

**ARRIBA-FLAGLER CONSOLIDATED  
SCHOOL DISTRICT NUMBER 20**  
Flagler, Colorado

Financial Statements  
For the Year Ended June 30, 2019

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
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### INDEPENDENT AUDITOR'S REPORT

Board of Education  
Arriba-Flagler Consolidated School District Number 20  
Flagler, Colorado 80815

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Arriba-Flagler Consolidated School District Number 20 (the "District"), as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Arriba-Flagler Consolidated School District Number 20, as of June 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other post-employment benefit information on pages a-g and 29-33 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. For the management discussion and analysis 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 Arriba-Flagler Consolidated School District Number 20's basic financial statements. The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Auditor's Integrity Report 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, based on our audit and the procedures described above, the combining and individual nonmajor fund financial statements and the Auditor's Integrity Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Winfrey, County & Hays, PC  
Certified Public Accountants

December 2, 2019

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019

Management of Arriba-Flagler CSD #20 offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. The focus of the information is on the primary government-general fund.

Effective July 1, 2014 the Food Service Fund was changed from a proprietary fund to a governmental special revenue fund. There was no effect on the financial statements. All prior year amounts have been restated.

**Financial Highlights**

- The net position of the District increased \$743,945 to negative \$536,626.
- The district continues to receive grant monies from local and state sources that may or may not continue.
- As of the close of the 2018-19 Fiscal Year, the District's governmental funds reported combined ending fund balances of \$2,807,849. This represents an increase of \$334,345 from the previous year.
- The District had adequate funds available for all appropriations.

**Overview of Financial Statements**

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements consist of these components: 1) government wide-financial statements, 2) fund financial statements, 3) notes to the basic financial statements. In addition the basic financial statements, other supplementary information is provided to assist the reader in understanding the information provided.

**Government-Wide Financial Statements**

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

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

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

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019  
(continued)

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

Fund Financial Statements

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

Governmental Funds - most of the District's activities are reported in governmental funds, which focus on the determination of financial position and change in financial position, not on income determination. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be converted into cash. The governmental fund statements provide detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Fiduciary Funds - acts as a trustee, or fiduciary for student activities. These activities are excluded from the District's other financial statements because the District cannot use these assets to finance its operations.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019  
(continued)

**Financial Analysis of the District as a Whole:**

The District's total net position was negative \$536,626 at the close of business on June 30, 2019.

Table 1  
Fiscal Year Ended June 30, 2019  
Net Position

	Government Activities	
	<u>6/30/19</u>	<u>6/30/18</u>
Current and Other Assets	2,989,445	2,642,034
Capital Assets	<u>2,256,291</u>	<u>2,318,770</u>
Total Assets	5,245,735	4,960,804
Deferred Outflows	1,144,559	2,208,484
Current and Other Liabilities	181,595	168,530
Long Term Liabilities	<u>3,884,445</u>	<u>7,825,127</u>
Total Liabilities	4,066,041	7,993,657
Deferred Inflows	2,860,878	456,200
Net Position		
Invested in Capital Assets	2,256,291	2,318,770
Restricted for TABOR	75,694	74,464
Unrestricted	<u>(2,868,610)</u>	<u>(3,673,804)</u>
Total Net Position	<u>(536,626)</u>	<u>(1,280,571)</u>

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. In the case of the Arriba-Flagler School District, liabilities exceed assets by approximately, \$536,626.

Of the District's \$5,245,735 in total assets, \$2,256,291 (43%) reflects investments in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending. The unrestricted net position is a negative \$2,868,610.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019  
(continued)

The results of this year's operations as a whole are reported in the Statement of Activities on Page 2. All expenses are reported in the first column. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the equalization provided by the State of Colorado Department of Education and the property taxes assessed to District taxpayers. Table 2 takes the information from that statement, rearranges it slightly, so the reader can see the total revenues for the year.

Table 2  
Fiscal Year Ended June 30, 2019

	<u>Change in Net Position</u>	
	Government Activities	
	<u>6/30/19</u>	<u>6/30/18</u>
<b>Revenues</b>		
Program Revenues		
Charges for Service	40,142	45,503
Operating Grants	393,363	341,155
Capital Grants	39,511	27,526
General Revenues		
Property Taxes	839,483	855,718
Specific Ownership Taxes	73,806	81,089
State Equalization	1,245,201	1,185,146
Other	<u>94,062</u>	<u>41,626</u>
Total Revenues	2,725,568	2,575,764
<b>Expenses</b>		
Instruction	1,015,842	2,076,462
Pupil Services	46,153	49,116
Instructional Services	40,620	84,306
General Administration	121,071	247,653
School Administration	101,713	245,077
Business Services	65,088	123,521
Operations & Maintenance	262,135	293,983
Pupil Transportation	132,962	221,163
Other Support Services	44,494	43,442
Noninstructional Services		
Non-Athletic	11,778	9,534
Athletic Programs	36,214	31,106
Interest on Long-Term Debt	0	7,850
Food Services	<u>103,553</u>	<u>179,894</u>
Total Expenses	<u>1,981,623</u>	<u>3,613,108</u>
Change in Net Position	<u>743,945</u>	<u>(1,037,344)</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019  
(continued)

Table 3 shows the District's largest areas of expenditures and unallocated depreciation expense. It also shows the net total costs (total cost less revenues generated by the activities). This table also shows the net costs offset by the other unrestricted grants and subsidies to show the remaining financial needs supported by local taxes and other revenue.

Table 3  
Fiscal Year Ended June 30, 2019  
Government Activities

Functions/Programs	Year Ended 6/30/19		Year Ended 6/30/18	
	Total Cost of Program	Net Cost of Services	Total Cost of Program	Net Cost of Services
Instruction	1,015,842	712,511	2,076,462	1,840,033
Pupil Services	46,153	46,153	49,116	49,116
Instructional Services	40,620	40,620	84,306	84,306
General Administration	121,071	121,071	247,653	247,653
School Administration	101,713	101,713	245,077	245,077
Business Services	65,088	65,088	123,521	123,521
Operations & Maintenance	262,135	230,227	293,983	266,457
Pupil Transportation	132,962	100,492	221,163	186,838
Other Support Services	44,494	44,494	43,442	43,442
Noninstructional Services				
Non-Athletic	11,778	11,778	9,534	9,534
Athletic Programs	36,214	36,214	31,106	31,106
Food Services	103,553	(1,755)	179,894	65,990
Interest on Long-Term Debt	<u>0</u>	<u>0</u>	<u>7,850</u>	<u>7,850</u>
Total Governmental Activities	1,981,623	1,508,607	3,613,108	3,200,924
Less State Equalization		<u>1,245,201</u>		<u>1,185,146</u>
Total Needs From Local Taxes and Other Revenues		<u>263,406</u>		<u>2,015,778</u>

The District Funds

At June 30, 2019, the District governmental funds reported a combined fund balance of \$2,807,849 which is an increase of \$334,345. The General Fund expenses decreased \$66,917. The Capital Project Fund expenditures decreased \$132,180 due to less capital asset purchases for the year. The Food Service Fund expenditures decreased \$18,341.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019  
(continued)

Financial Analysis of the District’s Funds

Total General Fund revenues for the district in FY 18 decreased \$178,315 (-6.88%) while total expenditures decreased \$66,917 (2.92%). The ending fund balance increased from 2,343,123 to \$2,669,503.

General Fund Budget

The General Fund Budget and the “Ending Fund Balance” that it contains are adequate. The “Ending Fund Balance” was increased by \$326,380 from the previous year. The district will have a “Beginning Fund Balance” of \$2,669,503 for the FY19 budget.

Capital Assets and Debt Administration

At June 30, 2019, the District had total capital assets of \$2,256,291.

	June 30, 2019	June 30, 2018
Sites	85,170	85,170
Site Improvements	223,395	223,395
Buildings	3,715,693	3,687,794
Equipment	664,770	628,948
Transportation	457,320	441,864
Total Capital Assets	5,146,348	5,067,171
Accumulated Depreciation	(2,890,057)	(2,748,401)
Total Capital Assets	2,256,291	2,318,770

Major capital purchases include new doors for the pool, kitchen, and locker room for \$27,899, door security systems for \$21,000, video conferencing equipment for \$14,822, and a 2009 Chevy Suburban for \$28,142.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT #20  
Flagler, Colorado  
Management Discussion and Analysis  
For Fiscal Year Ended June 30, 2019  
(continued)

Economic Factors and Next Year's Budget and Rates

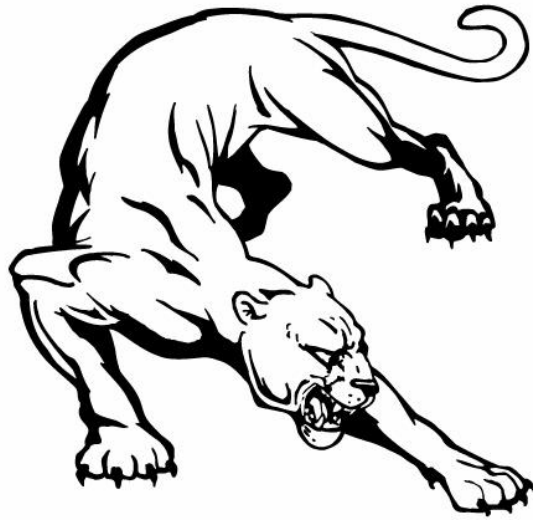
The FY 20 budget is stable. The district does plan to apply for a BEST grant, utilizing some of the capital reserves with no plans to consider a bond or MLO. The reserves are at a healthy amount and the district will utilize the funds very strategically. Enrollment figures are decreased, and we may experience a small decrease in state funding in the years to come. Staff changes this year will likely allow salary costs to remain fairly stable as new hires are newer to the teaching profession. Special education costs have increased due to an increase of enrollment in special education students; and staff changes due to this increase may produce more instructional expenses. The Board of Education provided certified and classified staff raises this last year, as well as covered insurance premium increases. These increases in salaries and contributions to benefits allow the District to compensate at a level comparable to other nearby rural districts.

Currently our district is in a good financial position, with adequate reserves that would continue to assist the district in maintaining expenses if a sudden decrease in revenue were to occur. The General Fund's ending fund balance increased from \$2,343,123 in the last year to \$2,669,503. Increases in the fund balance also allow the district to make fiscally responsible allocations to offset the effects of possible rescission in state allocations or to build the district's Capital Projects funds.

Considering that enrollment has decreased, and, as we continue to access grants for capital upgrades, the district's financial position is expected to remain stable. In light of the state's refusal to backfill the budget stabilization factor's impact on the district's budget, which now equates to over 1 ½ years of funding, the district will continue to save and spend wisely, while focusing on priority capital projects.

Contacting the District Financial Management

The Districts financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning the information provided in this report or requests for additional information should be addressed to the Superintendent of Schools at Arriba-Flagler CSD #20, P.O. Box 218, Flagler, CO 80815



## BASIC FINANCIAL STATEMENTS

## ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20

Flagler, Colorado  
Statement of Net Position  
June 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	2,205,703
Certificates of deposit	725,750
Accounts/Grants receivable	11,465
Inventory	9,835
Accrued property taxes receivable	<u>36,691</u>
Total Current Assets	2,989,445
Capital assets, net	<u>2,256,291</u>
Total Assets	5,245,735
DEFERRED OUTFLOWS OF RESOURCES	1,144,559
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	21,671
Accrued salaries payable	158,870
Unearned revenue	<u>1,054</u>
Total Current Liabilities	181,595
Noncurrent Liabilities	
Net Pension liability	3,699,669
Net Health Care Trust Fund Liability	<u>184,776</u>
Total Noncurrent Liabilities	<u>3,884,445</u>
Total Liabilities	4,066,041
NET INFLOWS	2,860,878
<b>NET POSITION</b>	
Invested in capital assets	2,256,291
Restricted for TABOR	75,694
Unrestricted	<u>(2,868,610)</u>
Total Net Position	<u>(536,626)</u>

See auditor's report and notes to the financial statements.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Statement of Activities  
 For the Year Ended June 30, 2019

		<u>Program Revenues</u>		
	<u>Expenses</u>	<u>Charges for Service</u>	<u>Operating Grants &amp; Contributions</u>	<u>Capital Grants &amp; Contributions</u>
Instructional	1,015,842	4,016	291,711	7,603
Support Services				
Pupil services	46,153			
Instructional services	40,620			
General administration	121,071			
School administration	101,713			
Business services	65,088			
Operations & maintenance	262,135			31,908
Pupil transportation	132,962		32,469	
Other support services	44,494			
Noninstructional Services				
Non-Athletic	11,778			
Athletic programs	36,214			
Food Services	<u>103,553</u>	<u>36,125</u>	<u>69,183</u>	<u>0</u>
Total Governmental Activities	1,981,623	40,142	393,363	39,511

General revenues:

Taxes

    Property taxes, levied for general purposes

    Specific ownership taxes

State Equalization

Miscellaneous

Investment earnings

    Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

Net (Expense) Revenue and  
Changes in Net Position

Governmental  
Activities

(712,511)

(46,153)

(40,620)

(121,071)

(101,713)

(65,088)

(230,227)

(100,492)

(44,494)

(11,778)

(36,214)

1,755

(1,508,607)

839,483

73,806

1,245,201

85,306

8,756

2,252,552

743,945

(1,280,571)

(536,626)

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Balance Sheet  
 Governmental Funds  
 June 30, 2019

	<u>General</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	2,076,138	129,565	2,205,703
Certificates of deposit	725,750	0	725,750
Accounts/Grants receivable	11,465	0	11,465
Inventory	0	9,835	9,835
Accrued property taxes receivable	<u>36,691</u>	<u>0</u>	<u>36,691</u>
Total Assets	<u>2,850,044</u>	<u>139,400</u>	<u>2,989,445</u>
 <b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Accounts payable	21,671	0	21,671
Accrued salaries payable	158,870	0	158,870
Unearned revenue	<u>0</u>	<u>1,054</u>	<u>1,054</u>
Total Liabilities	180,541	1,054	181,595
 Fund Balances			
Restricted for TABOR emergency reserve	75,694	0	75,694
Nonspendable	0	9,835	9,835
Committed for capital projects	0	117,022	117,022
Assigned	0	11,488	11,488
Unassigned	<u>2,593,809</u>	<u>0</u>	<u>2,593,809</u>
Total Fund Balances	<u>2,669,503</u>	<u>138,346</u>	<u>2,807,849</u>
 Total Liabilities and Fund Balances	 <u>2,850,044</u>	 <u>139,400</u>	 <u>2,989,445</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Balance Sheet  
 Governmental Funds  
 June 30, 2019

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position

Total Governmental Fund Balances	2,807,849
Amounts reported for governmental activities in the statement of net position are different because of the following:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	2,256,291
Deferred outflows of resources are not financial resources and thus are not reported as assets in government funds.	1,144,559
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(3,884,445)
Deferred inflows of resources are not financial resources and thus are not reported as assets in governmental funds	<u>(2,860,878)</u>
Net Position of Governmental Activities	<u>(536,626)</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2019

	<u>General</u>	<u>NonMajor Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local Sources			
Property taxes	839,483	0	839,483
Specific ownership taxes	73,806	0	73,806
Interest on investments	8,653	103	8,756
Charges for service	0	36,125	36,125
Other	109,085	0	109,085
State Sources			
Equalization	1,245,201	0	1,245,201
Transportation	32,469	0	32,469
Special funding for PERA	29,080	0	29,080
BOCES	79,168	0	79,168
Other	101,951	35,939	137,891
Federal Sources	<u>66,752</u>	<u>65,152</u>	<u>131,904</u>
Total Revenues	2,585,649	137,320	2,722,969
<b>EXPENDITURES</b>			
Current			
Instruction	1,230,135	0	1,230,135
Pupils - health & guidance	46,153	0	46,153
Instructional staff - library	51,527	0	51,527
General administration	154,238	0	154,238
School administration	137,794	0	137,794
Business services	79,485	0	79,485
Operations & maintenance	288,127	0	288,127
Transportation	135,891	0	135,891
Other services	44,494	0	44,494
Food Service	0	112,455	112,455
Capital Outlay	<u>59,424</u>	<u>48,899</u>	<u>108,323</u>
Total Expenditures	<u>2,227,269</u>	<u>161,354</u>	<u>2,388,623</u>
Revenues over (under)			
Expenditures	358,380	(24,035)	334,345

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Governmental Funds  
 For the Year Ended June 30, 2019  
 (continued)

	<u>General</u>	<u>NonMajor</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Other Financing Sources (Uses)			
Operating Transfers In (Out)	<u>(32,000)</u>	<u>32,000</u>	<u>0</u>
Revenues and Other Sources over (under) Expenditures and Other Uses	326,380	7,965	334,345
Fund Balance - Beginning	<u>2,343,123</u>	<u>130,381</u>	<u>2,473,504</u>
Fund Balance - Ending	<u>2,669,503</u>	<u>138,346</u>	<u>2,807,849</u>

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
 Balances of Governmental Funds to the Statement of Activities

Net change in fund balances - total governmental funds			334,345
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeds capital outlays in the period.			
Capital outlays		91,863	
Depreciation expense		<u>(154,342)</u>	(62,479)
Some income(expenses) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as income(expenditures) in governmental funds.			
Pension income			471,807
Noncash revenue from State for PERA			2,599
Other post-employment benefit expenses			<u>(2,328)</u>
Change in net position of government activities			<u>743,945</u>

## ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20

Flagler, Colorado

Statement of Fiduciary Net Position

Student Activity Agency Fund

June 30, 2019

Student  
Activity  
Fund

## ASSETS

Cash in bank

105,671

## LIABILITES

Due to student activities

105,671

## NET POSITION

0

## Notes to the Financial Statements

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
Notes to the Financial Statements  
June 30, 2019

- (1) The district was formed pursuant to a majority vote of the residents of Arriba-Flagler School District R-1, Flagler, Colorado and Lincoln County School District RE-31, Arriba, Colorado. The district was formed as of August 22, 1984.
- (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The District is a political subdivision of the State of Colorado which is governed by an elected board of 5 members. A summary of the Arriba-Flagler Consolidated School District Number 20's significant accounting policies applied in the preparation of these financial statements follows.

A. Reporting Entity

The Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", established the criteria for determining the activities, organizations and functions of government to be included in the financial statements of the reporting entity. In evaluating the school as a reporting entity, management has addressed all potential component units which may or may not fall within the District's financial accountability. The criteria used to evaluate component units for possible inclusion as part of the District's reporting entity are financial accountability and the nature and significance of the relationship. The District is considered to be a primary government because it has a separately elected governing body, it is legally separate, and it is fiscally independent of other state and local governments. It has no component units. Neither is it a component unit of any other entity.

This report includes all funds of Arriba-Flagler Consolidated School District Number 20.

B. Basis of Presentation

Government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the school district. As a general rule, the effect of interfund activity has been eliminated from these statements.

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

Fund financial statements are also provided in the report for all of the governmental funds, and the fiduciary funds of the district. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Notes to Financial Statements  
 June 30, 2019  
 (continued)

The District reports the following major governmental funds:

The General Fund is the district's primary operating fund. It accounts for all financial resources except those required to be in another fund.

The Capital Projects Fund accumulates funds to pay for capital projects.

Additionally the district reports the Student Activity Agency Fund which accounts for cash held by the district for related organizations. It is custodial in nature and does not involve measurement of results of operations.

C. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Net position (total assets less total liabilities) are used as a practical measure of economic resources and the operating statement includes all transactions and events that increased or decreased net position. Depreciation is charged as expense against current operations and accumulated depreciation is reported on the statement of net position.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible with the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Revenues from federal, state, and other grants designated for payment of specific school district expenditures are recognized when the related expenditures are incurred; accordingly, when such funds are received, they are recorded as deferred revenues until earned. 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.

D. Budgets and Budgetary Accounting

All funds must have budgets to be allowed expenditures. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at year end.

Budget Calendar -

Submission of a proposed budget to the Board of Education is due by May 31. On June 10, or within ten days after submission of the proposed budget, a notice shall be published stating the proposed budget is on file and available for inspection.

The last date for final adoption of the budget and appropriation resolution is June 30.

January 31 is last date to change adopted budget.

By December 15, the Board of Education certifies to County Commissioners the mill levy against the assessed valuation for the general and bond redemption funds.

The legal level of budgetary control is at the individual fund level.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
Notes to Financial Statements  
June 30, 2019  
(continued)

E. Encumbrances

Encumbrance accounting where purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the District.

F. Assets, Liabilities, Fund Balances and Net Position

1. Deposits

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the District to deposit funds in institutions who are members of the Federal Deposit Insurance Corporation to the extent that the deposit is insured or is secured by pledge of eligible collateral as required by CRS 11-10.5-107

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/due from other funds".

Accounts receivable and property taxes receivables are shown at gross. Uncollectibles have not been material.

3. Inventories

The purchase method is used to account for inventories in the governmental funds. Under this method, inventories are recorded as expenditures when purchased.

A physical inventory was taken as of June 30, 2019 for the Food Services special revenue fund. The inventory consisted of government donated commodities which were valued at estimated fair market value, and purchased commodities and supplies were both valued at cost using the first-in, first-out (FIFO) method.

4. Capital Assets

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

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.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Notes to Financial Statements  
 June 30, 2019  
 (continued)

Property, plant and equipment are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Site improvements	10-30
Buildings	10-50
Equipment	5-20
Vehicles	7-10

The District does not have any infrastructure assets.

5. Compensated Absences

Employees are allowed 10 days per year, two of which may be personal, and 3 may be professional. Six (6) days may be accumulated per year to a maximum of 90 days. Employees who retire with between 15 and 19 years of service will be entitled to be paid at the rate of \$65 per day, those who retire with between 20 and 29 years will be paid at the rate of \$75, and those who retire with more than 30 years will be paid at the rate of \$85. These amounts will be paid at 1/3 each year for 3 years on June 15 of the year of retirement and the subsequent two years. The liability is not considered to be material.

6. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities of statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds issuance costs are reported as deferred charges and amortized over the term of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure. Actual results could differ from those estimates.

8. Fund Balances and Net Position

In the government-wide financial statements, net position are classified in the following categories;

Invested in Capital Assets, net of related debt– this category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding debt balances that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net position – indicates that portion of net position which has been legally segregated for specific purposes or is not available for appropriation

Unrestricted Net position – represents the amount which is not reserved for any purpose and is available for appropriation and expenditure in future periods.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Notes to Financial Statements  
 June 30, 2019  
 (continued)

When both restricted and unrestricted funds are available, restricted are deemed first spent.

In the fund financial statements, fund balances of governmental funds are classified in the following categories;

Nonspendable – amounts that cannot be spent because they are either in not spendable form such as inventory and prepaid expenses, or legally or contractually required to be maintained intact such as the corpus of a permanent fund which is required to be retained in perpetuity. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale.

Restricted – when constraints placed on the use of resources either (a) externally imposed by creditors or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – amounts that can be only used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be changed except by taking the same type of action employed to previously commit these amounts.

Assigned – amounts that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the governing body itself, or the Superintendent who has been delegated the authority to assign amounts to be used for specific purposes.

Unassigned – the residual for the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount.

When committed, assigned, or unassigned funds are available, committed is first spent, then assigned.

At June 30, 2019 the amounts restricted was \$75,694 for the TABOR Reserve and the amount unassigned was \$2,593,809. Within the governmental fund financial statements, amounts committed include \$117,022 for capital projects; the amount nonspendable for food service is \$9,835; and the amount assigned for food service is \$11,488.

### (3) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The District believes it is in compliance with the requirements of the amendment. However, the District has made certain interpretations of the amendment’s language in order to determine its compliance. In November 1997, voters of the District approved a ballot issue which allows the District to collect, retain, and expend revenues from all sources, without limit.
- B. The District is in compliance with Financial Policies and Procedures Handbook prepared by the Colorado Department of Education.
- C. On March 27, 2018 the District purchased a house to provide daycare services to the community. The District then entered into a lease agreement with an unrelated party to operate the daycare, which commenced in June 2018 and expires June 2019. The lease agreement has a stated rental rate of \$1 per month.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Notes to Financial Statements  
 June 30, 2019  
 (continued)

(4) DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

- A. Deposits and Investments - all are in a single financial institution and carried at cost. Deposits are displayed on the balance sheets as "Cash in Bank" and "Certificates of Deposit".

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

The Colorado Division of Banking and Financial Services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk - the risk that, in the event of bank failure, the District's deposits may not be returned to it. The District does not have a written deposit policy for custodial credit risk.

At June 30, 2019, the District's cash deposits had a bank balance and carrying balance as follows:

	<u>Bank Balance</u>	<u>Carrying Balance</u>
Insured (FDIC) \$500,000	\$ 500,000	500,000
Deposits uncollateralized in a single institution pool	2,501,071	2,464,274
Cash on Hand	0	200
Cash with County Treasurer	<u>0</u>	<u>72,650</u>
Total Deposits	3,001,071	3,037,124
Shown as Certificates in Deposit		(725,750)
In Agency Fund		<u>(105,671)</u>
Cash		2,205,703

As presented above, deposits with a bank balance of \$2,501,071 and a carrying balance of \$2,464,274 as of June 30, 2019, are uninsured, are exposed to custodial credit risk, and are collateralized with securities held by the pledging financial institution.

- B. Accrued Property Taxes Receivable - the amount budgeted for the current year, not yet collected.

Property Tax Calendar - taxes are levied by December 15, tax bills are mailed January 1 of the following year, creating an enforceable lien on the property. If paid by installments of one-half each, the first is due February 28, the second June 15. If paid in one payment, the due date is April 30. Taxes are delinquent if not paid by those dates. Notice of delinquencies are mailed in September, and tax sales scheduled for November.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
Notes to the Financial Statements  
June 30, 2019  
(continued)

C. Changes in General Fixed Assets

	Beginning <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	Ending <u>Balance</u>
Governmental Activities				
Sites	85,170	0	0	85,170
Site Improvements	223,395	0	0	223,395
Buildings	3,687,794	27,899	0	3,715,693
Equipment	628,948	35,822	0	664,770
Transportation	<u>441,864</u>	<u>28,142</u>	<u>(12,686)</u>	<u>457,320</u>
Total	5,067,171	91,863	(12,686)	5,146,348
Less Accumulated Depreciation				
Site Improvements	102,664	8,855	0	111,519
Buildings	1,994,561	85,342	0	2,079,903
Equipment	357,938	38,077	0	396,015
Transportation	<u>293,238</u>	<u>22,068</u>	<u>(12,686)</u>	<u>302,620</u>
Total	<u>2,748,401</u>	<u>154,342</u>	<u>(12,686)</u>	<u>2,890,057</u>
Government Activities				
Capital Assets, Net	<u>2,318,770</u>	<u>(62,479)</u>	<u>0</u>	<u>2,256,291</u>

Depreciation expense for the governmental activities was allocated \$126,085 to Instruction, \$22,068 to Transportation, and \$6,189 to food service.

D. Changes in Noncurrent Liabilities

	Balance <u>July 1</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30</u>
Net Health Care Trust Fund Liability	174,703	21,828	(11,755)	184,776
Net Pension Liability	<u>7,650,424</u>	<u>19,271</u>	<u>(3,970,026)</u>	<u>3,699,669</u>
Total	<u>7,825,127</u>	<u>41,099</u>	<u>(3,981,781)</u>	<u>3,884,445</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Notes to the Financial Statements  
 June 30, 2019  
 (continued)

(5) OTHER INFORMATION

- A. Risk Management - The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has joined Colorado School District Self Insurance Pool (CSDSIP), a public entity risk pool currently operating as a common risk management and insurance program for members. The District pays an annual premium to CSDSIP for its property and casualty and workers' compensation insurance coverage. The intergovernmental agreement of formation of CSDSIP provides that the Pool will be financially self-sustaining through member contributions and additional assessments, if necessary, and the Pool will purchase excess insurance through commercial companies for members' claims in excess of a specified self-insured retention, which is determined each policy year.

The District carries commercial insurance for all risks or loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

- B. Accrued Salaries and Benefits Payable - teachers and certain other instructional employees are budgeted and paid over a twelve month period from September 1 to August 31 but are earned over a school year of approximately a nine month period. The salaries earned but not paid at June 30 are shown as an accrued liability.
- C. Transfers - The General Fund transferred \$12,000 to the Food Service fund and \$20,000 to the Capital Projects Fund.
- D. Defined Benefit Pension Plan

**Summary of Significant Accounting Policies**

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB) 18-200: *Concerning Modifications To the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years.* The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 for the SCHDTF are listed below. A full copy of the bill can be found online at [www.leg.colorado.gov](http://www.leg.colorado.gov).

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a non-employer contribution for financial reporting purposes.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Notes to the Financial Statements  
 June 30, 2019  
 (continued)

- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.
- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

### **General Information about the Pension Plan**

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

*Benefits provided as of December 31, 2018.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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

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

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
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Notes to the Financial Statements  
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(continued)

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

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

*Contributions provisions as of June 30, 2019:* Eligible employees, of the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8 percent of their PERA-includable salary during the period of July 1, 2018 through June 30, 2019. Employer contribution requirements are summarized in the table below:

	January 1, 2018 Through December 31, 2018	January 1, 2019 Through June 30, 2019
Employer contribution rate	10.15%	10.15%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%	(1.02)%
Amount apportioned to the SCHDTF	9.13%	9.13%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.13%</b>	<b>19.13%</b>

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. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a non-employer contribution for financial reporting purposes.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$228,029 for the year ended June 30, 2019.

**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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total pension liability to December 31, 2018. The District's proportion of the net pension liability was based on June 30, 2019 contributions to the SCHDTF for the calendar year 2017 relative to the total contributions of participating employers and the State as a non-employer contributing entity.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
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At June 30, 2019, the District reported a liability of \$3,699,669 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a non-employer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a non-employer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$3,699,669
The State's proportionate share of the net pension liability as a non-employer contributing entity associated with the District.	\$445,027
Total	\$4,144,696

At December 31, 2018, the District's proportion was 0.0208937607 percent, which was a decrease of 0.0027650664 percent from its proportion measured as of December 31, 2017.

For the year ended June 30, 2019, the District recognized pension income of \$471,807 and revenue of \$2,599 for support from the State as a non-employer contributing entity. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	125,497	-0-
Changes of assumptions or other inputs	690,559	2,300,796
Net difference between projected and actual earnings on pension plan investments	201,655	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-0-	555,952
Contributions subsequent to the measurement date	116,110	N/A
Total	1,133,822	2,856,749

There was \$116,110 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending June 30:</b>	
2020	(233,851)
2021	(207,777)
2022	(114,324)
2023	-0-
2024	-0-
Thereafter	-0-

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*Actuarial assumptions.* The total pension liability in the December 31, 2017 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	4.78 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07;	and DPS benefit structure (automatic)
	2.00 percent compounded annually
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

The revised assumptions shown below were reflected in the roll-forward calculation of the total pension liability from December 31, 2017 to December 31, 2018:

Discount rate	7.25 percent
Post-retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic)	0% through 2019 and 1.5% compounded annually, thereafter
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve

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

Healthy, post-retirement mortality assumptions reflect the RP-2014 White Collar Healthy Annuitant Mortality Table, adjusted as follows:

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

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

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

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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%
<b>Total</b>	<b>100.00%</b>	

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

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- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law for each year, including the scheduled increase in SB 18-200. Employer contributions also include the current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point, the AED and SAED will each drop 0.50% every year until they are zero. Additionally, estimated employer contributions included 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 will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial 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.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

As of the prior measurement date, the long-term expected rate of return on plan investments of 7.25 percent and the municipal bond index rate of 3.43 percent were used in the discount rate determination resulting in a discount rate of 4.78 percent, 2.47 percent lower compared to the current measurement date.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	4,703,497	3,699,669	2,857,289

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

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E. Other Post-Employment Benefits

Health Care Trust Fund

**Summary of Significant Accounting Policies**

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

**General Information about the OPEB Plan**

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

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

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

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

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*PERA Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

*DPS Benefit Structure*

The maximum service-based premium subsidy is \$230 per month for retirees who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for retirees who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The retiree pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$12,159 for the year ended June 30, 2019.

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

At June 30, 2019, the District reported a liability of \$184,776 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2017. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2018. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2018 relative to the total contributions of participating employers to the HCTF.

At December 31, 2018, the District's proportion was 0.0135810576 percent, which was an increase of 0.0001382120 percent from its proportion measured as of December 31, 2017.

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For the year ended June 30, 2019, the District recognized OPEB expense of \$2,328. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	671	281
Changes of assumptions or other inputs	1,296	-0-
Net difference between projected and actual earnings on OPEB plan investments	1,063	-0-
Changes in proportion and differences between contributions recognized and proportionate share of contributions	1,517	3,849
Contributions subsequent to the measurement date	6,191	N/A
Total	10,737	4,130

There was \$6,191 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, 2020. 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 ending June 30:	
2020	(640)
2021	(640)
2022	(640)
2023	(640)
2024	216
Thereafter	12

*Actuarial assumptions.* The total OPEB liability in the December 31, 2017 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	5.00 percent
Medicare Part A premiums	3.25 percent for 2018, gradually rising to 5.00 percent in 2025
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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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, 2017, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting. In addition, certain actuarial assumptions pertaining to per capita health care costs and their related trends are analyzed and reviewed by PERA's actuary, as discussed below.

In determining the additional liability for PERACare enrollees who are age sixty-five or older and who are not eligible for premium-free Medicare Part A, the following monthly costs/premiums are assumed for 2018 for the PERA Benefit Structure:

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>	<b>Premiums for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$736	\$367
Kaiser Permanente Medicare Advantage HMO	602	236
Rocky Mountain Health Plans Medicare HMO	611	251
UnitedHealthcare Medicare HMO	686	213

The 2018 Medicare Part A premium is \$422 per month.

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

<b>Medicare Plan</b>	<b>Cost for Members Without Medicare Part A</b>
Self-Funded Medicare Supplement Plans	\$289
Kaiser Permanente Medicare Advantage HMO	300
Rocky Mountain Health Plans Medicare HMO	270
UnitedHealthcare Medicare HMO	400

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 heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 2017, 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.

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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
2018	5.00%	3.25%
2019	5.00%	3.50%
2020	5.00%	3.75%
2021	5.00%	4.00%
2022	5.00%	4.25%
2023	5.00%	4.50%
2024	5.00%	4.75%
2025+	5.00%	5.00%

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

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

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

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

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

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

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

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

As of the 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%
<b>Total</b>	<b>100.00%</b>	

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
PERACare Medicare trend rate	4.00%	5.00%	6.00%
Initial Medicare Part A trend rate	2.25%	3.25%	4.25%
Ultimate Medicare Part A trend rate	4.00%	5.00%	6.00%
Net OPEB Liability	179,674	184,776	190,645

*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, 2018, measurement date.

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- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	206,748	184,776	165,992

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

- F. Joint Venture - The District participates in the East Central Board of Cooperative Educational Services which is not reflected in these financial statements. One member of the board is from the District. The Board has final authority for all budgeting and financing of the joint venture.

Each member pays a \$2500 membership fee and then contributes additional monies in the relationship their student enrollment is to the total enrollment of all the members.

At June 30, 2018, total assets were \$3,327,744, total deferred outflows of resources were \$5,904,957, total liabilities were \$20,049,626, total deferred inflows of resources were \$1,234,522, total net position was (\$12,051,447), revenues were \$8,973,067, and expenses were \$12,249,299.

Complete financial statements may be obtained from BOCES office at 820 Second Street, Limon, CO 80828.

REQUIRED SUPPLEMENTARY INFORMATION

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
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 Budgetary Comparison Schedule - Major Governmental Funds  
 For the Year Ended June 30, 2019  
 General Fund

	<u>Budgeted Amounts</u>			Variance With
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				<u>(Negative)</u>
<b>REVENUES</b>				
Local sources	948,650	948,650	1,031,027	82,377
State Sources	1,370,783	1,370,783	1,487,870	117,087
Federal Sources	<u>47,345</u>	<u>47,345</u>	<u>66,752</u>	<u>19,407</u>
Total Revenues	2,366,778	2,366,778	2,585,649	218,871
<b>EXPENDITURES</b>				
Current				
Instruction	1,209,243	1,209,243	1,230,135	(20,893)
Supporting Services				
Pupils	50,609	50,609	46,153	4,456
Instructional staff - library	62,693	62,693	51,527	11,166
General administration	168,117	168,117	154,238	13,879
School administration	147,168	147,168	137,794	9,374
Business services	83,548	83,548	79,485	4,063
Operations & maintenance	298,328	298,328	288,127	10,201
Pupil transportation	180,314	180,314	135,891	44,423
Other services	53,600	53,600	44,494	9,106
Appropriated Reserves	2,322,182	2,322,182	0	2,322,182
Capital Outlay	<u>102,100</u>	<u>102,100</u>	<u>59,424</u>	<u>42,676</u>
Total Expenditures	<u>4,677,902</u>	<u>4,677,902</u>	<u>2,227,269</u>	<u>2,450,633</u>
Excess of Revenues Over (Under)				
Expenditures	(2,311,124)	(2,311,124)	358,380	2,669,504
Other Financing Sources (Uses)				
Operating Transfers In (Out)	<u>(32,000)</u>	<u>(32,000)</u>	<u>(32,000)</u>	<u>0</u>
Excess of Revenues and Other Sources over				
(under) Expenditures & Other Uses	(2,343,124)	(2,343,124)	326,380	2,669,504
Fund Balance - Beginning	<u>2,343,124</u>	<u>2,343,124</u>	<u>2,343,123</u>	<u>(1)</u>
Fund Balance - Ending	<u>(0)</u>	<u>(0)</u>	<u>2,669,503</u>	<u>2,669,503</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado

Schedule of District's Proportionate Share of the Net Pension Liability-PERA School Division Trust Fund

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Proportion (percentage) of the collective net pension liability	0.020894%	0.023659%	0.024418%	0.025789%	0.025789%	0.026747%
Proportionate share of the collective net pension liability	3,699,669	7,650,424	7,270,239	3,744,815	3,495,286	3,321,618
Covered payroll	1,148,642	1,091,353	1,095,931	1,075,771	1,080,488	1,074,835
Proportionate share of the net pension liability as a percentage of its covered payroll	322.09%	701.00%	663.38%	348.11%	323.49%	309.04%
Plan fiduciary net position as a percentage of the total pension liability	57.01%	43.96%	43.10%	59.20%	62.80%	64.06%

Note 1: The amounts presented for each year were determined as of December 31.

Note 2: Information is not currently available for years prior to 2013; additional years will be displayed as they become available.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Schedule of Contributions and Related Ratios-PERA School Division Trust Fund  
 Last 10 Fiscal Years

As of June 30,	<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>	<u>2010</u>
Statutorily required contributions	228,029	209,277	199,463	190,892	182,737	172,266	159,389	157,884	140,525	140,895
Contributions in relation to the statutorily required contribution	<u>228,029</u>	<u>209,277</u>	<u>199,463</u>	<u>190,892</u>	<u>182,737</u>	<u>172,266</u>	<u>159,389</u>	<u>157,884</u>	<u>140,525</u>	<u>140,895</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	1,192,015	1,108,209	1,085,102	1,075,771	1,082,153	1,077,537	1,055,974	992,622	1,057,423	1,137,712
Contributions as a percentage of covered payroll	19.13%	18.88%	18.38%	17.74%	16.89%	15.99%	15.09%	15.91%	13.29%	12.38%

Note 1: Information above is presented as of the District's fiscal year.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Schedule of District's Proportionate Share of the Other Post-Employment Benefit  
 Liability-Health Care Trust Fund

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Proportion (percentage) of the collective net pension liability	0.0135810576%	0.0134428456%	0.0138795823%
Proportionate share of the collective net pension liability	184,776	174,703	179,954
Covered payroll	1,148,642	1,091,353	1,095,931
Proportionate share of the net pension liability as a percentage of its covered payroll	16.09%	16.01%	16.42%
Plan fiduciary net position as a percentage of the total pension liability	17.03%	17.53%	N/A

Note 1: The amounts presented for each year were determined as of December 31.

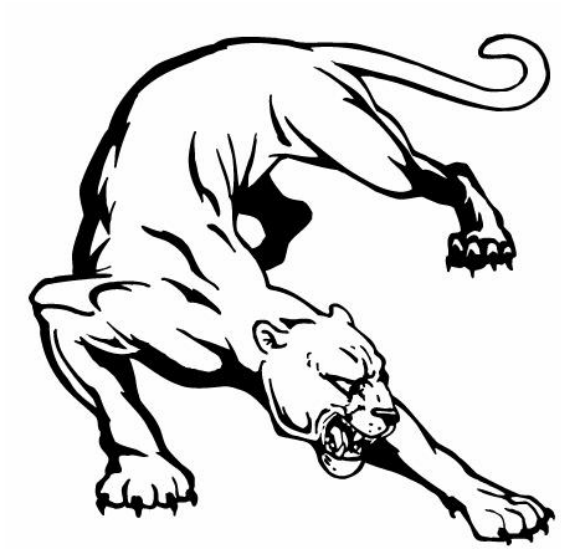
Note 2: Information is not currently available for years prior to 2016; additional years will be displayed as they become available.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Schedule of Contributions and Related Ratios-Health Care Trust Fund

As of June 30,	<u>2019</u>	<u>2018</u>	<u>2017</u>
Statutorily required contributions	12,159	11,304	11,068
Contributions in relation to the statutorily required contribution	<u>12,159</u>	<u>11,304</u>	<u>11,068</u>
Contribution deficiency (excess)	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	1,192,015	1,108,209	1,085,102
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%

Note 1: Information above is presented as of the District's fiscal year.

Note 2: Information is not currently available for years prior to 2017; additional years will be displayed as they become available.



## OTHER INFORMATION

## COMBINING STATEMENTS

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Combining Balance Sheet  
 NonMajor Governmental Funds  
 June 30, 2019

	<u>Food Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	12,542	117,022	129,565
Inventory	<u>9,835</u>	<u>0</u>	<u>9,835</u>
Total Assets	<u>22,378</u>	<u>117,022</u>	<u>139,400</u>
Unearned revenue	1,054	0	1,054
 <b>FUND BALANCE</b>			
Committed for capital projects	0	117,022	117,022
Nonspendable	9,835	0	9,835
Assigned	<u>11,488</u>	<u>0</u>	<u>11,488</u>
Total Fund Balance	<u>21,324</u>	<u>117,022</u>	<u>138,346</u>
 <b>TOTAL LIABILITIES AND FUND BALANCE</b>			
	<u>22,378</u>	<u>117,022</u>	<u>139,400</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
 NonMajor Governmental Funds  
 June 30, 2019

	<u>Food Service</u>	<u>Capital Projects</u>	<u>Total</u>
<b>REVENUES</b>			
Local			
Charges for service	36,125	0	36,125
Interest income	10	93	103
State Sources	4,031	31,908	35,939
Federal Sources	<u>65,152</u>	<u>0</u>	<u>65,152</u>
Total Revenues	105,318	32,002	137,320
<b>EXPENDITURES</b>			
Current			
Food service	112,455	0	112,455
Capital Outlay	<u>0</u>	<u>48,899</u>	<u>48,899</u>
Total Expenditures	<u>112,455</u>	<u>48,899</u>	<u>161,354</u>
Excess of Revenues over (under) Expenditures	(7,137)	(16,897)	(24,035)
Other Financing Sources (Uses)			
Operating Transfers In	<u>12,000</u>	<u>20,000</u>	<u>32,000</u>
Excess of Revenue and Other Sources over (under) Expenditures and Other Uses	4,863	3,103	7,965
Fund Balance - Beginning	<u>16,461</u>	<u>113,920</u>	<u>130,381</u>
Fund Balance - Ending	<u>21,324</u>	<u>117,022</u>	<u>138,346</u>

## INDIVIDUAL FUND STATEMENTS

## GENERAL FUND

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. It is the most significant fund in relation to the District's overall operation.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 General Fund  
 Comparative Balance Sheet

ASSETS	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
Cash			
On hand	200	200	0
In bank	2,003,288	1,788,149	215,139
With County Treasurer	72,650	6,106	66,544
Certificate of Deposit	<u>725,750</u>	<u>667,691</u>	<u>58,059</u>
Total Cash	2,801,888	2,462,146	339,742
Accounts/Grants Receivable	11,465	10,931	534
Accrued Property Tax Receivable	<u>36,691</u>	<u>37,295</u>	<u>(604)</u>
Total Assets	<u>2,850,044</u>	<u>2,510,372</u>	<u>339,672</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	11,676	5,379	6,297
Intergovernmental payable	9,995	7,610	2,385
Accrued salaries & benefits payable	<u>158,870</u>	<u>154,260</u>	<u>4,610</u>
Total Liabilities	180,541	167,249	13,292
Fund Balance			
Restricted for TABOR	75,694	74,464	1,230
Unassigned	<u>2,593,809</u>	<u>2,268,659</u>	<u>325,150</u>
Total Fund Balance	<u>2,669,503</u>	<u>2,343,123</u>	<u>326,380</u>
Total Liabilities and Fund Balance	<u>2,850,044</u>	<u>2,510,372</u>	<u>339,672</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
General Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
<b>LOCAL SOURCES</b>				
Property Taxes	838,086	837,436	(650)	843,944
Specific ownership taxes	76,157	73,806	(2,351)	67,192
Delinquent taxes & interest	3,000	2,047	(953)	3,287
Interest on investments	2,000	8,653	6,653	4,780
Other	<u>29,407</u>	<u>109,085</u>	<u>79,678</u>	<u>60,273</u>
Total Local Sources	948,650	1,031,027	82,377	979,475
<b>STATE SOURCES</b>				
Equalization	1,250,112	1,245,201	(4,911)	1,185,146
Transportation	44,368	32,469	(11,899)	34,325
Vocational education	18,959	0	(18,959)	21,056
Pension Special Funding	0	29,080	29,080	0
BOCES flowthrough	53,044	79,168	26,124	31,151
Other grants	<u>4,300</u>	<u>101,951</u>	<u>97,651</u>	<u>99,596</u>
Total State Sources	1,370,783	1,487,870	117,087	1,371,275
<b>FEDERAL SOURCES</b>				
Grants	17,845	36,705	18,860	27,798
BOCES flowthrough	<u>29,500</u>	<u>30,047</u>	<u>547</u>	<u>33,243</u>
Total Federal Sources	<u>47,345</u>	<u>66,752</u>	<u>19,407</u>	<u>61,041</u>
Total Revenues	2,366,778	2,585,649	218,871	2,411,791
Expenditures	<u>4,677,902</u>	<u>2,227,269</u>	<u>2,450,633</u>	<u>2,294,186</u>
Excess of Revenues Over (Under) Expenditures	(2,311,124)	358,380	2,669,504	117,605
Other Financing Uses				
Operating Transfers In (Out)	<u>(32,000)</u>	<u>(32,000)</u>	<u>0</u>	<u>(22,751)</u>
Excess of Revenues Over (Under) Expenditures & Other Uses	(2,343,124)	326,380	2,669,504	94,854
Fund Balance - Beginning	<u>2,343,124</u>	<u>2,343,123</u>	<u>(1)</u>	<u>2,248,269</u>
Fund Balance - Ending	<u>0</u>	<u>2,669,503</u>	<u>2,669,503</u>	<u>2,343,123</u>

See auditor's report and notes to the financial statements.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 General Fund  
 Statement of Expenditures  
 Budget and Actual  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
<b>INSTRUCTION</b>				
Current				
Salaries	760,588	802,097	(41,509)	766,382
Employee benefit	280,789	333,153	(52,364)	274,861
Purchased services	89,764	54,375	35,389	68,056
Supplies & expenses	61,034	28,079	32,955	29,574
Other	17,068	12,431	4,637	11,221
Capital Outlay	<u>16,000</u>	<u>29,132</u>	<u>(13,132)</u>	<u>133,289</u>
Total Instruction	1,225,243	1,259,267	(34,024)	1,283,383
<b>SUPPORTING SERVICES</b>				
Pupils-Health & Guidance				
Current				
Employee benefits	0	38	(38)	0
Purchased services	49,009	45,456	3,553	48,733
Supplies & expenses	1,300	659	641	383
Other	<u>300</u>	<u>0</u>	<u>300</u>	<u>0</u>
Total Pupils	50,609	46,153	4,456	49,116
Instructional Staff-Library				
Current				
Salaries	25,175	28,527	(3,352)	29,280
Employee benefits	12,068	11,448	620	12,225
Purchased services	22,250	9,392	12,858	9,940
Supplies & expenses	<u>3,200</u>	<u>2,161</u>	<u>1,039</u>	<u>1,494</u>
Total Instructional Staff	62,693	51,527	11,166	52,939
General Administration				
Current				
Salaries	85,170	89,617	(4,447)	87,362
Employee benefits	26,717	28,542	(1,825)	26,009
Purchased services	39,255	31,734	7,521	29,914
Supplies & expenses	11,875	3,062	8,813	2,404
Other expenses	5,100	1,283	3,817	8,373
Capital Outlay	<u>1,100</u>	<u>1,100</u>	<u>0</u>	<u>0</u>
Total General Administration	169,217	155,338	13,879	154,063

See auditor's report and notes to the financial statements.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 General Fund  
 Statement of Expenditures  
 Budget and Actual  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018  
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>	Actual Prior <u>Year</u>
School Administration				
Current				
Salaries	94,018	94,362	(344)	95,950
Employee benefits	33,800	36,652	(2,852)	33,682
Purchased services	4,400	2,835	1,565	1,933
Supplies & expenses	14,950	3,944	11,006	10,721
Other expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total School Administration	147,168	137,794	9,374	142,287
Business Services				
Current				
Salaries	37,450	37,653	(203)	40,252
Employee benefits	12,401	13,290	(889)	13,273
Purchased services	28,697	26,971	1,726	25,801
Supplies & expenses	<u>5,000</u>	<u>1,571</u>	<u>3,429</u>	<u>1,074</u>
Total Business Services	83,548	79,485	4,063	80,400
Operations & Maintenance				
Current				
Salaries	75,000	70,722	4,278	69,455
Employee benefits	32,003	36,577	(4,574)	29,336
Purchased services	90,080	88,642	1,438	51,065
Supplies & expenses	101,245	92,185	9,060	79,987
Capital Outlay	<u>0</u>	<u>1,050</u>	<u>(1,050)</u>	<u>14,735</u>
Total Operations & Maintenance	298,328	289,177	9,151	244,578
Pupil Transportation				
Current				
Salaries	66,400	65,376	1,024	67,904
Employee benefits	19,687	19,807	(120)	18,922
Purchased services	35,427	24,395	11,032	14,125
Supplies & expenses	58,800	37,963	20,837	36,427
Other expenses	0	(11,649)	11,649	(8,680)
Capital Outlay	<u>85,000</u>	<u>28,142</u>	<u>56,858</u>	<u>103,580</u>
Total Transportation	265,314	164,034	101,281	232,279

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 General Fund  
 Statement of Expenditures  
 Budget and Actual  
 For the Year Ended June 30, 2019  
 With Comparative Actual Amounts for the Year Ended June 30, 2018  
 (continued)

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
Other Services				
Purchased services	53,600	44,494	9,106	43,422
Total Supporting Services	1,130,477	968,002	162,475	999,103
FACILITIES ACQUISITION				
Capital Outlay	0	0	0	11,700
Appropriated Reserves	2,322,182	0	2,322,182	0
Total Expenditures	<u>4,677,902</u>	<u>2,227,269</u>	<u>2,450,633</u>	<u>2,294,186</u>

## SPECIAL REVENUE FUND

Food Service Fund - to account for the revenue and expenditures with providing hot meals to students, teachers, and visitors.

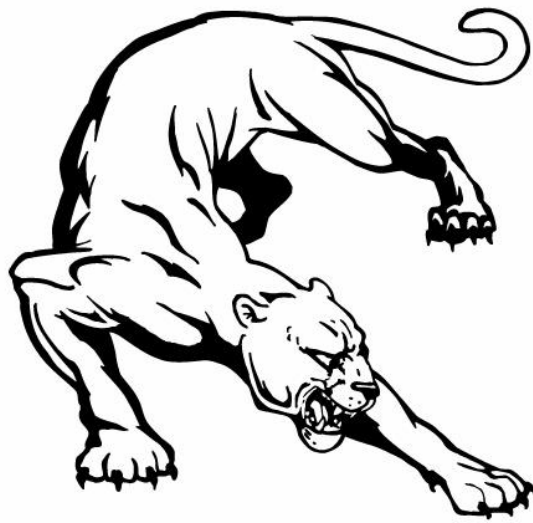
ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Food Services Special Revenue Fund  
 Comparative Balance Sheet

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
<b>ASSETS</b>			
Current Assets			
Cash in bank	12,542	7,923	4,619
Inventory	<u>9,835</u>	<u>9,820</u>	<u>15</u>
Total Assets	<u>22,378</u>	<u>17,742</u>	<u>4,635</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Current Liabilities			
Unearned Revenue	1,054	1,281	(227)
Fund Balance			
Nonspendable	9,835	9,820	15
Assigned	<u>11,488</u>	<u>6,642</u>	<u>4,846</u>
Total Fund Balance	<u>21,324</u>	<u>16,461</u>	<u>4,862</u>
Total Liabilities and Fund Balance	<u>22,378</u>	<u>17,742</u>	<u>4,635</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
Food Services Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
For the Year Ended June 30, 2019  
With Comparative Actual Amounts for the Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
<b>REVENUES</b>				
Charges for Service				
Food sales	39,000	36,125	(2,875)	39,903
Interest income	5	10	5	10
State Grants	2,100	4,031	1,931	2,531
Federal Aid				
Lunches	65,000	58,861	(6,139)	65,230
Donated commodities	<u>0</u>	<u>6,291</u>	<u>6,291</u>	<u>6,240</u>
Total Revenues	106,105	105,318	(787)	113,914
<b>EXPENDITURES</b>				
Salaries	39,697	39,466	231	40,744
Benefits	17,857	15,589	2,268	19,959
Food & Milk	65,500	52,472	13,028	67,498
Purchased Services	1,600	1,250	350	1,108
Supplies	3,741	3,678	63	1,487
Contingency Reserve	<u>6,170</u>	<u>0</u>	<u>6,170</u>	<u>0</u>
Total Expenses	<u>134,565</u>	<u>112,455</u>	<u>22,110</u>	<u>130,796</u>
Excess Revenues Over (Under) Expenditures	(28,460)	(7,137)	21,323	(16,882)
Other Sources				
Operating transfers in	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>6,000</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(16,460)	4,863	21,323	(10,882)
Fund Balance - Beginning	<u>16,460</u>	<u>16,461</u>	<u>1</u>	<u>27,343</u>
Fund Balance - Ending	<u>(0)</u>	<u>21,324</u>	<u>21,324</u>	<u>16,461</u>

See auditor's report and notes to the financial statements.



## CAPITAL PROJECTS FUND

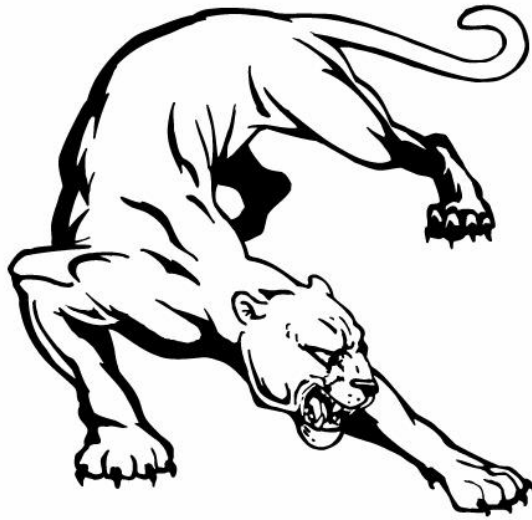
Capital Reserve Funds - to account for acquisition of land or improvements and construction of structures thereon, or acquisition of land with existing structures thereon and equipment and furnishing therein; construction of additions to existing structures; procurement of equipment for new buildings and additions to existing buildings and installation thereof; alterations and improvements to existing structures, where the estimated cost of such projects for labor and materials is in excess of two thousand five hundred dollars; installment purchase agreements or lease agreements with an option to purchase for a period not to exceed twenty years under which a school district becomes entitled to the use of real property and related equipment for a school site, building, or structure. Also allowed are lease agreements with option to purchase for a period of one year or less, including lease agreements consisting of a series of one-year terms renewable at the option of the district. Financing is provided by an allocation from the General fund.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Capital Reserve Capital Projects Fund  
 Comparative Balance Sheet

	<u>6/30/19</u>	<u>6/30/18</u>	<u>Change</u>
ASSETS			
Cash in Bank	117,022	91,154	25,868
Grants Receivable	<u>0</u>	<u>22,766</u>	<u>(22,766)</u>
Total Assets	<u>117,022</u>	<u>113,920</u>	<u>3,102</u>
COMMITTED FUND BALANCE	<u>117,022</u>	<u>113,920</u>	<u>3,102</u>

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Capital Reserve Capital Projects Fund  
 Statement of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual  
 For the Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	Actual Prior Year
<b>REVENUES</b>				
Local Sources				
Interest income	50	93	43	22
State Sources				
BEST grant	<u>93,636</u>	<u>31,908</u>	<u>(61,728)</u>	<u>27,526</u>
Total Revenues	93,686	32,002	(61,684)	27,548
<b>EXPENDITURES</b>				
Current				
Capital Outlay	84,065	48,899	35,166	181,079
Appropriated Reserve	<u>143,532</u>	<u>0</u>	<u>143,532</u>	<u>0</u>
Total Expenditures	<u>227,597</u>	<u>48,899</u>	<u>178,698</u>	<u>181,079</u>
Excess of Revenues Over (Under) Expenditures	(133,911)	(16,897)	117,014	(153,532)
Other Financing Sources (Uses)				
Operating transfers in (out)	<u>20,000</u>	<u>20,000</u>	<u>0</u>	<u>216,200</u>
Excess of Revenues and Other Sources Over (Under) Expenditures	(113,911)	3,103	117,014	62,668
Fund Balance - Beginning	<u>113,911</u>	<u>113,920</u>	<u>9</u>	<u>51,251</u>
Fund Balance - Ending	<u>0</u>	<u>117,022</u>	<u>117,022</u>	<u>113,920</u>



**AGENCY FUND**

Student Activity Fund - to act as custodian for the classes and activities of the District.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
Flagler, Colorado  
Student Activity Agency Fund  
Statement of Changes in Net Assets and Liabilities - Budget and Actual  
For the Year Ended June 30, 2019

	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Athletics Mileage	(1,289)	2,201	913	0
Athletics Football	417	183	600	0
Athletics Volleyball	2,557	(1,711)	846	0
Athletics Basketball	(111)	2,462	2,351	0
Athletic Jr High Bskball	0	671	671	0
Athletic Track	(60)	1,385	1,325	0
Athletics	1,458	12,225	4,152	9,532
Athletic Uniform	10,404	10,130	20,177	357
Girls Basketball	470	0	0	470
Volleyball Team	1,867	0	0	1,867
Boys Basketball	(239)	239	0	0
Boys Football	1,660	0	239	1,421
State Tournaments	(128)	2,489	0	2,361
Jr High Fund Raiser	224	0	0	224
Activity Tickets	3,225	2,800	6,025	0
Adult Activity Tickets	0	90	90	0
Class of 2017	1,892	0	1,892	0
Class of 2018	597	0	597	0
Class of 2019	9,505	4,429	13,428	505
Class of 2020	1,760	8,419	4,187	5,992
Class of 2021	2,742	5,423	810	7,355
Class of 2022	849	2,207	2,329	726
Class of 2023	902	2,363	1,308	1,957
Class of 2024	0	624	65	558
Sophomore Concessions	4,026	6,156	10,181	0
Education Association	1,450	821	724	1,546
F Club	5,841	813	189	6,465
FFA	4,156	58,774	44,956	17,974
FFA Greenhouse	0	86	85	1
FFA Scholarship	5,220	3,598	5,057	3,761
Student Council	1,734	3,179	3,222	1,691
FBLA	6,755	17,559	21,609	2,705
Edna S Memorial Scholarship	6,415	1,209	673	6,951
National Honor Society	858	762	690	931
Instructional	6,810	1,347	2,286	5,871
Annual	3,966	6,082	4,996	5,052
Miscellaneous	(3,459)	20,175	16,068	648

See auditor's report and notes to the financial statements.

ARRIBA-FLAGLER CONSOLIDATED SCHOOL DISTRICT NUMBER 20  
 Flagler, Colorado  
 Student Activity Agency Fund  
 Statement of Changes in Net Assets and Liabilities - Budget and Actual  
 For the Year Ended June 30, 2019  
 (continued)

	<u>July 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30</u>
Music	279	0	0	279
Summer Withholding	1,665	3,044	5,231	(522)
Pool Fund	2,438	0	0	2,438
Estate fund for Underprivileged	6,871	0	0	6,871
Flower Fund	513	296	138	671
Parent Involvement	36	228	214	49
Community Calendar	0	2,821	2,821	0
Ag Memorial Lance	2,085	0	0	2,085
James McDonald Memorial Scholarship	1,770	0	750	1,020
Preschool	1,490	1,641	874	2,257
Thunder Football	0	270	270	0
Thunder Track	0	500	465	35
Thunder Volleyball	1,161	5,356	5,294	1,223
Thunder Boys Basketball	2,489	2,505	3,846	1,148
Thunder Girls Basketball	<u>6,437</u>	<u>0</u>	<u>5,245</u>	<u>1,193</u>
Total	109,709	193,850	197,889	105,671
 Budget	 <u>109,709</u>	 <u>250,426</u>	 <u>360,135</u>	 <u>0</u>
Variance - Favorable (Unfavorable)	<u>0</u>	<u>(56,576)</u>	<u>162,246</u>	<u>105,671</u>

AUDITOR'S INTEGRITY REPORT



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1450 - Arriba-Flagler C-20  
 Fiscal Year 2018-19  
 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
<b>Governmental</b>							
10 General Fund	2,343,123		2,526,779		2,200,399		2,669,503
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		26,870		26,870		0
<b>Sub-Total</b>	<b>2,343,123</b>		<b>2,553,649</b>		<b>2,227,269</b>		<b>2,669,503</b>
11 Charter School Fund	0		0		0		0
20.26-29 Special Revenue Fund	0		0		0		0
06 Supplemental Cap Const, Tech, Main, Fund	0		0		0		0
21 Food Service Spec Revenue Fund	16,461		117,318		112,455		21,324
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	0		0		0		0
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	0		0		0		0
39 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
41 Building Fund	0		0		0		0
42 Special Building Fund	0		0		0		0
43 Capital Reserve Capital Projects Fund	113,920		52,002		48,899		117,022
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
<b>Totals</b>	<b>2,473,504</b>		<b>2,722,969</b>		<b>2,386,623</b>		<b>2,807,849</b>
<b>Proprietary</b>							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60.65-69 Other Internal Service Funds	0		0		0		0
<b>Totals</b>	<b>0</b>		<b>0</b>		<b>0</b>		<b>0</b>
<b>Fiduciary</b>							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	109,710		193,850		197,889		105,671
79 GASB 34 Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
<b>Totals</b>	<b>109,710</b>		<b>193,850</b>		<b>197,889</b>		<b>105,671</b>
			<b>FINAL</b>				