

cPa DIXON, WALLER & CO., INC.

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AGUILAR SCHOOL

DISTRICT RE-6

AGUILAR, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2020

DIXON, WALLER & CO., INC.

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FINANCIAL STATEMENTS

JUNE 30, 2020

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AGUILAR SCHOOL DISTRICT RE-6  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2020

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BOARD OF EDUCATION

Justin Beard	President
Joseph Porras	Vice President
Connie Gomez	Treasurer/Secretary
Tony Fatur	Member
Derek Marquez	Member

OTHER OFFICIALS

Stacy Houser	Superintendent
Jennifer Porras	Business Manager

FINANCIAL SECTION

164 E. MAIN  
TRINIDAD, COLORADO 81082  
(719) 846-9241 FAX (719) 846-3352

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Aguilar School District RE-6  
Aguilar, Colorado 81020

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Aguilar School District Number RE-6, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

**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, 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 Aguilar School District Number RE-6, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and other post employment benefit trend data on pages i through x and 41 through 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Aguilar School District Number RE-6's basic financial statements. The combining and individual fund financial statements, other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, other schedules and state required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules and state required schedules, are fairly stated, in all material respect, in relation to the basic financial statements as a whole.

*Arthur, Waller & Co., Inc.*

Trinidad, Colorado  
January 29, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

As management of the Aguilar School District Re-6, we offer readers of the Aguilar School District's financial statements this narrative overview and analysis of the financial activities of the Aguilar School District for the year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

**Financial Highlights**

Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association (PERA), is recorded as a liability of the District. The District's net post-employment benefits liability decreased to \$150,417 for 2020 from \$166,451 for 2019.

Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, PERA, is recorded as a liability of the District. The District's net pension liability decreased to \$3,059,169 for 2020 compared to \$3,332,754 the prior year.

The ending net position at June 30, 2020 increased to \$920,758 compared to \$611,090 the prior year, a net increase of \$299,865 compared to a net increase of \$158,254 the prior year. Revenues increased \$224,419 while expenses also increased \$82,808. Highlights include:

- During FY 2019-20 revenues related to governmental activities increased from the prior year as follows: State Equalization is \$1,431,366 up from \$1,301,873; Specific Ownership Taxes are \$76,299 up from \$76,094; Property Taxes totaled \$455,493 up from \$429,530.
- The funded pupil count increased to 117.4 for FY 2019-20 from 110.7 for FY 2018-19. Per pupil operating revenue increased to \$15,701 from \$15,035 for the respective fiscal years. Total program funding from the School Finance Act is further impacted by the "Average Funded Pupil Count" and the risk add-on adjustment based on the number of students eligible for free lunch. Overall, total program funding increased \$129,493 from the previous year.
- Federal aid and grants received in the General Fund decreased to \$288,321 from \$306,162 the prior year due to decrease in the 21<sup>st</sup> Century grant and an overall decrease in ESSA grants.
- Miscellaneous revenues for FY 2019-20 totaled \$24,910 compared to \$47,358 the prior year.
- Expenses increased \$82,808 due to increases in costs associated with Covid-19 and other expenses.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. Data for fiscal year 2020 is compared to fiscal year 2019. The School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-Wide Financial Statements**

The district-wide statements report information about the District as a whole using accounting methods similar to those used in private sector companies. The statement of net position includes all of the government's assets, liabilities and deferred flows.

The district-wide statements report the District's net position is one way to measure the District's financial health or position. Increase or decrease in the District's net position could indicate whether the District's financial health is improving or deteriorating. When considering the District's financial health, one needs to consider many mitigating factors over which the District has little influence such as: enrollment, state funding, changes in the District's tax base, and outside economic influences. These factors, along with the condition of the school buildings, are very critical to a District's financial health, especially in a district with limited local control.

*Governmental activities:* Most of the district's basic services are included here, such as instruction, transportation, maintenance, operations, and administration. State funding from equalization and property taxes finance most of these activities. This information is comprised of all of the following Aguilar School District Re-6 District Funds: 1) the general fund, 2) the preschool fund, 3) the food service fund, 4) the student activity fund and 5) the bond redemption fund.

*Business-type activities:* The District had no business-type activities.

**Fund Financial Statements**

The fund financial statements are intended to provide more detailed information about the District's funds. It focuses on its most significant or "major" funds, not the District as a whole spending on particular programs. Like other local governments, Aguilar School District Re-6 uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

*Governmental Funds:* Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) balances remaining at year-end which are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

The governmental fund statements provide a detailed short-term view of the District's 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.

Aguilar School District Re-6 maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the (1) general fund and (2) the bond redemption fund considered major funds and 3) non-major funds made up of the food service fund.

*Proprietary Funds:* Enterprise funds are used to report the same functions presented as business-type activities in the district-wide financial statements. The Aguilar School District Re-6 has no proprietary funds.

*Fiduciary Funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government, such as student activity funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the District's own programs.

**Notes to the Financial Statements**

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

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

As noted earlier, net position may serve over time a useful indicator of the district's financial position. The District's net position on June 30, 2020 was \$920,758 including net investment in capital assets totaling \$4,913,996 (e.g., land, buildings, infrastructure, machinery, and equipment net of depreciation less related debt). Restricted net position includes \$66,500 to meet TABOR reserve requirements, \$81,709 restricted for debt obligations and \$10,832 reserved for food

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

service operations. Unrestricted net position of the District is negative \$4,208,298. Following is a summary of the District's net position for 2020 compared to 2019:

**Table 1  
Net Position**

	2020	2019	
	Governmental Activities	Governmental Activities	NET CHANGE
<b>ASSETS</b>			
Current and Other Assets	973,710	658,421	315,289
Capital Assets	5,048,996	5,240,424	(191,428)
<b>Total Assets</b>	<b>6,022,706</b>	<b>5,898,845</b>	<b>123,861</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension	991,187	1,327,761	(336,574)
Post Employment Benefits	30,189	17,291	12,898
<b>Total Deferred Outflow of Resources</b>	<b>1,021,376</b>	<b>1,345,052</b>	<b>(323,676)</b>
<b>LIABILITIES</b>			
Current and Other Liabilities	407,392	235,540	171,852
Long Term Liabilities	3,442,788	3,783,951	(341,163)
<b>Total Liabilities</b>	<b>3,850,180</b>	<b>4,019,491</b>	<b>(169,311)</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension	2,242,936	2,613,063	(370,127)
Post Employment Benefits	30,208	253	29,955
<b>Total Deferred Inflow of Resources</b>	<b>2,273,144</b>	<b>2,613,316</b>	<b>(340,172)</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,913,996	5,045,424	(131,428)
Restricted for:			
Tabor Reserve	66,500	59,000	7,500
Debt	81,709	75,888	5,821
Preschool	56,019	-	56,019
Food Service	10,832	336	10,496
Unrestricted	(4,208,298)	(4,569,558)	361,260
	<b>920,758</b>	<b>611,090</b>	<b>309,668</b>

**Highlights from the Statement of Net Position**

1. Current assets increased overall by \$315,289. Cash and investments increased \$111,390 while accounts receivable and accrued revenues increased by \$203,375 primarily due to

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

outstanding requests for grant funds. Current liabilities increased \$171,852 mainly due to unearned revenue for the Coronavirus Relief Fund grant.

2. Capital assets decreased \$191,428 which is the net effect of capitalizing equipment at a cost of \$22,801 and subtracting annual depreciation totaling \$214,229.
3. Noncurrent liabilities decreased \$341,163 primarily due to the net effect of paying off debt in the amount of \$60,000 and net decrease in the District's estimated share of PERA pension and OPEB liabilities in the amount of \$289,619.
4. Deferred outflow of resources decreased \$323,676 and deferred inflows decreased \$340,172 resulting in an increase in net position by \$16,496.

**Governmental Activities**

Following are highlights of governmental activities changes from prior year. The majority of the cost for governmental activities is financed with state equalization and property taxes.

- Total Revenue increased \$224,419 of which grants and contributions increased by \$80,293. The State share of Public School Finance increased \$129,493 while local taxes increased \$26,168. Other revenue sources decreased \$11,535.
- Expenses increased \$82,808 of which amortization of OPEB costs under GASB 75 decreased \$2,720. Instruction decreased \$69,266 while student support and instructional staff support increased \$110,013 and school administration decreased \$247. Transportation increased \$890 and operations and maintenance decreased \$23,058. General and central administration and business services increased \$87,507.
- Net position increased by \$299,865 for the current year compared to an increase of \$158,254 the prior year.

Following is a summary of current year revenues, expenses and changes in net position compared to the prior year.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

**Table 2  
Changes in Net Position**

	2020	2019	
	Governmental Activities	Governmental Activities	NET CHANGE
<b>Revenues</b>			
Charges for Services	19,273	7,965	11,308
Operating Grants and Contributions	616,078	535,785	80,293
Property taxes	455,493	429,530	25,963
Specific Ownership Taxes	76,299	76,094	205
Equalization	1,431,366	1,301,873	129,493
Earnings on investments	945	1,340	(395)
Other Revenues	24,910	47,358	(22,448)
Transfers	-	-	-
<b>TOTAL REVENUES</b>	<b>2,624,364</b>	<b>2,399,945</b>	<b>224,419</b>
<b>Expenses</b>			
Instructional services	1,389,628	1,458,894	(69,266)
Students	15,075	-	15,075
Instructional staff	167,767	72,829	94,938
District administration	303,113	244,122	58,991
School administration	58,961	59,208	(247)
Business	95,495	87,663	7,832
Operation and maintenance of facilities	250,672	273,730	(23,058)
Transportation	98,894	98,004	890
Central	144,756	124,072	20,684
Food Service	97,893	118,270	(20,377)
Capital outlay	-	-	-
Interest on Long Term Liabilities	8,360	11,398	(3,038)
Amortization of Pension Costs	(307,138)	(310,242)	3,104
Amortization of OPEB Costs	1,023	3,743	(2,720)
<b>TOTAL EXPENSES</b>	<b>2,324,499</b>	<b>2,241,691</b>	<b>82,808</b>
<b>Increase (Decrease) in Net Position</b>	<b>299,865</b>	<b>158,254</b>	<b>141,611</b>
<b>Net Position - Beginning (Restated)</b>	<b>620,893</b>	<b>452,836</b>	<b>168,057</b>
<b>Prior Year Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position - Ending</b>	<b>920,758</b>	<b>611,090</b>	<b>309,668</b>

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

Table 3 illustrates the total cost of the District's Governmental Activities major services. It also shows the net costs of these services. The net cost includes all expenses for the particular service less any revenue received for that particular service.

**Table 3  
Governmental Activities by Major Functions**

	2020		2019	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	1,389,628	936,067	1,458,894	1,058,223
Students	15,075	(3,110)	-	-
Instructional staff	167,767	167,270	72,829	(6,731)
District administration	303,113	299,521	244,122	244,122
School administration	58,961	57,172	59,208	54,683
Business	95,495	93,837	87,663	84,218
Operation and maintenance of facilities	250,672	244,447	273,730	269,621
Transportation	98,894	80,635	98,004	93,903
Central	144,756	64,756	124,072	124,072
Food Service	97,893	46,308	118,270	70,931
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	8,360	8,360	11,398	11,398
Amortization of Pension Costs	(307,138)	(307,138)	(310,242)	(310,242)
Amortization of OPEB Costs	1,023	1,023	3,743	3,743
<b>TOTAL</b>	<b>2,324,499</b>	<b>1,689,148</b>	<b>2,241,691</b>	<b>1,697,941</b>

**Business Type Activities**

The District has no business-type activities.

**Financial Analysis of the District's Funds**

Funding from the School Finance Act for the General Fund and Colorado Pre-School Project Fund is based on the pupil count and the per pupil funding amount set by the Colorado Department of Education. Total program funding is made up of local property taxes, specific ownership taxes and State equalization, which is the State's share of School Finance Act funding. Total program funding, which makes up 75% of the Districts total governmental fund revenue, increased \$155,661 primarily due to an increase in the funded pupil count of 6.7 and a \$666 increase in per pupil operating revenue.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

Per pupil operating revenue is impacted by the change in the number of students eligible for free lunch, which affects the at-risk funding added to the base per pupil amount, normal inflationary increases and reduction in the negative adjustment made to balance the State budget.

Beginning in this fiscal year, kindergarten students are eligible for full funding, the same as grades 1 through 12. Now, all enrolled in kindergarten through twelfth grade are eligible to be funded at 100% of the per pupil amount.

**Capital Assets and Long-Term Debt**

**Capital Assets:** Capital asset additions in 2020 included an engraving machine and iron worker for the vocational education program and a bus for the transportation program. Table 4 shows capital assets for 2020 compared to 2019 (net of depreciation). Accumulated depreciation on June 30, 2020 is \$4,277,340 compared to \$4,063,111 the prior year.

**Table 4  
Capital Assets (Net of Depreciation)**

	<b>Government Actives</b>	
	<b>2020</b>	<b>2019</b>
Food Service Equipment	6,137	7,159
Land and Sites	211,777	211,777
Buildings	4,766,809	4,968,730
Vehicles and Equipment	64,273	52,758

**Long-Term Debt:** During the fiscal year ended June 30, 2001 the District with voter approval issued general obligation bonds to assist in the financing of construction projects. These bonds were issued in 2002 for the original amount of \$ 900,000 and mature serially on December 1 in amounts varying from \$ 30,000 to \$ 70,000 with interest from 3.00% to 5.75% payable semi-annually. The general obligation bond balance for the year ended June 30, 2020 was \$135,000 compared to \$195,000 the prior year, a decrease of \$60,000.

**Budget Highlights**

District budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The District amended its budgets during the year to reflect unexpected changes that were deemed material. Budget presentations include both original and final budgets for the fiscal year.

Revenues in the General Fund were \$228,140 more than expected, which is mostly from increased property tax collections and other local revenues. Expenditures and transfers to other

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

funds excluding appropriated reserves were 9.27% less than the amount budgeted, a favorable variance of \$213,940. Instructional Staff, General and School Administration and Business Services are over budget while all other service areas were under budget.

**Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstances that could significantly affect its financial health in the future.

- Enrollment decreased annually from FY 2010-2013. In 2014 enrollment climbed back to its 2011 level and increased again in 2015 by 20 students. The net decrease to funded pupil count between 2016 and 2020 was 4.8. Funded pupil count for 2021 is expected to decrease by 7.3. Also, per pupil funding is predicted to decrease by \$737 for 2020-21.
- Early in 2020 the Coronavirus (known as Covid-19) began to spread to the United States and quickly grew to pandemic proportions. As a result, schools across the nation were ordered to close by state governors with remote instruction implemented for the fourth quarter of 2019-2020 school year. As the new school year begins, schools are implementing new sanitation and safety precautions. Federal grants have been awarded to defray the added costs.
- As a result of Covid-19, many businesses were closed for over two months which will ultimately reduce state and federal revenues, the impact of which is expected to trickle down in the form of reduced per pupil funding. Management continues to monitor the financial impact of Covid-19 and will adjust as needed.
- The United States and the State of Colorado experienced slowing economic conditions for several years. One impact of this economic slowing was a reduction in the State of Colorado's general fund revenues and annual decreases in per pupil funding for schools to balance the State budget. Revenues are recovering, but it will take several years to reach the pre-recession per pupil funding level plus annual increases required by statute for the recessionary years.
- During the recession, the District relied on its reserves to continue to fund educational programs. The District can no longer look to reserves to sustain its programs; therefore, the District needs to closely monitor its operating costs and adjust to expected revenues which may now be further impacted by Covid-19.

**Contacting the District's Financial Management**

This financial report is designed to provide taxpayers, customers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. We understand that all questions may not have been answered in this report;

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2020**

therefore, we invite you to contact the Aguilar School District Re-6 Business Manager, Jennifer Porras or Superintendent, Stacy Houser at:

420 North Balsam  
Aguilar Colorado 81020  
(719) 941-4188

BASIC FINANCIAL STATEMENTS

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF NET POSITION  
June 30, 2020

	Governmental Activities	Total
<u>ASSETS</u>		
Cash	684,008	684,008
Investments	-	-
Accounts Receivable	12,363	12,363
Accrued Revenue	240,207	240,207
Property Taxes Receivable	34,100	34,100
Inventories	3,032	3,032
Capital Assets	9,326,336	9,326,336
Accumulated Depreciation	(4,277,340)	(4,277,340)
<u>Total Assets</u>	<u>6,022,706</u>	<u>6,022,706</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	991,187	991,187
Other Post Employment Benefits	30,189	30,189
<u>Total Deferred Outflows</u>	<u>1,021,376</u>	<u>1,021,376</u>
<u>LIABILITIES</u>		
Accounts Payable	10,053	10,053
Accrued Salaries and Benefits	156,393	156,393
Other Liabilities	-	-
Accrued Interest Payable	646	646
Grant Amounts Received in Advance	240,300	240,300
NonCurrent Liabilities:		
Bond Payments Due Within One Year	65,000	65,000
Bond Due in More Than One Year	70,000	70,000
Compensated Absences	97,421	97,421
Unamortized Bond Premium	781	781
Net Pension Liability	3,059,169	3,059,169
Net Other Post Employment Benefits Liability	150,417	150,417
<u>Total Liabilities</u>	<u>3,850,180</u>	<u>3,850,180</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	2,242,936	2,242,936
Other Post Employment Benefits	30,208	30,208
<u>Total Deferred Inflows</u>	<u>2,273,144</u>	<u>2,273,144</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	4,913,996	4,913,996
Restricted for:		
Debt	81,709	81,709
TABOR Reserve	66,500	66,500
Preschool	56,019	56,019
Food Service	10,832	10,832
Unrestricted	(4,208,298)	(4,208,298)
<u>TOTAL NET POSITION</u>	<u>920,758</u>	<u>920,758</u>

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



AGUILAR SCHOOL DISTRICT RE-6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash	599,925	67,465	16,618	684,008
Accounts Receivable	-	-	12,363	12,363
Accrued Revenue	240,207	-	-	240,207
Due From Other Funds	-	11,244	-	11,244
Property Taxes Receivable	28,400	5,700	-	34,100
Inventories	-	-	<u>3,032</u>	<u>3,032</u>
<u>Total Assets</u>	<u>868,532</u>	<u>84,409</u>	<u>32,013</u>	<u>984,954</u>
<b><u>LIABILITIES:</u></b>				
Accounts Payable	10,053	-	-	10,053
Accrued Salaries and Benefits	151,156	-	5,237	156,393
Due To Other Funds	11,244	-	-	11,244
Other Liabilities	-	-	-	-
Grant Amounts Received In Advance	<u>240,300</u>	-	-	<u>240,300</u>
<u>Total Liabilities</u>	<u>412,753</u>	-	<u>5,237</u>	<u>417,990</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>				
Property Tax	<u>13,700</u>	<u>2,700</u>	-	<u>16,400</u>
<b><u>FUND BALANCES:</u></b>				
Nonspendable:				
Inventories	-	-	3,032	3,032
Restricted:				
Emergency Reserve	66,500	-	-	66,500
Debt Service	-	81,709	-	81,709
Preschool	56,019	-	-	56,019
Food Service	-	-	10,832	10,832
Assigned:				
Student Activities	-	-	12,912	12,912
Unassigned:	<u>319,560</u>	-	-	<u>319,560</u>
<u>Total Fund Balances</u>	<u>442,079</u>	<u>81,709</u>	<u>26,776</u>	<u>550,564</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
	<u>868,532</u>	<u>84,409</u>	<u>32,013</u>	<u>984,954</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2020

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

<u>Total Fund Balance – Governmental Funds</u>		550,564
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$9,326,336 and the accumulated depreciation is \$4,277,340.		5,048,996
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax is shown as not available in the funds.		16,400
Interest is recognized when paid in the funds. This is accrued interest payable to year end.		(646)
Bond premiums are recognized as revenues when received in the funds.		
Premium	(781)	(781)
Long-term liabilities, including capital leases and general obligation bonds are not due and payable in the current period and therefore are not reported in funds. Compensated absences are also paid in future periods and are unrecorded in funds.		
G O Bonds	(135,000)	
Compensated Absences	(97,421)	(232,421)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:		
Net Pension Liability	(3,059,169)	
Net Other Post Employment Benefits Liability	(150,417)	
Deferred Outflows	1,021,376	
Deferred Inflows	(2,273,144)	(4,461,354)
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>		<u>920,758</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2020

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property Taxes	377,141	75,152	-	452,293
Specific Ownership Taxes	76,299	-	-	76,299
Earnings on Investments	287	653	5	945
Other Local Sources	145,946	153	19,165	165,264
State Aid	1,587,437	-	626	1,588,063
Federal Aid	<u>288,321</u>	<u>-</u>	<u>49,979</u>	<u>338,300</u>
<u>Total Revenues</u>	<u>2,475,431</u>	<u>75,958</u>	<u>69,775</u>	<u>2,621,164</u>
<b>EXPENDITURES</b>				
<b>Current:</b>				
Instructional Services	1,186,665	-	-	1,186,665
Supporting Services:				
Students	-	-	15,075	15,075
Instructional Staff	167,767	-	-	167,767
District Administration	303,113	-	-	303,113
School Administration	58,961	-	-	58,961
Business	95,495	-	-	95,495
Operation & Maintenance of Facilities	250,672	-	-	250,672
Transportation	102,155	-	-	102,155
Food Service	-	-	96,871	96,871
Central	144,106	650	-	144,756
Debt Service				
Principal	-	60,000	-	60,000
Interest	-	9,488	-	9,488
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>2,308,934</u>	<u>70,138</u>	<u>111,946</u>	<u>2,491,018</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>166,497</u>	<u>5,820</u>	<u>(42,171)</u>	<u>130,146</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	<u>(56,301)</u>	<u>-</u>	<u>56,301</u>	<u>-</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(56,301)</u>	<u>-</u>	<u>56,301</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	110,196	5,820	14,130	130,146
<b>FUND BALANCES – BEGINNING (as Restated)</b>	<u>331,883</u>	<u>75,889</u>	<u>12,646</u>	<u>420,418</u>
<b>FUND BALANCES – ENDING</b>	<u>442,079</u>	<u>81,709</u>	<u>26,776</u>	<u>550,564</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020

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

Net Change in Fund Balances – Total Governmental Funds 130,146

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$3,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	22,801	
Capital Outlays More Than \$3,000	(214,229)	(191,428)
Depreciation Expense		

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. 3,200

The governmental funds report debt proceeds as an other financing source, while repayment of debt principal is reported as an expenditure. The effect of premiums is recognized when the debt is issued in governmental funds, whereas these amounts are deferred and amortized in the statement of activities. Interest expense is recognized as it accrues in the statement of activities regardless of when it is due. The net effect of these differences follows:

	60,000	
Repayment of Debt Principal	(9,296)	51,832
Change in Compensated Absences	1,128	
Interest Expense		

The increase in net pension and other post employment benefits liabilities, along with the changes and amortizations of deferred flows associated with those liabilities, are not recorded at the fund level:

	307,138	
Pension Cost	(1,023)	306,115
Other Post Employment Benefits Cost		

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 299,865

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

NOTES TO BASIC FINANCIAL STATEMENTS

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Aguilar School District RE-6 (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

The District operates under an elected Board of Education with seven members.

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Aguilar School District RE-6. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.      Reporting Entity

Governmental Accounting Standards board (GASB) Statement No. 14 (as amended by Statements No. 34, No. 39 and No. 61)), "*The Financial Reporting Entity*" (*GASB No. 14*) describes the financial reporting entity as it relates to governmental accounting. According to this Statement, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units.

This District is not included in any other governmental "reporting entity" as defined in GASB No. 14 and does not include any other component unit as part of its "reporting entity". As required by accounting principles generally accepted in the USA, these basic financial statements present the District (the primary government) and its component units.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

The Government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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.

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in net current assets and unreserved fund balance as a measure of available spendable resources. This means that only current liabilities are generally included on their balance sheets.

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

All governmental fund types use 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 within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

Property and automotive ownership taxes are reported as receivables and deferred inflows when levied and as revenues when due for collection in the following year and determined to be available.

Grants and entitlement revenues are recognized when compliance with matching requirements is met. A receivable is established when the related expenditures exceed revenue receipts.

Expenditures are recorded when the related fund liability is incurred with the exception of general obligation and capital lease debt service which is recognized when due and certain accrued sick and personal pay which are accounted for as expenditures when expected to be liquidated with expendable available financial resources.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total position.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C.      Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

D.      Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred flows, fund equity, revenues and expenditures, or expenses, as appropriate. Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The major funds presented in the accompanying basic financial statements are as follows:

- Major Governmental Funds

1. General Fund – the general operating fund of the District; used to account for all resources that are not required legally or by sound financial management to be accounted for in another fund.
2. Bond Redemption Debt Service Fund – used to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

E.      Cash and Investments

Cash represents amounts on deposit with financial institutions or held by the District. The District is allowed to invest in the following types of investments: short-term certificates of deposit, repurchase agreements, money market deposit accounts, mutual funds, government pools, and U.S. Treasury Obligations. The District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value in accordance with GASB Statement No. 72 *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Receivables

Property taxes levied in 2019 but uncollected in 2020 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2020 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G. Inventories

Materials and supplies inventories are stated at cost. Inventories recorded in the Food Services Fund consist of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the Federal Government, are recorded at their estimated fair value at the date of receipt.

The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed.

H. Capital Assets

Capital assets, which include property, vehicles and equipment, are utilized for general District operations and are capitalized at actual or estimated cost. Donations of such assets are recorded at estimated fair value at the time of donation. Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Maintenance, repairs, and minor renovations are recorded as expenditures when incurred. Major additions and improvements are capitalized. When assets used in the operation of the governmental fund types are sold, the proceeds of the sale are recorded as revenues in the appropriate fund. The District does not capitalize interest on the construction of capital assets in governmental funds. However, the District does capitalize interest on the construction of capital assets in business-type activities.

The monetary threshold for capitalization of assets is \$3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (3-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Deferred Outflows / Inflows of Resources

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

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

J.      Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund. Capital leases are serviced from property taxes and other revenues of the General Fund. The long-term accumulated unpaid accrued sick leave is serviced from property taxes and other revenues by the respective fund type from future appropriations.

K.      Constitutional Amendment

In November 1992, Colorado voters approved Article X of the Colorado Constitution by adding Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax and debt limitations, which apply to the State of Colorado and local governments. It requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of an expiring tax, or tax policy change directly causing a net tax revenue gain to any entity.

In November of 1999 the registered voters approved a ballot resolution authorizing Aguilar School District RE-6 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2020 the District reserved \$66,500 for this purpose.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K.      Constitutional Amendment (continued)

Spending and revenue limits are determined based on the prior fiscal year's spending adjusted for inflation in the prior calendar year plus annual increases in funded student enrollment. Fiscal year spending is generally defined as expenditures and reserve increases with certain exceptions.

L.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2019 property tax calendar for Las Animas County was as follows:

Levy Date	December 22, 2019
Lien Date	January 1, 2020
Tax Bills Mailed	January 1, 2020
First Installment Due	February 28, 2020
Second Installment Due	June 15, 2020
If Paid in Full, Due	April 30, 2020
Tax Sale – 2018 Delinquent Property Taxes	October 25, 2019

M.      Accumulated Staff Leave

District policy allows for the accumulation of staff leave. Staff eligible for retirement under the Public Employees Retirement Association (PERA) statutes are paid an amount of money equal to their number of unused leave days times the daily per diem when there is a separation from service. Maximum reimbursable days may not exceed 30. Payments for termination other than retirement are at per diem for unused days not to exceed 12.

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2020, the District has recorded an estimated liability of \$97,421 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	Balance <u>July 1, 2019</u>	Additions	Deletions	Balance <u>June 30, 2020</u>
Accumulated Sick Leave	<u>88,125</u>	<u>9,296</u>	<u>—</u>	<u>97,421</u>

N.      Use of 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 of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O.      Interest Expense

All interest expense has been reported as unallocated in the Government-wide financial statements.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. Nonspendable such as fund balances associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned).
2. Restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
3. Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the School District Board of Directors (the District's highest level of decision-making authority).
4. Assigned fund balance classification is intended to be used by the government for specific purposes that do not meet the criteria to be classified as restricted or committed.
5. Unassigned fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

The District's Committed Fund Balance is fund balance reporting required by the School Board, either because of a School Board Policy in the School Board Policy Manual, or because of motions that passed at School Board meetings.

Assigned Fund Balance Policy:

The District's Assigned Fund Balance is fund balance reporting occurring by School Board Administration authority, under the direction of the Chief Business Officer.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.    GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries.

First, non-spendable fund balances are determined. Then restricted fund balances for specific purposes are determined (not including non-spendable amounts). Then unrestricted fund balances are determined following the order of committed, assigned, and unassigned.

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	3,032	-	3,032
<u>Restricted:</u>					
Emergencies	66,500	-	-	-	66,500
Preschool	56,019	-	-	-	56,019
Food Service	-	-	10,832	-	10,832
Debt Service	-	81,709	-	-	81,709
<u>Assigned:</u>					
Student Activities	-	-	-	12,912	12,912
<u>Unassigned</u>	<u>319,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>319,560</u>
<u>Total Fund Balances</u>	<u>442,079</u>	<u>81,709</u>	<u>13,864</u>	<u>12,912</u>	<u>550,564</u>

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net change in fund balances – total government funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis were eliminated from the government fund statements during the consolidation of governmental activities.

<u>Items Eliminated</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	-	56,301	-	11,244
Food Service	56,301	-	-	-
Bond Redemption	-	-	<u>11,244</u>	-
	<u>56,301</u>	<u>56,301</u>	<u>11,244</u>	<u>11,244</u>

NOTE 3      BUDGETARY INFORMATION

Revenues and expenditures are controlled by budgetary accounting systems in accordance with various legal requirements. The budgeted revenues and expenditures represent the original adopted budget as subsequently adjusted by the Board of Education in accordance with Colorado School Laws. Budgets are generally prepared on the same basis as that used for accounting purposes.

The District has set procedures to be followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.
5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Debt Service Funds, and Special Revenue Funds.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 3      BUDGETARY INFORMATION (Continued)

6. Budgets for the General, Debt Service, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

All appropriations lapse at the end of each fiscal year. Authorization to transfer budgeted amounts between programs and/or departments within any fund and the reallocation of budget line items within any program and/or department rests with the Superintendent of Schools and may be delegated to an appropriate level of management. Revisions and/or supplemental appropriations that alter the total expenditures of any fund must be approved by the Board of Education.

Budgetary amounts reported in the accompanying basic financial statements are as originally adopted and amended by the Superintendent and/or the Board of Education throughout the year.

NOTE 4      CASH AND INVESTMENTS

Deposits

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

At June 30, 2020, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	250,000	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	328,759	365,648
Cash Equivalent	65,381	-
Cash with County Treasurer	39,568	-
Cash on Hand	<u>300</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>684,008</u>	<u>615,648</u>

As presented above, deposits with a bank balance of \$365,648 and a carrying balance of \$328,759 as of June 30, 2020 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

NOTE 5

CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	Balance <u>June 30, 2020</u>
<u>Non-Depreciable Assets:</u>					
Land	211,777	-	-	-	211,777
<u>Total Non-Depreciable Assets</u>	<u>211,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,777</u>
<u>Depreciable Assets:</u>					
Buildings & Site Improvements	8,472,474	-	-	-	8,472,474
Food Service Equipment	39,507	-	-	-	39,507
Vehicles	404,782	10,100	-	-	414,882
Equipment	174,995	12,701	-	-	187,696
<u>Total Depreciable Assets</u>	<u>9,091,758</u>	<u>22,801</u>	<u>-</u>	<u>-</u>	<u>9,114,559</u>
<u>Less Accumulated Depreciation for:</u>					
Building & Site Improvements	3,503,744	201,921	-	-	3,705,665
Food Service Equipment	32,348	1,022	-	-	33,370
Equipment & Vehicles	527,019	11,286	-	-	538,305
<u>Total Accumulated Depreciation</u>	<u>4,063,111</u>	<u>214,229</u>	<u>-</u>	<u>-</u>	<u>4,277,340</u>
<u>Total Capital Assets, Net</u>	<u>5,240,424</u>	<u>(191,428)</u>	<u>-</u>	<u>-</u>	<u>5,048,996</u>

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

Governmental Activities:

Instruction	203,018
Operations and Maintenance	-
Transportation	10,189
Food Service	1,022
<u>Total Depreciation Expense – Governmental Activities</u>	<u>214,229</u>

NOTE 6

ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2020 are estimated to be \$156,393. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 7      LONG-TERM DEBT – GENERAL OBLIGATION BONDS

The following is a summary of the transactions in the District's long-term debt:

	<u>Balance at 7-1-2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at 6-30-2020</u>	<u>Current Portion</u>
General Obligation Bonds	<u>195,000</u>	-	<u>60,000</u>	<u>135,000</u>	65,000
<u>Total</u>	<u>195,000</u>	<u>-</u>	<u>60,000</u>	<u>135,000</u>	

Long-Term Debt as of June 30, 2020, is comprised of the following:

General Obligation Bonds:

In the fiscal year ended June 30, 2003 the district with district voter approval issued general obligation bonds to assist in the financing of construction projects.

General Obligation Bonds, Series 2002 – These bonds issued in 2002 for the original amount of \$900,000 mature serially on December 1 in amounts varying from \$30,000 to \$70,000 with interest from 3.00% to 5.75% payable semi-annually. Term payments are required at December 1, 2012 in the amount of \$150,000 (interest at 4.25%), December 1, 2016 in the amount of \$180,000 (Interest at 5.625%), and December 1, 2021 in the amount of \$355,000 (Interest at 5.750%).

Interest on the term payments is payable semi-annually on December 1 and June 1. Payments into a mandatory sinking fund are to be made beginning January 1, 2006 for the payment of the term amounts. On or after December 1, 2012, all bonds outstanding are callable at the option of the District.

Payment to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	65,000	5,894	70,894
2022	<u>70,000</u>	<u>2,012</u>	<u>72,012</u>
<u>Total</u>	<u>135,000</u>	<u>7,906</u>	<u>142,906</u>

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 8

PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Aguilar School District RE-6 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Aguilar School District RE-6 are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Benefits provided as of December 31, 2019.* PERA provides retirement, disability, and survivor benefits. Retirement benefits are determined by the amount of service credit earned and/or purchased, highest average salary, the benefit structure(s) under which the member retires, the benefit option selected at retirement, and age at retirement. Retirement eligibility is specified in tables set forth at C.R.S. § 24-51-602, 604, 1713, and 1714.

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.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 8      PENSION PLAN (Continued)

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

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

In all cases the service retirement benefit is limited to 100 percent of highest average salary and also cannot exceed the maximum benefit allowed by federal Internal Revenue Code.

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

As of December 31, 2019, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S., once certain criteria are met. Pursuant to SB 18-200, the annual increase for 2019 is 0.00 percent for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007, and all benefit recipients of the DPS benefit structure will receive an annual increase of 1.25 percent unless adjusted by the automatic adjustment provision (AAP) pursuant to C.R.S. § 24-51-413. Benefit recipients under the PERA benefit structure who began eligible employment on or after January 1, 2007, will receive the lesser of an annual increase of 1.25 percent or the average Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned annual increase by up to 0.25 percent based on the parameters specified in C.R.S. § 24-51-413.

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

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

*Contribution provisions as of June 30, 2020:* Eligible employees, Aguilar School District RE-6 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 8.75 percent of their PERA-includable salary during the period of July 1, 2019 through June 30, 2020. Employer contribution requirements are summarized in the table below.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 8**      **PENSION PLAN (Continued)**

	July 1, 2019 Through June 30, 2020
Employer Contribution Rate	10.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
<b>Total employer contribution rate to the SCHDTF</b>	<b>19.38%</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. § 24-51-414, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.

Subsequent to the SCHDTF's December 31, 2019, measurement date, HB20-1379 *Suspend Direct Distribution to PERA Public Employees Retirement Association for 2020-21 Fiscal Year*, was passed into law during the 2020 legislative session and signed by Governor Polis on June 29, 2020. This bill suspends the July 1, 2020, \$225 million direct distribution allocated to the State, School, Judicial, and DPS Divisions, as required under Senate Bill 18-200.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Aguilar School District RE-6 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Aguilar School District RE-6 were \$238,273 for the year ended June 30, 2020.

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

The net pension liability for the SCHDTF was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total pension liability to December 31, 2019. The Aguilar School District RE-6 proportion of the net pension liability was based on Aguilar School District RE-6 contributions to the SCHDTF for the calendar year 2019 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 8**      PENSION PLAN (Continued)

At June 30, 2020, the Aguilar School District RE-6 reported a liability of \$3,059,169 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the Aguilar School District RE-6 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Aguilar School District RE-6 were as follows:

Aguilar School District RE-6 proportionate share of the net pension liability	\$ 3,059,169
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Aguilar School District RE-6	\$ 388,016
Total	\$ 3,447,185

At December 31, 2019, the Aguilar School District RE-6 proportion was 0.020 percent, which was an increase of 0.002 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Aguilar School District RE-6 recognized pension income of \$307,138 and revenue of \$29,389 for support from the State as a nonemployer contributing entity. At June 30, 2020, the Aguilar School District RE-6 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	166,727	-
Changes of assumptions or other inputs	87,335	(1,387,610)
Net difference between projected and actual earnings on pension plan investments	326,355	(688,744)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	288,807	(166,582)
Contributions subsequent to the measurement date	121,963	N/A
Total	991,187	(2,242,936)

\$121,963 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2020	
2021	(789,574)
2022	(521,906)
2023	61,042
2024	(123,274)
2025	-
Thereafter	-

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 8**      **PENSION PLAN (Continued)**

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

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

\*For 2019, the annual increase was 0.00 percent.

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 8**      **PENSION PLAN (Continued)**

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 percent.

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50 percent.
- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in SB 18-200 and the additional 0.50 percent resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 8

PENSION PLAN (Continued)

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

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

*Sensitivity of the Aguilar School District RE-6 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:

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

**NOTE 8**      **PENSION PLAN (Continued)**

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	4,057,113	3,059,169	2,221,308

*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).

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Aguilar School District RE-6 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available CAFR which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2020, program members contributed \$3,977.

**NOTE 9**      **OTHER POST EMPLOYMENT BENEFITS**

**Defined Benefit Other Post Employment Benefit (OPEB) Plan**

**Summary of Significant Accounting Policies**

*OPEB.* Aguilar School District RE-6 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.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Aguilar School District RE-6 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.

*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.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 9

OTHER POST EMPLOYMENT BENEFITS (Continued)

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 Aguilar School District RE-6 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Aguilar School District RE-6 were \$12,541 for the year ended June 30, 2020.

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

At June 30, 2020, the Aguilar School District RE-6 reported a liability of \$150,417 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2018. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2019. The Aguilar School District RE-6 proportion of the net OPEB liability was based on Aguilar School District RE-6 contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

At December 31, 2019, the Aguilar School District RE-6 proportion was 0.013 percent, which was an increase of 0.001 percent from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the Aguilar School District RE-6 recognized OPEB expense of \$1,023. At June 30, 2020, the Aguilar School District RE-6 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	499	(25,276)
Changes of assumptions or other inputs	1,248	-
Net difference between projected and actual earnings on OPEB plan investments	2,422	(4,932)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	19,601	-
Contributions subsequent to the measurement date	6,419	N/A
Total	30,189	(30,208)

\$6,419 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2020	
2021	(1,068)
2022	(1,068)
2023	(341)
2024	(1,517)
2025	(2,301)
Thereafter	(143)

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

Medicare Part A premiums	3.50 percent in 2019, gradually increasing to 4.50 percent in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 percent
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2018, the health care cost trend rates for Medicare Part A premiums were revised to reflect the current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

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

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

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

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

- **Males:** Mortality improvement projected to 2018 using the MP-2015 projection scale, a 73 percent factor applied to rates for ages less than 80, a 108 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.
- **Females:** Mortality improvement projected to 2020 using the MP-2015 projection scale, a 78 percent factor applied to rates for ages less than 80, a 109 percent factor applied to rates for ages 80 and above, and further adjustments for credibility.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

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NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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:

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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 percent.

*Sensitivity of the Aguilar School District RE-6 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates.* The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	4.60%	5.60%	6.60%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	146,844	150,417	154,546

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

*Sensitivity of the Aguilar School District RE-6 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	170,077	150,417	133,604

*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).

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

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NOTE 10     JOINT VENTURE

Not reflected in the accompanying financial statements is the District's participation in the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicated that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2019, the latest year for which audits information is available is as follows:

Assets and Deferred Outflows	4,793,274
Liabilities and Deferred Inflows	<u>13,436,740</u>
Net Position	<u>(8,643,466)</u>
Revenues	3,408,328
Expenses	<u>2,431,441</u>
Change in Net Position	<u>976,887</u>

The BOCES is not included as a component unit of the District as the financial responsibility is minimal, there is no financial interdependency, the District does not have the ability to significantly influence the operations of the BOCES and the District is not accountable for fiscal matters of the BOCES. The BOCES files an audited financial statement annually with Colorado State Auditor's Office.

NOTE 11     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

As the District did not exercise oversight responsibility nor have sufficient control over Pool activities, the Pool is not a component unit of the District and only the District's share of contributions to the Pool is recorded as Expenditures in the Insurance Reserve Fund.

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2020.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 11      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information for the year ended June 30, 2019 (latest information available) follows:

Total Assets	<u>48,583,211</u>
Total Liabilities	<u>26,773,438</u>
Total Equity	<u>21,809,773</u>
Revenue	19,817,153
Underwriting Expenses	<u>26,652,902</u>
Underwriting Gain (Loss)	(6,835,749)
Net Investment Income	865,849
Other Income	<u>-</u>
Net Income (Loss) Before Dividend	(5,969,900)
Dividend	<u>-</u>
Net Income (Loss)	(5,969,900)
Change in Non Admitted Assets	<u>156,358</u>
Capital Contributions from Members	<u>-</u>
Unassigned Surplus	<u><u>21,809,773</u></u>

NOTE 12      RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The District participates in the Colorado School District Self Insurance Pool. The Pool insures property and liability exposures through contributions made by member districts. The District does not maintain an equity interest in the self-insurance pool. The District funds its pool contributions, outside insurance purchases, deductibles, and uninsured losses through the General Fund.

The District continues to carry commercial insurance for all other risks of loss, including errors and omissions and property. Settled claims resulting from these risks have not exceeded commercial or District coverages in any of the past three years. There has been no significant reduction in insurance coverage from the prior year in any of the major categories of risk.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2020

NOTE 13    INTERFUND BALANCES AND TRANSFERS

<u>TRANSFERS</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	56,301
Food Service Fund	<u>56,301</u>	-
	<u>56,301</u>	<u>56,301</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations.

<u>DUE FROM / TO</u>	<u>Due From</u>	<u>Due To</u>
General Fund	-	11,244
Bond Redemption Fund	<u>11,244</u>	-
	<u>11,244</u>	<u>11,244</u>

Interfund balances are to be paid within three months of year end.

NOTE 14    BUDGET COMPLIANCE

Expenditures in the Food Service Fund exceeded the budgeted amount by \$9,447.  
 Expenditures in the Pupil Activity Fund exceeded the budgeted amount by \$5,273.

NOTE 15    CHANGE IN ACCOUNTING FOR STUDENT ACTIVITY FUND

In prior years, the Student Activity Fund had been recorded as a Fiduciary Fund. Beginning July 1, 2019, the District accounts for student activities in a Special Revenue Fund. The beginning fund balance for the Student Activity Special Revenue Fund at July 1, 2019 was \$9,802. That amount is the reclassified equity of the Student Activity Agency Fund at June 30, 2019. The beginning net position of governmental activities has been increased by that same amount.

	<u>Net Position</u>	<u>Fund Balance- Governmental Funds</u>
Balance at June 30, 2019	611,091	410,616
Change for Student Activity	<u>9,802</u>	<u>9,802</u>
Beginning Balance, as Restated	<u>620,893</u>	<u>420,418</u>

REQUIRED SUPPLEMENTARY INFORMATION

## General Fund

The General Fund accounts for all transactions of the District not accounted for in other funds. This fund represents an accounting for the District's ordinary operations financed from property taxes and other general revenues. It is the most significant fund in relation to the District's overall operations.

## Pension Trend Data

## Other Post Employment Benefit Trend Data

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	260,579	260,579	377,141	116,562
Specific Ownership Taxes	38,382	38,382	76,299	37,917
Earnings on Investments	-	-	287	287
Delinquent Taxes & Interest	-	-	769	769
Other	143,330	143,330	145,177	1,847
<u>State Sources</u>				
Equalization	1,500,000	1,500,000	1,431,366	(68,634)
Transportation	-	-	16,986	16,986
Vocational Education	-	-	7,216	7,216
Special Education	-	-	-	-
Other	-	-	131,869	131,869
<u>Federal Sources</u>				
Designated Purpose Grants	305,000	305,000	288,321	(16,679)
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>2,247,291</u>	<u>2,247,291</u>	<u>2,475,431</u>	<u>228,140</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	810,918	810,918	787,053	23,865
Employee Benefits	288,970	288,970	279,133	9,837
Purchased Services - Professional	-	-	48,335	(48,335)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	157,890	157,890	303	157,587
Supplies and Materials	92,500	92,500	45,155	47,345
Property	27,500	27,500	22,609	4,891
Other Objects	13,890	13,890	4,077	9,813
<u>Total Instruction</u>	<u>1,391,668</u>	<u>1,391,668</u>	<u>1,186,665</u>	<u>205,003</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES</u>				
<u>Instructional Staff</u>				
Salaries	-	-	47,539	(47,539)
Employee Benefits	-	-	28,050	(28,050)
Purchased Services – Professional	-	-	73,718	(73,718)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	6,000	(6,000)
Supplies and Materials	-	-	8,854	(8,854)
Other Objects	-	-	3,606	(3,606)
<u>Total Instructional Staff</u>	<u>-</u>	<u>-</u>	<u>167,767</u>	<u>(167,767)</u>
<u>General Administration</u>				
Salaries	118,230	118,230	187,931	(69,701)
Employee Benefits	27,443	27,443	68,224	(40,781)
Purchased Services – Professional	-	-	21,081	(21,081)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	20,000	20,000	22,542	(2,542)
Supplies and Materials	25,000	25,000	2,235	22,765
Property	20,000	20,000	-	20,000
Other Objects	-	-	1,100	(1,100)
<u>Total General Administration</u>	<u>210,673</u>	<u>210,673</u>	<u>303,113</u>	<u>(92,440)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	20,770	20,770	20,270	500
Employee Benefits	10,202	10,202	5,772	4,430
Purchased Services – Professional	-	-	6,802	(6,802)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	6,332	(6,332)
Supplies and Materials	-	-	11,717	(11,717)
Property	-	-	-	-
Other Objects	-	-	8,068	(8,068)
<u>Total School Administration</u>	<u>30,972</u>	<u>30,972</u>	<u>58,961</u>	<u>(27,989)</u>
<u>Business Services</u>				
Salaries	52,797	52,797	57,037	(4,240)
Employee Benefits	11,511	11,511	22,083	(10,572)
Purchased Services – Professional	-	-	13,805	(13,805)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	440	(440)
Supplies and Materials	10,000	10,000	88	9,912
Property	-	-	-	-
Other Objects	11,000	11,000	2,042	8,958
<u>Total Business Services</u>	<u>85,308</u>	<u>85,308</u>	<u>95,495</u>	<u>(10,187)</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Operations and Maintenance</u>				
Salaries	62,062	62,062	69,347	(7,285)
Employee Benefits	13,902	13,902	30,338	(16,436)
Purchased Services – Professional	-	-	8,856	(8,856)
Purchased Services – Property	315,000	315,000	22,861	292,139
Purchased Services – Other	-	-	756	(756)
Supplies and Materials	85,000	85,000	118,514	(33,514)
Property	50,000	50,000	-	50,000
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>525,964</u>	<u>525,964</u>	<u>250,672</u>	<u>275,292</u>
<u>Student Transportation</u>				
Salaries	34,115	34,115	37,170	(3,055)
Employee Benefits	14,796	14,796	30,399	(15,603)
Purchased Services – Professional	-	-	3,760	(3,760)
Purchased Services – Property	45,500	45,500	2,720	42,780
Purchased Services – Other	-	-	-	-
Supplies and Materials	8,000	8,000	14,587	(6,587)
Property	20,000	20,000	13,450	6,550
Other Objects	-	-	69	(69)
<u>Total Student Transportation</u>	<u>122,411</u>	<u>122,411</u>	<u>102,155</u>	<u>20,256</u>
<u>Central Support</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Other	142,000	142,000	133,798	8,202
Supplies and Materials	-	-	-	-
Property	-	-	-	-
Other Objects	6,295	6,295	10,308	(4,013)
<u>Total Central Support</u>	<u>148,295</u>	<u>148,295</u>	<u>144,106</u>	<u>4,189</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,123,623</u>	<u>1,123,623</u>	<u>1,122,269</u>	<u>1,354</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>DEBT SERVICE</u>	-	-	-	-
<u>APPROPRIATED RESERVES</u>	63,884	63,884	-	63,884
<u>TOTAL EXPENDITURES</u>	2,579,175	2,579,175	2,308,934	270,241
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(331,884)	(331,884)	166,497	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	-	(56,301)	(56,301)
Insurance Proceeds	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	-	-	(56,301)	(56,301)
<u>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	(331,884)	(331,884)	110,196	
<u>FUND BALANCE, July 1</u>	331,884	331,884	331,883	
<u>FUND BALANCE, June 30</u>	-	-	442,079	

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

AGUILAR SCHOOL DISTRICT RE-6  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net pension liability (asset)	0.0247%	0.0188%	0.0203%	0.0201%	0.0201%	0.0212%	0.0224%	-	-	-
District's proportionate share of the net pension liability (asset)	\$3,059,169	\$3,332,754	\$6,574,805	\$5,991,150	\$3,068,263	\$2,871,139	\$2,848,982	-	-	-
State's proportionate share of the net pension liability associated with the District**	\$388,016	\$455,708	-	-	-	-	-	-	-	-
District's covered payroll	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	\$865,825	\$875,690	\$923,362	-	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	249%	293%	635%	637%	354%	328%	309%	-	-	-
Plan fiduciary net position as a percentage of the total pension liability	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-	-	-

\*\* A direct distribution provision to allocate funds from the State of Colorado budget to Colorado PERA on an annual basis began in July 2018 based on Senate Bill 18-200.

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

AGUILAR SCHOOL DISTRICT RE-6  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 238,273	\$ 217,011	\$ 195,332	\$ 172,961	\$ 153,578	\$ 147,911	\$ 147,558	\$ 138,607	-	-
Contributions in relation to the contractually required contributions	<u>\$(238,273)</u>	<u>\$(217,011)</u>	<u>\$(195,332)</u>	<u>\$(172,961)</u>	<u>\$(153,578)</u>	<u>\$(147,911)</u>	<u>\$(147,558)</u>	<u>\$(138,607)</u>	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-
District's covered payroll	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	\$865,825	\$875,690	\$923,362	\$920,097	-	-
Contributions as a percentage of covered payroll	19.38%	19.13%	18.87%	18.41%	17.74%	16.89%	15.98%	15.06%	-	-

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

AGUILAR SCHOOL DISTRICT RE-6  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFIT (OPEB) LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
District's proportion of the net OPEB liability (asset)	0.0133%	0.0122%	0.0116%	0.0114%	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$150,417	\$166,451	\$150,141	\$148,294	-	-	-	-	-	-
District's covered payroll	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	-	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	12.23%	14.67%	14.50%	15.79%	-	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-	-

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

AGUILAR SCHOOL DISTRICT RE-6  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Contractually required contributions	\$ 12,541	\$ 11,570	\$ 10,560	\$ 9,582	-	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(12,541)</u>	<u>\$(11,570)</u>	<u>\$(10,560)</u>	<u>\$(9,582)</u>	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	-
District's covered payroll	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	-	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Debt Service Funds

Bond Redemption Debt Service Fund - Use to account for the accumulation of resources for, and the payment of, long-term general obligation debt principal, interest, and related costs.

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds account for revenues that are legally restricted to expenditures for specified purposes.

Food Service Fund – This fund accounts for all financial activities associated with the District's school breakfast and lunch programs.

Student Activity Fund – This fund is used to account for amounts held and used for various student clubs and organizations.

AGUILAR SCHOOL DISTRICT RE-6  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2020

	<u>Special Revenue Fund</u>		Total Non-Major Governmental Funds
	<u>Food Service</u>	<u>Student Activity Fund</u>	
<u>ASSETS</u>			
Cash	3,706	12,912	16,618
Investments	-	-	-
Accounts Receivable	12,363	-	12,363
Accrued Revenue	-	-	-
Due From Other Funds	-	-	-
Inventories	3,032	-	3,032
Receivables – Other	-	-	-
<u>Total Assets</u>	<u>19,101</u>	<u>12,912</u>	<u>32,013</u>
<u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries	5,237	-	5,237
Due To Other Funds	-	-	-
<u>Total Liabilities</u>	<u>5,237</u>	<u>-</u>	<u>5,237</u>
<u>Fund Balances:</u>			
Nonspendable:			
Inventories	3,032	-	3,032
Restricted:			
Food Service	10,832	-	10,832
Assigned:			
Capital Outlay	-	12,912	12,912
<u>Total Fund Balances</u>	<u>13,864</u>	<u>12,912</u>	<u>26,776</u>
<u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	<u>19,101</u>	<u>12,912</u>	<u>32,013</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2020

	<u>Special Revenue Funds</u>		<u>Total</u>
	<u>Food</u>	<u>Student</u>	<u>Non-Major</u>
	<u>Service</u>	<u>Activity</u>	<u>Governmental</u>
		<u>Fund</u>	<u>Funds</u>
<u>REVENUES:</u>			
Earning on Investments	5	-	5
Other Local Sources	980	18,185	19,165
State Aid	626	-	626
Federal Aid	<u>49,979</u>	<u>-</u>	<u>49,979</u>
<u>Total Revenues</u>	<u>51,590</u>	<u>18,185</u>	<u>69,775</u>
 <u>EXPENDITURES:</u>			
Instruction	-	-	-
Food Service	96,871	-	96,871
Student Support	<u>-</u>	<u>15,075</u>	<u>15,075</u>
<u>Total Expenditures</u>	<u>96,871</u>	<u>15,075</u>	<u>111,946</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES</u>			
<u>OVER (UNDER) EXPENDITURES</u>			
	(45,281)	3,110	(42,171)
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>56,301</u>	<u>-</u>	<u>56,301</u>
 <u>NET CHANGE IN FUND BALANCES</u>			
	11,020	3,110	14,130
 <u>FUND BALANCES, Beginning (as Restated)</u>			
	<u>2,844</u>	<u>9,802</u>	<u>12,646</u>
 <u>FUND BALANCES, Ending</u>			
	<u>13,864</u>	<u>12,912</u>	<u>26,776</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
 BOND REDEMPTION - DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Tax	-	75,152	75,152
Specific Ownership Tax	-	-	-
Earnings on Investments	-	653	653
Other Local	-	153	153
<u>Total Revenues</u>	<u>-</u>	<u>75,958</u>	<u>75,958</u>
<u>EXPENDITURES</u>			
Debt Service:			
Principal	75,888	60,000	15,888
Interest	-	9,488	(9,488)
Other	-	650	(650)
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>75,888</u>	<u>70,138</u>	<u>5,750</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(75,888)</u>	<u>5,820</u>	
<u>OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	<u>(75,888)</u>	<u>5,820</u>	
<u>FUND BALANCES, July 1</u>	<u>75,888</u>	<u>75,889</u>	
<u>FUND BALANCES, June 30</u>	<u>-</u>	<u>81,709</u>	

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

AGUILAR SCHOOL DISTRICT RE-6  
FOOD SERVICES – SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	-	980	980
Earnings on Investments	-	5	5
Other	-	-	-
<u>State Sources</u>			
School Lunches and Breakfast	-	626	626
<u>Federal Sources</u>			
School Lunches and Breakfast	-	46,365	46,365
Commodities	-	3,614	3,614
<u>Total Revenues</u>	<u>-</u>	<u>51,590</u>	<u>51,590</u>
<u>EXPENDITURES</u>			
Salaries	45,291	35,990	9,301
Employee Benefits	15,789	16,718	(929)
Purchased Services – Professional	-	-	-
Purchased Services – Property	-	-	-
Purchased Services – Other	-	3,382	(3,382)
Food Purchases	24,000	35,304	(11,304)
Capital Outlay	2,344	1,000	1,344
Commodities	-	3,614	(3,614)
Non-Food Supplies	-	863	(863)
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>87,424</u>	<u>96,871</u>	<u>(9,447)</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(87,424)	(45,281)	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	84,580	56,301	(28,279)
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(2,844)	11,020	
<u>FUND BALANCE, July 1</u>	<u>2,844</u>	<u>2,844</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>13,864</u>	

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

AGUILAR SCHOOL DISTRICT RE-6  
 STUDENT ACTIVITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Other Local	-	<u>18,185</u>	<u>18,185</u>
<u>Total Revenues</u>	-	<u>18,185</u>	<u>18,185</u>
 <u>EXPENDITURES</u>			
Student Activities	<u>9,802</u>	<u>15,075</u>	<u>(5,273)</u>
<u>Total Expenditures</u>	<u>9,802</u>	<u>15,075</u>	<u>(5,273)</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (9,802)	 3,110	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 (9,802)	 3,110	
 <u>FUND BALANCE, July 1 (as Restated)</u>	 <u>9,802</u>	 <u>9,802</u>	
 <u>FUND BALANCE, June 30</u>	 <u>-</u>	 <u>12,912</u>	

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

STATE REQUIRED SCHEDULES

Auditor's Integrity Report (Revenues, Expenditures, and Fund Balance by Fund)

Bolded Balance Sheet



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1620 - Aguilar Reorganized 6  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	331,883	2,285,057	2,230,880	386,060
18 R & Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	134,072	78,053	56,019
<b>Sub-Total</b>	<b>331,883</b>	<b>2,419,129</b>	<b>2,308,934</b>	<b>442,079</b>
11 Charter School Fund	0	0	0	0
20,24-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec. Revenue Fund	2,844	107,891	96,871	11,864
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	9,883	18,185	15,875	12,512
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	75,889	75,958	70,138	81,709
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	0	0	0	0
46 Supplemental Cap Const. Tech. Main Fund	0	0	0	0
<b>Totals</b>	<b>640,419</b>	<b>2,611,163</b>	<b>2,491,019</b>	<b>530,164</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
61 (63) Risk-Related Activity Fund	0	0	0	0
60,63-69 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	0	0	0	0
79 GASB 34/Permanent Fund	0	0	0	0
83 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 1620 - Aguilar Reorganized 6  
 Fiscal Year 2019-20  
 Colorado School District/BOCES

ASSETS	Governmental							Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap. Const. Fund 05	Total Program Reserve Fund 07	Food Service Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap. Const. Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	506,423	0	56,019	12,912	0	0	3,706	0	0	0	0	0	0	0	0	579,060
Cash with Fiscal Agent (8105)	37,484	0	0	0	0	0	0	67,465	0	0	0	0	0	0	0	104,949
Taxes Receivable (8121,8122)	28,400	0	0	0	0	0	0	5,700	0	0	0	0	0	0	0	34,100
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	11,244	0	0	0	0	0	0	0	11,244
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	240,207	0	0	0	0	0	12,363	0	0	0	0	0	0	0	0	252,570
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Inventories (8171,8172,8173)	0	0	0	0	0	0	3,032	0	0	0	0	0	0	0	0	3,032
Sites (8211)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>812,514</b>	<b>0</b>	<b>56,019</b>	<b>12,912</b>	<b>0</b>	<b>0</b>	<b>19,019</b>	<b>84,409</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>984,955</b>

	Governmental						Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
<b>LIABILITIES &amp; FUND EQUITY</b>															
<b>LIABILITIES</b>															
Interfund Payables (7401-7402)	11,244	0	0	0	0	0	0	0	0	0	0	0	0	0	11,244
Other Payables (7421-7423)	10,053	0	0	0	0	0	0	0	0	0	0	0	0	0	10,053
Accrued Expenses (7461)	151,156	0	0	0	0	0	5,237	0	0	0	0	0	0	0	156,393
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	240,300	0	0	0	0	0	0	0	0	0	0	0	0	0	240,300
Deferred Inflow (7800)	13,700	0	0	0	0	0	0	2,700	0	0	0	0	0	0	16,400
<b>Total Liabilities:</b>	<b>426,454</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,237</b>	<b>2,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>434,391</b>

