

cPa DIXON, WALLER & CO., INC.

AGUILAR SCHOOL

DISTRICT RE-6

AGUILAR, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

**DIXON, WALLER & CO., INC.**

**TABLE OF CONTENTS**

AGUILAR SCHOOL DISTRICT RE-6  
FINANCIAL STATEMENTS  
JUNE 30, 2021

	<u>Page</u>
Title Page	
Table of Contents	
Roster of Officials	
<u>FINANCIAL SECTION:</u>	
Independent Auditor's Report.....	1-2
Management's Discussion and Analysis .....	i-x
<u>BASIC FINANCIAL STATEMENTS:</u>	
Government Wide Financial Statements:	
Statement of Net Position .....	3
Statement of Activities.....	4
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	5
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	6
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	8

	<u>Page</u>
Notes to Basic Financial Statements.....	9-43
 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Major Funds: General and Special Revenue	
General Fund .....	44-47
Pension Trend Data:	
Schedule of Proportionate Share of Net Pension Liability.....	48
Schedule of District Contributions - Pension.....	49
Other Post Employment Benefit (OPEB) Trend Data:	
Schedule of Proportionate Share of Net OPEB Liability.....	50
Schedule of District Contributions – OPEB.....	51
 <u>COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES:</u>	
Combining Balance Sheet – Nonmajor Governmental Funds.....	52
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	53
 <u>OTHER SCHEDULES:</u>	
Schedules of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual:	
Bond Redemption – Debt Service Fund .....	54
Food Service – Special Revenue Fund .....	55
Student Activity – Special Revenue Fund .....	56
 <u>STATE REQUIRED SCHEDULES:</u>	
Auditor’s Integrity Report (Revenues, Expenditures, and Fund Balance by Fund) .....	57
Bolded Balance Sheet.....	58-60

SINGLE AUDIT SECTION:

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	61-62
Independent Auditor's Report on Compliance For Each Major Program and on Internal Control Over Compliance Required By Uniform Guidance .....	63-64
Schedule of Findings and Questioned Costs.....	65-66
Summary Schedule of Prior Audit Findings.....	67
Schedule of Expenditures of Federal Awards.....	68
Notes to Schedule of Expenditures of Federal Awards.....	69

AGUILAR SCHOOL DISTRICT RE-6  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2021

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BOARD OF EDUCATION

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

OTHER OFFICIALS

Stacy Houser	Superintendent
Jennifer Porras	Business Manager

FINANCIAL SECTION

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

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Aguilar School District RE-6, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Aguilar School District RE-6, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through x, and 44 through 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Aguilar School District RE-6's basic financial statements. The combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022, on our consideration of Aguilar School District RE-6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Aguilar School District RE-6's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Aguilar School District RE-6's internal control over financial reporting and compliance.

  
January 10, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

As management of the Aguilar School District Re-6, we offer readers of the Aguilar School District's financial statements this narrative overview and analysis of the financial activities of the Aguilar School District for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the District's financial statements, which follow this section.

**Financial Highlights**

Under GASB 75 the District's proportionate share of the OPEB liability of the Colorado state retirement system Health Care Trust Fund administered by the Public Employees Retirement Association (PERA), is recorded as a liability of the District. The District's net post-employment benefits liability decreased to \$131,653 for 2021 from \$150,417 for 2020.

Under GASB 68 the District's proportionate share of the net pension liability of the Colorado state retirement system, PERA, is recorded as a liability of the District. The District's net pension liability increased to \$3,622,457 for 2021 compared to \$3,059,169 the prior year.

The ending net position at June 30, 2021 increased to \$1,657,076 compared to \$920,758 the prior year, a net increase of \$736,318 compared to a net increase of \$299,865 the prior year. Revenues increased \$288,559 while expenses also decreased \$147,894. Highlights include:

- During FY 2020-21 revenues related to governmental activities changed from the prior year as follows: State Equalization is \$1,250,053 down from \$1,431,366; Specific Ownership Taxes are \$78,710 up from \$76,299; Property Taxes totaled \$458,326 up from \$455,493.
- The funded pupil count decreased to 110.1 for FY 2020-21 from 117.4 for FY 2019-20. Per pupil operating revenue decreased to \$15,220 from \$15,701 for the respective fiscal years. Total program funding from the School Finance Act is further impacted by the "Average Funded Pupil Count" and the risk add-on adjustment based on the number of students eligible for free lunch. Overall, total program funding decreased \$181,313 from the previous year.
- Federal aid and grants received in the General Fund increased to \$803,073 from \$288,321 the prior year mainly due to Covid-19 related funding.
- Miscellaneous revenues for FY 2020-21 totaled \$53,998 compared to \$24,910 the prior year.
- Expenses decreased \$147,894 mainly due to the amortization of Pension and OPEB Costs.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

**Overview of the Financial Statements**

Management's discussion and analysis is intended to serve as an introduction to the District's basic financial statements. Comparison to the prior year's activity is provided in this document. Data for fiscal year 2021 is compared to fiscal year 2020. The School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**District-Wide Financial Statements**

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

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

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

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

**Fund Financial Statements**

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

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

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

The governmental fund statements provide a detailed short-term view of the District's operations and the services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

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

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

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

**Notes to the Financial Statements**

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

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

As noted earlier, net position may serve over time a useful indicator of the district's financial position. The District's net position on June 30, 2021 was \$1,657,076 including net investment in capital assets totaling \$4,771,077 (e.g., land, buildings, infrastructure, machinery, and equipment net of depreciation less related debt). Restricted net position includes \$60,000 to meet TABOR reserve requirements, \$72,840 restricted for debt obligations, \$38,717 restricted for food service operations and \$37,599 restricted for Preschool. Unrestricted net position of the

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

District is negative \$3,323,157. Following is a summary of the District's net position for 2021 compared to 2020

:

**Table 1  
Net Position**

	2021	2020	NET CHANGE
	<b>Governmental Activities</b>	<b>Governmental Activities</b>	
<b>ASSETS</b>			
Current and Other Assets	923,741	973,710	(49,969)
Capital Assets	4,841,077	5,048,996	(207,919)
<b>Total Assets</b>	<b>5,764,818</b>	<b>6,022,706</b>	<b>(257,888)</b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Pension	1,391,031	991,187	399,844
Post Employment Benefits	27,906	30,189	(2,283)
<b>Total Deferred Outflow of Resources</b>	<b>1,418,937</b>	<b>1,021,376</b>	<b>397,561</b>
<b>LIABILITIES</b>			
Current and Other Liabilities	92,469	407,392	(314,923)
Long Term Liabilities	3,923,057	3,442,788	480,269
<b>Total Liabilities</b>	<b>4,015,526</b>	<b>3,850,180</b>	<b>165,346</b>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Pension	1,468,757	2,242,936	(774,179)
Post Employment Benefits	42,396	30,208	12,188
<b>Total Deferred Inflow of Resources</b>	<b>1,511,153</b>	<b>2,273,144</b>	<b>(761,991)</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,771,077	4,913,996	(142,919)
Restricted for:			
Tabor Reserve	72,840	66,500	6,340
Debt	60,000	81,709	(21,709)
Preschool	37,599	56,019	(18,420)
Food Service	38,717	10,832	27,885
Unrestricted	(3,323,157)	(4,208,298)	885,141
	<b>1,657,076</b>	<b>920,758</b>	<b>736,318</b>

**Highlights from the Statement of Net Position**

1. Current assets decreased overall by \$49,969. Cash and investments decreased \$373,144 while accounts receivable and accrued revenues increased by \$323,175 primarily due to -

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

outstanding requests for grant funds. Current liabilities decreased \$314,923 mainly due to recognizing 2019-20 unearned revenue for the Coronavirus Relief Fund grant during the 2020-21 school year.

2. Capital assets decreased \$207,919 which is the net effect of capitalizing equipment at a cost of \$7,100 and subtracting annual depreciation totaling \$215,019.
3. Noncurrent liabilities increased \$480,269 primarily due to the net effect of paying off debt in the amount of \$65,000 and a net increase in the District's estimated share of PERA pension and OPEB liabilities in the amount of \$544,524.
4. Deferred outflow of resources increased \$397,561 and deferred inflows decreased \$761,991 resulting in an increase in net position by \$1,159,552.

**Governmental Activities**

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

- Total Revenue increased \$288,559 of which grants and contributions increased by \$434,630. The State share of Public School Finance decreased \$181,313 while local taxes increased \$5,244. Other revenue sources increased \$29,998.
- Expenses decreased \$147,894 of which amortization of OPEB costs under GASB 75 decreased \$5,316. Instruction increased \$127,387 while student support and instructional staff support decreased \$69,358 and school administration increased \$101,110. Transportation increased \$3,143 and operations and maintenance increased \$27,900. General and central administration and business services decreased \$44,412.
- Net position increased by \$436,453 for the current year compared to an increase of \$309,668 the prior year.

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

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

**Table 2  
Changes in Net Position**

	2021	2020	NET CHANGE
	Governmental Activities	Governmental Activities	
<b>Revenues</b>			
Charges for Services	20,781	19,273	1,508
Operating Grants and Contributions	1,050,708	616,078	434,630
Property taxes	458,326	455,493	2,833
Specific Ownership Taxes	78,710	76,299	2,411
Equalization	1,250,053	1,431,366	(181,313)
Earnings on investments	347	945	(598)
Other Revenues	53,998	24,910	29,088
Transfers		-	-
<b>TOTAL REVENUES</b>	<b>2,912,923</b>	<b>2,624,364</b>	<b>288,559</b>
<b>Expenses</b>			
Instructional services	1,517,015	1,389,628	127,387
Students	10,949	15,075	(4,126)
Instructional staff	102,535	167,767	(65,232)
District administration	277,861	303,113	(25,252)
School administration	160,071	58,961	101,110
Business	89,557	95,495	(5,938)
Operation and maintenance of facilities	278,572	250,672	27,900
Transportation	102,037	98,894	3,143
Central	163,304	144,756	18,548
Food Service	84,671	97,893	(13,222)
Capital outlay	-	-	-
Interest on Long Term Liabilities	5,061	8,360	(3,299)
Amortization of Pension Costs	(610,735)	(307,138)	(303,597)
Amortization of OPEB Costs	(4,293)	1,023	(5,316)
<b>TOTAL EXPENSES</b>	<b>2,176,605</b>	<b>2,324,499</b>	<b>(147,894)</b>
<b>Increase (Decrease) in Net Position</b>	<b>736,318</b>	<b>299,865</b>	<b>436,453</b>
<b>Net Position - Beginning (Restated)</b>	<b>920,758</b>	<b>620,893</b>	<b>299,865</b>
<b>Prior Year Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position - Ending</b>	<b>1,657,076</b>	<b>920,758</b>	<b>736,318</b>

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

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

**Table 3  
Governmental Activities by Major Functions**

	2021		2020	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	1,517,015	543,650	1,389,628	936,067
Students	10,949	3,118	15,075	(3,110)
Instructional staff	102,535	102,535	167,767	167,270
District administration	277,861	277,861	303,113	299,521
School administration	160,071	160,071	58,961	57,172
Business	89,557	89,557	95,495	93,837
Operation and maintenance of facilities	278,572	273,384	250,672	244,447
Transportation	102,037	84,903	98,894	80,635
Central	163,304	163,304	144,756	64,756
Food Service	84,671	16,700	97,893	46,308
Capital outlay	-	-	-	-
Interest on Long Term Liabilities	5,061	5,061	8,360	8,360
Amortization of Pension Costs	(610,735)	(610,735)	(307,138)	(307,138)
Amortization of OPEB Costs	(4,293)	(4,293)	1,023	1,023
<b>TOTAL</b>	<b>2,176,605</b>	<b>1,105,116</b>	<b>2,324,499</b>	<b>1,689,148</b>

**Business Type Activities**

The District has no business-type activities.

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

Funding from the School Finance Act for the General Fund and Colorado Pre-School Project Fund is based on the pupil count and the per pupil funding amount set by the Colorado Department of Education. Total program funding is made up of local property taxes, specific ownership taxes and State equalization, which is the State's share of School Finance Act funding. Total program funding, which made up 61% of the District's total governmental fund revenue for 2020-21, decreased \$181,313 primarily due to an decrease in the funded pupil count of 7.3 and a \$481 decrease in per pupil operating revenue.

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

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

Beginning in this fiscal year 2019-20, kindergarten students are eligible for full funding, the same as grades 1 through 12. Now, all enrolled in kindergarten through twelfth grade are eligible to be funded at 100% of the per pupil amount.

**Capital Assets and Long-Term Debt**

**Capital Assets:** Capital asset additions in 2021 included building/site improvements in the instructional program. Table 4 shows capital assets for 2021 compared to 2020 (net of depreciation). Accumulated depreciation on June 30, 2021 is \$4,492,359 compared to \$4,277,340 the prior year.

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

	<b>Government Actives</b>	
	<b>2020</b>	<b>2019</b>
Food Service Equipment	5,115	6,137
Land and Sites	211,777	211,777
Buildings	4,571,633	4,766,809
Vehicles and Equipment	52,552	64,273

**Long-Term Debt:** During the fiscal year ended June 30, 2001 the District with voter approval issued general obligation bonds to assist in the financing of construction projects. These bonds were issued in 2002 for the original amount of \$ 900,000 and mature serially on December 1 in amounts varying from \$ 30,000 to \$ 70,000 with interest from 3.00% to 5.75% payable semi-annually. The general obligation bond balance for the year ended June 30, 2021 was \$70,000 compared to \$135,000 the prior year, a decrease of \$65,000.

**Budget Highlights**

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

Revenues in the General Fund were \$454,943 more than expected, primarily from grants and contributions which increased by \$434,630 due to COVID relief and emergency recovery

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

funding received in 2020-21. Expenditures and transfers to other funds excluding appropriated reserves were 4.0% less than the amount budgeted, a favorable variance of \$107,334. Instructional Staff, General and School Administration and Business Services are over budget while all other service areas were under budget.

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

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

- The overall enrollment trend over the past decade is a decreasing funded pupil count. The net decrease to funded pupil count between 2017 and 2021 was 2.6. The Funded pupil count for 2022 is expected to decrease by 2.3. Also, per pupil funding is predicted to increase by \$1,740 for 2021-22.
- Early in 2020 the Coronavirus (known as Covid-19) began to spread to the United States and quickly grew to pandemic proportions. As a result, schools across the nation were ordered to close by state governors with remote instruction implemented for the fourth quarter of 2019-2020 school year. For 2020-2021, schools implemented new sanitation and safety precautions. Federal grants were awarded to defray the added costs.
- During the 2020-2021 school year, we saw that economic recovery is going to be choppy and uneven, much like the trajectory of the virus itself. The impact of economic activity on tax revenues is still an unpredictable variable. Management continues to monitor the financial impact of Covid-19 and will adjust as needed.
- The United States and the State of Colorado experienced slowing economic conditions for several years. One impact of this economic slowing was a reduction in the State of Colorado's general fund revenues and annual decreases in per pupil funding for schools to balance the State budget. Revenues are recovering, but it may take several years to reach the pre-recession per pupil funding level plus annual increases required by statute for the recessionary years.
- During the recession, the District relied on its reserves to continue to fund educational programs. The District can no longer look to reserves to sustain its programs; therefore, the District needs to closely monitor its operating costs and adjust to expected revenues which may now be further impacted by Covid-19.

**Contacting the District's Financial Management**

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

**Aguilar School District Re-6  
Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

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

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

BASIC FINANCIAL STATEMENTS

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF NET POSITION  
June 30, 2021

	Governmental Activities	Total
<u>ASSETS</u>		
Cash	310,864	310,864
Investments	-	-
Accounts Receivable	28,059	28,059
Accrued Revenue	554,335	554,335
Property Taxes Receivable	28,300	28,300
Inventories	2,183	2,183
Capital Assets	9,333,436	9,333,436
Accumulated Depreciation	(4,492,359)	(4,492,359)
<u>Total Assets</u>	<u>5,764,818</u>	<u>5,764,818</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	1,391,031	1,391,031
Other Post Employment Benefits	27,906	27,906
<u>Total Deferred Outflows</u>	<u>1,418,937</u>	<u>1,418,937</u>
<u>LIABILITIES</u>		
Accounts Payable	6,531	6,531
Accrued Salaries and Benefits	73,895	73,895
Other Liabilities	-	-
Accrued Interest Payable	335	335
Grant Amounts Received in Advance	11,708	11,708
NonCurrent Liabilities:		
Bond Payments Due Within One Year	70,000	70,000
Bond Due in More Than One Year	-	-
Compensated Absences	98,687	98,687
Unamortized Bond Premium	260	260
Net Pension Liability	3,622,457	3,622,457
Net Other Post Employment Benefits Liability	131,653	131,653
<u>Total Liabilities</u>	<u>4,015,526</u>	<u>4,015,526</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	1,468,757	1,468,757
Other Post Employment Benefits	42,396	42,396
<u>Total Deferred Inflows</u>	<u>1,511,153</u>	<u>1,511,153</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	4,771,077	4,771,077
Restricted for:		
Debt	72,840	72,840
TABOR Reserve	60,000	60,000
Preschool	37,599	37,599
Food Service	38,717	38,717
Unrestricted	(3,323,157)	(3,323,157)
<u>TOTAL NET POSITION</u>	<u>1,657,076</u>	<u>1,657,076</u>

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



AGUILAR SCHOOL DISTRICT RE-6  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	224,744	59,795	26,325	310,864
Accounts Receivable	20,333	-	7,726	28,059
Accrued Revenue	554,335	-	-	554,335
Due From Other Funds	-	11,245	21,739	32,984
Property Taxes Receivable	24,200	4,100	-	28,300
Inventories	-	-	2,183	2,183
<u>Total Assets</u>	<u>823,612</u>	<u>75,140</u>	<u>57,973</u>	<u>956,725</u>
<b>LIABILITIES:</b>				
Accounts Payable	6,531	-	-	6,531
Accrued Salaries and Benefits	71,167	-	2,728	73,895
Due To Other Funds	32,984	-	-	32,984
Other Liabilities	-	-	-	-
Grant Amounts Received In Advance	11,708	-	-	11,708
<u>Total Liabilities</u>	<u>122,390</u>	<u>-</u>	<u>2,728</u>	<u>125,118</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Property Tax	13,700	2,300	-	16,000
<b>FUND BALANCES:</b>				
Nonspendable:				
Inventories	-	-	2,183	2,183
Restricted:				
Emergency Reserve	60,000	-	-	60,000
Debt Service	-	72,840	-	72,840
Preschool	37,599	-	-	37,599
Food Service	-	-	38,717	38,717
Assigned:				
Student Activities	-	-	14,345	14,345
Unassigned:				
<u>589,923</u>	<u>589,923</u>	<u>-</u>	<u>-</u>	<u>589,923</u>
<u>Total Fund Balances</u>	<u>687,522</u>	<u>72,840</u>	<u>55,245</u>	<u>815,607</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
	<u>823,612</u>	<u>75,140</u>	<u>57,973</u>	<u>956,725</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

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

<u>Total Fund Balance – Governmental Funds</u>		815,607
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$9,333,436 and the accumulated depreciation is \$4,492,359.		4,841,077
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax is shown as not available in the funds.		16,000
Interest is recognized when paid in the funds. This is accrued interest payable to year end.		(335)
Bond premiums are recognized as revenues when received in the funds.		
Premium	(260)	(260)
Long-term liabilities, including capital leases and general obligation bonds are not due and payable in the current period and therefore are not reported in funds. Compensated absences are also paid in future periods and are unrecorded in funds.		
G O Bonds	(70,000)	
Compensated Absences	(98,687)	(168,687)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:		
Net Pension Liability	(3,622,457)	
Net Other Post Employment Benefits Liability	(131,653)	
Deferred Outflows	1,418,937	
Deferred Inflows	(1,511,153)	(3,846,326)
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>		<u>1,657,076</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>				
Property Taxes	396,209	62,517	-	458,726
Specific Ownership Taxes	78,710	-	-	78,710
Earnings on Investments	332	4	11	347
Other Local Sources	110,338	153	8,263	118,754
State Aid	1,385,742	-	570	1,386,312
Federal Aid	803,073	-	67,401	870,474
<u>Total Revenues</u>	<u>2,774,404</u>	<u>62,674</u>	<u>76,245</u>	<u>2,913,323</u>
<b>EXPENDITURES</b>				
Current:				
Instructional Services	1,319,041	-	-	1,319,041
Supporting Services:				
Students	4,551	-	6,398	10,949
Instructional Staff	102,535	-	-	102,535
District Administration	277,861	-	-	277,861
School Administration	160,071	-	-	160,071
Business	89,557	-	-	89,557
Operation & Maintenance of Facilities	278,572	-	-	278,572
Transportation	91,848	-	-	91,848
Food Service	-	-	83,649	83,649
Central	162,654	650	-	163,304
Debt Service				
Principal	-	65,000	-	65,000
Interest	-	5,893	-	5,893
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>2,486,690</u>	<u>71,543</u>	<u>90,047</u>	<u>2,648,280</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>287,714</u>	<u>(8,869)</u>	<u>(13,802)</u>	<u>265,043</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers	(42,271)	-	42,271	-
<u>Total Other Financing Sources (Uses)</u>	<u>(42,271)</u>	<u>-</u>	<u>42,271</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>245,443</u>	<u>(8,869)</u>	<u>28,469</u>	<u>265,043</u>
<u>FUND BALANCES – BEGINNING</u>	<u>442,079</u>	<u>81,709</u>	<u>26,776</u>	<u>550,564</u>
<u>FUND BALANCES – ENDING</u>	<u>687,522</u>	<u>72,840</u>	<u>55,245</u>	<u>815,607</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

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

Net Change in Fund Balances – Total Governmental Funds 265,043

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

Capital Outlays More Than \$3,000	7,100	
Depreciation Expense	<u>(215,019)</u>	(207,919)

Property tax revenues are not recognized for amounts levied and due but not “available” at year end and are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. (400)

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

Repayment of Debt Principal	65,000	
Change in Compensated Absences	(1,266)	
Interest Expense	<u>832</u>	64,566

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

Pension Cost	610,735	
Other Post Employment Benefits Cost	<u>4,293</u>	<u>615,028</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 736,318

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

NOTES TO BASIC FINANCIAL STATEMENTS

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

A.      Reporting Entity

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

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

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

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

All governmental fund types use the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Revenues are considered to be available if collected within 60 days after year-end.

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D.      Fund Accounting

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

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

E.      Cash and Investments

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.    Receivables

Property taxes levied in 2020 but uncollected in 2021 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2021 are recorded as deferred inflows, and are presented net of an allowance for uncollectible taxes. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

G.    Inventories

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

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

H.    Capital Assets

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I.      Deferred Outflows / Inflows of Resources

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

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

J.      Long-Term Obligations

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

K.      Constitutional Amendment

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

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

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2021 the District reserved \$60,000 for this purpose.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K.      Constitutional Amendment (continued)

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

L.      Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2020 property tax calendar for Las Animas County was as follows:

Levy Date	December 22, 2020
Lien Date	January 1, 2021
Tax Bills Mailed	January 1, 2021
First Installment Due	February 28, 2021
Second Installment Due	June 15, 2021
If Paid in Full, Due	April 30, 2021
Tax Sale – 2019 Delinquent Property Taxes	October 25, 2020

M.      Accumulated Staff Leave

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

Compensated absences are reported as non-current liabilities in the government-wide financial statements. As of June 30, 2021, the District has recorded an estimated liability of \$98,687 relating to accrued sick leave payable.

A summary of changes in compensated absences is as follows:

	<u>Balance</u>		<u>Balance</u>
	<u>July 1, 2020</u>	<u>Additions</u>	<u>June 30, 2021</u>
Accumulated Sick Leave	<u>97,421</u>	<u>1,266</u>	<u>98,687</u>
		<u>—</u>	

N.      Use of Estimates

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

O.      Interest Expense

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 1    SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

P.        GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Student Activity Fund</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>					
Inventories	-	-	2,183	-	2,183
<u>Restricted:</u>					
Emergencies	60,000	-	-	-	60,000
Preschool	37,599	-	-	-	37,599
Food Service	-	-	38,717	-	38,717
Debt Service	-	72,840	-	-	72,840
<u>Assigned:</u>					
Student Activities	-	-	-	14,345	14,345
<u>Unassigned</u>	<u>589,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>589,923</u>
<u>Total Fund Balances</u>	<u>687,522</u>	<u>72,840</u>	<u>40,900</u>	<u>14,345</u>	<u>815,607</u>

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

<u>Items Eliminated</u>	<u>Transfers From Other Funds</u>	<u>Transfers To Other Funds</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	-	42,271	-	32,984
Food Service	42,271	-	21,739	-
Bond Redemption	-	-	<u>11,245</u>	-
	<u>42,271</u>	<u>42,271</u>	<u>32,984</u>	<u>32,984</u>

NOTE 3      BUDGETARY INFORMATION

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 3      BUDGETARY INFORMATION (Continued)

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

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

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

At June 30, 2021, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	209,555	250,000
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	-	72,849
Cash Equivalent	54,324	-
Cash with County Treasurer	46,685	-
Cash on Hand	<u>300</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>310,864</u>	<u>322,849</u>

As presented above, deposits with a bank balance of \$72,849 and a carrying balance of \$0 as of June 30, 2021 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 5

CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>Non-Depreciable Assets:</u>					
Land	211,777	-	-	-	211,777
<u>Total Non-Depreciable Assets</u>	<u>211,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,777</u>
<u>Depreciable Assets:</u>					
Buildings & Site Improvements	8,472,474	7,100	-	-	8,479,574
Food Service Equipment	39,507	-	-	-	39,507
Vehicles	414,882	-	-	-	414,882
Equipment	187,696	-	-	-	187,696
<u>Total Depreciable Assets</u>	<u>9,114,559</u>	<u>7,100</u>	<u>-</u>	<u>-</u>	<u>9,121,659</u>
<u>Less Accumulated</u>					
<u>    Depreciation for:</u>					
Building & Site Improvements	3,705,665	202,276	-	-	3,907,941
Food Service Equipment	33,370	1,022	-	-	34,392
Equipment & Vehicles	538,305	11,721	-	-	550,026
<u>Total Accumulated Depreciation</u>	<u>4,277,340</u>	<u>215,019</u>	<u>-</u>	<u>-</u>	<u>4,492,359</u>
<u>Total Capital Assets, Net</u>	<u>5,048,996</u>	<u>(207,919)</u>	<u>-</u>	<u>-</u>	<u>4,841,077</u>

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

Governmental Activities:

Instruction	203,808
Operations and Maintenance	-
Transportation	10,189
Food Service	1,022
<u>Total Depreciation Expense – Governmental Activities</u>	<u>215,019</u>

NOTE 6

ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, and June 30, 2021 are estimated to be \$73,895. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 7      LONG-TERM DEBT – GENERAL OBLIGATION BONDS

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

	<u>Balance at</u> <u>7-1-2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>6-30-2021</u>	<u>Current</u> <u>Portion</u>
General Obligation Bonds	<u>135,000</u>	<u>-</u>	<u>65,000</u>	<u>70,000</u>	70,000
<u>Total</u>	<u>135,000</u>	<u>-</u>	<u>65,000</u>	<u>70,000</u>	

Long-Term Debt as of June 30, 2021, is comprised of the following:

General Obligation Bonds:

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

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

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

Payment to maturity are as follows:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	<u>70,000</u>	<u>2,012</u>	<u>72,012</u>

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 8      PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

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

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

**General Information about the Pension Plan**

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 8      PENSION PLAN (Continued)

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

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

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

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

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

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

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

*Contributions provisions as of June 30, 2021:* Eligible employees of, Aguilar School District RE-6 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 8      PENSION PLAN (Continued)

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

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

As specified in C.R.S. § 24-51-414, the State is required to contribute \$225 million (actual dollars) each year to PERA starting on July 1, 2018. A portion of the direct distribution payment is allocated to the SCHDTF based on the proportionate amount of annual payroll of the SCHDTF to the total annual payroll of the SCHDTF, State Division Trust Fund, Judicial Division Trust Fund, and Denver Public Schools Division Trust Fund. House Bill (HB) 20-1379 suspended the \$225 million (actual dollars) direct distribution payable on July 1, 2020 for the State's 2020-21 fiscal year.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Aguilar School District RE-6 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Aguilar School District RE-6 were \$246,967 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Aguilar School District RE-6 proportion of the net pension liability was based on Aguilar School District RE-6 contributions to the SCHDTF for the calendar year 2020 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

NOTE 8      PENSION PLAN (Continued)

At June 30, 2021, the Aguilar School District RE-6 reported a liability of \$3,622,457 for its proportionate share of the net pension liability. The amount recognized by the Aguilar School District RE-6 as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with Aguilar School District RE-6 were as follows:

Aguilar School District RE-6 proportionate share of the net pension liability	\$ 3,622,457
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Aguilar School District RE-6	\$ -
Total	\$ 3,622,457

At December 31, 2020, the Aguilar School District RE-6 proportion was 0.024 percent, which was an increase of 0.004 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Aguilar School District RE-6 recognized pension income of \$610,735. At June 30, 2021, the Aguilar School District RE-6 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	199,036	-
Changes of assumptions or other inputs	348,469	(608,904)
Net difference between projected and actual earnings on pension plan investments	-	(797,385)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	725,886	(62,468)
Contributions subsequent to the measurement date	117,640	N/A
Total	1,391,031	(1,468,757)

\$117,640 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2021	
2022	(352,467)
2023	329,088
2024	(46,195)
2025	(125,792)
2026	-
Thereafter	-

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 8      PENSION PLAN (Continued)

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

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

\*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

Post-retirement non-disabled mortality assumptions 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.

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 8      PENSION PLAN (Continued)

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

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

\*Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available, therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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

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

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

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

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

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board's November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 8      PENSION PLAN (Continued)

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 8 PENSION PLAN (Continued)

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

*Sensitivity of the Aguilar School District RE-6 proportionate share of the net pension liability to changes in the discount rate.* The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	4,941,328	3,622,457	2,523,403

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

**Defined Contribution Pension Plan**

Voluntary Investment Program

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

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$6,975.

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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

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

**Summary of Significant Accounting Policies**

*OPEB.* Aguilar School District RE-6 participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the HCTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefits paid on behalf of health care participants are recognized when due and/or payable in accordance with the benefit terms. Investments are reported at fair value.

**General Information about the OPEB Plan**

*Plan description.* Eligible employees of the Aguilar School District RE-6 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Aguilar School District RE-6 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Aguilar School District RE-6 were \$12,671 for the year ended June 30, 2021.

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

At June 30, 2021, the Aguilar School District RE-6 reported a liability of \$131,653 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total OPEB liability to December 31, 2020. The Aguilar School District RE-6 proportion of the net OPEB liability was based on Aguilar School District RE-6 contributions to the HCTF for the calendar year 2020 relative to the total contributions of participating employers to the HCTF.

At December 31, 2020, the Aguilar School District RE-6 proportion was 0.0139 percent, which was an increase of 0.0005 percent from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Aguilar School District RE-6 recognized OPEB income of \$4,293. At June 30, 2021, the Aguilar School District RE-6 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	349	(28,944)
Changes of assumptions or other inputs	984	(8,073)
Net difference between projected and actual earnings on OPEB plan investments	-	(5,379)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	20,537	-
Contributions subsequent to the measurement date	6,036	N/A
Total	27,906	(42,396)

\$6,036 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2021	
2022	(4,291)
2023	(3,538)
2024	(4,750)
2025	(5,509)
2026	(2,287)
Thereafter	(151)

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually increasing to 4.50% in 2029
DPS benefit structure:	
Service-based premium subsidy	0.00 %
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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

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

The 2020 Medicare Part A premium is \$458 (actual dollars) per month.

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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

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

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

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

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

Pre-retirement mortality assumptions for the Judicial Division were based upon the PubG-2010(A) Above-Median Employee Table with generational projection using scale MP-2019.

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

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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

The PERA Board first adopted the 7.25 percent long-term expected rate of return as of November 18, 2016. Following an asset/liability study, the Board reaffirmed the assumed rate of return at the Board’s November 15, 2019, meeting, to be effective January 1, 2020. As of the most recent reaffirmation of the long-term rate of return, the target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the table as follows:

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives*	6.00%	4.70%
<b>Total</b>	<b>100.00%</b>	

\*The Opportunity Fund’s name changed to Alternatives, effective January 1, 2020

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

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

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	128,250	131,653	135,614

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 2020, measurement date.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 9      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

*Sensitivity of the Aguilar School District RE-6 proportionate share of the net OPEB liability to changes in the discount rate.* The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	150,810	131,653	115,284

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 10     JOINT VENTURE

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

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The BOCES by-laws indicated that the entity is to have perpetual existence, but in the event of its dissolution, all assets shall be divided among member school districts on a pro rata basis determined by the BOCES board. The joint venture summary audited financial information as of June 30, 2020, the latest year for which audits information is available is as follows:

Assets and Deferred Outflows	3,689,456
Liabilities and Deferred Inflows	<u>10,634,768</u>
Net Position	<u>(6,945,312)</u>
Revenues	4,988,060
Expenses	<u>3,289,007</u>
Change in Net Position	<u>1,699,053</u>

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

NOTE 11     COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

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

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

The District's share in the Pool is not determinable from current information, but is estimated to be less than 1%. The District's share, if calculated, would not be material to the Pool's financial information at June 30, 2021.

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 11      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

An audited summary of the Colorado School District's Pool financial information for the year ended June 30, 2020 (latest information available) follows:

Total Assets	<u>50,982,972</u>
Total Liabilities	<u>23,141,059</u>
Total Equity	<u>27,841,913</u>
Revenue	31,306,454
Underwriting Expenses	<u>26,904,016</u>
Underwriting Gain (Loss)	4,402,438
Net Investment Income	1,580,789
Other Income	-
Net Income (Loss) Before Dividend	<u>5,983,227</u>
Dividend	-
Net Income (Loss)	<u>5,983,227</u>
Transfer of Capital Contributions	-
Change in Non Admitted Assets	<u>48,913</u>
Capital Contributions from Members	-
Unassigned Surplus	<u><u>27,841,913</u></u>

NOTE 12      RISK MANAGEMENT

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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NOTE 13    INTERFUND BALANCES AND TRANSFERS

<u>Transfers</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	-	42,271
Food Service Fund	<u>42,271</u>	<u>-</u>
	<u>42,271</u>	<u>42,271</u>

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

<u>Due From / To</u>	<u>Due From</u>	<u>Due To</u>
General Fund	-	32,984
Bond Redemption Fund	11,245	-
Food Service Fund	<u>21,739</u>	<u>-</u>
	<u>32,984</u>	<u>32,984</u>

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

REQUIRED SUPPLEMENTARY INFORMATION

### General Fund

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

### Pension Trend Data

### Other Post Employment Benefit Trend Data

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	260,579	260,579	396,209	135,630
Specific Ownership Taxes	38,382	38,382	78,710	40,328
Earnings on Investments	500	500	332	(168)
Delinquent Taxes & Interest	-	-	736	736
Other	215,000	215,00	109,602	(105,398)
<u>State Sources</u>				
Equalization	1,500,000	1,500,000	1,250,053	(249,947)
Transportation	-	-	17,134	17,134
Vocational Education	-	-	7,652	7,652
Special Education	-	-	29,638	29,638
Other	-	-	81,265	81,265
<u>Federal Sources</u>				
Designated Purpose Grants	305,000	305,000	803,073	498,073
Other	-	-	-	-
<u>TOTAL REVENUES</u>	<u>2,319,461</u>	<u>2,319,461</u>	<u>2,774,404</u>	<u>454,943</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	716,868	716,868	847,902	(131,034)
Employee Benefits	269,440	269,440	262,893	6,547
Purchased Services - Professional	80,890	80,890	29,664	51,226
Purchased Services – Property	41,500	41,500	-	41,500
Purchased Services – Other	35,500	35,500	58,758	(23,258)
Supplies and Materials	242,504	242,504	102,113	140,391
Property	27,500	27,500	17,604	9,896
Other Objects	13,890	13,890	107	13,783
<u>Total Instruction</u>	<u>1,428,092</u>	<u>1,428,092</u>	<u>1,319,041</u>	<u>109,051</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Supplies and Materials	-	-	50	(50)
Other Objects	-	-	4,501	(4,501)
<u>Total Student Services</u>	<u>-</u>	<u>-</u>	<u>4,551</u>	<u>(4,551)</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	-	-	38,950	(38,950)
Employee Benefits	-	-	7,000	(7,000)
Purchased Services – Professional	-	-	33,752	(33,752)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	3,049	(3,049)
Supplies and Materials	-	-	17,187	(17,187)
Other Objects	-	-	<u>2,597</u>	<u>(2,597)</u>
<u>Total Instructional Staff</u>	-	-	<u>102,535</u>	<u>(102,535)</u>
<u>General Administration</u>				
Salaries	118,230	118,230	153,352	(35,122)
Employee Benefits	27,443	27,443	61,723	(34,280)
Purchased Services – Professional	20,000	20,000	31,539	(11,539)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	23,130	(23,130)
Supplies and Materials	25,000	25,000	2,597	22,403
Property	20,000	20,000	-	20,000
Other Objects	-	-	<u>5,520</u>	<u>(5,520)</u>
<u>Total General Administration</u>	<u>210,673</u>	<u>210,673</u>	<u>277,861</u>	<u>(67,188)</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	20,770	20,770	91,362	(70,592)
Employee Benefits	10,202	10,202	11,956	(1,754)
Purchased Services – Professional	-	-	16,301	(16,301)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	6,586	(6,586)
Supplies and Materials	-	-	14,762	(14,762)
Property	-	-	2,678	(2,678)
Other Objects	-	-	<u>16,426</u>	<u>(16,426)</u>
<u>Total School Administration</u>	<u>30,972</u>	<u>30,972</u>	<u>160,071</u>	<u>(129,099)</u>
<u>Business Services</u>				
Salaries	52,797	52,797	43,328	9,469
Employee Benefits	11,511	11,511	24,799	(13,288)
Purchased Services – Professional	-	-	15,682	(15,682)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	440	(440)
Supplies and Materials	10,000	10,000	150	9,850
Property	-	-	-	-
Other Objects	<u>11,000</u>	<u>11,000</u>	<u>5,158</u>	<u>5,842</u>
<u>Total Business Services</u>	<u>85,308</u>	<u>85,308</u>	<u>89,557</u>	<u>(4,249)</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance -
	<u>Original</u>	<u>Final</u>		Favorable (Unfavorable)
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	62,062	62,062	91,450	(29,388)
Employee Benefits	13,902	13,902	29,179	(15,277)
Purchased Services – Professional	75,000	75,000	6,875	68,125
Purchased Services – Property	240,000	240,000	20,955	219,045
Purchased Services – Other	-	-	634	(634)
Supplies and Materials	85,000	85,000	129,479	(44,479)
Property	50,000	50,000	-	50,000
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>525,964</u>	<u>525,964</u>	<u>278,572</u>	<u>247,392</u>
<u>Student Transportation</u>				
Salaries	34,115	34,115	54,360	(20,245)
Employee Benefits	14,796	14,796	20,264	(5,468)
Purchased Services – Professional	15,000	15,000	4,920	10,080
Purchased Services – Property	20,000	20,000	536	19,464
Purchased Services – Other	10,500	10,500	-	10,500
Supplies and Materials	8,000	8,000	11,767	(3,767)
Property	20,000	20,000	-	20,000
Other Objects	-	-	1	(1)
<u>Total Student Transportation</u>	<u>122,411</u>	<u>122,411</u>	<u>91,848</u>	<u>30,563</u>
<u>Central Support</u>				
Salaries	44,000	44,000	1,607	42,393
Employee Benefits	15,875	15,875	78	15,797
Purchased Services – Other	148,000	148,000	130,889	17,111
Supplies and Materials	15,000	15,000	-	15,000
Property	-	-	-	-
Other Objects	10,000	10,000	30,080	(20,080)
<u>Total Central Support</u>	<u>232,875</u>	<u>232,875</u>	<u>162,654</u>	<u>70,221</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,208,203</u>	<u>1,208,203</u>	<u>1,167,649</u>	<u>40,554</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>DEBT SERVICE</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>APPROPRIATED RESERVES</u>	<u>106,226</u>	<u>106,226</u>	<u>-</u>	<u>106,226</u>
<u>TOTAL EXPENDITURES</u>	<u>2,742,521</u>	<u>2,742,521</u>	<u>2,486,690</u>	<u>255,831</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(423,060)</u>	<u>(423,060)</u>	<u>287,714</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	-	(42,271)	(42,271)
Insurance Proceeds	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>(42,271)</u>	<u>(42,271)</u>
<u>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u>	<u>(423,060)</u>	<u>(423,060)</u>	<u>245,443</u>	
<u>FUND BALANCE, July 1</u>	<u>423,060</u>	<u>423,060</u>	<u>442,079</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>687,522</u>	

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.0240%	0.0247%	0.0188%	0.0203%	0.0201%	0.0201%	0.0212%	0.0224%	-	-
District's proportionate share of the net pension liability (asset)	\$3,622,457	\$3,059,169	\$3,332,754	\$6,574,805	\$5,991,150	\$3,068,263	\$2,871,139	\$2,848,982	-	-
State's proportionate share of the net pension liability associated with the District**	-	\$388,016	\$455,708	-	-	-	-	-	-	-
District's covered payroll	\$1,242,291	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	\$865,825	\$875,690	\$923,362	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	292%	249%	293%	635%	637%	354%	328%	309%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-	-

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 246,967	\$ 238,273	\$ 217,011	\$ 195,332	\$ 172,961	\$ 153,578	\$ 147,911	\$ 147,558	\$ 138,607	-
Contributions in relation to the contractually required contributions	<u>\$(246,967)</u>	<u>\$(238,273)</u>	<u>\$(217,011)</u>	<u>\$(195,332)</u>	<u>\$(172,961)</u>	<u>\$(153,578)</u>	<u>\$(147,911)</u>	<u>\$(147,558)</u>	<u>\$(138,607)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,242,291	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	\$865,825	\$875,690	\$923,362	\$920,097	-
Contributions as a percentage of covered payroll	19.88%	19.38%	19.13%	18.87%	18.41%	17.74%	16.89%	15.98%	15.06%	-

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net OPEB liability (asset)	0.0139%	0.0133%	0.0122%	0.0116%	0.0114%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$131,653	\$150,417	\$166,451	\$150,141	\$148,294	-	-	-	-	-
District's covered payroll	\$1,242,291	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	10.59%	12.23%	14.67%	14.50%	15.79%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 12,671	\$ 12,541	\$ 11,570	\$ 10,560	\$ 9,582	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(12,671)</u>	<u>\$(12,541)</u>	<u>\$(11,570)</u>	<u>\$(10,560)</u>	<u>\$(9,582)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered payroll	\$1,242,291	\$1,229,481	\$1,134,399	\$1,035,257	\$939,453	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

### Debt Service Funds

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

## NON MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

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

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

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

AGUILAR SCHOOL DISTRICT RE-6  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2021

	<u>Special Revenue Fund</u>		<u>Total</u>
	<u>Food Service</u>	<u>Student Activity Fund</u>	<u>Non-Major Governmental Funds</u>
<u>ASSETS</u>			
Cash	11,980	14,345	26,325
Investments	-	-	-
Accounts Receivable	7,726	-	7,726
Accrued Revenue	-	-	-
Due From Other Funds	21,739	-	21,739
Inventories	2,183	-	2,183
Receivables – Other	-	-	-
<u>Total Assets</u>	<u>43,628</u>	<u>14,345</u>	<u>57,973</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries	2,728	-	2,728
Due To Other Funds	-	-	-
<u>Total Liabilities</u>	<u>2,728</u>	<u>-</u>	<u>2,728</u>
 <u>Fund Balances:</u>			
Nonspendable:			
Inventories	2,183	-	2,183
Restricted:			
Food Service	38,717	-	38,717
Assigned:			
Student Activities	-	14,345	14,345
<u>Total Fund Balances</u>	<u>40,900</u>	<u>14,345</u>	<u>55,245</u>
 <u>TOTAL LIABILITIES &amp; FUND BALANCES</u>	<u>43,628</u>	<u>14,345</u>	<u>57,973</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2021

	<u>Special Revenue Funds</u>		Total
	<u>Food Service</u>	<u>Student Activity Fund</u>	<u>Non-Major Governmental Funds</u>
<u>REVENUES:</u>			
Earning on Investments	11	-	11
Other Local Sources	432	7,831	8,263
State Aid	570	-	570
Federal Aid	<u>67,401</u>	<u>-</u>	<u>67,401</u>
<u>Total Revenues</u>	<u>68,414</u>	<u>7,831</u>	<u>76,245</u>
 <u>EXPENDITURES:</u>			
Instruction	-	-	-
Student Support	-	6,398	6,398
Food Service	<u>83,649</u>	<u>-</u>	<u>83,649</u>
<u>Total Expenditures</u>	<u>83,649</u>	<u>6,398</u>	<u>90,047</u>
 <u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>			
	(15,235)	1,433	(13,802)
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>42,271</u>	<u>-</u>	<u>42,271</u>
 <u>NET CHANGE IN FUND BALANCES</u>			
	27,036	1,433	28,469
 <u>FUND BALANCES, Beginning</u>			
	<u>13,864</u>	<u>12,912</u>	<u>26,776</u>
 <u>FUND BALANCES, Ending</u>			
	<u>40,900</u>	<u>14,345</u>	<u>55,245</u>

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

AGUILAR SCHOOL DISTRICT RE-6  
 BOND REDEMPTION - DEBT SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Property Tax	-	62,517	62,517
Specific Ownership Tax	-	-	-
Earnings on Investments	-	4	4
Other Local	-	153	153
<u>Total Revenues</u>	<u>-</u>	<u>62,674</u>	<u>62,674</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	81,709	65,000	16,709
Interest	-	5,893	(5,893)
Other	-	650	(650)
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>81,709</u>	<u>71,543</u>	<u>10,166</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>(81,709)</u>	 <u>(8,869)</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 <u>(81,709)</u>	 <u>(8,869)</u>	
 <u>FUND BALANCES, July 1</u>	 <u>81,709</u>	 <u>81,709</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>72,840</u>	

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

AGUILAR SCHOOL DISTRICT RE-6  
 FOOD SERVICES – SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	-	-	-
Earnings on Investments	-	11	11
Other	-	432	432
<u>State Sources</u>			
School Lunches and Breakfast	-	570	570
<u>Federal Sources</u>			
School Lunches and Breakfast	-	63,814	63,814
Commodities	-	3,587	3,587
<u>Total Revenues</u>	<u>-</u>	<u>68,414</u>	<u>68,414</u>
 <u>EXPENDITURES</u>			
Salaries	25,789	26,753	(964)
Employee Benefits	11,703	12,386	(683)
Purchased Services – Professional	-	1,400	(1,400)
Purchased Services – Property	-	-	-
Purchased Services – Other	-	3,067	(3,067)
Food Purchases	36,000	34,860	1,140
Capital Outlay	12,844	1,265	11,579
Commodities	12,000	3,587	8,413
Non-Food Supplies	108	331	(223)
Appropriated Reserves	-	-	-
<u>Total Expenditures</u>	<u>98,444</u>	<u>83,649</u>	<u>14,795</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(98,444)	(15,235)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	84,580	42,271	(42,309)
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(13,864)	27,036	
<u>FUND BALANCE, July 1</u>	<u>13,864</u>	<u>13,864</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>40,900</u>	

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

AGUILAR SCHOOL DISTRICT RE-6  
 STUDENT ACTIVITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Other Local	9,802	7,831	(1,971)
<u>Total Revenues</u>	<u>9,802</u>	<u>7,831</u>	<u>(1,971)</u>
 <u>EXPENDITURES</u>			
Student Activities	9,802	6,398	3,404
<u>Total Expenditures</u>	<u>9,802</u>	<u>6,398</u>	<u>3,404</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	-	1,433	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	-	1,433	
 <u>FUND BALANCE, July 1</u>	-	12,912	
 <u>FUND BALANCE, June 30</u>	<u>-</u>	<u>14,345</u>	

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

STATE REQUIRED SCHEDULES

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

**Bolded Balance Sheet**



**Colorado Department of Education**  
**Auditors Integrity Report**  
 District: 1620 - Aguilar Reorganized 6  
 Fiscal Year 2020-21  
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	1000 - 5999 Total Revenues & Other Sources	0001-0999 Total Expenditures & Other Uses	6700-6799 & Prior Par Adj (6880*) Ending Fund Balance
<b>Governmental</b>				
10 General Fund	386,060	2,656,033	2,392,170	649,923
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	56,019	76,100	94,520	37,599
<b>Sub-Total</b>	<b>442,079</b>	<b>2,732,133</b>	<b>2,486,690</b>	<b>687,522</b>
11 Charter School Fund	0	0	0	0
20.26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	13,864	110,685	83,649	40,900
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	12,912	7,831	6,398	14,345
24 Full Day Kindergarten Mill Levy Override	0	0	0	0
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	81,709	62,674	71,543	72,840
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
<b>Totals</b>	<b>550,565</b>	<b>2,913,323</b>	<b>2,568,200</b>	<b>815,407</b>
<b>Proprietary</b>				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	0	0	0	0
60.65-69 Other Internal Service Funds	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiduciary</b>				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34-Permanment Fund	0	0	0	0
85 Foundations	0	0	0	0
<b>Totals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FINAL</b>				



**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 1620 - Aguilar Reorganized 6  
 Fiscal Year 2020-21  
 Colorado School District/BOCES

ASSETS	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20	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
Cash and Investments (8100-8104,8111)	183,522	0	10	14,345	0	0	11,980	0	0	0	0	0	0	0	0	209,856
Cash with Fiscal Agent (8105)	41,213	0	0	0	0	0	0	59,795	0	0	0	0	0	0	0	101,008
Taxes Receivable (8121,8122)	24,200	0	0	0	0	0	0	4,100	0	0	0	0	0	0	0	28,300
Interfund Loans Receivable (8131,8132)	0	0	37,589	0	0	0	21,739	11,244	0	0	0	0	0	0	0	70,573
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	554,335	0	0	0	0	0	7,726	0	0	0	0	0	0	0	0	562,062
Other Receivables (8151-8154,8161)	20,333	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,333
Inventories (8171,8172,8173)	0	0	0	0	0	0	2,183	0	0	0	0	0	0	0	0	2,183
Sites (8211)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Assets</b>	<b>823,603</b>	<b>0</b>	<b>37,589</b>	<b>14,345</b>	<b>0</b>	<b>0</b>	<b>43,628</b>	<b>75,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>994,314</b>

	Governmental							Proprietary					Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20	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	Supplemental Cap Const Fund 46	Other Enterprise Funds 50	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
<b>LIABILITIES &amp; FUND EQUITY</b>																
Interfund Payables (7401,7402)	70,573	0	0	0	0	0	0	0	0	0	0	0	0	0	0	70,573
Other Payables (7421-7423)	6,531	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,531
Accrued Expenses (7461)	71,167	0	0	0	0	0	2,728	0	0	0	0	0	0	0	0	73,895
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	11,708	0	0	0	0	0	0	0	0	0	0	0	0	0	0	11,708
Deferred Inflow (7800)	13,700	0	0	0	0	0	0	2,300	0	0	0	0	0	0	0	16,000
<b>Total Liabilities</b>	<b>173,679</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,728</b>	<b>2,300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>178,707</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY	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				
Non-spendable Fund Balance 6710	0	0	0	0	0	0	2,183	0	0	0	0	0	0	0	0	2,183				
Restricted Fund Balance 6720	0	0	0	0	0	0	38,717	72,840	0	0	0	0	0	0	0	111,557				
TABOR 3% Emergency Reserve 6721	60,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,000				
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	37,599	0	0	0	0	0	0	0	0	0	0	0	0	37,599				
Full-Day Kindergarten Reserve 6725	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Assigned Fund Balance 6760	0	0	0	14,345	0	0	0	0	0	0	0	0	0	0	0	14,345				
Unassigned Fund Balance 6770	589,923	0	0	0	0	0	0	0	0	0	0	0	0	0	0	589,923				
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	0	0	0	0	0	0	0	0	0	0	0	0	0				
<b>Total Fund Equity</b>	<b>649,923</b>	<b>0</b>	<b>37,599</b>	<b>14,345</b>	<b>0</b>	<b>0</b>	<b>40,900</b>	<b>72,840</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>815,607</b>				

FUND EQUITY	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				
General Funds 10,12-18	823,603	0	37,599	14,345	0	0	43,628	75,140	0	0	0	0	0	0	0	994,314				
Charter School Fund 11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Preschool Fund 19	0	0	37,599	0	0	0	0	0	0	0	0	0	0	0	0	37,599				
Special Revenue Funds 20, 22-29	0	0	0	14,345	0	0	0	0	0	0	0	0	0	0	0	14,345				
Supplemental Cap Const Fund 06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Total Program Reserve Fund 07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Food Service Special Revenue Fund 21	0	0	0	0	0	0	43,628	0	0	0	0	0	0	0	0	43,628				
Debt Service Funds 30-39	0	0	0	0	0	0	75,140	0	0	0	0	0	0	0	0	75,140				
Capital Projects Funds 40-45, 47-49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Supplemental Cap Const Fund 46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Other Enterprise Funds 50, 52-59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Risk-Related Activity Funds 63-64	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Other Internal Service Funds 60	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Trust & Agency Funds 70-79	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Foundations Fund 85	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
<b>Total</b>	<b>823,603</b>	<b>0</b>	<b>37,599</b>	<b>14,345</b>	<b>0</b>	<b>0</b>	<b>43,628</b>	<b>75,140</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>994,314</b>				

For Each Fund Type:  
Do Assets=Liability+Fund Equity

SINGLE AUDIT SECTION

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Aguilar School District RE-6 as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Aguilar School District RE-6's basic financial statements, and have issued our report thereon dated January 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Aguilar School District RE-6's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Aguilar School District RE-6's internal control. Accordingly, we do not express an opinion on the effectiveness of the Aguilar School District RE-6's internal control.

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

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Aguilar School District RE-6's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

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

A handwritten signature in cursive script that reads "Dixon, Waller & Co., Inc.".

January 10, 2022

164 E. MAIN  
TRINIDAD, COLORADO 81082  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

We have audited Aguilar School District RE-6's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Aguilar School District RE-6's major federal programs for the year ended June 30, 2021. Aguilar School District RE-6's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Aguilar School District RE-6's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Aguilar School District RE-6's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Aguilar School District RE-6's compliance.

## Opinion on Each Major Federal Program

In our opinion, Aguilar School District RE-6 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of Aguilar School District RE-6 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Aguilar School District RE-6's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Aguilar School District RE-6's internal control over compliance.

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

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

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

*Acipon, Waller & Co, Inc.*

January 10, 2022

AGUILAR SCHOOL DISTRICT RE-6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021

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SECTION I - SUMMARY OF AUDITOR'S RESULTS:

FINANCIAL STATEMENTS

Auditor's Report

An unmodified report has been issued on the financial statements of Aguilar School District RE-6.

Internal Control Over Financial Reporting

No significant deficiencies or material weaknesses were identified.

Noncompliance Material to Financial Statements

No instances of noncompliance in amounts material to the financial statements of Aguilar School District RE-6 were disclosed by the audit.

FEDERAL AWARDS

Internal Control Over Major Programs

No significant deficiencies or material weaknesses were identified.

Auditor's Report on Compliance for Major Programs

An unmodified report has been issued on Aguilar School District RE-6 compliance for major programs.

Audit Findings

No findings requiring disclosure in accordance with 2 CFR Section 200.516(a) were disclosed by the audit.

Major Programs

Coronavirus Relief Act	21.019
Elementary and Secondary School Emergency Relief Act	84.425D

Dollar Threshold to Distinguish Type A and Type B Programs

\$750,000.

Qualification as low-risk auditee

The District did not qualify as a low-risk auditee for fiscal year 2020/2021.

AGUILAR SCHOOL DISTRICT RE-6  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2021

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(Continued)

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

AGUILAR SCHOOL DISTRICT RE-6  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the Year Ended June 30, 2021

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None

Aguilar School District RE-6  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2021

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures(\$)</i>
<b><i>Child Nutrition Cluster-Cluster</i></b>				
United States Department of Agriculture				
Summer Food Service Program for Children	10.559	4559	Colorado Dept of Ed	48,397
Summer Food Service Program for Children	10.559	COVID-19 4559	Colorado Dept of Ed	15,417
Summer Food Service Program for Children	10.559	Commodities 4559	Colorado Dept of Ed	3,587
Total Summer Food Service Program for Children				<u>67,401</u>
<i>Total United States Department of Agriculture</i>				
<b><i>Total Child Nutrition Cluster-Cluster</i></b>				
<b><i>Other Programs</i></b>				
Department of Education				
Title I Grants to Local Educational Agencies	84.010	4010	Colorado Dept of Ed	72,077
Title I Grants to Local Educational Agencies	84.010	5010	Colorado Dept of Ed	148,500
Total Title I Grants to Local Educational Agencies				<u>220,577</u>
Career and Technical Education -- Basic Grants to States	84.048	4048	Colo Community College Vocational Education	8,486
Twenty-First Century Community Learning Centers	84.287	6287	Colorado Dept of Ed	111,795
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	4367	Colo Department of Ed	5,867
Student Support and Academic Enrichment Program	84.424	4424	Colo Dept of Ed	10,000
Elementary and Secondary School Emergency Relief Act	84.425D	4420	Colorado Dept of Ed	144,990
Elementary and Secondary School Emergency Relief Act	84.425D	4425	Colorado Dept of Ed	64,646
Total Elementary and Secondary School Emergency Relief Act				<u>209,636</u>
<i>Total Department of Education</i>				
Department of the Treasury				566,361
Coronavirus Relief Act	21.019	4012	Colorado Dept of Ed	216,380
Coronavirus Relief Act	21.019	5012	Colorado Dept of Ed	20,332
Total Coronavirus Relief Act				<u>236,712</u>
<i>Total Department of the Treasury</i>				
<b><i>Total Other Programs</i></b>				
<b><i>Total Expenditures of Federal Awards</i></b>				
				<u><u>\$ 870,474</u></u>

The accompanying notes are an integral part of this schedule

AGUILAR SCHOOL DISTRICT RE-6  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2021

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NOTE 1    BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Aguilar School District RE-6 and is presented on the modified accrual basis of accounting. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the general purpose financial statements.

NOTE 2    INDIRECT COST RATES

All grants being charged indirect cost have been received through the Colorado Department of Education. The Department calculates an allowable indirect cost rate for individual sub-recipients and mandates that the rate be used as the maximum for the recovery of indirect cost. The District has recovered indirect cost from grant funds at an amount no greater than that allowed by the Colorado Department of Education and has not elected to use the 10% de minimis indirect cost rate allowed by Uniform Guidance.

NOTE 3    FOOD DISTRIBUTION

Non-monetary assistance is reported in the schedule at the fair market value of commodities received.

NOTE 4    SUBRECIPIENT PAYMENTS

No amounts of federal financial assistance were passed through to subrecipients in the year ended June 30, 2021.