-----------------------------------|---|------------------------|----------------------------|-----------------------|------------------------|
| EXPENSES | | | | | | | |
| Instruction | \$ 1,655,721 | \$ 5,851,701 | \$ 5,123,368 | \$ 16,662,047 | \$ 2,801,698 | \$ 1,361,694 | \$ 33,456,229 |
| Supporting services | 741,966 | 3,942,368 | 6,119,791 | 20,955,036 | 1,316,985 | 1,615,038 | 34,691,184 |
| Interest and fiscal charges | - | - | 1,498,279 | - | - | 1,181,271 | 2,679,550 |
| Business-type | 409,932 | 2,181,795 | - | - | 950,835 | - | 3,542,562 |
| Total expenses | 2,807,619 | 11,975,864 | 12,741,438 | 37,617,083 | 5,069,518 | 4,158,003 | 74,369,525 |
| PROGRAM REVENUES | | | | | | | |
| Charges for services | 71,434 | 222,996 | 649,230 | - | 50,463 | 158,870 | 1,152,993 |
| Operating grants and contributions | 21,732 | 71,520 | 277,411 | 1,883,718 | 508,018 | 19,932 | 2,782,331 |
| Capital grants and contributions | 113,492 | 400,150 | 402,366 | - | - | 211,926 | 1,127,934 |
| Total program revenues | 206,658 | 694,666 | 1,329,007 | 1,883,718 | 558,481 | 390,728 | 5,063,258 |
| Net expense (revenue) | (2,600,961) | (11,281,198) | (11,412,431) | (35,733,365) | (4,511,037) | (3,767,275) | (69,306,267) |
| GENERAL REVENUES | | | | | | | |
| Per pupil revenue | 3,318,580 | 11,685,682 | 10,911,009 | 40,164,462 | 3,942,343 | 6,196,858 | 76,218,934 |
| District mill levy | 83,463 | 230,861 | - | 222,333 | - | 76,494 | 613,151 |
| Grants and contributions not restricted to specific programs | 59,925 | - | - | 31,538 | 11,309 | 20,208 | 122,980 |
| Investment earnings | 2,368 | 59,326 | 22,525 | 183,241 | 31,258 | 51,757 | 350,475 |
| Miscellaneous | - | 532,701 | (6,975) | 51,970 | - | 5,153 | 582,849 |
| Total general revenues | 3,464,336 | 12,508,570 | 10,926,559 | 40,653,544 | 3,984,910 | 6,350,470 | 77,888,389 |
| Change in net position | 863,375 | 1,227,372 | (485,872) | 4,920,179 | (526,127) | 2,583,195 | 8,582,122 |
| Net position - beginning, as restated (deficit) | (4,149,366) | 2,617,275 | (16,917,825) | (42,827,494) | (1,562,007) | (10,364,357) | (73,203,774) |
| Net position - ending (deficit) | <u>\$ (3,285,991)</u> | <u>\$ 3,844,647</u> | <u>\$ (17,403,697)</u> | <u>\$ (37,907,315)</u> | <u>\$ (2,088,134)</u> | <u>\$ (7,781,162)</u> | <u>\$ (64,621,652)</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, 2020

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 seven charter schools for operation. Six 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, and Grand Peak 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.

The amount of per pupil revenue allotted to each charter school during the year ended June 30, 2020 is as follows:

| <u>Charter School</u> | <u>Amount</u> |
|---|----------------------|
| Pikes Peak School of Expeditionary Learning | \$ 3,318,580 |
| Banning Lewis Ranch Academy | 11,685,682 |
| Rocky Mountain Classical Academy | 10,911,009 |
| GOAL Academy | 40,164,462 |
| Liberty Tree Academy | 3,942,343 |
| Grand Peak Academy | <u>6,196,858</u> |
| | <u>\$ 76,218,934</u> |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. REPORTING ENTITY (CONTINUED)

Discretely Presented Component Units (continued)

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, Colorado 80831

GOAL Academy
107 W 11th Street
Pueblo, CO 80204

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

Grand Peak Academy began operations on July 1, 2019 and was formerly known as Imagine Classical Academy on the District's financial statements.

Power Technical Early College (PTEC) is one of the District's charter schools; however, it is not considered a component unit. The District provided \$2,569,107 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

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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*.

*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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

Capital Assets

Capital assets, which include land, buildings and improvements, equipment, and construction in progress, 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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Capital Assets (continued)

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 and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2020.

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 and additions to/deductions from the fiduciary net position of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. REVENUES AND EXPENDITURES/EXPENSES (CONTINUED)

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, 2020 is 43.189 mills for general operating expenses. The District's assessed valuation for the collection year 2020 is \$1,049,145,210.

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 of 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.

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

I. PRIOR PERIOD ADJUSTMENTS

Adoption of new accounting standards

The School implemented GASB Statement No. 84, *Fiduciary Activities*, effective July 1, 2019. This Statement establishes specific criteria for identifying activities that should be reported as fiduciary activities. As a result, net position at June 30, 2019, was restated to reflect the cumulative effect of adopting this standard.

Correction of an error

During the year, it was determined that prior year compensated absences was understated. As a result, the beginning net position for the governmental activities has been restated to reflect the cumulative effect of the correction.

Restatements had the following impact on previously reported balances:

Governmental Activities

| | |
|--|-------------------------|
| Net Position, June 30, 2019, as originally stated | \$ (248,466,318) |
| Adoption of new accounting standard | 904,455 |
| Correction of an error | <u>(1,475,429)</u> |
| Net Position, June 30, 2019, as Restated (deficit) | <u>\$ (249,037,292)</u> |

Governmental Funds

| | |
|--|----------------------|
| Total fund balances, June 30, 2019, as originally stated | \$ 33,412,934 |
| Adoption of new accounting standard | <u>904,455</u> |
| Fund Balance, June 30, 2019, as Restated | <u>\$ 34,317,389</u> |

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (continued)

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.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash deposits with financial institutions

The District's cash and investments consist of the following at June 30, 2020:

A summary of deposits and investments as of June 30, 2020 is as follows:

| | |
|-------------|----------------------|
| Deposits | \$ 4,659,837 |
| Investments | <u>65,201,895</u> |
| Total | <u>\$ 69,861,732</u> |

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

| | |
|---------------------------------|----------------------|
| Cash and investments | \$ 50,943,870 |
| Restricted cash and investments | <u>18,917,862</u> |
| Total | <u>\$ 69,861,732</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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Cash deposits with financial institutions (continued)

The carrying amount of the District's deposits at June 30, 2020 for governmental, and fiduciary activities was \$4,659,837, and \$726, respectively, and the bank balances were \$4,268,352 and \$726, respectively. Of the bank balances, \$750,000 was covered by federal deposit insurance and the balance was uninsured but collateralized in accordance with the provisions of the PDPA.

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, 2020 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, 2020

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (continued)

At June 30, 2020 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 | \$ 52,885,049 |
| Money Market | Less than 60 days | 12,046,544 |
| Certificates of Deposit | Less than 60 days | <u>270,302</u> |
| | | <u>\$ 65,201,895</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 81% and 18% respectively, of the district's total investments.

Restricted cash and investments

Cash and investments of \$18,917,862 representing reserves for debt service of \$7,436,414 in the Certificate of Participation Debt Service fund, mill levy override funds of \$11,356,200 in the General Fund, and capital project reserves of \$125,248 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, 2020 is as follows:

| | <u>Due From Other Funds</u> | <u>Due To Other Funds</u> |
|--|---------------------------------|-------------------------------|
| General Fund | \$ 329,507 | \$ 22,522,281 |
| Governmental Designated Purpose Grants Fund | 11,642,274 | - |
| Certificate of Participation Debt Service Fund | 5,474,807 | - |
| Nonmajor Governmental Funds | 5,442,704 | - |
| Risk Management – Health Insurance Fund | <u>-</u> | <u>367,011</u> |
| | <u>\$ 22,889,292</u> | <u>\$ 22,889,292</u> |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

Interfund transfers

Interfund transfer activity for the year ended June 30, 2020 is as follows:

| | <u>Transfers From Other Funds</u> | <u>Transfers To Other Funds</u> |
|--|---------------------------------------|-------------------------------------|
| General Fund | \$ - | \$ 15,805,779 |
| Certificate of Participation Debt Service Fund | 14,301,879 | - |
| Nonmajor Governmental Funds | <u>1,503,900</u> | <u>-</u> |
| | <u>\$ 15,805,779</u> | <u>\$ 15,805,779</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, 2020 was as follows:

| | <u>Balance 06/30/19</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance 06/30/20</u> |
|---|-----------------------------|----------------------|------------------------|-----------------------------|
| <u>Governmental activities</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 18,343,078 | \$ - | \$ - | \$ 18,343,078 |
| Construction in progress | <u>25,058,602</u> | <u>5,731,727</u> | <u>(22,506,394)</u> | <u>8,283,935</u> |
| Total capital assets not being depreciated | <u>43,401,680</u> | <u>5,731,727</u> | <u>(22,506,394)</u> | <u>26,627,013</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 237,302,345 | 23,425,974 | - | 260,728,319 |
| Equipment | <u>18,863,239</u> | <u>2,286,125</u> | <u>(209,320)</u> | <u>20,940,044</u> |
| Total capital assets being depreciated | <u>256,165,584</u> | <u>25,712,099</u> | <u>(209,320)</u> | <u>281,668,363</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (86,007,752) | (6,824,690) | - | (92,832,442) |
| Equipment | <u>(8,833,134)</u> | <u>(1,254,625)</u> | <u>209,320</u> | <u>(9,878,439)</u> |
| Total accumulated depreciation | <u>(94,840,886)</u> | <u>(8,079,315)</u> | <u>209,320</u> | <u>(102,710,881)</u> |
| Total capital assets being depreciated, net | <u>161,324,698</u> | <u>17,632,784</u> | <u>-</u> | <u>178,957,482</u> |
| Governmental activities capital assets, net | <u>\$ 204,726,378</u> | <u>\$ 23,364,511</u> | <u>\$ (22,506,394)</u> | <u>\$ 205,584,495</u> |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

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

Governmental Activities

| | |
|---------------------|---------------------|
| Instruction | \$ 6,650,345 |
| Supporting services | <u>1,428,970</u> |
| | <u>\$ 8,079,315</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, 2020, are \$14,526,862. 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> |
|--------------------------------------|----------------------|----------------------|
| 2021 | \$ 5,245,000 | \$ 6,008,813 |
| 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 | 4,975,662 |
| 2026-2030 | 28,345,000 | 20,362,238 |
| 2031-2035 | 29,600,000 | 14,089,519 |
| 2036-2040 | 36,370,000 | 7,193,413 |
| 2041-2043 | <u>11,635,000</u> | <u>891,625</u> |
| Total | <u>\$134,625,000</u> | <u>\$ 70,109,794</u> |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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>(2,021,427)</u> |
| Total | <u>\$ 5,816,919</u> |

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows

| <u>Year Ending June 30</u> | |
|---|----------------------|
| 2021 | \$ 1,759,424 |
| 2022 | 1,759,424 |
| 2023 | 1,759,424 |
| 2024 | 1,759,424 |
| 2025 | 1,759,424 |
| 2026 – 2030 | <u>3,468,582</u> |
| Total minimum lease payments | 12,265,702 |
| Less: amount representing interest | <u>(2,140,888)</u> |
| Present value of minimum lease payments | <u>\$ 10,124,814</u> |

Changes in Long-Term Liabilities

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

| | <u>Balance -Restated 06/30/19</u> | <u>Debt Issued And Additions</u> | <u>Reductions</u> | <u>Balance 06/30/20</u> | <u>Due Within One year</u> |
|--|---------------------------------------|--------------------------------------|----------------------------|-----------------------------|--------------------------------|
| <i>Governmental Activities</i> | | | | | |
| Certificates of participation | \$ 139,650,000 | \$ - | \$ (5,025,000) | \$ 134,625,000 | \$ 5,245,000 |
| COP premium | 13,178,560 | - | (597,302) | 12,581,258 | - |
| Capital lease obligations | 4,986,258 | 6,683,133 | (1,544,577) | 10,124,814 | 1,260,794 |
| Compensated absences | <u>3,292,539</u> | <u>3,979,598</u> | <u>(3,705,559)</u> | <u>3,566,578</u> | <u>21,028</u> |
| <i>Total Governmental Activities</i> | <u>\$ 161,107,357</u> | <u>\$ 10,662,731</u> | <u>\$ (10,872,438)</u> | <u>\$ 160,897,650</u> | <u>\$ 6,526,822</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, 2020

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, 2020 are as follows:

| | |
|------------------------------------|---------------------|
| Net claims payable as of 6/30/2019 | \$ 594,593 |
| Claims presented | 10,443,465 |
| Claims paid | <u>(10,130,644)</u> |
| Net claims payable as of 6/30/2020 | <u>\$ 907,414</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 (CAFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

Benefits provided as of December 31, 2019. 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, 2020

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, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions provisions as of June 30, 2020: 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 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below:

| | July 1, 2019 Through June 30, 2020 |
|--|--|
| Employer contribution rate | 10.40% |
| Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f) | (1.02)% |
| Amount apportioned to the SCHDTF | 9.38% |
| 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 | 19.38% |

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

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

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 \$15,234,289 for the year ended June 30, 2020.

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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The 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 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2020, the El Paso County Colorado School District 49 reported a liability of \$195,231,403 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the 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 | \$ 195,231,403 |
| The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with El Paso County Colorado School District 49 | 24,762,620 |
| Total | \$ 219,994,023 |

At December 31, 2019, the El Paso County Colorado School District 49 proportion was 1.3067887449 percent, which was an increase of 0.0028410715 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the El Paso County Colorado School District 49 recognized pension expense of (\$26,117,957) and revenue (\$783,276) for support from the State as a nonemployer contributing entity. At June 30, 2020, 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 | \$ 10,640,240 | \$ - |
| Changes of assumptions or other inputs | 5,573,559 | 88,555,114 |
| Net difference between projected and actual earnings on pension plan investments | - | 23,127,103 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 1,721,058 | 14,551,921 |
| Contributions subsequent to the measurement date | 7,675,120 | N/A |
| Total | \$ 25,609,977 | \$ 126,234,138 |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$7,675,120 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|-----------------|
| 2021 | \$ (59,131,916) |
| 2022 | (41,816,863) |
| 2023 | 516,653 |
| 2024 | (7,867,155) |
| 2025 | - |
| Thereafter | - |

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

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

¹ For 2019, the annual increase was 0.00 percent.

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

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

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

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 10 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200 and the additional 0.50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop 0.50 percent every year until they are zero. Additionally, estimated employer contributions reflect reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State provides an annual direct distribution of \$225 million, which commenced July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered annual increase cap, from 1.50 percent to 1.25 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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 | \$ 258,918,641 | \$ 195,231,403 | \$ 141,760,417 |

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

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 (CAFR) 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, 2020

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 basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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 \$801,836 for the year ended June 30, 2020.

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

At June 30, 2020, the El Paso County Colorado School District 49 reported a liability of \$9,598,811 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The 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 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the El Paso County Colorado School District 49 proportion was 0.8539882255 percent, which was an increase of 0.0064152438 percent from its proportion measured as of December 31, 2018.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

For the year ended June 30, 2020, the El Paso County Colorado School District 49 recognized OPEB expense of (\$55,103). At June 30, 2020, 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 | \$ 31,854 | \$ 1,612,953 |
| Changes of assumptions or other inputs | 79,634 | - |
| Net difference between projected and actual earnings on OPEB plan investments | - | 160,217 |
| Changes in proportion and differences between contributions recognized and proportionate share of contributions | 544,891 | - |
| Contributions subsequent to the measurement date | 403,968 | N/A |
| Total | \$ 1,060,347 | \$ 1,773,170 |

\$403,968 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | |
|---------------------|--------------|
| 2021 | \$ (194,002) |
| 2022 | (193,985) |
| 2023 | (147,596) |
| 2024 | (267,091) |
| 2025 | (296,168) |
| Thereafter | (17,949) |

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

| | |
|--|--|
| Actuarial cost method | Entry age |
| Price inflation | 2.40 percent |
| Real wage growth | 1.10 percent |
| Wage inflation | 3.50 percent |
| Salary increases, including wage inflation | 3.50 percent in aggregate |
| Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation | 7.25 percent |
| Discount rate | 7.25 percent |
| Health care cost trend rates | |
| PERA benefit structure: | |
| Service-based premium subsidy | 0.00 percent |
| PERACare Medicare plans | 5.60 percent in 2019, gradually decreasing to 4.50 percent in 2029 |
| Medicare Part A premiums | 3.50 percent in 2019, gradually increasing to 4.50 percent in 2029 |
| DPS benefit structure: | |
| Service-based premium subsidy | 0.00 percent |
| PERACare Medicare plans | N/A |
| Medicare Part A premiums | N/A |

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

The actuarial assumptions used in the December 31, 2018, valuation were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2019 for the PERA Benefit Structure:

| Medicare Plan | Cost for Members Without Medicare Part A | Premiums for Members Without Medicare Part A |
|--|--|--|
| Medicare Advantage/Self-Insured Prescription | \$601 | \$240 |
| Kaiser Permanente Medicare Advantage HMO | 605 | 237 |

The 2019 Medicare Part A premium is \$437 per month.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

| Medicare Plan | Cost for Members Without Medicare Part A |
|--|--|
| Medicare Advantage/Self-Insured Prescription | \$562 |
| Kaiser Permanente Medicare Advantage HMO | 571 |

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

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

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, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

| Year | PERACare Medicare Plans | Medicare Part A Premiums |
|-------|-------------------------|--------------------------|
| 2019 | 5.60% | 3.50% |
| 2020 | 8.60% | 3.50% |
| 2021 | 7.30% | 3.50% |
| 2022 | 6.00% | 3.75% |
| 2023 | 5.70% | 3.75% |
| 2024 | 5.50% | 3.75% |
| 2025 | 5.30% | 4.00% |
| 2026 | 5.10% | 4.00% |
| 2027 | 4.90% | 4.25% |
| 2028 | 4.70% | 4.25% |
| 2029+ | 4.50% | 4.50% |

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

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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.

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

The following health care costs assumptions were updated and used in the measurement of the obligations for the HCTF:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2019 plan year.
- The morbidity assumptions were updated to reflect the assumed standard aging factors.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four or five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in presentations to PERA's Board on October 28, 2016.

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

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

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

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

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

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 | 4.60% | 5.60% | 6.60% |
| Ultimate PERACare Medicare trend rate | 3.50% | 4.50% | 5.50% |
| Initial Medicare Part A trend rate | 2.50% | 3.50% | 4.50% |
| Ultimate Medicare Part A trend rate | 3.50% | 4.50% | 5.50% |
| Net OPEB Liability | \$9,370,796 | \$ 9,598,811 | \$ 9,862,300 |

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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

- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the 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 | \$ 10,853,388 | \$ 9,598,811 | \$ 8,525,885 |

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

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.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020 the District reserved \$4,690,000 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.

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.

REQUIRED SUPPLEMENTARY INFORMATION

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF THE EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2020

| | <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) | 1.3067887449% | 1.3039476734% | 1.4359441087% | 1.3818103030% | 1.3190171248% | 1.3054972089% | 1.2885339442% |
| District's proportionate share of the net pension liability (asset) | \$ 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>\$ 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 | \$ 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 | 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 | 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, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|--------------------|--------------------|
| Contractually required contribution | \$ 15,234,289 | \$ 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>(15,234,289)</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> |
| District's covered payroll | \$ 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 | 19.38% | 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, 2020

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|---------------|---------------|---------------|---------------|
| District's proportion of the net OPEB liability (asset) | 0.8539882255% | 0.8475729817% | 0.8159079345% | 0.7854398460% |
| District's proportionate share of the net OPEB liability (asset) | \$ 9,598,811 | \$ 11,531,586 | \$ 10,603,540 | \$ 10,183,495 |
| District's covered payroll | \$ 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 | 12.50% | 16.09% | 16.01% | 16.42% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 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, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|------------------|------------------|------------------|------------------|
| Contractually required contribution | \$ 801,836 | \$ 762,204 | \$ 693,010 | \$ 656,165 |
| Contributions in relation to the contractually required contribution | <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> |
| District's covered payroll | \$ 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% |

* 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, 2020

| | Budgeted Amounts | | | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|---------------|---------------|---|
| | Original | Final | Actual | |
| REVENUES | | | | |
| Property taxes | \$ 29,364,077 | \$ 31,733,798 | \$ 43,930,087 | \$ 12,196,289 |
| Specific ownership taxes | 4,208,079 | 2,994,761 | 4,710,478 | 1,715,717 |
| State sources | 177,791,887 | 190,255,754 | 92,187,107 | (98,068,647) |
| Federal sources | 544,556 | 544,556 | 876,068 | 331,512 |
| Other local revenue | 6,921,845 | 6,514,185 | 6,720,970 | 206,785 |
| Total revenues | 218,830,444 | 232,043,054 | 148,424,710 | (83,618,344) |
| EXPENDITURES | | | | |
| Instruction | 74,156,639 | 84,916,021 | 73,182,623 | 11,733,398 |
| Supporting services | | | | |
| Student support | 8,331,117 | 8,912,802 | 9,339,056 | (426,254) |
| Instructional staff | 5,253,923 | 5,762,103 | 5,479,008 | 283,095 |
| General administration | 1,158,676 | 1,159,391 | 1,656,591 | (497,200) |
| School administration | 11,570,751 | 11,352,654 | 10,484,888 | 867,766 |
| Business services | 1,780,478 | 1,677,747 | 1,698,130 | (20,383) |
| Operations and maintenance | 10,295,688 | 10,441,727 | 12,358,573 | (1,916,846) |
| Student transportation | 2,768,686 | 2,778,689 | 4,272,731 | (1,494,042) |
| Central support service | 7,942,106 | 7,612,623 | 7,811,988 | (199,365) |
| Other support services | 2,600 | 2,600 | 703,770 | (701,170) |
| Facilities acquisition & construction | 140,253 | 121,003 | 730,535 | (609,532) |
| Debt service | 1,649,923 | 1,807,858 | 5,354,792 | (3,546,934) |
| Contingency reserves | 4,269,590 | 960,541 | - | 960,541 |
| Total expenditures | 129,320,430 | 137,505,759 | 133,072,685 | 4,433,074 |
| Excess (deficiency) of revenues over expenditures | 89,510,014 | 94,537,295 | 15,352,025 | (79,185,270) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in (out) | (88,986,477) | (99,938,090) | (15,805,779) | 84,132,311 |
| Capital lease issuance | - | 6,000,000 | 6,683,133 | 683,133 |
| Total other financing sources (uses) | (88,986,477) | (93,938,090) | (9,122,646) | 84,815,444 |
| Net change in fund balance | 523,537 | 599,205 | 6,229,379 | 5,630,174 |
| Fund balance - beginning | 5,281,067 | 5,525,253 | 17,463,921 | 11,938,668 |
| Fund balance - ending | \$ 5,804,604 | \$ 6,124,458 | \$ 23,693,300 | \$ 17,568,842 |

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, 2020

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget - Positive (Negative) |
|----------------------------|-------------------------|--------------|---------------|---|
| | <u>Original</u> | <u>Final</u> | <u>Actual</u> | |
| REVENUES | | | | |
| State sources | \$ 410,323 | \$ 1,832,947 | \$ 538,558 | \$ (1,294,389) |
| Federal sources | 12,313,483 | 16,549,268 | 11,421,068 | (5,128,200) |
| Total revenues | 12,723,806 | 18,382,215 | 11,959,626 | (6,422,589) |
| EXPENDITURES | | | | |
| Salaries | 6,402,995 | 9,250,473 | 6,018,437 | 3,232,036 |
| Benefits | 2,305,377 | 3,330,602 | 2,166,918 | 1,163,684 |
| Purchased Services | 2,662,378 | 3,846,365 | 2,502,478 | 1,343,887 |
| Supplies | 806,904 | 1,165,742 | 758,442 | 407,300 |
| Property and Equipment | 526,319 | 760,379 | 494,709 | 265,670 |
| Other | 19,833 | 28,653 | 18,642 | 10,011 |
| Total expenditures | 12,723,806 | 18,382,215 | 11,959,626 | 6,422,589 |
| 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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|---------------|--|
| REVENUES | | | |
| Local sources | \$ - | \$ 217,840 | \$ 217,840 |
| EXPENDITURES | | | |
| Debt Service | | | |
| Principal retirement | 5,025,000 | 5,025,000 | - |
| Interest and fiscal charges | 6,249,838 | 6,249,838 | - |
| Other debt service | 10,000 | - | 10,000 |
| Total expenditures | 11,284,838 | 11,274,838 | 10,000 |
| Excess (deficiency) of revenues over expenditures | (11,284,838) | (11,056,998) | 227,840 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | 14,750,981 | 14,301,879 | (449,102) |
| Net change in fund balance | 3,466,143 | 3,244,881 | (221,262) |
| Fund balance - beginning | 9,666,341 | 9,666,340 | (1) |
| Fund balance - ending | \$ 13,132,484 | \$ 12,911,221 | \$ (221,263) |

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, 2020

| | 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 | \$ 295,058 | \$ - | \$ 175,576 | \$ 42,867 | \$ 18,987 | \$ 389,225 | \$ - | \$ - | \$ 921,713 |
| Restricted cash and investments | - | - | - | - | - | - | - | 125,248 | 125,248 |
| Accounts receivable | - | 1,000 | 1,767 | 55,811 | - | 3,073 | - | - | 61,651 |
| Grants receivable | 72,697 | - | - | - | - | - | - | - | 72,697 |
| Due from other funds | 734,865 | 348,896 | 317,878 | 11,982 | 55,826 | 553,202 | 2,134,811 | 1,285,244 | 5,442,704 |
| Inventories | 104,046 | - | - | - | - | - | - | - | 104,046 |
| Total assets | <u>\$ 1,206,666</u> | <u>\$ 349,896</u> | <u>\$ 495,221</u> | <u>\$ 110,660</u> | <u>\$ 74,813</u> | <u>\$ 945,500</u> | <u>\$ 2,134,811</u> | <u>\$ 1,410,492</u> | <u>\$ 6,728,059</u> |
| LIABILITIES | | | | | | | | | |
| Accounts payable and other accrued liabilities | \$ 171,174 | \$ 5,466 | \$ 11,372 | \$ 61,310 | \$ 1,608 | \$ 16,629 | \$ - | \$ 827,426 | \$ 1,094,985 |
| Accrued salaries and benefits | 96,976 | 4,640 | - | 49,350 | 73,205 | - | - | - | 224,171 |
| Unearned revenue | - | 339,790 | - | - | - | - | - | - | 339,790 |
| Total liabilities | <u>268,150</u> | <u>349,896</u> | <u>11,372</u> | <u>110,660</u> | <u>74,813</u> | <u>16,629</u> | <u>-</u> | <u>827,426</u> | <u>1,658,946</u> |
| FUND BALANCES | | | | | | | | | |
| Nonspendable | 104,046 | - | - | - | - | - | - | - | 104,046 |
| Committed for: | | | | | | | | | |
| Pupil activities | - | - | 483,849 | - | - | 928,871 | - | - | 1,412,720 |
| Food Services | 834,470 | - | - | - | - | - | - | - | 834,470 |
| Assigned: | | | | | | | | | |
| Capital Projects | - | - | - | - | - | - | 2,134,811 | 583,066 | 2,717,877 |
| Total fund balances | <u>938,516</u> | <u>-</u> | <u>483,849</u> | <u>-</u> | <u>-</u> | <u>928,871</u> | <u>2,134,811</u> | <u>583,066</u> | <u>5,069,113</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,206,666</u> | <u>\$ 349,896</u> | <u>\$ 495,221</u> | <u>\$ 110,660</u> | <u>\$ 74,813</u> | <u>\$ 945,500</u> | <u>\$ 2,134,811</u> | <u>\$ 1,410,492</u> | <u>\$ 6,728,059</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, 2020

| | 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 | \$ 1,510,050 | \$ 273,400 | \$ 980,352 | \$ 849,012 | \$ 1,038,407 | \$ 1,379,352 | \$ 909,801 | \$ 140,942 | \$ 7,081,316 |
| State sources | 74,238 | - | - | 429,329 | - | - | - | - | 503,567 |
| Federal sources | 2,136,620 | - | - | - | - | - | - | - | 2,136,620 |
| Total revenues | 3,720,908 | 273,400 | 980,352 | 1,278,341 | 1,038,407 | 1,379,352 | 909,801 | 140,942 | 9,721,503 |
| EXPENDITURES | | | | | | | | | |
| Instruction | - | 180,501 | 1,002,987 | - | 820,327 | 1,325,479 | - | 105,972 | 3,435,266 |
| Supporting services | - | 92,899 | 413 | 1,278,341 | 154,195 | 29,457 | 92,801 | - | 1,648,106 |
| Community services | - | - | - | - | 116,630 | - | 109,023 | - | 225,653 |
| Facilities acquisition & construction | - | - | - | - | - | - | 42,083 | 4,207,341 | 4,249,424 |
| Food Service | 3,784,969 | - | - | - | - | - | - | - | 3,784,969 |
| Total expenditures | 3,784,969 | 273,400 | 1,003,400 | 1,278,341 | 1,091,152 | 1,354,936 | 243,907 | 4,313,313 | 13,343,418 |
| Excess (deficiency) of revenues over expenditures | (64,061) | - | (23,048) | - | (52,745) | 24,416 | 665,894 | (4,172,371) | (3,621,915) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers in (out) | 3,900 | - | - | - | - | - | - | 1,500,000 | 1,503,900 |
| Net change in fund balances | (60,161) | - | (23,048) | - | (52,745) | 24,416 | 665,894 | (2,672,371) | (2,118,015) |
| Fund balances - beginning, as restated | 998,677 | - | 506,897 | - | 52,745 | 904,455 | 1,468,917 | 3,255,437 | 7,187,128 |
| Fund balances - ending | \$ 938,516 | \$ - | \$ 483,849 | \$ - | \$ - | \$ 928,871 | \$ 2,134,811 | \$ 583,066 | \$ 5,069,113 |

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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------------------------|--------------------------|--------------------------|--|
| REVENUES | | | |
| Local sources | \$ 1,746,211 | \$ 1,510,050 | \$ (236,161) |
| State sources | 40,000 | 74,238 | 34,238 |
| Federal sources | 2,323,395 | 2,136,620 | (186,775) |
| | <u>4,109,606</u> | <u>3,720,908</u> | <u>(388,698)</u> |
| EXPENDITURES | | | |
| Salaries | 1,379,805 | 1,370,446 | 9,359 |
| Employee benefits | 435,581 | 439,126 | (3,545) |
| Purchased services | 285,035 | 200,997 | 84,038 |
| Supplies | 1,830,182 | 1,720,387 | 109,795 |
| Equipment | 28,684 | 35,577 | (6,893) |
| Other | 150,319 | 18,436 | 131,883 |
| | <u>4,109,606</u> | <u>3,784,969</u> | <u>324,637</u> |
| Excess of revenues over expenditures | <u>-</u> | <u>(64,061)</u> | <u>(64,061)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | <u>-</u> | <u>3,900</u> | <u>3,900</u> |
| Net change in fund balances | <u>-</u> | <u>(60,161)</u> | <u>(60,161)</u> |
| Fund balances - beginning | <u>998,677</u> | <u>998,677</u> | <u>-</u> |
| Fund balances - ending | <u><u>\$ 998,677</u></u> | <u><u>\$ 938,516</u></u> | <u><u>\$ (60,161)</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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------|--------------------|--------------------|--|
| REVENUES | | | |
| Local sources | \$ 617,785 | \$ 273,400 | \$ (344,385) |
| Total revenues | <u>617,785</u> | <u>273,400</u> | <u>(344,385)</u> |
| EXPENDITURES | | | |
| Salaries | 50,336 | 22,276 | 28,060 |
| Benefits | 14,844 | 6,569 | 8,275 |
| Purchased Services | 159,223 | 70,464 | 88,759 |
| Supplies | 346,753 | 153,455 | 193,298 |
| Property and Equipment | 25,703 | 11,375 | 14,328 |
| Other | <u>20,927</u> | <u>9,261</u> | <u>11,666</u> |
| Total expenditures | <u>617,785</u> | <u>273,400</u> | <u>344,385</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 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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------|-----------------|------------|--|
| REVENUES | | | |
| Local sources | \$ 1,869,550 | \$ 980,352 | \$ (889,198) |
| EXPENDITURES | | | |
| Instruction | 1,913,825 | 1,002,987 | 910,838 |
| Supporting services | 788 | 413 | 375 |
| Total expenditures | 1,914,613 | 1,003,400 | 911,213 |
| Net change in fund balance | (45,063) | (23,048) | 22,015 |
| Fund balance - beginning | 1,048,602 | 506,897 | (541,705) |
| Fund balance - ending | \$ 1,003,539 | \$ 483,849 | \$ (519,690) |

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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|-------------|--|
| REVENUES | | | |
| Local sources | \$ 352,105 | \$ 849,012 | \$ 496,907 |
| State sources | 470,000 | 429,329 | (40,671) |
| | <hr/> | <hr/> | <hr/> |
| Total revenues | 822,105 | 1,278,341 | 456,236 |
| | <hr/> | <hr/> | <hr/> |
| EXPENDITURES | | | |
| Salaries | 578,374 | 553,118 | 25,256 |
| Employee benefits | 239,488 | 276,422 | (36,934) |
| Purchased services | 54,303 | 48,053 | 6,250 |
| Fuel charges | 399,940 | 400,748 | (808) |
| Supplies | 15,000 | - | 15,000 |
| | <hr/> | <hr/> | <hr/> |
| Total expenditures | 1,287,105 | 1,278,341 | 8,764 |
| | <hr/> | <hr/> | <hr/> |
| Excess (deficiency) of revenues over expenditures | (465,000) | - | 465,000 |
| | <hr/> | <hr/> | <hr/> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | 465,000 | - | (465,000) |
| | <hr/> | <hr/> | <hr/> |
| Net change in fund balance | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Fund balance - beginning | - | - | - |
| | <hr/> | <hr/> | <hr/> |
| Fund balance - ending | <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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|----------------------------|-----------------|--------------|--|
| REVENUES | | | |
| Local sources | \$ 1,400,000 | \$ 1,038,407 | \$ (361,593) |
| EXPENDITURES | | | |
| Instruction | 1,045,001 | 820,327 | 224,674 |
| Supporting services | 196,426 | 154,195 | 42,231 |
| Community service | 148,573 | 116,630 | 31,943 |
| Total expenditures | 1,390,000 | 1,091,152 | 298,848 |
| Net change in fund balance | 10,000 | (52,745) | (62,745) |
| Fund balance - beginning | 57,091 | 52,745 | (4,346) |
| Fund balance - ending | \$ 67,091 | \$ - | \$ (67,091) |

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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|--------------|--|
| REVENUES | | | |
| Local sources | \$ 2,630,450 | \$ 1,379,352 | \$ (1,251,098) |
| EXPENDITURES | | | |
| Instruction | 2,529,179 | 1,325,479 | 1,203,700 |
| Supporting services | 56,208 | 29,457 | 26,751 |
| Total expenditures | 2,585,387 | 1,354,936 | 1,230,451 |
| Net change in fund balance | 45,063 | 24,416 | (20,647) |
| Fund balance - beginning - as restated | 1,871,018 | 904,455 | (966,563) |
| Fund balance - ending | \$ 1,916,081 | \$ 928,871 | \$ (987,210) |

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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|--------------|--|
| REVENUES | | | |
| Local sources | \$ 475,000 | \$ 909,801 | \$ 434,801 |
| EXPENDITURES | | | |
| Supporting services | 180,727 | 92,801 | 87,926 |
| Community services | 212,318 | 109,023 | 103,295 |
| Facilities acquisition and construction | 81,955 | 42,083 | 39,872 |
| Total expenditures | 475,000 | 243,907 | 231,093 |
| Net change in fund balance | - | 665,894 | 665,894 |
| Fund balance - beginning | 1,468,917 | 1,468,917 | - |
| Fund balance - ending | \$ 1,468,917 | \$ 2,134,811 | \$ 665,894 |

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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|---|-----------------|-------------|--|
| REVENUES | | | |
| Local sources | \$ 25,000 | \$ 140,942 | \$ 115,942 |
| EXPENDITURES | | | |
| Instruction | 201,234 | 105,972 | 95,262 |
| Facilities acquisition and construction | 7,989,460 | 4,207,341 | 3,782,119 |
| Total expenditures | 8,190,694 | 4,313,313 | 3,877,381 |
| Excess (deficiency) in revenues over expenditures | (8,165,694) | (4,172,371) | (3,761,439) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in (out) | - | 1,500,000 | 1,500,000 |
| Net change in fund balance | (8,165,694) | (2,672,371) | 3,993,323 |
| Fund balance - beginning | 8,165,694 | 3,255,437 | (4,910,257) |
| Fund balance - ending | \$ - | \$ 583,066 | \$ (916,934) |

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, 2020

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|-----------------|--------------|--|
| OPERATING REVENUES | | | |
| Premiums & employer contributions | \$ 10,112,598 | \$ 8,460,352 | \$ (1,652,246) |
| Refunds & other revenue | 62,500 | 2,990,035 | 2,927,535 |
| Total operating revenues | 10,175,098 | 11,450,387 | 1,275,289 |
| OPERATING EXPENSES | | | |
| Purchased medical services & supplies | 8,394,528 | 10,131,064 | (1,736,536) |
| Purchased management services | 1,352,293 | 1,197,144 | 155,149 |
| Contingency reserve | 500 | - | 500 |
| Total operating expenses | 9,747,321 | 11,328,208 | (1,580,887) |
| Operating income (loss) | 427,777 | 122,179 | (305,598) |
| NON-OPERATING REVENUES (EXPENSES) | | | |
| Interest and investment revenue | 26,000 | 21,602 | (4,398) |
| Total non-operating revenue (expenses) | 26,000 | 21,602 | (4,398) |
| Change in net position | 453,777 | 143,781 | (309,996) |
| Net position - beginning | 338,234 | 404,457 | 66,223 |
| Net position - ending | \$ 792,011 | \$ 548,238 | \$ (243,773) |

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, 2020**

| | Final Budget | Actual | Variance Favorable (Unfavorable) |
|--------------------------|-----------------|----------|--|
| ADDITIONS | | | |
| Interest | \$ 10 | \$ 31 | \$ 21 |
| DEDUCTIONS | | | |
| Scholarships awarded | 4,733 | 2,020 | 2,713 |
| Change in net position | (4,723) | (1,989) | 2,734 |
| Net position - beginning | 4,783 | 4,783 | - |
| Net position - ending | \$ 60 | \$ 2,794 | \$ 2,734 |

See the accompanying independent auditors' report.

Statistical Section



Financial Trends - The schedules on pages 78-80 contain financial trend information to help the reader understand how the District's financial condition has changed over time.

Revenue Capacity - Pages 82-85 contain information to help the reader assess the District's most significant local revenue source, property taxes.

Debt Capacity - Pages 86-90 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 91-92 offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information - Pages 93-98 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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|---------------|---------------|------------------|------------------|-----------------|-----------------|---------------|---------------|---------------|---------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | 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 | \$ 30,964,957 |
| Restricted | 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 | 27,481,494 |
| Unrestricted | (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 | 11,552,181 |
| Total governmental activities net position | (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 | 69,998,631 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | - | - | - | - | - | - | 103,691 | 121,007 | 280,820 | 342,141 |
| Unrestricted | - | - | - | - | - | - | 1,126,991 | 1,061,370 | 956,988 | 664,202 |
| Total business-type activities in net position | - | - | - | - | - | - | 1,230,682 | 1,182,377 | 1,237,808 | 1,006,343 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 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 | 31,307,098 |
| Restricted | 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 | 27,481,494 |
| Unrestricted | (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 | 12,216,383 |
| Total primary government net position | (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 | \$ 71,004,974 |

Source: District Financial Records

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
Changes in Net Position
Last Ten Fiscal Years

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Instruction | \$ 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 | \$ 55,647,733 |
| Supporting services | 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 | 37,538,903 |
| Community services | 353,450 | 130,871 | 154,679 | 76,220 | 3,110 | 2,309 | 558 | 5,230 | - | - |
| Facilitates acquisition & constructior | 2,954,703 | - | - | 4,238,269 | 2,313,108 | 1,555,578 | 956,249 | 3,921,201 | - | - |
| Food services | 3,729,021 | 4,120,435 | 3,960,940 | 3,869,435 | 3,450,685 | 3,563,638 | - | - | - | - |
| Interest on long-term debt | 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 | 6,723,785 |
| Total governmental activities expenses | 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 | 99,910,421 |
| Business -type activities: | | | | | | | | | | |
| Food services | - | - | - | - | - | - | 3,544,264 | 3,545,394 | 3,315,431 | 3,622,951 |
| Total business-type expenses | - | - | - | - | - | - | 3,544,264 | 3,545,394 | 3,315,431 | 3,622,951 |
| Total primary government expenses: | <u>\$ 144,224,374</u> | <u>\$ 148,943,458</u> | <u>\$ 239,143,234</u> | <u>\$ 212,866,460</u> | <u>\$ 140,398,047</u> | <u>\$ 132,358,799</u> | <u>\$ 115,174,821</u> | <u>\$ 108,441,190</u> | <u>\$ 95,914,797</u> | <u>\$ 103,533,372</u> |
| Program revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services: Instruction | 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 | \$ 641,917 |
| Charges for services: Other | 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 | 2,358,910 |
| Operating grants and contributions | 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 | 13,020,420 |
| Capital grants and contributions | 940,543 | 1,097,682 | 1,048,808 | 1,775,996 | 704,005 | 2,835,468 | 175,389 | 69,801 | 55,152 | 52,088 |
| Total governmental activities program revenues | 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 | 16,073,335 |
| Business -type activities | | | | | | | | | | |
| Food services | | | | | | | | | | |
| Charges for services | 1,500,197 | 1,619,045 | - | - | - | - | 1,783,467 | 1,912,878 | 2,004,711 | 2,007,984 |
| Operating grants and contributions | - | - | - | - | - | - | 1,804,446 | 1,712,285 | 1,535,564 | 1,435,405 |
| Total business-type activities program revenue: | 1,500,197 | 1,619,045 | - | - | - | - | 3,587,913 | 3,625,163 | 3,540,275 | 3,443,389 |
| Total primary government program revenues: | <u>44,869,963</u> | <u>39,552,202</u> | <u>35,099,437</u> | <u>32,551,855</u> | <u>30,320,583</u> | <u>30,688,880</u> | <u>25,708,395</u> | <u>22,576,744</u> | <u>14,711,887</u> | <u>19,516,724</u> |
| Net (expense) revenue | | | | | | | | | | |
| Governmental activities | (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) | (83,837,086) |
| Business -type activities | - | - | - | - | - | - | 43,649 | 79,769 | 224,844 | (179,562) |
| Total primary government net (expense)revenue | <u>\$ (99,354,411)</u> | <u>\$ (109,391,256)</u> | <u>\$ (204,043,797)</u> | <u>\$ (180,314,605)</u> | <u>\$ (110,077,464)</u> | <u>\$ (101,669,919)</u> | <u>\$ (89,466,426)</u> | <u>\$ (85,864,446)</u> | <u>\$ (81,202,910)</u> | <u>\$ (84,016,648)</u> |
| General revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes | 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 | 28,713,973 |
| Specific ownership taxes | 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 | 2,467,992 |
| State equalization | 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 | 55,421,452 |
| Investment earnings | 702,199 | 1,233,685 | 1,441,278 | 518,461 | 84,202 | 36,042 | 43,126 | 76,283 | 63,377 | 71,399 |
| Grant and Contrib not related to specific pgrams | 1,359,314 | - | - | - | - | - | - | - | - | - |
| Miscellaneous revenues | 997,364 | 2,454,903 | 936,417 | 859,811 | 474,011 | 414,377 | 475,430 | 349,305 | 1,049,976 | 2,128,391 |
| Total governmental activities | \$ 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 | \$ 88,803,207 |
| Business-type activities | | | | | | | | | | |
| Investment earnings | - | - | - | - | - | - | 4,656 | 6,406 | 6,621 | 8,194 |
| Miscellaneous revenues | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities | - | - | - | - | - | - | 4,656 | 6,406 | 6,621 | 8,194 |
| Total primary government | 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 | 88,811,401 |
| Transfers | | | | | | | | | | |
| Governmental activities | - | - | - | - | - | - | 665,189 | - | - | - |
| Business-type activities | - | - | - | - | - | - | - | - | - | - |
| Changes in net position | | | | | | | | | | |
| Governmental activities | 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 | 4,966,121 |
| Prior period adjustment | (249,037,292) | (255,911,367) | (166,291,357) | (83,970,268) | - | - | - | (3,266,628) | - | - |
| Business-type activities | - | - | - | - | - | - | 48,305 | 86,175 | 231,465 | (171,368) |
| Total primary government | <u>\$ (213,552,547)</u> | <u>\$ (244,451,788)</u> | <u>\$ (257,918,632)</u> | <u>\$ (156,443,952)</u> | <u>\$ (3,563,377)</u> | <u>\$ (979,096)</u> | <u>\$ 3,855,540</u> | <u>\$ (447,158)</u> | <u>\$ 6,839,808</u> | <u>\$ 4,794,753</u> |

Source: District Financial Records

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------------|------------|------------|------------|-------------|------------|------------|------------|------------|------------|------------|
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 217,625 | \$ 113,697 | \$ 297,964 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | 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 | 15,476,154 |
| Committed | 7,143,056 | - | 6,779,158 | 8,399,319 | 7,639,917 | 7,311,636 | 5,926,591 | 7,059,744 | 7,088,293 | 5,447,032 |
| Assigned | 5,629,596 | 2,750,171 | - | 123,846 | 2,006,325 | 2,658,563 | 1,442,415 | 968,551 | 4,850,061 | 4,291,762 |
| Unassigned | | 5,635,397 | | | | | | | | |
| Total general fund | 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 | 25,214,948 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | 104,046 | 164,303 | 110,857 | 158,317 | 183,162 | 196,826 | - | - | - | - |
| Restricted | 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 | 12,005,340 |
| Committed | 2,247,190 | 1,394,016 | 34,328,722 | 78,803,416 | 1,604,279 | 1,996,455 | 792,753 | 393,797 | 357,732 | 688,309 |
| Assigned | 2,717,877 | 4,724,354 | 1,563,668 | 1,526,795 | 419,545 | 160,020 | 112,581 | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | 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 | 12,693,649 |
| Total governmental funds | 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 | 37,908,597 |

Source: District Financial Records

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|--------------|-----------------|-----------------|--------------|----------------|----------------|---------------|----------------|---------------|---------------|
| Revenues | | | | | | | | | | |
| Local sources | 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 | \$ 36,760,783 |
| State sources | 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 | 58,862,469 |
| Federal sources | 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 | 9,371,883 |
| Tuition | - | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Total revenues | 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 | 104,995,135 |
| Expenditures | | | | | | | | | | |
| Instruction | 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 | 49,557,020 |
| Supporting services | 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 | 36,258,829 |
| Community services | 462,473 | 406,541 | 155,963 | 76,220 | 3,110 | 2,309 | 1,501 | 1,066 | - | - |
| Facilities acquisition and construction | 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 | 2,520,500 |
| Food service | 3,784,969 | 4,120,434 | 3,960,940 | 3,869,434 | 3,450,686 | 3,563,638 | - | - | - | - |
| Charter schools | - | - | - | - | - | - | - | - | - | - |
| Debt service | 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 | 14,364,714 |
| Total expenditures | 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 | 102,701,063 |
| Excess of revenues over (under) expenditures | 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 | 2,294,072 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | - | - | (15,862,081) | - | (420,884) | - | - | - | 567,738 | 605,662 |
| Transfers out | - | - | 15,862,081 | - | 420,844 | - | 902,055 | - | (1,200,299) | (605,662) |
| Capital lease proceeds | - | - | - | - | - | - | - | - | 1,731,193 | 418,452 |
| 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 | 418,452 |
| Net change in fund balances | \$ 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 | \$ 2,712,524 |
| Debt services as a percentage of noncapital expenditures | 10.1% | 8.4% | 9.9% | 11.3% | 9.1% | 12.1% | 12.9% | 13.9% | 14.7% | 14.3% |

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 | | |
| Year | Year | | | | | | | | Percentage of Actual Value | Residential | All others |
| 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% |
| 2010 | 2011 | 461,396,340 | 154,956,330 | 12,102,310 | 75,483,300 | 703,938,280 | 45.792 | 6,632,924,756 | 10.61% | 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 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 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 | 18.500 | 18.500 | 19.081 | 13.756 | 9.800 | 9.800 | 9.800 | 9.800 | 9.800 | 9.800 |
| Abatement ⁽¹⁾ | 0.230 | 0.086 | 0.108 | 0.222 | 0.217 | 0.325 | 0.146 | 0.114 | 0.371 | 0.321 |
| Bond Fund | 0 | 0 | 0 | 5.98 | 10.159 | 11.212 | 11.212 | 11.212 | 11.212 | 11.212 |
| Total for El Paso Count School District 49 | 43.189 | 43.045 | 43.648 | 44.417 | 44.635 | 45.796 | 45.617 | 45.585 | 45.842 | 45.792 |
| 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 | 7.035 | 8.068 | 7.965 | 7.919 | 7.791 | 7.714 | 7.663 | 7.762 | 7.882 | 7.531 |
| Fire Districts | | | | | | | | | | |
| Black Forest | 12.549 | 10.052 | 10.114 | 10.178 | 10.237 | 10.356 | 10.382 | 10.379 | 10.406 | 6.275 |
| Cimarron Hills | 16.200 | 16.200 | 16.200 | 15.286 | 15.286 | 15.290 | 14.390 | 11.390 | 12.150 | 11.110 |
| Falcon | 14.886 | 14.886 | 8.612 | 8.612 | 8.612 | 8.612 | 8.612 | 8.612 | 8.612 | 5.712 |
| Elbert | 7.528 | 8.500 | 8.500 | 8.500 | 8.500 | 4.575 | 4.575 | 4.575 | 4.575 | 4.575 |
| Ellicott | 8.589 | 9.451 | 9.515 | 9.850 | 9.760 | 10.220 | 10.290 | 10.168 | 9.999 | 9.319 |
| Water Districts | | | | | | | | | | |
| Up Blk Sqrrl GW | 1.029 | 1.065 | 1.065 | 1.063 | 1.057 | 1.082 | 1.082 | 1.082 | 1.082 | 1.082 |
| Sanitation water districts | | | | | | | | | | |
| Westmoor SWD | 34.998 | 38.277 | 36.953 | 36.836 | 34.943 | 41.288 | 34.956 | 37.471 | 35.508 | 30.986 |
| Special Districts | | | | | | | | | | |
| Barnes & Pow N BID | 50.000 | 50.000 | 50.000 | 50.000 | 50.000 | 47.000 | 45.000 | 43.000 | 41.000 | 36.000 |
| Barnes & Pow S BID | 15.000 | 21.000 | 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 | - | - | - |
| 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 | 40.000 | 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 | 48.792 | 48.694 | 48.694 | 60.000 | 45.000 | 45.000 | 45.000 | 45.000 | 45.000 | 45.000 |
| Banning Lewis Ranch #2 | 50.097 | 49.749 | 49.749 | 45.000 | 50.000 | 50.000 | 50.000 | 50.000 | 50.000 | 50.000 |
| Banning Lewis Ranch #3 | 55.664 | 55.277 | 55.277 | 50.000 | 50.000 | 50.000 | 50.000 | - | - | - |
| Banning Lewis Ranch #4 | 55.664 | 55.277 | 55.277 | - | - | - | - | - | - | - |
| Banning Lewis Ranch #5 | 55.664 | - | - | - | - | - | - | - | - | - |
| Banning Lewis Ranch Reg | 11.131 | 11.055 | 11.055 | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 | - |
| Bent Grass | 36.162 | 36.149 | 36.149 | 35.000 | 35.000 | 30.000 | 30.000 | 10.000 | 10.000 | 40.000 |
| Bobcat Meadows | 12.724 | 12.636 | 12.636 | 11.430 | 11.430 | 11.430 | 11.430 | 11.430 | 11.430 | 11.430 |
| Central Marksheffel | 33.164 | 33.164 | 33.164 | 30.000 | 30.000 | 30.000 | 40.000 | 40.000 | 40.000 | 40.000 |
| Constitution Heights MD | 27.830 | 27.637 | 27.637 | 25.000 | 25.000 | 25.000 | 25.000 | 25.000 | 25.000 | 25.000 |
| Dublin North #2 | 40.000 | 44.120 | 44.138 | 40.000 | 40.000 | 40.000 | 40.000 | 40.000 | - | - |
| Falcon Highlands | 43.082 | 39.799 | 39.720 | 35.000 | 35.000 | 35.000 | 35.000 | 35.216 | 35.000 | 35.000 |
| Latigo Creek | 5.539 | 5.500 | 5.500 | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 |
| Meridian Ranch | 27.498 | 27.498 | 27.498 | 25.000 | 25.000 | 25.000 | 25.000 | 25.000 | 25.000 | 25.000 |
| Paintbrush Hills | 18.537 | 19.902 | 19.813 | 18.063 | 22.107 | 22.107 | 22.107 | 22.107 | 22.107 | 22.107 |
| Paintbrush Hills Sub A | 40.000 | 40.000 | 40.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Sterling Ranch #1 | 55.663 | 55.275 | 55.275 | 50.000 | 50.000 | - | - | - | - | - |
| Sterling Ranch #2 | 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 | 60.000 | - | - | - | - |
| Stetson Ridge #2 | 27.140 | 26.987 | 27.008 | 24.472 | 24.472 | 24.472 | 24.472 | 24.472 | 24.472 | 24.472 |
| Stetson Ridge #3 | 38.553 | 39.188 | 37.894 | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 | 35.000 |
| Woodmen Heights #2 | 44.529 | 44.220 | 44.220 | 40.000 | 42.000 | 42.000 | 42.000 | 42.000 | 40.000 | 40.000 |
| Woodmen Heights #3 | 40.000 | 40.000 | 40.000 | 40.000 | 42.000 | 42.000 | 42.000 | 42.000 | 40.000 | 40.000 |
| Woodmen Road | 11.680 | 11.599 | 11.599 | 10.800 | 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

| | 2019 | | |
|---|--------------------|------|----------------------|
| | Assessed Valuation | Rank | % of Total Valuation |
| Cellco Partnership (f/k/a Verizon Wireless) | 103,153,370 | 1 | 1.90% |
| Wal-Mart Real Estate | 52,278,140 | 2 | 1.23% |
| Broadmoor Hotel Inc. | 37,900,890 | 3 | 1.00% |
| Comcast of Colorado | 27,463,970 | 4 | 0.87% |
| DPiX LLC | 20,394,050 | 5 | 0.55% |
| SAP America Inc | 15,820,950 | 6 | 0.43% |
| Palmer Center LTD | 15,381,330 | 7 | 0.40% |
| Great Wolf Lodge of Colorado LLC | 14,569,860 | 8 | 0.27% |
| Progressive Insurance Corp | 14,516,260 | 9 | 0.26% |
| 2424GOTG LLC | 13,077,150 | 10 | 0.24% |
| Totals | \$314,555,970 | | 7.15% |
| Total Assessed Valuation | \$8,699,370,090 | | |

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 |
| 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% |
| 2010 | 2011 | 32,234,742 | 32,114,254 | 99.6% | 9,213 | 32,123,467 | 99.7% |

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|---------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Assessed valuation | 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 | 703,938,280 |
| Debt Limit | 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 | 140,787,656 |
| Total net debt applicable to limit | - | - | - | 4,960,000 | 12,305,000 | 26,020,000 | 31,300,002 | 36,430,000 | 41,085,000 | 45,085,000 |
| Legal debt margin | 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 | 95,702,656 |
| Total net debt applicable to the limit as a percentage of debt limit | 0.00% | 0.00% | 0.00% | 3.17% | 8.18% | 18.86% | 23.55% | 27.44% | 31.20% | 32.02% |

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 |
|--------------------|--------------------|-----------------------------------|---------------------|--|------------|----------------------------------|
| 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 |
| 2010 | 2011 | 6,632,924,756 | 45,085,000 | 0.68% | 74,595 | 604 |

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 |
|-------------|--|------------------------------------|---|
| 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% |
| 2010 | 6,387,174 | 89,626,080 | 7.1% |

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 |
|-------------|--------------------------------|----------------------------------|----------------|-----------------------------|------------|------------|------------------|--------------------------------------|-----------------------|-------------------------|
| 2020 | - | 134,625,000 | 10,124,814 | 144,749,814 | 86,447 | 1,674 | 2,604,073,647 | 5.56% | 25,800 | 5,611 |
| 2019 | - | 139,650,000 | 4,986,258 | 144,636,258 | 84,752 | 1,707 | 2,563,064,614 | 5.64% | 23,664 | 6,112 |
| 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 |
| 2011 | 45,085,000 | 86,090,000 | 2,791,410 | 133,966,410 | 74,595 | 1,796 | 2,281,557,700 | 5.87% | 14,028 | 9,550 |
| 2010 | 47,935,000 | 87,835,000 | 4,056,903 | 139,826,903 | 73,493 | 1,903 | 2,091,957,100 | 6.68% | 13,698 | 10,208 |

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, 2020

| | 2019 Assessed Valuation | Entity's Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|-----------------------------------|------------------------------------|--------------------------------------|--|--|
| Direct Debt: | | | | |
| El Paso County School District 49 | 1,049,145,210 | 0 | 100.00% | - |
| Overlapping Debt: | | | | |
| Colorado | | | 0.13% | |
| City Of Colorado Springs | 6,280,902,410 | 54,960,000 | 13.17% | 7,239,641 |
| El Paso County | 8,699,370,090 | 119,824,679 | 6.18% | 7,401,143 |
| Fire Districts | | | | |
| Black Forest | 205,146,960 | 1,109,888 | 8.08% | 89,678 |
| Cimarron Hills | 168,329,110 | - | 49.56% | - |
| Falcon | 454,080,710 | - | 81.27% | - |
| Elbert | 6,422,940 | - | 19.74% | - |
| Ellicott | 33,330,810 | - | 0.24% | - |
| Water Districts | | | | |
| Up Blk Sqrll GW | 364,278,670 | - | 20.08% | - |
| Sanitation water districts | | | | |
| Westmoor SWD | 73,290 | - | 100.00% | - |
| Special Districts | | | | |
| Barnes & Pow N BID | 6,978,150 | 3,465,960 | 100.00% | 3,465,960 |
| Barnes & Pow S BID | 4,470,010 | 435,000 | 100.00% | 435,000 |
| EPC PID #2 | 65,563,750 | - | 43.05% | - |
| First & Main BID | 3,466,800 | 1,390,000 | 100.00% | 1,390,000 |
| First & Main BID #2 | 11,895,860 | 25,771,935 | 100.00% | 25,771,935 |
| First & Main North BID | 4,043,580 | 1,736,732 | 100.00% | 1,736,732 |
| Stetson Hills SIMD | 87,110,190 | - | 100.00% | - |
| Metropolitan Districts | | | | |
| 4-Way Ranch #1 | 1,996,620 | 2,886,000 | 100.00% | 2,886,000 |
| Ban Lewis Ranch #1 | n/a | | 100.00% | |
| Ban Lewis Ranch #2 | 22,400,770 | 10,592,000 | 100.00% | 10,592,000 |
| Ban Lewis Ranch #3 | 22,964,180 | 8,201,000 | 100.00% | 8,201,000 |
| Ban Lewis Ranch #4 | 8,951,550 | | 100.00% | |
| Ban Lewis Ranch #5 | 176,710 | | 47.50% | |
| Ban Lewis Ranch #7 | n/a | | 49.39% | |
| Ban Lewis Ranch Reg | 57,795,510 | | 45.71% | - |
| Bent Grass | 4,487,440 | 776,000 | 100.00% | 776,000 |
| Bobcat Meadows | 3,543,320 | | 100.00% | - |
| Central Marksheffel | 41,018,200 | 11,524,000 | 82.01% | 9,450,414 |
| Constitution Heights MD | 14,652,220 | 4,200,000 | 100.00% | 4,200,000 |
| Dublin North #1 | 69,050 | | 100.00% | |
| Dublin North #2 | 5,999,250 | 4,283,000 | 100.00% | 4,283,000 |
| Dublin North #3 | 2,615,380 | | 100.00% | |
| Falcon Highlands | 20,725,350 | 18,878,000 | 100.00% | 18,878,000 |
| Latigo Creek | 962,390 | | 100.00% | - |
| Meridian Ranch | 73,253,360 | 40,735,000 | 100.00% | 40,735,000 |
| Mountain Vista | 2,327,630 | | 100.00% | |
| Paintbrush Hills | 25,437,650 | | 100.00% | - |
| Paintbrush Hills Sub A | 3,945,360 | | 100.00% | - |
| Sterling Ranch #1 | 64,940 | | 100.00% | - |
| Sterling Ranch #2 | 1,355,970 | 8,791,000 | 55.49% | 4,878,104 |
| Sterling Ranch #3 | 66,140 | | 49.45% | - |
| Stetson Ridge #1 | n/a | | 100.00% | |
| Stetson Ridge #2 | 39,054,510 | 1,688,000 | 100.00% | 1,688,000 |
| Stetson Ridge #3 | 13,146,200 | 4,840,000 | 100.00% | 4,840,000 |
| Woodmen Heights #1 | n/a | | 100.00% | |
| Woodmen Heights #2 | 57,543,160 | | 78.59% | - |
| Woodmen Heights #3 | 3,559,580 | | 82.54% | - |
| Woodmen Road | 217,864,120 | 16,184,000 | 97.13% | 15,718,814 |

Sources: El Paso County Assessor's Office and from individual entities.

Note: We were unable to get information on Ellicot Fire Districts outstanding debt.

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 |
|-------------|------------|--------------------------|--------------------------------|----------------------|---------------------------------------|
| 2020 | 86,447 | 2,604,073,647 | 30,123 | 25,800 | 2.8% |
| 2019 | 84,752 | 2,563,064,614 | 30,242 | 23,664 | 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% |
| 2010 | 73,493 | 2,091,957,100 | 27,322 | 13,698 | 6.7% |

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>2019</u> | Rank | <u>2010</u> |
|---------------------------------------|------|---|------|---|
| | | Percentage of Total County Employment | | Percentage of Total County Employment |
| Fort Carson Army Post | 1 | 12.1% | 1 | 10.5% |
| United States Air Force Academy | 2 | 3.1% | 2 | 4.4% |
| UC Health Memorial Health System | 3 | 2.3% | 5 | 2.0% |
| Schriever Air Force Base ² | 4 | 2.3% | 4 | 3.5% |
| Peterson Air Force Base | 5 | 1.8% | 3 | 4.8% |
| School District 11 Colorado Springs | 6 | 1.4% | 6 | 1.7% |
| School District 20 Air Academy | 7 | 1.2% | 7 | 1.2% |
| Penrose-St. Francis Health Services | 8 | 1.2% | 8 | 1.1% |
| City of Colorado Springs ¹ | 9 | 1.0% | 9 | 1.0% |
| El Paso County | 10 | 0.9% | 10 | 0.9% |

Source: <https://coloradosprings.gov/accounting/page/comprehensive-annual-financial-report-cafr> pg 279
2018 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.

² Schriever Air Force Base previously known as Falcon Air Force Base.

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Classroom Instruction | 852 | 816 | 791 | 757 | 933 | 920 | 914 | 817 | 787 | 818 |
| Teaching Assistants | 278 | 252 | 192 | 225 | 300 | 251 | 209 | 119 | 149 | 190 |
| General Office Support | 82 | 89 | 78 | 79 | 102 | 100 | 113 | 96 | 77 | 76 |
| Instructional Support | 88 | 85 | 70 | 79 | 75 | 72 | 60 | 53 | 51 | 65 |
| Facility Workers | 60 | 78 | 76 | 49 | 66 | 69 | 69 | 64 | 61 | 84 |
| Other Assistants | 93 | 105 | 65 | 69 | 61 | 79 | 64 | 82 | 56 | 47 |
| Man.Dir.Sup. Coord. | 13 | 13 | 10 | 10 | 60 | 39 | 24 | 8 | 8 | 14 |
| Principals/Asst/Assoc | 49 | 49 | 44 | 43 | 53 | 50 | 64 | 48 | 42 | 45 |
| Bus Drivers | 70 | 70 | 59 | 64 | 47 | 49 | 46 | 47 | 44 | 51 |
| Other Paraprofessionals | 71 | 53 | 41 | 36 | 41 | 43 | 64 | 41 | 13 | 11 |
| Special Service Providers | 69 | 56 | 41 | 43 | 41 | 42 | 34 | 33 | 30 | 40 |
| Food Services | 63 | 62 | 18 | 58 | 35 | 39 | 46 | 42 | 43 | 44 |
| Professionals Support | 49 | 46 | 45 | 41 | 33 | 17 | 16 | 14 | 11 | 20 |
| Foreman/Lead Workers | 47 | 47 | 27 | 40 | 29 | 31 | 33 | 33 | 37 | 38 |
| Coord./Supr. | 18 | 16 | 14 | 12 | 18 | 13 | 11 | 8 | 6 | 6 |
| Office Manager/Supervisor | 11 | 14 | 14 | 10 | 18 | 36 | 31 | 12 | 14 | 15 |
| Security | 27 | 23 | 17 | 20 | 11 | 12 | 12 | 12 | 10 | 12 |
| Supt/Asst Supt/BOCES Director | 9 | 9 | 8 | 8 | 9 | 9 | 9 | 6 | 6 | 3 |
| Computer Technology | 7 | 7 | 6 | 6 | 6 | 4 | 12 | 5 | 9 | 14 |
| Vehicle Drivers/Workers | 5 | 5 | 4 | 4 | 4 | 4 | 3 | 4 | 5 | 5 |
| Total | 1,961 | 1,895 | 1,621 | 1,653 | 1,942 | 1,879 | 1,834 | 1,543 | 1,459 | 1,598 |

Source: District Financial Records

*2017 - 2020 Data does not contain Charter School information

2008-2009 data does not include Charter school information

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

| | <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>2011</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 | 299 | 283 | 328 | 321 | 319 | 317 | 324 | 319 | 341 | 339 |
| Meridian Ranch (2003) | | | | | | | | | | |
| Building Square feet | 58,318 | 58,318 | 58,318 | 55,731 | 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 | 665 | 677 | 788 | 740 | 727 | 748 | 698 | 638 | 607 | 595 |
| Woodmen Hills (2000) | | | | | | | | | | |
| Building Square feet | 56,100 | 56,100 | 56,100 | 51,603 | 51,603 | 51,603 | 51,603 | 51,603 | 51,603 | 51,603 |
| Modular Square feet | 11,093 | 11,093 | 11,039 | 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 | 597 | 615 | 799 | 803 | 738 | 744 | 743 | 729 | 714 | 727 |
| Evans (1976) | | | | | | | | | | |
| Building Square feet | 53,148 | 53,148 | 53,148 | 53,101 | 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 | 7,760 | 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 | 825 | 825 |
| Enrollment | 653 | 621 | 670 | 721 | 684 | 678 | 666 | 722 | 679 | 652 |
| Remington (1997) | | | | | | | | | | |
| Building Square feet | 51,311 | 51,311 | 51,311 | 49,784 | 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 | 638 | 654 | 611 | 561 | 580 | 565 | 571 | 560 | 593 | 624 |
| Springs Ranch (2002) | | | | | | | | | | |
| Building Square feet | 55,295 | 55,295 | 55,295 | 56,914 | 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 | 650 | 650 | 650 | 650 | 650 | 650 | 650 | 650 |
| Total Capacity (w/modulars) | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 | 750 |
| Enrollment | 565 | 579 | 553 | 591 | 573 | 592 | 654 | 666 | 702 | 676 |
| 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 | 654 | 684 | 949 | 802 | 760 | 916 | 720 | 692 | 701 | 684 |
| Stetson Elementary (1987) | | | | | | | | | | |
| Building Square feet | 48,963 | 48,965 | 48,965 | 50,223 | 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 | 525 | 525 | 525 | 525 | 525 | 525 | 525 |
| Total Capacity (w/modulars) | 925 | 925 | 925 | 875 | 875 | 875 | 875 | 875 | 875 | 875 |
| Enrollment | 505 | 521 | 557 | 527 | 568 | 619 | 613 | 625 | 624 | 630 |
| Odyssey Elementary/ALLIES (2006) | | | | | | | | | | |
| Building Square feet | 60,174 | 60,174 | 48,965 | 44,505 | 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 | 5,760 |
| Core Capacity (building) | 625 | 625 | 575 | 450 | 450 | 450 | 450 | 450 | 450 | 450 |
| Total Capacity (w/modulars) | 625 | 625 | 925 | 650 | 650 | 650 | 650 | 650 | 650 | 650 |
| Enrollment | 571 | 576 | 561 | 538 | 550 | 579 | 572 | 571 | 564 | 544 |
| Bennett Ranch Elementary (2019) | | | | | | | | | | |
| Building Square feet | 63,780 | 63,780 | - | - | - | - | - | - | - | - |
| Modular Square feet | - | - | - | - | - | - | - | - | - | - |
| Core Capacity (building) | 660 | 660 | - | - | - | - | - | - | - | - |
| Total Capacity (w/modulars) | 660 | 660 | - | - | - | - | - | - | - | - |
| Enrollment | 339 | 357 | - | - | - | - | - | - | - | - |
| Inspiration View Elementary (2020) | | | | | | | | | | |
| Building Square feet | 70,554 | - | - | - | - | - | - | - | - | - |
| Modular Square feet | - | - | - | - | - | - | - | - | - | - |
| Core Capacity (building) | 720 | - | - | - | - | - | - | - | - | - |
| Total Capacity (w/modulars) | 720 | - | - | - | - | - | - | - | - | - |
| Enrollment | 368 | - | - | - | - | - | - | - | - | - |

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

| | <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>2011</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Middle Schools | | | | | | | | | | |
| Falcon Middle (1976) | | | | | | | | | | |
| Building Square feet | 128,760 | 128,760 | 128,760 | 92,421 | 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 | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| Total Capacity (w/modulars) | 1,100 | 1,100 | 1,100 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Enrollment | 1,021 | 1,021 | 983 | 978 | 907 | 934 | 902 | 918 | 911 | 908 |
| Horizon Middle (1985) | | | | | | | | | | |
| Building Square feet | 67,230 | 67,230 | 67,230 | 66,380 | 66,380 | 66,380 | 66,380 | 66,380 | 66,380 | 66,380 |
| Modular Square feet | 42,048 | 42,048 | 41,905 | 43,488 | 43,488 | 7,200 | 7,200 | 7,200 | 9,500 | 9,500 |
| Core Capacity (building) | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 | 625 |
| Total Capacity (w/modulars) | 1,225 | 1,225 | 1,175 | 1,175 | 1,175 | 800 | 800 | 800 | 875 | 875 |
| Enrollment | 769 | 769 | 746 | 709 | 650 | 626 | 610 | 623 | 615 | 652 |
| Skyview Middle (2000) | | | | | | | | | | |
| Building Square feet | 128,953 | 128,953 | 128,953 | 122,317 | 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 | 7,200 |
| 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 | 1,150 | 1,150 |
| Enrollment | 1,057 | 1,058 | 1,109 | 1,057 | 1,127 | 1,144 | 1,022 | 1,028 | 1,024 | 1,081 |
| High Schools | | | | | | | | | | |
| Falcon High (2007) | | | | | | | | | | |
| Building Square feet | 192,298 | 192,298 | 192,298 | 176,352 | 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 | 1,234 | 1,240 | 1,207 | 1,187 | 1,238 | 1,275 | 1,242 | 1,291 | 1,239 | 1,298 |
| Sand Creek High (1997) | | | | | | | | | | |
| Building Square feet | 208,776 | 208,776 | 208,776 | 189,866 | 189,866 | 189,866 | 189,866 | 189,866 | 189,866 | 189,866 |
| Modular Square feet | 7,200 | 7,200 | 7,200 | 8,640 | 8,640 | 8,640 | 8,640 | 11,520 | 11,520 | 19,080 |
| 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 | 1,900 | 1,900 | 1,900 | 1,900 | 1,950 | 2,200 | 2,200 |
| Enrollment | 1,128 | 1,133 | 1,205 | 1,247 | 1,274 | 1,245 | 1,238 | 1,184 | 1,175 | 1,162 |
| Vista Ridge High (2008) | | | | | | | | | | |
| Building Square feet | 179,876 | 179,876 | 166,617 | 166,617 | 166,617 | 166,617 | 166,617 | 166,617 | 159,787 | 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 | 1,606 | 1,615 | 1,583 | 1,482 | 1,437 | 1,338 | 1,230 | 1,195 | 1,147 | 1,105 |
| Other Buildings | | | | | | | | | | |
| Springs Studio for Academic Excellence (2012) | | | | | | | | | | |
| Building Square feet | 40,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 | 7,000 | 7,000 |
| Total Capacity | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 600 | 225 | 225 |
| Enrollment | 402 | 402 | 485 | 489 | 521 | 515 | 966 | 421 | 362 | 105 |
| Patriot High School (1952) | | | | | | | | | | |
| Building Square feet (plus butler & art) | 41,929 | 36,750 | 36,750 | 41,929 | 41,929 | 41,929 | 41,929 | 41,929 | 41,929 | 41,929 |
| Modular Square feet | 4,812 | 6,330 | 6,330 | 4,812 | 10,572 | 10,572 | 10,572 | 10,572 | 10,572 | 10,572 |
| Core Capacity (building) | 425 | 425 | 425 | 125 | 125 | 125 | 125 | 125 | 125 | 125 |
| Total Capacity (w/modulars) | 525 | 525 | 525 | 325 | 325 | 325 | 325 | 325 | 325 | 325 |
| Enrollment | 94 | 86 | 104 | 120 | 201 | 258 | 249 | 244 | 233 | 220 |
| Administration Buildings | | | | | | | | | | |
| 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 | 6,396 | 7,212 | 7,212 | 7,212 | 7,212 | 7,884 | 8,076 | 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 | | |
| Core Capacity (building) | 225 | 225 | 225 | 225 | 225 | 225 | 225 | 225 | | |
| Total Capacity | 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 | | | | | |

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

| | <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>2011</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 | 407 | 415 | 413 | 415 | 439 | 408 | 384 | 397 | 396 | 383 |
| Banning Lewis Ranch Academy (2008) | | | | | | | | | | |
| Building Square feet | 161,000 | 161,000 | 57,000 | 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 | - |
| Core Capacity (building) | 1,350 | 1,350 | 675 | 675 | 675 | 675 | 675 | 675 | 675 | 675 |
| Total Capacity (w/modulars) | 1,425 | 1,425 | 725 | 725 | 725 | 725 | 725 | 725 | 725 | - |
| Enrollment | 1,435 | 1,376 | 1,248 | 809 | 752 | 749 | 750 | 737 | 742 | 712 |
| Grand Peak Academy (2010) | | | | | | | | | | |
| Building Square feet | 65,000 | 65,000 | 48,000 | 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 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 |
| Total Capacity (w/modulars) | 1,000 | 1,000 | 850 | 850 | 850 | 850 | 800 | 800 | 800 | 800 |
| Enrollment | 760 | 705 | 747 | 796 | 773 | 743 | 831 | 858 | 802 | 687 |
| Rocky Mountain Classical Academy (2015) | | | | | | | | | | |
| Building Square feet | 104,686 | 93,000 | 93,000 | 93,000 | 93,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Core Capacity (building) | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 475 | 475 | 475 | 475 | 475 |
| Total Capacity | 1,200 | 1,200 | 1,200 | 1,200 | 1,200 | 1,075 | 1,075 | 1,075 | 1,075 | 1,075 |
| Enrollment | 1,617 | 1,632 | 1,613 | 1,612 | 1,467 | 1,300 | 746 | 675 | 892 | 924 |
| GOAL Academy** | | | | | | | | | | |
| Building Square feet | 185,278 | 185,278 | 185,278 | 185,278 | 185,278 | - | - | - | - | - |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | - | - | - | - | - |
| Enrollment | 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 | n/a | n/a | - | - | - | - | - | - |
| Total Capacity | 400 | 400 | n/a | n/a | - | - | - | - | - | - |
| Enrollment | 317 | 267 | 240 | 160 | - | - | - | - | - | - |
| Liberty Tree Academy**** (2020) | | | | | | | | | | |
| Building Square feet | 39,376 | - | - | - | - | - | - | - | - | - |
| Total Capacity | 525 | - | - | - | - | - | - | - | - | - |
| Enrollment | 501 | - | - | - | - | - | - | - | - | - |
| Total Student Population | 23,392 | 21,651 | 21,535 | 20,645 | 20,580 | 19,777 | 19,105 | 15,318 | 15,063 | 14,708 |

*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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Governmental Activities | | | | | | | | | | |
| Instruction | 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 | 197,631,047 |
| General Administration | 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 | 6,950,027 |
| Operation and Maintenance | 893,143 | 684,818 | 684,818 | 557,283 | 464,480 | 326,569 | 276,762 | 91,930 | 48,394 | 48,394 |
| Student Transportation | 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 | 7,371,620 |
| Technology | 98,416 | 98,416 | 98,416 | 1,916,705 | 1,916,705 | 1,916,705 | 1,916,705 | 1,916,705 | 1,879,589 | 1,879,589 |
| Business | 38,942 | 38,942 | 38,942 | 45,229 | 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 | 1,101,956 |
| Total | 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 | 215,027,862 |

Source: District Financial Records

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

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------|----------------|
| Primary Government Expenses | \$ 184,816,071 | \$ 184,816,071 | \$ 239,143,234 | \$ 212,866,460 | \$ 140,398,047 | \$ 132,358,799 | \$ 115,174,821 | \$ 108,441,190 | \$ 95,914,797 | \$ 103,533,372 |
| Enrollment, Oct 1 count | 21,651 | 21,535 | 20,645 | 20,580 | 19,777 | 19,105 | 15,318 | 15,063 | 14,708 | 14,398 |
| Funded Pupil Count (FPC) | 25,799.5 | 23,664.1 | 22,501.0 | 21,744.0 | 21,839.3 | 20,222.5 | 18,279.3 | 14,572.9 | 14,283.7 | 14,027.8 |
| Cost per FPC | 7,163.55 | 7,809.98 | 10,628.12 | 9,789.66 | 6,428.69 | 6,545.13 | 6,300.83 | 7,441.29 | 6,714.98 | 7,380.59 |
| Per Pupil Funding After Negative Factor | \$ 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 | \$ 6,202.47 |
| Students Qualified for Federal Assistance: | | | | | | | | | | |
| Free Lunch Program | 3,800 | 3,592 | 3,327 | 3,445 | 5,560 | 4,961 | 4,267 | 2,316 | 2,145 | 1,813 |
| Reduced Lunch Program | 998 | 963 | 950 | 951 | 1,556 | 1,345 | 1,404 | 959 | 1,027 | 909 |
| SAT/ACT Average Composite score* | | | | | | | | | | |
| Springs Studio for Academic Excellence** | 984 | 984 | n/a | 1466 | 19.6 | 19.1 | 19.9 | 21.0 | - | - |
| Falcon HS | 970 | 970 | 959 | 993 | 20.2 | 20.1 | 19.9 | 20.0 | 19.9 | 20.0 |
| Sand Creek HS | 950 | 950 | 972 | 977 | 19.8 | 19.4 | 19.8 | 19.9 | 18.6 | 18.7 |
| Vista Ridge HS | 985 | 985 | 996 | 982 | 20.3 | 19.6 | 18.8 | 19.1 | 19.2 | 19.2 |
| Patriot High School*** | 793 | 793 | n/a | 707 | 15.4 | 14.7 | 16.3 | 16.7 | 15.8 | 15.0 |
| Goal Academy | 824 | 824 | 831 | 828 | 15.4 | 16.1 | 16.3 | - | - | - |
| Colorado Average | 1001 | 1001 | 976 | 1014 | 20.4 | 20.1 | 20.3 | 20.1 | 20.0 | 19.9 |
| Graduation Rates | | | | | | | | | | |
| Springs Studio for Academic Excellence** | 90.4% | 90.4% | 78.4% | 88.1% | 94.0% | 93.8% | 94.5% | 92.3% | 85.7% | 66.7% |
| Falcon High School | 90.7% | 90.0% | 85.8% | 89.3% | 98.3% | 95.3% | 98.5% | 94.4% | 92.6% | 94.7% |
| Goal Academy | 20.8% | 19.2% | 34.8% | 40.5% | 47.1% | 46.7% | 51.1% | - | - | - |
| Power Tech Early College | 90.9% | 81.8% | | | | | | | | |
| Patriot High School*** | 64.3% | 59.5% | 57.1% | 62.1% | 55.4% | 62.1% | 74.5% | 64.1% | 62.4% | 55.4% |
| Pikes Peak Early College | 30.0% | 30.0% | 34.5% | 25.0% | 44.4% | - | - | - | - | - |
| Rocky Mountain Classical Academy | 33.3% | 33.3% | 25.0% | - | - | - | - | - | - | - |
| Sand Creek High School | 84.6% | 83.3% | 87.2% | 81.8% | 91.0% | 93.7% | 95.5% | 88.7% | 91.4% | 86.6% |
| Vista Ridge High School | 89.5% | 88.6% | 89.5% | 88.5% | 92.9% | 94.3% | 95.8% | 94.6% | 95.3% | 87.1% |
| CO state | 81.1% | 81.1% | 80.7% | 79.0% | 79.8% | 77.3% | 77.3% | 76.9% | 75.4% | 72.9% |
| Dropout Rate | 7.5% | 7.5% | 6.9% | 9.4% | 8.1% | 5.9% | 4.6% | 6.0% | 7.0% | 9.0% |

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 Leaning Center

COMPLIANCE SECTION

SINGLE AUDIT

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

| 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 | | | | |
| School Breakfast Program | 10.553 | 4553 | \$ - | \$ 168,963 |
| National School Lunch Program | 10.555 | 4555 | | 1,622,430 |
| Passed Through Colorado Department of Human Services | | | | |
| National School Lunch Program | 10.555 | 4555 | | 345,226 |
| <i>Total Child Nutrition Cluster</i> | | | | 2,136,619 |
| Total U.S. Department of Agriculture | | | | 2,136,619 |
| U.S. Department of Defense | | | | |
| Direct Programs | | | | |
| Reserve Officer Training Corps (ROTC) | 12.Unknown | | | 247,815 |
| Promoting K-12 Student Achievement at Military- Connected Schools | 12.556 | | | 540,780 |
| Total Department of Defense | | | | 788,595 |
| U.S. Department of Treasury | | | | |
| Passed Through Colorado Department of Education | | | | |
| Coronavirus Relief Fund | 21.019 | 4012 | | 3,766,905 |
| U.S. Department of Education | | | | |
| Direct Programs | | | | |
| Impact Aid | 84.041 | | | 628,253 |
| Passed Through Colorado Department of Education | | | | |
| <i>Special Education Cluster</i> | | | | |
| Special Education: Grants to States IDEA Part B | 84.027 | 4027 | | 2,845,594 |
| Special Education: Preschool Grants | 84.173 | 4173 | | 27,614 |
| <i>Total SPED Cluster</i> | | | | 2,873,208 |
| No Child Left Behind, Title I, Part A | 84.010 | 4010 | | 1,490,411 |
| Grants for Infants and Families | 84.181 | 5181 | | 8,783 |
| Charter Schools | 84.282 | 5282 | | 213,690 |
| English Language Learners, Title III, Part A | 84.365 | 4365, 7365 | | 57,779 |
| Quality Teacher, Title II, Part A | 84.367 | 4367 | | 351,127 |
| Student Support and Academic Enrichment Program | 84.424A | 4424 | | 115,780 |
| Education Stabilization Fund | 84.425D | 4425 | | 881,339 |
| Passed through Colorado Community College System | | | | |
| Vocational Education - Carl Perkins | 84.048 | 4048 | | 85,654 |
| Total U.S. Department of Education | | | - | 6,706,024 |
| Total Federal Awards | | | \$ - | \$ 13,398,143 |

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, 2020

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, 2020. 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, 2020, El Paso County Colorado School District 49 received \$345,226 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, 2020, 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 18, 2020. 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-003 and 2020-004 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2020-001, 2020-002, and 2020-005 to be significant deficiencies.

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.

Hoelting & Company Inc.

Colorado Springs, Colorado
December 18, 2020



**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, 2020. 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, 2020.

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 18, 2020

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

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 12.556 | Promoting K-12 Student Achievement at Military-Connected Schools |
| CFDA 21.019 | Coronavirus Relief Fund |
| CFDA 84.027 & 84.173 | Special Education Cluster |
| CFDA 84.282 | Charter Schools |
| CFDA 84.425D | 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, 2020

Section II—Financial Statement Findings

2020-001 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 understanding of appropriate accounting or a lack of attention to detail during management review of financial transactions.

Recommendation: We recommend that the district leadership ensure that a senior level accountant oversees 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.

2020-002 Support for Journal Entries

Criteria: Appropriate support should be maintained for all journal entries.

Condition: Support indicating the appropriateness and review and approval of journal entries is often not maintained in the district's financial records.

Context: This was noted during testing of controls journal entries.

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

Cause: Lack of appropriate controls requiring support and review and approval for journal entries.

Recommendation: Management should implement procedures requiring support for journal entries to be maintained.

Management response: Management will implement procedures requiring support and review and approval for journal entries to be maintained.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section II—Financial Statement Findings (Continued)

2020-003 Bank Reconciliation Procedures

Criteria: General ledger cash balances should be reconciled to bank balances and outstanding items should be routinely reviewed and cleared. Bank reconciliations should be performed in a timely manner to ensure financial records are accurate and complete. Reconciliations should be performed by a knowledgeable staff member independent of the recording function and should be reviewed by management.

Condition: Appropriate bank reconciliations were not consistently performed for all bank accounts during the year. Bank reconciliations were often performed more than 30 days after month end. Unreconciled differences were often written off without sufficient investigation.

Context: This finding was noted during testing of controls over cash accounts.

Effect: Ineffective control over cash.

Cause: Not using effective bank reconciliation procedures.

Recommendation: Bank reconciliations should be processed within the accounting system within 30 days of the end of each month. Unreconciled differences should be properly investigated and corrected.

Management response: Management will allocate additional staffing resources to ensure reconciliations are performed within 30 days of month end and that unreconciled differences are properly investigated and corrected.

2020-004 Maintaining the Capital Assets Subledger

Criteria: A capital asset subledger should be maintained that includes a detailed schedule of capital assets that is easily reconciled to the general ledger.

Condition: Current year additions to and deletions from the capital asset subledger were incomplete and the district finance staff was unable to provide a complete listing until more than five months after year-end. The finance staff was unable to generate a detailed schedule of capital assets.

Context: This was noted through audit procedures performed to test capital asset balances.

Effect: Lack of historical support for capital assets.

Cause: The general ledger software used by the finance department is not being fully utilized to maintain the capital asset subledger.

Recommendation: We recommend the finance department utilize their general ledger software to create a complete capital asset subledger that would provide complete reports and pursue training opportunities for personnel to update the capital asset subledger throughout the year.

Management response: Management will consider software solutions that would provide complete capital asset reporting and consider training opportunities for personnel in the use of that software.

EL PASO COUNTY COLORADO SCHOOL DISTRICT 49
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

Section II—Financial Statement Findings (Continued)

2020-005 Recording non-cash transactions

Criteria: Non-cash transactions that are not processed through the district's operating account must be recorded in the financial statements.

Condition: Capital lease proceeds received during the year were not recorded in the general ledger.

Context: This finding was noted during review of general ledger detail and through inquiries of management and accounting personnel.

Effect: Other financing sources and uses of funds were understated in the General Fund.

Cause: Control procedures related to non-cash transactions are not in place.

Recommendation: Management should implement procedures related to the communication of non-cash transactions to the finance department.

Management response: Management is in the process of implementing procedures to ensure that non-cash transactions are properly recorded.

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, 2019. 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, 2020 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> |
|-----------------------|--------------------|------------------------------|--|--|
| 2019-001 | NA | NA | Lack of Segregation of Duties | Partially corrected. Reported as finding 2020-001. See page 107. |
| 2019-002 | NA | NA | Lack of Appropriate Closing Procedures | Corrected |
| 2019-003 | NA | NA | Lack of Support for Journal Entries | Partially corrected. Reported as finding 2020-002. See page 107. |
| 2019-004 | NA | NA | Lack of Appropriate Bank Reconciliation Procedures | Not corrected. Reported as finding 2020-003. See page 108. |
| 2019-005 | NA | NA | Not Maintaining the Capital Asset Subledger | Not corrected. Reported as finding 2020-004. See page 108. |
| 2019-006 | NA | NA | Not Recording Non-Cash Transactions | Partially corrected. Reported as finding 2020-005. See page 109. |



**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2020**

2020-001 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 2021

2020-002 Support for Journal Entries

Criteria: Appropriate support should be maintained for all journal entries.

Condition: Support indicating the appropriateness and review and approval of journal entries is often not maintained in the district's financial records.

Management Response and Planned Corrective Actions: Management will implement procedures requiring support and review and approval for journal entries to be maintained.

Responsibility for Corrective Action: Brett Ridgway, CBO

Anticipated Completion Date: Spring 2021

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2020
continued**

2020-003 Bank Reconciliation Procedures

Criteria: General ledger cash balances should be reconciled to bank balances and outstanding items should be routinely reviewed and cleared. Bank reconciliations should be performed in a timely manner to ensure financial records are accurate and complete. Reconciliations should be performed by a knowledgeable staff member independent of the recording function and should be reviewed by management.

Condition: Appropriate bank reconciliations were not consistently performed for all bank accounts during the year. Bank reconciliations were often performed more than 30 days after month end. Unreconciled differences were often written off without sufficient investigation.

Management Response and Planned Corrective Actions: Management will allocate additional staffing resources to ensure reconciliations are performed within 30 days of month end and that unreconciled differences are properly investigated and corrected.

Responsibility for Corrective Action: Brett Ridgway, CBO

Anticipated Completion Date: Spring 2021

2020-004 Maintaining the Capital Assets Subledger

Criteria: A capital asset subledger should be maintained that includes a detailed schedule of capital assets that is easily reconciled to the general ledger.

Condition: Current year additions to and deletions from the capital asset subledger were incomplete and the district finance staff was unable to provide a complete listing until more than six months after year-end. The finance staff was unable to generate a detailed schedule of capital assets.

Management Response and Planned Corrective Actions: Management will consider software solutions that would provide complete capital asset reporting and consider training opportunities for personnel in the use of that software.

Responsibility for Corrective Action: Brett Ridgway, CBO

Anticipated Completion Date: Spring 2021

**CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2020
continued**

2020-005 Recording non-cash transactions

Criteria: Non-cash transactions that are not processed through the district's operating account must be recorded in the financial statements.

Condition: Capital lease proceeds received during the year were not recorded in the general ledger.

Management Response and Planned Corrective Actions: Management is in the process of implementing procedures to ensure that non-cash transactions are properly recorded.

Responsibility for Corrective Action: Brett Ridgway, CBO

Anticipated Completion Date: Spring 2021

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, 2020, which collectively comprise El Paso County Colorado School District 49's basic financial statements, and our report thereon dated December 18, 2020, 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.

Hoelting & Company, Inc.

Colorado Springs, Colorado
December 18, 2020



Colorado Department of Education
Auditors Integrity Report
District: 1110 - District 49
Fiscal Year 2019-20
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 | 16,905,836 | 137,721,471 | 131,526,360 | 23,100,947 |
| 18 Risk Mgmt Sub-Fund of General Fund | 501,645 | 1,072,430 | 1,077,382 | 496,693 |
| 19 Colorado Preschool Program Fund | 56,439 | 508,164 | 468,943 | 95,660 |
| Sub- Total | 17,463,920 | 139,302,065 | 133,072,685 | 23,693,300 |
| 11 Charter School Fund | 28,900,738 | 85,794,068 | 79,940,272 | 34,754,534 |
| 20,26-29 Special Revenue Fund | 8,866,156 | 3,960,107 | 10,278,153 | 2,548,110 |
| 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 | 998,677 | 3,724,808 | 3,784,968 | 938,516 |
| 22 Govt Designated-Purpose Grants Fund | 0 | 11,959,626 | 11,959,626 | 0 |
| 23 Pupil Activity Special Revenue Fund | 506,897 | 980,352 | 1,003,400 | 483,849 |
| 24 Full Day Kindergarten Mill Levy Override | 0 | 0 | 0 | 0 |
| 25 Transportation Fund | 0 | 1,278,342 | 1,278,342 | 0 |
| 31 Bond Redemption Fund | 0 | 0 | 0 | 0 |
| 39 Certificate of Participation (COP) Debt Service Fund | 9,666,341 | 14,519,718 | 11,274,838 | 12,911,221 |
| 41 Building Fund | 3,255,437 | 1,640,942 | 4,313,313 | 583,066 |
| 42 Special Building Fund | 0 | 0 | 0 | 0 |
| 43 Capital Reserve Capital Projects Fund | 1,468,917 | 909,801 | 243,907 | 2,134,811 |
| 46 Supplemental Cap Const, Tech, Main Fund | 0 | 0 | 0 | 0 |
| Totals | 71,127,082 | 264,069,827 | 257,149,502 | 78,047,406 |
| Proprietary | | | | |
| 50 Other Enterprise Funds | -2,447,091 | 2,983,215 | 3,542,563 | -3,006,439 |
| 64 (63) Risk-Related Activity Fund | 404,457 | 3,015,054 | 2,871,273 | 548,238 |
| 60,65-69 Other Internal Service Funds | -4,652,601 | 2,459,883 | 3,912,633 | -6,105,351 |
| Totals | -6,695,235 | 8,458,152 | 10,326,469 | -8,563,552 |
| Fiduciary | | | | |
| 70 Other Trust and Agency Funds | 0 | 0 | 0 | 0 |
| 72 Private Purpose Trust Fund | 0 | 0 | 0 | 0 |
| 73 Agency Fund | 4,783 | 31 | 2,020 | 2,794 |
| 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 | 4,783 | 31 | 2,020 | 2,794 |

FINAL

