

**GENOA-HUGO SCHOOL DISTRICT NO. C-113
HUGO, COLORADO**

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2020**

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

HUGO, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2020

BOARD OF EDUCATION

Robert Kraxberger - President
Vicky Miller - Vice President
Mark Hollowell - Secretary
Sharon Mason - Treasurer
Julia Boger - Member

ADMINISTRATIVE STAFF

Terry Weber
Superintendent of Schools

Kara Emmerling
Business Manager

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2020

The discussion and analysis of Genoa-Hugo School District No. C-113's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

The District's fund balance in the general fund exceeds the three months of operating expenditures for the year ending June 30, 2020. This is a continual goal for the district.

Using the Basic Financial Statements

The basic financial statements consist of the Management Discussion and Analysis (this section) and a series of financial statements and notes to those statements. These statements are organized so that the reader can first understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The first two statements are government-wide financial statements - the Statement of Net Position and the Statement of Activities. Both provide long and short-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending. Fiduciary fund statements provide information about financial relationships where the District acts solely as a trustee or agent for the benefit of others to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

Financial Analysis of the District as a Whole

The District's total net position was \$4,367,881 as of June 30, 2020. The District has a negative unrestricted net position of \$2,657,212 this is a result of the inclusion of the PERA liability of \$3,071,743 as described in the Notes to the Financial Statements.

Government-Wide Financial Statements

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

The two government-wide statements report the District's net position and how they have changed. The change in net position is important because it tells the reader that for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of various factors, some financial, some not. Non-financial factors include facility conditions and required educational programs.

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities – The majority of the District's programs and services are reported here including instruction, support services, operations and maintenance of plant, pupil transportation and extracurricular activities.

A condensed summary of the Districts Net Position is as follows:

TABLE 1 - CONDENSED STATEMENT OF NET POSITION

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Current Assets	\$ 4,650,954	\$ 3,845,183
Other Assets	10,133,297	10,259,345
Total Assets	<u>14,784,251</u>	<u>14,104,528</u>
Deferred Outflows of Financial Resources	<u>739,542</u>	<u>1,628,548</u>
Current Liabilities	551,674	339,749
Long-Term Liabilities	<u>7,970,020</u>	<u>8,900,039</u>
Total Liabilities	<u>8,521,694</u>	<u>9,239,788</u>
Deferred Inflows of Financial Resources	<u>2,634,218</u>	<u>3,523,959</u>
Net Investment in Capital Assets	5,702,903	5,234,019
Restricted Net Position	1,322,190	1,190,504
Unrestricted Net Position	<u>(2,657,212)</u>	<u>(3,455,194)</u>
Total Net Position (Deficit)	<u>\$ 4,367,881</u>	<u>\$ 2,969,329</u>

Most of the District's net position is invested in capital assets (buildings, land, and equipment). The remaining net position is a combination of restricted and unrestricted amounts. The restricted balances are primarily amounts legally restricted to finance future purchases or capital projects as planned by the District for debt repayment and by statute.

A condensed Statement of Activities and Changes in Net position is as follows:

TABLE 2 - CONDENSED STATEMENT OF ACTIVITIES

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Program Revenues:		
Charges for Services	\$ 78,426	\$ 53,895
Operating Grants	356,930	196,419
Capital Grants	<u>(187,943)</u>	<u>(196,181)</u>
Total Program Revenues	<u>247,413</u>	<u>54,133</u>
General Revenues:		
Taxes	1,959,530	1,815,124
State Equalization	1,312,182	1,193,566
Investment Income	7,055	5,114
Miscellaneous	<u>25,248</u>	<u>60,956</u>
Total General Revenues	<u>3,304,015</u>	<u>3,074,760</u>
Total Revenues	<u>3,551,428</u>	<u>3,128,893</u>
Expenses		
Instruction	1,193,736	1,130,960
Supporting Services	1,017,718	777,418
Interest on Long Term Debt	<u>-</u>	<u>155,207</u>
Total Expenses	<u>2,211,454</u>	<u>2,063,585</u>
Change in Net Position	<u>1,339,974</u>	<u>1,065,308</u>
Net Position - Beginning	2,969,329	1,759,772
Prior Period Restatement	<u>58,578</u>	<u>144,249</u>
Net Position - Beginning (Restated)	<u>3,027,907</u>	<u>1,904,021</u>
Net Position (Deficit) - Ending	<u>\$ 4,367,881</u>	<u>\$ 2,969,329</u>

The District's primary revenue source is per pupil funding which is a combination of State Equalization and local property taxes. The District's per pupil funding and total governmental activity revenues remained relatively stable for the 2019 fiscal year. Overall, there was an increase in revenue generated at the state levels and an increase at the local level.

Total expenditures from governmental activities increased \$147,869 from the previous year. While revenues increased \$422,535.

Reporting the District's Most Significant Funds

The analysis of the District's major funds begins on page 4. Fund financial reports provide detailed information about the District's major funds. The District's major funds are the General, and Bond Redemption Funds.

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. 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 general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's major governmental funds consist of the General, Bond Redemption and Capital Reserve Projects Funds. The General Fund accounts for the majority of the District's instruction and support operations. The Bond Redemption Fund accounts for the repayment of the District's general obligation debt and the Capital Reserve Projects Fund accounts for the District's routine capital projects.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District's fiduciary funds are the Pupil Activity Fund and Scholarship Fund. The Pupil Activity Fund and Scholarship Fund generally accounts for student generated or scholarship revenues and expenditures related to non-classroom activities.

Fund Financial Statements

As of June 30, 2020, the District's governmental funds reported a combined fund balance of \$4,111,112 which is an increase of \$593,110 from the June 30, 2019 balance. The following is additional information by fund which contributed to the change.

General Fund revenues increased \$795,422, primarily due to an increase in state and local revenues and federal grants. General Fund expenditures increased \$487,842 with most of the increase in instruction and transportation services expenditures. The ending fund balance for the general fund was \$2,865,444.

Bond Redemption Fund revenues increased \$13,572, while the total fund balance decreased \$116,089 primarily to due to collecting more in taxes that sufficient funds are already collected to pay the bond installments. The debt matures in 2033.

Capital Assets

As of June 30, 2020, the District had \$1,501,330 invested in a broad range of governmental capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$70,133 which is primarily represented by the district overall depreciation and deletions. The District's most significant addition was the purchase of a bus.

A summary of the District's capital assets is as follows:

	<u>Balance 6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/20</u>
Governmental activities				
Capital assets not being depreciated:				
Construction in progress	\$ 7,027	\$ -	\$ -	\$ 7,027
Capital assets being depreciated:				
Buildings	2,651,814	-	19,600	2,632,214
Equipment	117,931	106,519	-	224,451
Transportation equipment	<u>464,980</u>	<u>89,180</u>	<u>-</u>	<u>554,160</u>
Total capital assets being depreciated	<u>3,234,725</u>	<u>195,699</u>	<u>19,600</u>	<u>3,410,824</u>
Accumulated Depreciation				
Buildings	(1,509,057)	(84,336)	(19,322)	(1,574,071)
Equipment	(66,934)	(10,461)	-	(77,395)
Transportation equipment	<u>(234,565)</u>	<u>(30,490)</u>	<u>-</u>	<u>(265,054)</u>
Total accumulated depreciation	<u>(1,810,556)</u>	<u>(125,287)</u>	<u>(19,322)</u>	<u>(1,916,521)</u>
Net Capital Assets	<u>\$ 1,424,169</u>	<u>\$ 70,413</u>	<u>\$ 278</u>	<u>\$ 1,501,331</u>

The District does not maintain separate infrastructure assets as all infrastructure has been included with the related capital asset.

Long-Term Liabilities

The following is a summary of the District's outstanding long term liabilities:

	<u>Balance at July 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2019</u>	<u>Due within One Year</u>
General obligation bonds, Series 2012	\$ 5,302,110	\$ -	\$ 284,953	\$ 5,017,157	\$ 293,519
General obligation bonds, Series 2009	20,000	-	20,000	-	-
Capital Leases Payable	11,774	-	3,605	8,169	3,806
PERA Net Pension Liability	7,992,191	-	4,320,287	3,671,904	-
PERA Net OPEB Liability	182,508	881	-	183,389	-
Accrued compensated absences	<u>18,175</u>	<u>1,245</u>	<u>-</u>	<u>19,420</u>	<u>-</u>
Total	<u>\$ 13,526,758</u>	<u>\$ 2,126</u>	<u>\$ 4,628,845</u>	<u>\$ 8,900,039</u>	<u>\$ 297,325</u>

The change in liability balances from June 30, 2019 to 2020 reflects principal payments made during the fiscal year as well as actuarially determined adjustments required for the District's pension plan. Additional information regarding the District's liabilities can be found in Note 6 to the financial statements on page 22.

General Fund Budget

The Board of Education adopts the District's budget in June of each year. Changes are then made in October when student enrollment is finalized. The adoption of supplemental budgets is allowed throughout the year when unanticipated additional revenues are received.

The Future of the District

For fiscal year 2021, the District will continue to maintain a minimum of three months operating expenditures. We will continue expenditures for the transportation fleet.

Requests for Information

This financial report is designed to provide a general overview of the Genoa-Hugo School District No. C-113's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent and/or Business Manager, P O Box 247, Hugo, Colorado 80821.

Mayberry & Company, LLC

Certified Public Accountants

Member of the American Institute of Certified Public Accountants
Governmental Audit Quality Center
and Private Company Practice Section

Board of Education
Genoa-Hugo School District No. C-113
Hugo, Colorado

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Genoa-Hugo School District No. C-113, Colorado, as of and for the year ended June 30, 2020, which collectively comprise the basic financial statements of the District, 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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We 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 of 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 auditors' 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 controls. 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.

Opinion

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 Genoa-Hugo School District No. C-113, Colorado, as of June 30, 2020, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 16 to the financial statements, the 2020 financial statements have been restated to reflect the reclassification of pupil activity to a special revenue fund. This restatement impacted the governmental activities. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited the Genoa-Hugo School District No. C-113's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information – Management Discussion and Analysis and Pension Schedules (Unaudited)

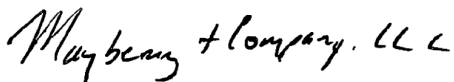
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M6 and pension schedules on pages 45 - 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 49 - 51 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. In addition, the combining and individual fund schedules on pages 52 - 57 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports pages 58 - 61 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.



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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2020.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 4,374,010
Cash with Fiscal Agent	156,728
Taxes Receivable	43,745
Grants Receivable	7,995
Other Accounts Receivable	48,719
Inventory	2,560
Prepaid Expenses	17,197
Capital and Other Assets	
BEST Grant Receivable	8,631,967
Capital Assets not Being Depreciated	7,027
Capital Assets Being Depreciated, Net	<u>1,494,303</u>
Total Assets	<u>14,784,251</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	728,909
Net OPEB Deferred Outflows	<u>10,633</u>
Total Deferred Outflows of Financial Resources	<u>739,542</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 15,523,793</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Accounts Payable	\$ 10,001
Accrued Interest	11,832
Accrued Salaries & Benefits	243,012
Payroll Taxes & Deductions Payable	21,186
Unearned Revenue	2,305
Unearned Revenue Grants	263,338
Noncurrent Liabilities	
Due Within One Year	296,459
Due In More Than One Year	<u>7,673,561</u>
Total Liabilities	<u>8,521,694</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	2,591,542
Net OPEB Deferred Inflows	<u>42,676</u>
Total Deferred Inflows of Financial Resources	<u>2,634,218</u>
Net Position	
Net Investment in Capital Assets	5,702,903
Restricted Net Position	1,322,190
Unrestricted Net Position	<u>(2,657,212)</u>
Total Net Position	<u>4,367,881</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 15,523,793</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113

Statement of Activities
For the Year Ended June 30, 2020

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Position</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Primary Government				
Governmental Activities				
Instruction	\$ 1,193,736	\$ 55,846	\$ 150,641	\$ 7,951
Supporting Services	1,017,718	22,580	206,289	(195,894)
Total Primary Government	\$ 2,211,454	\$ 78,426	\$ 356,930	\$ (187,943)
General Revenues				
Property Taxes				1,768,959
Specific Ownership Taxes				190,571
State Equalization				1,312,182
Investment Earnings				6,383
Gain (Loss) on Capital Asset Disposals				672
Insurance Proceeds				14,990
Other Revenues				10,258
Total General Revenues				3,304,015
Change in Net Position				1,339,974
Beginning Net Position				2,969,329
Prior Period Restatement				58,578
Beginning Net Position (As Restated)				3,027,907
Ending Net Position				\$ 4,367,881

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Balance Sheet
 Governmental Funds
 June 30, 2020

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund
ASSETS				
Cash and Investments	\$ 3,168,000	\$ 39,615	\$ 56,484	\$ 1,109,911
Cash with Fiscal Agent	112,424	-	-	44,304
Taxes Receivable	31,406	-	-	12,339
Grants Receivable	7,995	-	-	-
Other Accounts Receivable	46,409	2,310	-	-
Inventory	-	2,560	-	-
Prepaid Expenses	17,197	-	-	-
TOTAL ASSETS	<u>\$ 3,383,431</u>	<u>\$ 44,485</u>	<u>\$ 56,484</u>	<u>\$ 1,166,554</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
Liabilities				
Accounts Payable	\$ 10,001	\$ -	\$ -	\$ -
Accrued Salaries & Benefits	232,462	10,550	-	-
Payroll Taxes & Deductions Payable	21,186	-	-	-
Unearned Revenue	-	2,305	-	-
Unearned Revenue Grants	263,338	-	-	-
Total Liabilities	<u>526,987</u>	<u>12,855</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Financial Resources				
Fund Balance				
Nonspendable Fund Balance	17,197	2,560	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	-	1,166,554
Restricted for TABOR Emergencies	108,000	-	-	-
Restricted for Colorado Preschool Program	-	-	-	-
Restricted for BEST Replacement Reserve	47,636	-	-	-
Committed Fund Balance	-	29,070	56,484	-
Unassigned Fund Balance	2,683,611	-	-	-
Total Fund Balance	<u>2,856,444</u>	<u>31,630</u>	<u>56,484</u>	<u>1,166,554</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 3,383,431</u>	<u>\$ 44,485</u>	<u>\$ 56,484</u>	<u>\$ 1,166,554</u>

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

Capital Projects		Totals	
Capital Reserve			
Project Fund	2020	2019	
\$ -	\$ 4,374,010	\$ 3,782,199	
-	156,728	653	
-	43,745	35,045	
-	7,995	9,946	
-	48,719	16,044	
-	2,560	1,296	
-	17,197	-	
<u>\$ -</u>	<u>\$ 4,650,954</u>	<u>\$ 3,845,183</u>	
\$ -	\$ 10,001	\$ 15,407	
-	243,012	228,712	
-	21,186	19,952	
-	2,305	1,594	
-	263,338	61,516	
<u>-</u>	<u>539,842</u>	<u>327,181</u>	
-	19,757	1,296	
-	1,166,554	1,050,465	
-	108,000	97,000	
-	-	3,382	
-	47,636	38,361	
-	85,554	38,192	
-	2,683,611	2,289,306	
-	4,111,112	3,518,002	
<u>\$ -</u>	<u>\$ 4,650,954</u>	<u>\$ 3,845,183</u>	

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GENOA-HUGO SCHOOL DISTRICT NO. C-113

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2020**

Fund Balance - Governmental Funds		\$ 4,111,112
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds		
Capital assets, not being depreciated	\$ 7,027	
Capital assets, being depreciated	3,410,824	
Accumulated depreciation	<u>(1,916,521)</u>	1,501,330
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds		
Long-Term BEST Grant Receivable		8,631,967
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds		
Pension Liability		
Net pension deferred outflows	728,909	
Net pension liability	(3,071,743)	
Net pension deferred inflows	<u>(2,591,542)</u>	(4,934,376)
OPEB Liability		
Net OPEB deferred outflows	10,633	
Net OPEB liability	(151,025)	
Net OPEB deferred inflows	<u>(42,676)</u>	(183,068)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.		
Bonds payable	(4,723,638)	
Capital leases payable	(3,215)	
Accrued interest payable	(11,832)	
Accrued compensated absences	<u>(20,399)</u>	(4,759,084)
Total Net Position - Governmental Activities		<u>\$ 4,367,881</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
REVENUES			
Local Sources	\$ 1,447,416	\$ 22,955	\$ 55,786
Intermediate Sources	339	-	-
State Sources	1,541,421	2,243	-
Federal Sources	76,411	44,936	-
TOTAL REVENUES	<u>3,065,587</u>	<u>70,134</u>	<u>55,786</u>
EXPENDITURES			
Current:			
Instruction	1,507,862	-	62,847
Pupil Support	66,288	-	-
Staff Support	14,391	-	-
General Administration	135,008	-	-
School Administration	156,916	-	-
Business Services	98,178	-	-
Operations and Maintenance	345,089	-	-
Transportation	180,861	-	-
Other Central Support	92,870	-	-
Food Service	-	107,376	-
Community Support	-	-	150
Facilities	-	-	-
Debt Service	5,351	-	-
TOTAL EXPENDITURES	<u>2,602,814</u>	<u>107,376</u>	<u>62,997</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	462,773	(37,242)	(7,211)
OTHER FINANCING SOURCES (USES)			
Transfers	(4,323)	30,000	4,500
CHANGE IN FUND BALANCE	<u>458,450</u>	<u>(7,242)</u>	<u>(2,711)</u>
BEGINNING FUND BALANCE	2,397,994	38,872	617
Prior Period Adjustment	-	-	58,578
BEGINNING FUND BALANCE (As Restated)	<u>2,397,994</u>	<u>38,872</u>	<u>59,195</u>
ENDING FUND BALANCE	<u>\$ 2,856,444</u>	<u>\$ 31,630</u>	<u>\$ 56,484</u>

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

Debt Service		Capital Projects		Totals	
Bond					
Redemption		Capital Reserve			
Fund	Project Fund	2020	2019		
\$ 556,257	\$ 123	\$ 2,082,537	\$ 1,907,028		
-	-	339	58		
-	-	1,543,664	1,302,490		
-	-	121,347	116,319		
<u>556,257</u>	<u>123</u>	<u>3,747,887</u>	<u>3,325,895</u>		
-	-	1,570,709	1,511,736		
-	-	66,288	48,141		
-	-	14,391	7,880		
250	-	135,258	126,521		
-	-	156,916	150,718		
-	-	98,178	92,613		
-	-	345,089	256,697		
-	-	180,861	92,499		
-	-	92,870	58,124		
-	-	107,376	106,008		
-	-	150	-		
-	-	-	30,939		
<u>439,918</u>	<u>-</u>	<u>445,269</u>	<u>464,533</u>		
<u>440,168</u>	<u>-</u>	<u>3,213,355</u>	<u>2,946,409</u>		
<u>116,089</u>	<u>123</u>	<u>534,532</u>	<u>379,486</u>		
-	(30,177)	-	-		
<u>116,089</u>	<u>(30,054)</u>	<u>534,532</u>	<u>379,486</u>		
1,050,465	30,054	3,518,002	3,138,516		
-	-	58,578	-		
<u>1,050,465</u>	<u>30,054</u>	<u>3,576,580</u>	<u>3,138,516</u>		
<u>\$ 1,166,554</u>	<u>\$ -</u>	<u>\$ 4,111,112</u>	<u>\$ 3,518,002</u>		

GENOA-HUGO SCHOOL DISTRICT NO. C-113

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2020**

Change in Fund Balance - Governmental Funds	\$	534,532	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	195,699	
Depreciation Expense		(125,288)	
Gain (Loss) on Asset Disposals		<u>(278)</u>	70,133
The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant			
Amortization of BEST grant receivable			(196,181)
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Pension Liability			
Current year change and amortization of deferred outflows - net		(888,352)	
Change in net pension liability		600,161	
Current year change and amortization of deferred inflows - net		<u>914,605</u>	626,414
OPEB Liability			
Current year change and amortization of deferred outflows - net		(654)	
Change in OPEB liability		32,364	
Current year change and amortization of deferred inflows - net		<u>(24,864)</u>	6,846
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable		293,519	
Principal payments on capital leases		4,954	
Change in accrued interest payable		736	
Change in accrued compensated absences		<u>(979)</u>	<u>298,230</u>
Total Net Position - Governmental Activities	\$		<u><u>1,339,974</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Genoa-Hugo School District No. C-113 (the District) conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, the District's management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board ("GASB") Statement No. 14, "The Financial Reporting Entity."

Based upon the application of these criteria, no additional organizations are includable within the District's reporting entity.

Jointly Governed Organizations

The District is a participant among fourteen districts in a jointly governed organization to operate the East Central Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 820 2nd Street, P.O. Box 910, Limon, CO 80828-0910. The District paid total assessments of \$103,511 to the BOCES for the year ended June 30, 2020.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. These statements are to distinguish between the governmental and business-type activities of the District. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. The fiduciary funds are presented separately.

The District reports the following major governmental funds:

General Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue (Food Service and Pupil Activity/Athletic) Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes.

Debt Service (Bond Redemption) – This fund is used to account for the repayment of the District's general obligation indebtedness.

Capital Project (Capital Reserve) – This fund accounts for the District's routine capital projects.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The District reports the following fiduciary funds:

Agency Funds (Pupil Activity and Scholarship Funds) – These funds are used to account for the money held in trust by the District for student organizations and for scholarships. These funds are custodial and do not measure the results of operations. With the adoption of GASB Statement No. 84 – Fiduciary Activities, these funds were consolidated with the former Athletic Fund for a special revenue fund presentation.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available as allowed by the per pupil operating revenue formula approved by the State legislature or within sixty days after year end. These revenues could include federal, state, and county grants, and some charges for services. Grants are only recognized to the extent allowable expenditures have been incurred. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Acquisitions under capital leases are reported as other financing sources.

Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for all funds. All annual appropriations lapse at fiscal year end.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- Budgets are required by state law for all funds. By May 31, the Superintendent of Schools submits to the Board of Education a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them. All budgets lapse at year end.
- Public hearings are conducted by the Board of Education to obtain taxpayer comments.
- Prior to June 30, the budget is adopted by formal resolution.
- Budgets are required to be filed with the Commissioner of Education within thirty days after the beginning of the fiscal year.
- Budgets may be revised until January 31st of the budget year.
- Expenditures may not legally exceed appropriations at the fund level.
- Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
- Budgeted amounts reported in the accompanying financial statements are as originally adopted and amended by the Board of Education.
- Encumbrance accounting is not utilized.

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance

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

Inventories – Inventory of the proprietary fund is valued at the lower of cost (first-in, first-out) or market.

Due To and Due From Other Funds – Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets – Capital assets used in governmental activities operations are shown on the government-wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the disbursement and capitalized at cost in the government-wide presentation. No depreciation has been provided on capital assets in the governmental funds.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance
(Continued)

Property and equipment is stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation has been provided over the estimated useful lives of the asset in the government-wide presentation as well as in the proprietary fund. Depreciation is calculated using the straight-line method over the following useful lives:

Buildings and Site Improvements	10-80 years
Vehicles	10-25 years
Other Equipment	5-15 years

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2019 property taxes were both measurable and available at June 30, 2020, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2020 but not collected by June 30, 2020.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2020, the District has recorded accrued leave as disclosed in Note 6.

Long-Term Debt – The District’s general obligation bonds are accounted for in the Bond Redemption Fund. Principal repayments are shown as expenditures in the fund level financial statements. The District’s capital leases are paid through the General Fund and are shown as expenditures in that fund.

For the government-wide presentation, principal payments are reclassified as reductions in the outstanding obligation balances.

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element 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. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 7 and 9.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position/Fund Balance
(Continued)

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 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. The District reports deferred inflows related to pension liabilities and OPEB liabilities as further described in Note 7 and 9.

Net Position/Fund Balances - In the government-wide financial statements and for the proprietary fund statements, net position are either shown as net investment in capital assets, with these assets essentially being nonexpendable; restricted when constraints placed on the net position are externally imposed; or unrestricted.

For the governmental fund presentation, fund balances that are classified as "nonspendable" include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts.

Fund balance are reported as "restricted" when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, and at their highest level of action are reported as "committed" fund balance.

Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed, are reported as "assigned" fund balance. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

All other remaining governmental balances are reported as unassigned.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/ Fund Balance and Flow Assumptions

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

Revenues and Expenditures/Expenses

Revenues and Expenditures/Expenses – Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees, and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred.

Property Tax Revenues – Property taxes are levied on December 15 based on the assessed value of property as certified by the county assessor on August 17. Assessed values are an approximation of market value. The property tax may be paid in total by April 30 or one-half payment by February 28 and the second half by June 15. The billings are considered due on these dates. The bill becomes delinquent and penalties and interest may be assessed by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying basic financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS

A reconciliation of the cash components on the balance sheet to the cash categories in this footnote are as follows:

Deposits	\$ 4,373,710
Cash on hand	<u>300</u>
Total	<u>\$ 4,374,010</u>
 Government-wide - unrestricted	 <u>\$ 4,374,010</u>

Deposits

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government’s deposits may not be returned to it. The District’s deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution’s internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools.

Custodial Credit Risk – Deposits (Continued)

At June 30, 2020, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized*	4,144,233	4,123,710
Cash on hand	<u>-</u>	<u>300</u>
Total	<u>\$ 4,394,233</u>	<u>\$ 4,374,010</u>

*Not in District's name

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

Colorado statutes specify which instruments units of local government may invest, which include:

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2020, the District did not have any investments requiring disclosure.

Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

Interest Rate Risk

Colorado Statutes require that no investment may have a maturity in excess of five years from the date of purchase unless authorized by the local board. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, other than those contained in state statutes.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2020, the District did not have any investments requiring safekeeping.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3: INVENTORIES

Food Service Fund inventory of \$2,560 as of June 30, 2020, consisted of \$916 of purchased food. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	<u>Balance</u> <u>6/30/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/20</u>
Governmental activities				
Capital assets not being depreciated:				
Construction in progress	\$ 7,027	\$ -	\$ -	\$ 7,027
Capital assets being depreciated:				
Buildings	2,651,814	-	19,600	2,632,214
Equipment	117,931	106,519	-	224,450
Transportation equipment	<u>464,980</u>	<u>89,180</u>	<u>-</u>	<u>554,160</u>
Total capital assets being depreciated	<u>3,234,725</u>	<u>195,699</u>	<u>19,600</u>	<u>3,410,824</u>
Accumulated Depreciation				
Buildings	(1,509,057)	(84,336)	(19,322)	(1,574,071)
Equipment	(66,934)	(10,461)	-	(77,395)
Transportation equipment	<u>(234,564)</u>	<u>(30,491)</u>	<u>-</u>	<u>(265,055)</u>
Total accumulated depreciation	<u>(1,810,555)</u>	<u>(125,288)</u>	<u>(19,322)</u>	<u>(1,916,521)</u>
Net Capital Assets	<u>\$ 1,431,197</u>	<u>\$ 70,411</u>	<u>\$ 278</u>	<u>\$ 1,501,330</u>
Instruction				
		\$ 71,093		
Supporting services				
		<u>54,195</u>		
Total depreciation				
		<u>\$ 125,288</u>		

The District capitalizes assets with an original value of at least \$5,000 and a useful life in excess of one year. Depreciation is computed on a straight-line basis over the expected use life of the underlying asset.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5: 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, as of June 30, 2020 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$	232,462
Food Service Fund		10,550
Total Accrued Salaries and Benefits	\$	<u>243,012</u>

NOTE 6: LONG-TERM DEBT

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

	Balance at			Balance at		Due within
	July 1, 2019	Increases	Decreases	June 30, 2020	One Year	
General obligation bonds, Series 2012	\$ 5,017,157	\$ -	\$ 293,519	\$ 4,723,638	\$ 293,519	
Capital Leases Payable	8,169	-	4,954	3,215	3,201	
PERA Net Pension Liability	3,671,904	-	600,161	3,071,743	-	
PERA Net OPEB Liability	183,389	-	32,364	151,025	-	
Accrued compensated absences	<u>19,420</u>	<u>979</u>	<u>-</u>	<u>20,399</u>	<u>-</u>	
Total	<u>\$ 8,900,039</u>	<u>\$ 979</u>	<u>\$ 930,998</u>	<u>\$ 7,970,020</u>	<u>\$ 296,720</u>	

An interest summary of the District's long-term debt is as follows:

	Accrued	Interest	Interest
	Interest	Paid	Expense
General obligation bonds, Series 2012	\$ 12,568	\$ 146,399	\$ 145,664
Capital Leases Payable	<u>-</u>	<u>296</u>	<u>296</u>
Total	<u>\$ 12,568</u>	<u>\$ 146,695</u>	<u>\$ 145,960</u>

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6: LONG-TERM DEBT(Continued)

General Obligation Bonds

In 2013, the District issued \$6,609,572 of general obligation bonds which were used for an escrow match to a BEST grant received. These bonds, along with the grant proceeds, were used to partially replace District facilities. Principal is due annually on December 1, and interest at a rate of 3.02% is due semiannually on June 1, and December 1. Payments are made through the Building Fund of the District. Bond payments, to maturity, are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 302,341	\$ 137,444	\$ 439,785
2022	311,429	128,219	439,648
2023	320,791	118,717	439,508
2024	330,433	108,930	439,363
2025	340,366	98,848	439,214
2026-2030	1,861,586	387,222	2,194,484
2031-2033	1,256,692	101,115	1,752,497
Total	<u>\$ 4,723,638</u>	<u>\$ 981,647</u>	<u>\$ 5,705,285</u>

Capital Leases Payable

In June of 2016, the District entered into a capital lease agreement for the purchase of two office copiers with maintenance agreements. The lease requires 60 monthly payments beginning August 2016 of \$346, including interest at 5.45%. In the event of default, the lessor will require the District to pay amounts due under the lease agreement. The lessor will require these payments to be made to the extent permitted by law and legally available funds. Future Capital Lease payments are as follows:

<u>Year</u>	<u>Total</u>
2021	\$ 3,310
2022	16
Total Future Minimum Lease Payments	3,326
Less: Interest at 5.45%	(111)
Present Value of Lease Payments	<u>\$ 3,215</u>

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

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

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

- Increases employer contribution rates for the SCHDTF by 0.25 percent on July 1, 2019.
- Increases employee contribution rates for the SCHDTF by a total of 2 percent (to be phased in over a period of 3 years starting on July 1, 2019).
- As specified in C.R.S. § 24-51-413, the State is required to contribute \$225 million each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. A portion of the direct distribution allocated to the SCHDTF is considered a nonemployer contribution for financial reporting purposes.
- Modifies the retirement benefits, including temporarily suspending and reducing the annual increase for all current and future retirees, increases the highest average salary for employees with less than five years of service credit on December 31, 2019 and raises the retirement age for new employees.

General Information about the Pension Plan

- Member contributions, employer contributions, the direct distribution from the State, and the annual increases will be adjusted based on certain statutory parameters beginning July 1, 2020, and then each year thereafter, to help keep PERA on path to full funding in 30 years.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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

- Highest average salary multiplied by 2.5 percent and then multiplied by years of service credit
- The value of the retiring employee's member contribution account plus a 100 percent match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

As of December 31, 2018, benefit recipients who elect to receive a lifetime retirement benefit are generally eligible to receive post-retirement cost-of-living adjustments in certain years, referred to as annual increases in the C.R.S. Pursuant to SB 18-200, there are no annual increases (AI) for 2018 and 2019 for all benefit recipients. Thereafter, benefit recipients under the PERA benefit structure who began eligible employment before January 1, 2007 and all benefit recipients of the DPS benefit structure will receive an annual increase, unless PERA has a negative investment year, in which case the annual increase for the next three years is the lesser of 1.5 percent or the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the prior calendar year. Benefit recipients under the PERA benefit structure who began eligible employment after January 1, 2007 will receive the lesser of an annual increase of 1.5 percent or the average CPI-W for the prior calendar year, not to exceed 10 percent of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The automatic adjustment provision may raise or lower the aforementioned AI for a given year by up to one-quarter of 1 percent based on the parameters specified C.R.S. § 24-51-413.

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

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

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

	January 1, 2019 Through December 31, 2019	January 1, 2020 Through June 30, 2020
Employer contribution rate	10.15%	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%	-1.02%
Amount apportioned to the SCHDTF	9.13%	9.38%
Amortization equalization disbursement (AED) as specified in C.R.S. 24-51-411	4.50%	4.50%
Supplemental amortization equalization disbursement (SAED) as specified in C.R.S. 24-51-411	5.50%	5.50%
Total employer contribution rate to the SCHDTF	19.13%	19.38%

¹ Rates are expressed as a percentage of salary as defined in C.R.S. 24-51-101(42).

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

Pursuant to C.R.S. § 24-51-414, PERA is to receive an annual direct distribution from the State of Colorado in the amount of \$225 million (in actual dollars). Beginning in 2018, the distribution will occur each July 1 until there are no unfunded actuarial accrued liabilities in the trust fund of any division that receives such distribution. PERA shall allocate the distribution to the trust funds as it would an employer contribution in a manner that is proportionate to the annual payroll of each division except there shall be no allocation to the Local Government Division.

House Bill (HB) 20-1379, signed by Governor Polis on June 29, 2020, suspends the July 1, 2020, direct distribution. Please see Note 21 for more information.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$232,655 for the year ended June 30, 2019.

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

The net pension liability for the SCHDTF was measured as of December 31, 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 District proportion of the net pension liability was based on the District' 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.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

At June 30, 2020, the District reported a liability of \$3,071,743 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 District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	(3,071,743)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$	(345,757)
Total	\$	(3,417,500)

At December 31, 2019, the District proportion was 0.02056 percent, which was a decrease of 0.00018 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized pension expense of \$385,538 and revenue of \$345,757 for support from the State as a nonemployer contributing entity. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 170,577	\$ -
Changes of assumptions or other inputs	\$ 105,415	\$ (1,405,249)
Net difference between projected and actual earnings on pension plan investments	\$ 331,080	\$ (731,274)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ -	\$ (455,019)
Contributions subsequent to the measurement date	\$ 121,837	\$ -
Total	\$ 728,909	\$ (2,591,542)

\$121,837 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:

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2021	\$ (1,142,290)
2022	(720,163)
2023	1,763
2024	(123,780)
Total	\$ (1,984,470)

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%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50-9.70%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Post retirement benefit increases:	
PERA benefit structure hired prior to 1/1/07 and DPS benefit structure (automatic) ¹	1.25%
PERA benefit struture hired after 12/31/06 (ad hoc, substantively automatic)	Financed by the Annual Increase Reserve (AIR)

¹ For 2019, the AI was 0.0%

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

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

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

The actuarial assumptions used in the December 31, 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.

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

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

As of the November 18, 2016, adoption of the current long-term expected rate of return by the PERA Board, the target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

Asset Class	Target Allocation	10 Year Expected Geometric Rate of Return
U.S Equity - Large Cap	21.20%	4.30%
U.S Equity - Small Cap	7.42%	4.80%
Non U.S. Equity - Developed	18.55%	5.20%
Non U.S. Equity - Emerging	5.83%	5.40%
Core Fixed Income	19.32%	1.20%
High Yield	1.38%	4.30%
Non U.S. Fixed Income - Developed	1.84%	0.60%
Emerging Market Debt	0.46%	3.90%
Core Real Estate	8.50%	4.90%
Opportunity Fund	6.00%	3.80%
Private Equity	8.50%	6.60%
Cash	1.00%	0.20%
Total	100.00%	

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (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 .50 percent, resulting from the 2018 AAP assessment, statutorily recognized July 1, 2019, and effective July 1, 2020. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103 percent, at which point, the AED and SAED will each drop .50 percent every year until they are zero. Additionally, estimated employer contributions included reductions for the funding of the AIR and retiree health care benefits. For future plan members, employer contributions were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.
- As specified in law, the State will provide an annual direct distribution of \$225 million (actual dollars), commencing July 1, 2018, that is proportioned between the State, School, Judicial, and DPS Division Trust Funds based upon the covered payroll of each Division. The annual direct distribution ceases when all Division Trust Funds are fully funded.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial fiduciary net position, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the fiduciary net position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI 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 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.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (4,073,788)	\$ (3,071,743)	\$ (2,230,438)

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

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2020 program members contributed \$4,455.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Health Care Trust Fund

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

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

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$12,323 for the year ended June 30, 2019.

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

At June 30, 2020, the District reported a liability of \$151,025 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 District' proportion of the net OPEB liability was based on the District' contributions to the HCTF for the calendar year 2019 relative to the total contributions of participating employers to the HCTF.

At December 31, 2019, the District' proportion was 0.01344 percent, which was a decrease of 0.00004 from its proportion measured as of December 31, 2018.

For the year ended June 30, 2020, the District recognized OPEB expense of \$5,832. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 862	\$ (42,364)
Net difference between projected and actual earnings on pension plan investments	\$ 3,990	\$ (8,343)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 9,437	\$ (10,844)
Contributions subsequent to the measurement date	\$ 10,401	\$ -
Total	\$ 26,753	\$ (61,551)

\$6,412 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:	Fiscal Year Totals
2021	\$ (10,392)
2022	(10,393)
2023	(9,137)
2024	(7,527)
2025	(7,308)
2026	(442)
Total	\$ (45,199)

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:

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	5.60% for 2019, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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:

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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 2018 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.

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and heuristics developed by health plan actuaries and administrators, and projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services. Effective December 31, 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.

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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.

Healthy, post-retirement 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.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

As of the November 18, 2016, adoption of the long-term expected rate of return by the PERA Board, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
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%
Proportionate share of the net OPEB asset (liability)	\$ (246,162)	\$ (252,151)	\$ (259,073)

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2019, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members
- assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.50%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Transfers of a portion of purchase service agreements intended to cover the costs associated with OPEB benefits were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

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

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (285,108)	\$ (252,151)	\$ (223,967)

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

NOTE 10: RISK MANAGEMENT

Property and Liability Coverage

The District belongs to the Colorado School District Self Insurance Pool (“CSDSIP”) that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997. The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member’s premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112.

The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2020.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District’s financial statements.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 10: RISK MANAGEMENT (Continued)

Workers Compensation

The District carries commercial insurance for worker's compensation coverage. Risk of loss transfers to the carrier.

Health Insurance

The District partially self-insured for employee health coverage in prior years. All potential claims from that coverage have now been settled. The District currently carries commercial insurance for employee health coverage with risk of loss transferred to the carrier. The District funds estimated claims on a monthly basis and receives partial benefit for unused amounts upon year end settlement. The District is not exposed beyond the monthly claims submission.

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

Claims and Judgments - The District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units and are subject to the various rules and regulations of the grantor agencies. Expenditures financed by grants are subject to audit and adjustment by the appropriate grantor agency. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expand all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$108,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

The District has either committed or assigned other amounts in the financial statements based on the funds underlying purpose.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine operating transfers through June 30, 2020.

General Fund	
Transfer to Food Services Fund	\$ (30,000)
Transfer to Athletics Fund	(4,500)
Transfer from Capital Reserve Project Fund	<u>30,177</u>
Net General Fund	(4,323)
Athletic Activity Fund	
Transfer from General Fund	4,500
Food Service Fund	
Transfer from General Fund	30,000
Capital Reserve Project Fund	
Transfer to General Fund	<u>(30,177)</u>
Net Interfund Transfers	<u>\$ -</u>

NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS

The District received a BEST grant through the Colorado Department of Education for facility improvements that commenced during fiscal year 2013 with the District providing an upfront match payment held in escrow of \$6,609,572. The State is funding their portion of this program, \$9,809,053, through Certificate of Participation issuances. The State will coordinate the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurs. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting reduction of the outstanding long-term grant receivable.

The improvements completed by the BEST grant and local contribution totaled \$15,794,007 and have a depreciated value of \$13,898,726 as of June 30, 2020. The remaining value of the State's contribution, which has been booked as a long-term grant receivable in the governmental activities, was \$8,631,967 as of June 30, 2020. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, beginning with the June 30, 2016 fiscal year. This reserve balance as of June 30, 2020 was \$47,636.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020

NOTE 14: DEFICIT UNRESTRICTED NET POSTION

The Governmental Activities has a deficit unrestricted net position of \$2,660,594, primarily due to the PERA net pension liability of \$3,071,743 and net OPEB liability of \$151,025, further described in Notes 7 and 9. As the District has no control over pension and OPEB benefits or contribution rates, we expect this deficit to continue going forward.

NOTE 15: BUDGET VIOLATION

The District's expenditures in the Pupil Activity Fund exceeded appropriations by \$24,997.

NOTE 16: PRIOR PERIOD RESTATEMENT

The District has restated the Pupil Activity and Scholarship Fund's beginning fund balance in the amount of \$58,578. With the adoption of GASB Statement No. 84 – Fiduciary Activities, these funds were moved to a special revenue fund presentation, this resulted in an increase in governmental activities net position in the amount of \$58,578.

REQUIRED SUPPLEMENTARY INFORMATION
Pension and OPEB Schedules (Unaudited)

GENOA-HUGO SCHOOL DISTRICT NO. C-113

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION ASSET (LIABILITY)

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.028229%	\$ (3,600,654)	\$ -	\$ (3,600,654)	\$ 1,138,017	316.40%	64.07%
June 30, 2015	0.027816%	\$ (3,770,027)	\$ -	\$ (3,770,027)	\$ 1,165,299	323.52%	62.84%
June 30, 2016	0.027248%	\$ (4,167,357)	\$ -	\$ (4,167,357)	\$ 1,187,453	350.95%	59.16%
June 30, 2017	0.026535%	\$ (7,900,426)	\$ -	\$ (7,900,426)	\$ 1,190,928	663.38%	43.13%
June 30, 2018	0.024716%	\$ (7,992,191)	\$ -	\$ (7,992,191)	\$ 1,140,108	701.00%	43.96%
June 30, 2019	0.020737%	\$ (3,671,904)	\$ (441,687)	\$ (4,113,591)	\$ 1,140,022	322.09%	57.01%
June 30, 2020	0.020561%	\$ (3,071,743)	\$ (345,757)	\$ (3,417,500)	\$ 1,200,490	255.87%	64.52%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

**PERA Pension Plan
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 176,734	\$ (176,734)	\$ -	\$ 1,138,017	15.53%
June 30, 2015	\$ 191,459	\$ (191,459)	\$ -	\$ 1,165,299	16.43%
June 30, 2016	\$ 205,786	\$ (205,786)	\$ -	\$ 1,187,453	17.33%
June 30, 2017	\$ 215,915	\$ (215,915)	\$ -	\$ 1,190,928	18.13%
June 30, 2018	\$ 212,402	\$ (212,402)	\$ -	\$ 1,140,108	18.63%
June 30, 2019	\$ 218,086	\$ (218,086)	\$ -	\$ 1,140,022	19.13%
June 30, 2020	\$ 232,655	\$ (232,655)	\$ -	\$ 1,200,490	19.38%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET OPEB ASSET (LIABILITY)

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.015083%	\$ (195,552)	\$ 1,190,928	16.42%	16.70%
June 30, 2018	0.014043%	\$ (182,508)	\$ 1,140,108	16.01%	17.53%
June 30, 2019	0.013479%	\$ (183,389)	\$ 1,140,022	16.09%	17.03%
June 30, 2020	0.013436%	\$ (151,025)	\$ 1,200,490	12.58%	24.49%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB

PERA Health Care Trust Fund

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 12,147	\$ (12,147)	\$ -	\$ 1,190,928	1.02%
June 30, 2018	\$ 11,629	\$ (11,629)	\$ -	\$ 1,140,108	1.02%
June 30, 2019	\$ 11,628	\$ (11,628)	\$ -	\$ 1,140,022	1.02%
June 30, 2020	\$ 12,245	\$ (12,245)	\$ -	\$ 1,200,490	1.02%

Note: All amounts are as of plan calculation dates which are for the calendar year prior to the date shown.

⁽¹⁾ - Additional years will be added to this schedule as they become available.

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES
(Required Supplementary Information)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 1,236,300	\$ 1,236,300	\$ 1,267,016	\$ 30,716	\$ 1,155,800
Specific Ownership Taxes	106,500	106,500	134,626	28,126	108,526
Delinquent Taxes	750	750	2,582	1,832	5,316
Tuition From Individuals	2,000	2,000	62	(1,938)	1,340
Investment Earnings	2,750	2,750	5,306	2,556	4,062
Donations	500	500	12,000	11,500	938
Sale of Fixed Asser/ Insurance Proceeds	100	100	950	850	-
Overhead Cost Revenue	-	-	-	-	2,841
Insurance Proceeds	3,000	3,000	14,990	11,990	3,802
Other Local	14,200	14,200	9,884	(4,316)	25,799
Total Local Sources	<u>1,366,100</u>	<u>1,366,100</u>	<u>1,447,416</u>	<u>81,316</u>	<u>1,308,424</u>
Intermediate Sources					
Mineral Leases	50	50	52	2	59
Impact Fee Revenue	100	100	287	187	-
Total Intermediate Sources	<u>150</u>	<u>150</u>	<u>339</u>	<u>189</u>	<u>59</u>
State Sources					
State Share (Equalization)	1,276,650	1,276,650	1,312,182	35,532	1,193,566
State Transportation	26,000	26,000	26,123	123	26,410
State Grants from CDE					
State Share - Colorado Preschool Program (CPP)	-	-	557	557	-
READ Act	6,000	6,000	-	(6,000)	6,678
State Grants to Libraries	3,500	3,500	4,500	1,000	3,500
Small Rural Schools Additional Funding	-	-	109,803	109,803	-
Additional As- Risk Funding	500	500	1,056	556	1,094
KG Facility Capital Construction	-	-	7,951	7,951	-
READ Act	-	-	6,392	6,392	-
State Vocational Education	9,000	9,000	9,858	858	7,459
State PERA Contribution	-	-	29,509	29,509	29,820
State Grants Provided through BOCES	31,460	31,460	33,490	2,030	30,129
Total State Sources	<u>1,353,110</u>	<u>1,353,110</u>	<u>1,541,421</u>	<u>188,311</u>	<u>1,298,656</u>
Federal Sources					
Federal Grants from CDE					
Coronavirus Relief Fund	-	-	6,684	6,684	-
Race to the Top- Early Childhood Readiness Assess	200	200	-	(200)	-
Federal Grants from Other State Agencies					
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	10,000	10,000	27,243	17,243	16,975
Federal Provided through BOCES	42,280	42,280	42,484	204	42,960
Total Federal Sources	<u>52,480</u>	<u>52,480</u>	<u>76,411</u>	<u>23,931</u>	<u>59,935</u>
TOTAL REVENUES	<u>2,771,840</u>	<u>2,771,840</u>	<u>3,065,587</u>	<u>293,747</u>	<u>2,667,074</u>

See the accompanying Independent Auditors' Report

(Continued)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES					
Current:					
Instruction					
Salaries	922,327	922,327	923,629	(1,302)	883,108
Benefits	443,730	443,730	403,746	39,984	441,839
PS-Professional	3,300	3,300	4,543	(1,243)	3,439
PS-Property	5,000	5,000	727	4,273	871
PS-Other	93,050	93,050	61,833	31,217	75,596
Supplies	86,740	86,740	108,796	(22,056)	71,758
Property	6,850	6,850	1,718	5,132	779
Other Expenses	3,500	3,500	2,870	630	2,767
Total Instruction	<u>1,564,497</u>	<u>1,564,497</u>	<u>1,507,862</u>	<u>56,635</u>	<u>1,480,157</u>
Supporting Services					
Pupil Support					
Salaries	8,500	8,500	17,000	(8,500)	8,500
Benefits	2,000	2,000	3,832	(1,832)	1,861
PS- Professional	250	250	-	250	-
PS-Other	43,700	43,700	45,261	(1,561)	37,735
Supplies	700	700	195	505	45
Total Pupil Support	<u>55,150</u>	<u>55,150</u>	<u>66,288</u>	<u>(11,138)</u>	<u>48,141</u>
Staff Support					
Salaries	-	-	3,500	(3,500)	-
Benefits	-	-	775	(775)	-
PS- Professional	900	900	2,480	(1,580)	840
PS-Other	500	500	-	500	-
Supplies	7,900	7,900	7,636	264	7,040
Property	100	100	-	100	-
Total Staff Support	<u>9,400</u>	<u>9,400</u>	<u>14,391</u>	<u>(4,991)</u>	<u>7,880</u>
General Administration					
Salaries	78,000	78,000	75,000	3,000	70,040
Benefits	28,450	28,450	26,951	1,499	25,171
PS- Professional	11,800	11,800	9,291	2,509	9,456
PS- Property	1,250	1,250	1,419	(169)	1,490
PS-Other	15,200	15,200	13,944	1,256	9,646
Supplies	2,050	2,050	2,962	(912)	1,674
Property	200	200	-	200	743
Other Expenses	5,000	5,000	5,441	(441)	7,801
Total General Administration	<u>141,950</u>	<u>141,950</u>	<u>135,008</u>	<u>6,942</u>	<u>126,021</u>
School Administration					
Salaries	90,800	90,800	91,177	(377)	89,526
Benefits	41,455	41,455	40,717	738	38,094
PS- Professional	300	300	360	(60)	214
PS- Property	7,750	7,750	5,498	2,252	3,614
PS-Other	500	500	-	500	460
Supplies	20,000	20,000	19,164	836	18,810
Total School Administration	<u>160,805</u>	<u>160,805</u>	<u>156,916</u>	<u>3,889</u>	<u>150,718</u>

See the accompanying Independent Auditors' Report

(Continued)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020			Variance with Final Budget	2019 Actual
	Original Budget	Final Budget	Actual		
(Continued)					
EXPENDITURES (Continued)					
Current:					
Supporting Services (Continued)					
Business Services					
Salaries	41,570	41,570	41,990	(420)	41,490
Benefits	19,500	19,500	19,363	137	18,313
PS- Professional	4,350	4,350	3,657	693	3,325
PS-Other	26,100	26,100	26,697	(597)	23,325
Supplies	7,500	7,500	6,471	1,029	6,160
Property	100	100	-	100	-
Total Business Services	<u>99,120</u>	<u>99,120</u>	<u>98,178</u>	<u>942</u>	<u>92,613</u>
Operations and Maintenance					
Salaries	70,000	70,000	70,541	(541)	68,629
Benefits	36,425	36,425	35,446	979	31,771
PS- Property	49,200	49,200	79,207	(30,007)	70,857
PS-Other	7,350	7,350	6,149	1,201	7,868
Supplies	69,250	69,250	64,943	4,307	69,577
Property	1,000	1,000	88,803	(87,803)	7,995
Total Operations and Maintenance	<u>233,225</u>	<u>233,225</u>	<u>345,089</u>	<u>(111,864)</u>	<u>256,697</u>
Transportation					
Salaries	44,500	44,500	42,149	2,351	41,269
Benefits	10,175	10,175	9,251	924	8,747
PS- Professional	500	500	400	100	295
PS- Property	28,750	28,750	16,638	12,112	13,780
PS-Other	8,650	8,650	7,534	1,116	7,187
Supplies	25,250	25,250	15,709	9,541	21,221
Property	200	200	89,180	(88,980)	-
Total Transportation	<u>118,025</u>	<u>118,025</u>	<u>180,861</u>	<u>(62,836)</u>	<u>92,499</u>
Other Central Support					
PS-Other	95,700	95,700	92,870	2,830	58,124
Total Supporting Services	<u>913,375</u>	<u>913,375</u>	<u>1,089,601</u>	<u>(176,226)</u>	<u>832,693</u>
Debt Service					
Interest	-	-	397	(397)	553
Principal	4,200	4,200	4,954	(754)	3,604
Total Debt Service	<u>4,200</u>	<u>4,200</u>	<u>5,351</u>	<u>(1,151)</u>	<u>4,157</u>
Contingency	<u>1,450,768</u>	<u>1,450,768</u>	<u>-</u>	<u>1,450,768</u>	<u>-</u>
TOTAL EXPENDITURES	<u>3,932,840</u>	<u>3,932,840</u>	<u>2,602,814</u>	<u>1,330,026</u>	<u>2,317,007</u>
OTHER FINANCING SOURCES (USES)					
Transfers	<u>(39,000)</u>	<u>(39,000)</u>	<u>(4,323)</u>	<u>34,677</u>	<u>(39,000)</u>
CHANGE IN FUND BALANCE	<u>(1,200,000)</u>	<u>(1,200,000)</u>	<u>458,450</u>	<u>1,658,450</u>	<u>311,067</u>
BEGINNING FUND BALANCE	<u>1,200,000</u>	<u>1,200,000</u>	<u>2,397,994</u>	<u>1,197,994</u>	<u>2,086,927</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,856,444</u>	<u>\$ 2,856,444</u>	<u>\$ 2,397,994</u>

See accompanying Independent Auditors' Report.

OTHER SUPPLEMENTARY INFORMATION

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SPECIAL REVENUE FUNDS

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes:

The District reports the following Special Revenue Funds:

Food Service Fund – Accounts for District's food service operations

Pupil Activity (formerly Athletics) Fund – Accounts for the District's pupil related activities

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Food Service Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2019 Actual
REVENUES					
Local Sources					
Food Service Revenue	\$ 28,150	\$ 28,150	\$ 22,580	\$ (5,570)	\$ 28,266
Other Local	150	150	375	225	598
Total Local Sources	<u>28,300</u>	<u>28,300</u>	<u>22,955</u>	<u>(5,345)</u>	<u>28,864</u>
State Sources					
State Grants from CDE					
State Matching Child Nutrition	700	700	781	81	682
Start Smart Nutrition	525	525	554	29	624
School Lunch Protection	675	675	908	233	1,019
Total State Sources	<u>1,900</u>	<u>1,900</u>	<u>2,243</u>	<u>343</u>	<u>2,325</u>
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	11,500	11,500	13,132	1,632	16,469
National School Lunch Program	26,000	26,000	27,372	1,372	34,836
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	2,500	2,500	4,432	1,932	5,079
Total Federal Sources	<u>40,000</u>	<u>40,000</u>	<u>44,936</u>	<u>4,936</u>	<u>56,384</u>
TOTAL REVENUES	<u>70,200</u>	<u>70,200</u>	<u>70,134</u>	<u>(66)</u>	<u>87,573</u>
EXPENDITURES					
Current:					
Supporting Services					
Food Service					
Salaries	38,500	38,500	38,376	124	38,078
Benefits	29,225	29,225	28,734	491	27,170
PS- Property	150	150	-	150	-
PS-Other	150	150	52	98	564
Supplies	2,450	2,450	2,728	(278)	1,160
Food	32,000	32,000	33,055	(1,055)	33,957
Commodities	750	750	4,432	(3,682)	5,079
Property	1,250	1,250	-	1,250	-
Total Supporting Services	<u>104,475</u>	<u>104,475</u>	<u>107,377</u>	<u>(2,902)</u>	<u>106,008</u>
Contingency	<u>33,725</u>	<u>33,725</u>	<u>-</u>	<u>33,725</u>	<u>-</u>
TOTAL EXPENDITURES	<u>138,200</u>	<u>138,200</u>	<u>107,377</u>	<u>30,823</u>	<u>106,008</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(68,000)</u>	<u>(68,000)</u>	<u>(37,243)</u>	<u>30,757</u>	<u>(18,435)</u>
OTHER FINANCING SOURCES (USES)					
Transfers	30,000	30,000	30,000	-	30,000
CHANGE IN FUND BALANCE	<u>(38,000)</u>	<u>(38,000)</u>	<u>(7,243)</u>	<u>30,757</u>	<u>11,565</u>
BEGINNING FUND BALANCE	<u>38,000</u>	<u>38,000</u>	<u>38,872</u>	<u>872</u>	<u>27,307</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,629</u>	<u>\$ 31,629</u>	<u>\$ 38,872</u>

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
Pupil Activity Fund
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ -	\$ 2	\$ 2	\$ -
Pupil Activity Revenues	38,000	55,784	17,784	21,448
TOTAL REVENUES	38,000	55,786	17,786	21,448
EXPENDITURES				
Current:				
Instruction				
Other Expenses	38,000	62,847	(24,847)	31,578
Supporting Services				
Community Support				
Other Expenses	-	150	(150)	-
TOTAL EXPENDITURES	38,000	62,997	(24,997)	31,578
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	(7,211)	(7,211)	(10,130)
OTHER FINANCING SOURCES (USES)				
Transfers	-	4,500	4,500	9,000
CHANGE IN FUND BALANCE	-	(2,711)	(2,711)	(1,130)
BEGINNING FUND BALANCE	-	617	617	1,747
PRIOR PERIOD RESTATEMENT	-	58,578	58,578	-
BEGINNING FUND BALANCE (As Restated)	-	59,195	59,195	1,747
ENDING FUND BALANCE	\$ -	\$ 56,484	\$ 56,484	\$ 617

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

Debt Service Funds These funds are used to account for the repayment of the District's general obligation indebtedness.

The District has the following debt service fund:

Bond Redemption Fund

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Bond Redemption Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Property Taxes	\$ 497,945	\$ 498,246	\$ 301	\$ 496,980
Specific Ownership Taxes	30,000	55,945	25,945	47,180
Delinquent Taxes	500	1,115	615	1,323
Investment Earnings	500	951	451	840
TOTAL REVENUES	<u>528,945</u>	<u>556,257</u>	<u>27,312</u>	<u>546,323</u>
EXPENDITURES				
Current:				
Supporting Services				
General Administration				
PS- Professional	-	-	-	250
Other Expenses	250	250	-	250
Total Supporting Services	<u>250</u>	<u>250</u>	<u>-</u>	<u>500</u>
Debt Service				
Interest	146,400	146,399	1	155,423
Principal	293,519	293,519	-	304,953
Total Debt Service	<u>439,919</u>	<u>439,918</u>	<u>1</u>	<u>460,376</u>
Contingency				
	88,776	-	88,776	-
TOTAL EXPENDITURES	<u>528,945</u>	<u>440,168</u>	<u>88,777</u>	<u>460,876</u>
CHANGE IN FUND BALANCE	-	116,089	116,089	85,447
BEGINNING FUND BALANCE	-	1,050,465	1,050,465	965,018
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 1,166,554</u>	<u>\$ 1,166,554</u>	<u>\$ 1,050,465</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

Capital Reserve Project Fund - This fund accounts for the District's routine capital projects.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Capital Reserve Project Fund
 For the Year Ended June 30, 2020
 (With Comparative Totals for the Year Ended June 30, 2019)

	2020		Variance with Final Budget	2019 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Investment Earnings	\$ 175	\$ 123	\$ (52)	\$ 211
Other Local	-	-	-	1,756
Total Local Sources	<u>175</u>	<u>123</u>	<u>(52)</u>	<u>1,967</u>
State Sources				
State Grants from CDE				
Small Rural Schools Additional Funding	48,286	-	(48,286)	-
Rural and Low income Schools	-	-	-	1,508
Total State Sources	<u>48,286</u>	<u>-</u>	<u>(48,286)</u>	<u>1,508</u>
TOTAL REVENUES	<u>48,461</u>	<u>123</u>	<u>(48,338)</u>	<u>3,475</u>
EXPENDITURES				
Facilities/Capital Outlay				
PS- Property	24,000	-	24,000	30,938
Equipment	48,286	-	48,286	-
Total Facilities/Capital Outlay	<u>72,286</u>	<u>-</u>	<u>72,286</u>	<u>30,938</u>
Contingency	<u>51,175</u>	<u>-</u>	<u>51,175</u>	<u>-</u>
TOTAL EXPENDITURES	<u>123,461</u>	<u>-</u>	<u>123,461</u>	<u>30,938</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(75,000)	123	75,123	(27,463)
OTHER FINANCING SOURCES (USES)				
Transfers	-	(30,177)	(30,177)	-
CHANGE IN FUND BALANCE	(75,000)	(30,054)	44,946	(27,463)
BEGINNING FUND BALANCE	75,000	30,054	(44,946)	57,517
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,054</u>

See accompanying Independent Auditors' Report.

FIDUCIARY (AGENCY) FUNDS

Fiduciary (Agency) Funds are used to account for assets held by the District as an agent for individuals, private and student groups. The agency funds are custodial in nature and do not involve measurement of results of operations. These funds were consolidated during the fiscal year with the former Athletic now Pupil Activity special revenue fund.

Scholarship Fund

The District has established a scholarship agency fund to account for annual student scholarships given through memorial donations.

Pupil Activity Fund

The District has established an agency fund to account for various student activity groups and contributions from private organizations.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2020

	Agency Funds		Totals	
	Scholarship Trust Fund	Pupil Activty Agency Fund	2020	2019
ASSETS				
Cash and Investments	\$ -	\$ -	\$ -	\$ 59,919
LIABILITIES, DEFERRED INFLOWS AND NET POSITION				
Liabilities				
Accounts Payable	-	-	-	1,341
Net Position				
Restricted for Student Activity/Scholarship	-	-	-	58,578
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	\$ -	\$ -	\$ -	\$ 59,919

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020
(With Comparative Totals for the Year Ended June 30, 2019)

	<u>Agency Funds</u>		<u>Totals</u>	
	<u>Scholarship</u>	<u>Pupil Actiivty</u>	<u>2020</u>	<u>2019</u>
	<u>Trust Fund</u>	<u>Agency Fund</u>		
ADDITIONS				
Local Sources	\$ -	\$ -	\$ -	\$ 65,001
DEDUCTIONS				
Instruction	-	-	-	56,581
Community Support	-	-	-	150
TOTAL DEDUCTIONS	-	-	-	56,731
CHANGE IN FIDUCIARY NET POSITION	-	-	-	8,270
BEGINNING NET POSITION	1,806	56,772	58,578	50,308
Prior Period Adjustment	(1,806)	(56,772)	(58,578)	-
BEGINNING NET POSITION (As Restated)	-	-	-	50,308
ENDING NET POSITION	\$ -	\$ -	\$ -	\$ 58,578

See accompanying Independent Auditors' Report.

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STATE COMPLIANCE

This report includes information required by the Colorado Department of Education.



Colorado Department of Education
Auditors Integrity Report
 District: 1780 - Genoa-Hugo C113
 Fiscal Year 2019-20
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental	+		-	=
10 General Fund	2,394,612	2,993,686	2,531,854	2,856,444
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	3,382	67,580	70,961	0
Sub- Total	2,397,994	3,061,265	2,602,815	2,856,444
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	38,872	100,134	107,376	31,629
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	59,195	60,286	62,997	56,483
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	1,050,465	556,257	440,168	1,166,554
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	30,054	-30,054	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	3,576,579	3,747,888	3,213,357	4,111,110
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	0	0	0	0
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34:Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1780 - Genoa-Hugo C113

Fiscal Year 2019-20

Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary			Totals
	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				
Cash and Investments (8100-8104,8111)	3,168,000	0	0	56,483	0	0	39,615	1,109,911	0	0	0	0	0	0	0	0	0	4,374,009	
Cash with Fiscal Agent (8105)	112,424	0	0	0	0	0	0	44,304	0	0	0	0	0	0	0	0	0	156,727	
Taxes Receivable (8121,8122)	31,406	0	0	0	0	0	0	12,339	0	0	0	0	0	0	0	0	0	43,746	
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Grants Accounts Receivable (8142)	7,995	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,995	
Other Receivables (8151-8154,8161)	46,409	0	0	0	0	0	2,310	0	0	0	0	0	0	0	0	0	0	48,719	
Inventories (8171,8172,8173)	0	0	0	0	0	0	2,560	0	0	0	0	0	0	0	0	0	0	2,560	
Prepaid Expenses 8181,8182)	17,197	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,197	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	3,383,431	0	0	56,483	0	0	44,485	1,166,554	0	0	0	0	0	0	0	0	0	4,650,954	

See accompanying Independent Auditors' Report.

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	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	10,001	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,001
Accrued Expenses (7461)	232,462	0	0	0	0	0	10,550	0	0	0	0	0	0	0	0	243,012
Payroll Ded. and Withholdings (7471-7473)	21,186	0	0	0	0	0	0	0	0	0	0	0	0	0	0	21,186
Unearned Revenue (7481)	0	0	0	0	0	0	2,306	0	0	0	0	0	0	0	0	2,306
Grants Deferred Revenue (7482)	263,338	0	0	0	0	0	0	0	0	0	0	0	0	0	0	263,338
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	526,987	0	0	0	0	0	12,856	0	0	0	0	0	0	0	0	539,843

See accompanying Independent Auditors' Report.

Governmental

Proprietary

Fiduciary

FUND EQUITY	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	Totals
Non-spendable Fund Balance 6710	17,197	0	0	0	0	0	2,560	0	0	0	0	0	0	0	0	19,757
Restricted Fund Balance 6720	0	0	0	0	0	0	0	1,166,554	0	0	0	0	0	0	0	1,166,554
TABOR 3% Emergency Reserve 6721	108,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	108,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	47,636	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47,636
Committed Fund Balance 6750	0	0	0	-2,095	0	0	29,069	0	0	0	0	0	0	0	0	26,975
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	2,683,611	0	0	0	0	0	0	0	0	0	0	0	0	58,578	0	2,742,189
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	58,578	0	0	0	0	0	0	0	0	0	-58,578	0	0
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,856,444	0	0	56,483	0	0	31,629	1,166,554	0	0	0	0	0	0	0	4,111,110

	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	Totals
Total Liabilities & Fund Equity	3,383,431	0	0	56,483	0	0	44,485	1,166,554	0	0	0	0	0	0	0	4,650,954

	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
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes