

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

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
JUNE 30, 2021**

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

HUGO, COLORADO

ROSTER OF SCHOOL OFFICIALS

JUNE 30, 2021

BOARD OF EDUCATION

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

ADMINISTRATIVE STAFF

Terry Weber
Superintendent of Schools

Kara Emmerling
Business Manager

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FINANCIAL SECTION

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MANAGEMENT'S DISCUSSION AND ANALYSIS
(Required Supplementary Information)

MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2021

The discussion and analysis of Genoa- Hugo School District’s (the “District”) financial performance provides an overall review of the district’s financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the District’s financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District’s financial performance.

Financial Highlights

The District’s fund balance in the general fund exceeds the three months of operating expenditures for the year ending June 30, 2021. This is a continual goal for the district.

Using the Basic Financial Statements

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

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

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

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

Financial Analysis of the District as a Whole

The District’s total net position was \$6,097,410 as of June 30, 2021. The District has a negative unrestricted net position of \$1,195,666 this is a result of the inclusion of the PERA liability of \$3,559,442 as described in the Notes to the Financial Statements.

Government-Wide Financial Statements

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

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

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

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

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

TABLE I – CONDENSED SUMMARY OF NET POSITION

	2021	2020
Assets:		
Current Assets	\$ 4,927,175	\$ 4,650,954
Capital Assets – Net	9,969,187	10,133,297
Deferred Outflows of Resources	1,364,743	739,542
Capital Assets & Deferred Outflows of Financial Resources	<u>16,261,105</u>	<u>15,523,793</u>
Liabilities:		
Current Liabilities	310,831	551,674
Non-current Liabilities	8,162,816	7,970,020
Deferred Inflows of Resources	1,690,048	2,634,218
Total Liabilities & Deferred Inflows of Financial Resources	<u>10,163,695</u>	<u>11,155,912</u>
Net Position:		
Net Invested in Capital Assets	5,854,796	5,702,903
Restricted Net Position	1,438,280	1,322,190
Unrestricted Net Position	(1,195,666)	(2,657,212)
Total Net Position(Deficit)	<u>6,097,410</u>	<u>4,367,881</u>
Total Liabilities, Deferred Outflows and Net Position	<u>\$ 16,261,105</u>	<u>\$ 15,523,793</u>

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

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

TABLE 2 – CONDENSED STATEMENT OF ACTIVITIES

	2021	2020
Program Revenues:		
Charges for Services	\$ 56,740	\$ 78,426
Operating Grants	669,343	356,930
Capital Grants	<u>(193,047)</u>	<u>(187,943)</u>
Total Program Revenues	<u>533,036</u>	<u>247,413</u>
General Revenues:		
Taxes	1,875,300	1,959,530
State Equalization	1,236,117	1,312,182
Investment Income	5,930	7,055
Miscellaneous	26,777	25,248
Debt Proceeds	<u>8,015</u>	<u>-</u>
Total General Revenues	<u>3,152,139</u>	<u>3,304,015</u>
Total Revenues	<u>3,685,175</u>	<u>3,551,428</u>
Expenses:		
Instruction	1,069,722	1,193,736
Supporting Services	<u>885,922</u>	<u>1,017,718</u>
Total Expenses	<u>1,955,644</u>	<u>2,211,454</u>
Change in Net Position	1,729,531	1,339,974
Net Position - Beginning	<u>4,367,879</u>	<u>3,027,907</u>
Net Position Ending	<u>\$ 6,097,410</u>	<u>\$ 4,367,881</u>

The District's primary revenue source is per pupil funding which is a combination of State Equalization and local property taxes. The District's per pupil funding and total governmental activity revenues remained relatively stable for the 2021 fiscal year. Overall, there was an increase in revenue generated at the grant levels.

Total expenditures from governmental activities decreased \$256,070 from the previous year. While revenues increased \$133,747.

Reporting the District's Most Significant Funds

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

Governmental Funds. Most of District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

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

Fund Financial Statements

As of June 30, 2021, the District's governmental funds reported a combined fund balance of \$4,627,419 which is an increase of \$516,309 from the June 30, 2020 balance. The following is additional information by fund which contributed to the change.

General Fund revenues increased \$133,747, primarily due to an increase in state and local revenues and federal grants. General Fund expenditures decreased \$256,070 with most of the decrease in instruction and transportation services expenditures. The ending fund balance for the general fund was \$3,227,608.

Bond Redemption Fund revenues decreased \$8,255, while the total fund balance increased \$107,967 primarily to due to collecting more in taxes that sufficient funds are already collected to pay the bond installments. The debt matures in 2033.

Capital Assets

As of June 30, 2021, the District had \$1,533,401 invested in a broad range of governmental capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deletions, and depreciation) of \$39,096 which is primarily represented by the district overall depreciation and deletions. The District's most significant addition was the purchase of a bus.

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

	<u>Balance 6/30/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/21</u>
Governmental activities				
Capital assets not being depreciated:				
Construction in progress	\$ 7,027	\$ -	\$ 7,027	\$ -
Capital assets being depreciated:				
Buildings	2,632,214	21,741	-	2,653,955
Equipment	224,451	83,350	-	307,801
Transportation equipment	<u>554,160</u>	<u>63,880</u>	<u>45,025</u>	<u>573,015</u>
Total capital assets being depreciated	<u>3,410,825</u>	<u>168,971</u>	<u>45,025</u>	<u>3,534,771</u>
Accumulated Depreciation				
Buildings	(1,574,071)	(84,499)	-	(1,658,570)
Equipment	(77,395)	(12,369)	-	(89,764)
Transportation equipment	<u>(265,054)</u>	<u>(33,007)</u>	<u>(45,025)</u>	<u>(253,036)</u>
Total accumulated depreciation	<u>(1,916,520)</u>	<u>(129,875)</u>	<u>(45,025)</u>	<u>(2,001,370)</u>
Net Capital Assets	<u>\$ 1,501,332</u>	<u>\$ 39,096</u>	<u>\$ -</u>	<u>\$ 1,533,401</u>

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

Long-Term Liabilities

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

	<u>Balance at July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at June 30, 2021</u>	<u>Due within One Year</u>
General obligation bonds, Series 2012	\$ 4,723,638	\$ -	\$ 302,341	\$ 4,421,297	\$ 311,429
Capital Leases Payable	3,215	8,015	4,491	6,739	2,216
Accrued compensated absences	<u>20,399</u>	<u>25,553</u>	<u>-</u>	<u>45,952</u>	<u>-</u>
Total	<u>\$ 4,747,252</u>	<u>\$ 33,568</u>	<u>\$ 306,832</u>	<u>\$ 4,473,988</u>	<u>\$ 313,645</u>

The change in liability balances from June 30, 2020 to 2021 reflects principal payments made during the fiscal year as well as actuarially determined adjustments required for the District's pension plan. Additional information regarding the District's liabilities can be found in Note 6 to the financial statements on page 22.

General Fund Budget

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

The Future of the District

For fiscal year 2022, the District will continue to maintain a minimum of three months operating expenditures. We will continue expenditures for the transportation fleet.

Requests for Information

This financial report is designed to provide a general overview of the Genoa - Hugo School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Superintendent and/or Business Manager, P O Box 247, Hugo, Colorado 80821.

Mayberry & Company, LLC

Certified Public Accountants

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

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

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, the aggregate remaining fund information, and the related notes to the financial statements of the Genoa-Hugo School District No. C-113, Colorado, as of and for the year ended June 30, 2021, which collectively comprise the basic financial statements of the District, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Genoa-Hugo School District No. C-113, Colorado, as of June 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Genoa-Hugo School District No. C-113's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 16, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

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

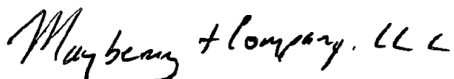
Accounting principles generally accepted in the United States of America require that the management, discussion and analysis on pages M1 - M6 and pension schedules on pages 48 - 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial 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.

Required Supplementary Information – Budgetary Comparison Schedule and Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules on pages 51 - 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. In addition, the combining and individual fund schedules on pages 55 - 58 and listed as other supplementary information are presented for purposes of additional analysis and are not a required part of the financial statements. The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Colorado Department of Education Auditors' Electronic Financial Data Integrity Check Figures and Bolded Balance Sheet reports pages 59 - 62 are presented for state regulatory compliance and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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BASIC FINANCIAL STATEMENTS

The Basic Financial Statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all government-wide and fund level activity as of June 30, 2021.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

Statement of Net Position
June 30, 2021

	<u>Governmental Activities</u>
ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	
Assets	
Current Assets	
Cash and Investments	\$ 4,768,907
Cash with Fiscal Agent	16,010
Taxes Receivable	21,113
Interfund Accounts Receivable	6,514
Grants Receivable	29,226
Other Accounts Receivable	65,437
Inventory	2,461
Prepaid Expenses	17,507
Capital and Other Assets	
BEST Grant Receivable	8,435,786
Capital Assets Being Depreciated, Net	<u>1,533,401</u>
Total Assets	<u>14,896,362</u>
Deferred Outflows of Financial Resources	
Net Pension Deferred Outflows	1,353,141
Net OPEB Deferred Outflows	<u>11,602</u>
Total Deferred Outflows of Financial Resources	<u>1,364,743</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF FINANCIAL RESOURCES	<u>\$ 16,261,105</u>
LIABILITIES, DEFERRED INFLOWS AND NET POSITION	
Liabilities	
Current Liabilities	
Interfund Accounts Payable	\$ 6,514
Accounts Payable	27,006
Accrued Interest	11,075
Accrued Salaries & Benefits	255,899
Unearned Revenue	3,591
Unearned Revenue Grants	6,746
Noncurrent Liabilities	
Due Within One Year	313,645
Due In More Than One Year	<u>7,849,171</u>
Total Liabilities	<u>8,473,647</u>
Deferred Inflows of Financial Resources	
Net Pension Deferred Inflows	1,638,280
Net OPEB Deferred Inflows	<u>51,768</u>
Total Deferred Inflows of Financial Resources	<u>1,690,048</u>
Net Position	
Net Investment in Capital Assets	5,854,796
Restricted Net Position	1,438,280
Unrestricted Net Position	<u>(1,195,666)</u>
Total Net Position	<u>6,097,410</u>
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION	<u>\$ 16,261,105</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113

Statement of Activities
For the Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense)</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Revenue and Change in Net Position</u>
Primary Government					
Governmental Activities					
Instruction	\$ 1,069,722	\$ 48,646	\$ 116,962	\$ 3,134	\$ (900,980)
Supporting Services	885,922	8,094	552,381	(196,181)	(521,628)
Total Primary Government	<u>\$ 1,955,644</u>	<u>\$ 56,740</u>	<u>\$ 669,343</u>	<u>\$ (193,047)</u>	<u>(1,422,608)</u>
General Revenues					
Property Taxes					1,698,305
Specific Ownership Taxes					176,995
State Equalization					1,236,117
Investment Earnings					5,930
Gain (Loss) on Capital Asset Disposals					763
Insurance Proceeds					2,505
Other Revenues					23,509
Debt Proceeds					8,015
Total General Revenues					<u>3,152,139</u>
Change in Net Position					1,729,531
Beginning Net Position					<u>4,367,879</u>
Ending Net Position					<u>\$ 6,097,410</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Balance Sheet
 Governmental Funds
 June 30, 2021

	General Fund	Special Revenue		Debt Service
		Food Service Fund	Pupil Activity Fund	Bond Redemption Fund
ASSETS				
Cash and Investments	\$ 3,388,847	\$ 49,818	\$ 66,568	\$ 1,263,674
Cash with Fiscal Agent	11,328	-	-	4,682
Taxes Receivable	14,948	-	-	6,165
Interfund Accounts Receivable	-	6,514	-	-
Grants Receivable	15,664	13,562	-	-
Other Accounts Receivable	64,403	1,034	-	-
Inventory	-	2,461	-	-
Prepaid Expenses	17,507	-	-	-
TOTAL ASSETS	<u>\$ 3,512,697</u>	<u>\$ 73,389</u>	<u>\$ 66,568</u>	<u>\$ 1,274,521</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE				
LIABILITIES				
Interfund Accounts Payable	\$ 6,514	\$ -	\$ -	\$ -
Accounts Payable	27,006	-	-	-
Accrued Salaries & Benefits	244,823	11,076	-	-
Payroll Taxes & Deductions Payable	-	-	-	-
Unearned Revenue	-	3,591	-	-
Unearned Revenue Grants	6,746	-	-	-
TOTAL LIABILITIES	<u>285,089</u>	<u>14,667</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Nonspendable Fund Balance	17,507	2,461	-	-
Restricted Fund Balance				
Restricted for Debt Service	-	-	-	1,274,521
Restricted for TABOR Emergencies	101,000	-	-	-
Restricted for Colorado Preschool Program	2,721	-	-	-
Restricted for BEST Replacement Reserve	60,038	-	-	-
Committed Fund Balance	-	56,261	66,568	-
Unassigned Fund Balance	3,046,342	-	-	-
TOTAL FUND BALANCE	<u>3,227,608</u>	<u>58,722</u>	<u>66,568</u>	<u>1,274,521</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 3,512,697</u>	<u>\$ 73,389</u>	<u>\$ 66,568</u>	<u>\$ 1,274,521</u>

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

Totals

<u>2021</u>	<u>2020</u>
\$ 4,768,907	\$ 4,374,010
16,010	156,728
21,113	43,745
6,514	-
29,226	7,995
65,437	48,719
2,461	2,560
<u>17,507</u>	<u>17,197</u>
<u>\$ 4,927,175</u>	<u>\$ 4,650,954</u>
\$ 6,514	\$ -
27,006	10,001
255,899	243,012
-	21,186
3,591	2,305
<u>6,746</u>	<u>263,338</u>
<u>299,756</u>	<u>539,842</u>
19,968	19,757
1,274,521	1,166,554
101,000	108,000
2,721	-
60,038	47,636
122,829	85,554
<u>3,046,342</u>	<u>2,683,611</u>
<u>4,627,419</u>	<u>4,111,112</u>
<u>\$ 4,927,175</u>	<u>\$ 4,650,954</u>

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GENOA-HUGO SCHOOL DISTRICT NO. C-113

**Reconciliation of Governmental Fund Balances
to Governmental Activities Net Position
June 30, 2021**

Fund Balance - Governmental Funds		\$	4,627,419
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds			
Capital assets, being depreciated	\$	3,534,771	
Accumulated depreciation		<u>(2,001,370)</u>	1,533,401
Certain long-term assets are not available to pay for current year expenditures and are therefore not reported in the funds			
Long-Term BEST Grant Receivable			8,435,786
Certain long-term pension and OPEB related costs and adjustments are not available to pay or payable currently and are therefore not reported in the funds			
Pension Liability			
Net pension deferred outflows		1,353,141	
Net pension liability		(3,559,442)	
Net pension deferred inflows		<u>(1,638,280)</u>	(3,844,581)
OPEB Liability			
Net OPEB deferred outflows		11,602	
Net OPEB liability		(129,386)	
Net OPEB deferred inflows		<u>(51,768)</u>	(169,552)
Long-term liabilities are not due and payable in the current year and, therefore, are not reported in the funds.			
Bonds payable		(4,421,297)	
Capital leases payable		(6,739)	
Accrued interest payable		(11,075)	
Accrued compensated absences		<u>(45,952)</u>	(4,485,063)
Total Net Position - Governmental Activities			<u>\$ 6,097,410</u>

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	<u>Special Revenue</u>		
	<u>General Fund</u>	<u>Food Service Fund</u>	<u>Pupil Activity Fund</u>
REVENUES			
Local Sources	\$ 1,404,834	\$ 5,264	\$ 48,647
Intermediate Sources	42	-	-
State Sources	1,394,140	1,047	-
Federal Sources	373,123	98,242	-
TOTAL REVENUES	<u>3,172,139</u>	<u>104,553</u>	<u>48,647</u>
EXPENDITURES			
Current:			
Instruction	1,720,474	-	47,562
Pupil Support	63,651	-	-
Staff Support	12,251	-	-
General Administration	134,044	-	-
School Administration	148,073	-	-
Business Services	96,229	-	-
Operations and Maintenance	243,161	-	-
Transportation	162,524	-	-
Risk Management	101,912	-	-
Food Service	-	107,460	-
Community Support	-	-	-
Facilities	82,435	-	-
Debt Service	5,236	-	-
TOTAL EXPENDITURES	<u>2,769,990</u>	<u>107,460</u>	<u>47,562</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	402,149	(2,907)	1,085
OTHER FINANCING SOURCES (USES)			
Debt Proceeds	8,015	-	-
Transfers	(39,000)	30,000	9,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>(30,985)</u>	<u>30,000</u>	<u>9,000</u>
CHANGE IN FUND BALANCE	371,164	27,093	10,085
BEGINNING FUND BALANCE	<u>2,856,444</u>	<u>31,629</u>	<u>56,483</u>
ENDING FUND BALANCE	<u>\$ 3,227,608</u>	<u>\$ 58,722</u>	<u>\$ 66,568</u>

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

Debt Service		Totals	
Bond Redemption Fund		2021	2020
\$ 548,002	\$ 2,006,747	\$ 2,082,537	
-	42	339	
-	1,395,187	1,543,663	
-	471,365	121,348	
<u>548,002</u>	<u>3,873,341</u>	<u>3,747,887</u>	
-	1,768,036	1,570,709	
-	63,651	66,288	
-	12,251	14,391	
250	134,294	135,258	
-	148,073	156,916	
-	96,229	98,178	
-	243,161	345,089	
-	162,524	180,861	
-	101,912	92,870	
-	107,460	107,376	
-	-	150	
-	82,435	-	
<u>439,785</u>	<u>445,021</u>	<u>445,269</u>	
<u>440,035</u>	<u>3,365,047</u>	<u>3,213,355</u>	
<u>107,967</u>	<u>508,294</u>	<u>534,532</u>	
-	8,015	-	
-	-	-	
-	8,015	-	
<u>107,967</u>	<u>516,309</u>	<u>534,532</u>	
<u>1,166,554</u>	<u>4,111,110</u>	<u>3,576,578</u>	
<u>\$ 1,274,521</u>	<u>\$ 4,627,419</u>	<u>\$ 4,111,110</u>	

GENOA-HUGO SCHOOL DISTRICT NO. C-113

**Reconciliation of Governmental Changes in Fund Balance
to Governmental Activities Change in Net Position
For the Year Ended June 30, 2021**

Change in Fund Balance - Governmental Funds	\$	516,309	
Capital assets used in governmental activities are expensed when purchased in the funds and depreciated at the activity level			
Capitalized Asset Purchases	\$	161,945	
Depreciation Expense		<u>(129,874)</u>	32,071
The long-term BEST grant receivable is being amortized based on the depreciation of the underlying building that is the basis of the grant			
Amortization of BEST grant receivable			(196,181)
Pension and OPEB expense at the fund level represent cash contributions to the defined benefit plan. For the activity level presentation, the amount represents the actuarial cost of the benefits for the fiscal year.			
Pension Liability			
Current year change and amortization of deferred outflows - net		624,232	
Change in net pension liability		(487,699)	
Current year change and amortization of deferred inflows - net		<u>953,262</u>	1,089,795
OPEB Liability			
Current year change and amortization of deferred outflows - net		969	
Change in OPEB liability		21,639	
Current year change and amortization of deferred inflows - net		<u>(9,092)</u>	13,516
Repayments of long-term liabilities are expensed in the fund and reduce outstanding liabilities at the activity level. In addition, proceeds from long-term debt issuances are reported as revenues in the funds and increase liabilities at the activity level.			
Principal payments on bonds payable		302,341	
Principal payments on capital leases		(3,524)	
Change in accrued interest payable		757	
Change in accrued compensated absences		<u>(25,553)</u>	<u>274,021</u>
Total Net Position - Governmental Activities	\$		<u><u>1,729,531</u></u>

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

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

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

Jointly Governed Organizations

The District is a participant among fourteen districts in a jointly governed organization to operate the East Central Board of Cooperative Educational Services (BOCES). The BOCES was formed for the purpose of administrative functions among member districts for special education and federal grants. The BOCES is governed by a board of directors consisting of a member of the board of education and the superintendent from each of the participating members. The District does not have an ongoing financial interest in or ongoing financial responsibility for the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative offices at: 820 2nd Street, P.O. Box 910, Limon, CO 80828-0910. The District paid total assessments of \$98,395 to the BOCES for the year ended June 30, 2021.

Basis of Presentation

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

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

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The District does not maintain any Fiduciary funds.

Government-Wide Financial Statements

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

Governmental Fund Financial Statements

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

Budgets and Budgetary Accounting

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

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

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting (Continued)

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

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

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

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

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

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

Taxes Receivable – Property taxes are recognized as revenue in the year in which they are intended to finance operating expenses, pursuant to the Colorado school district funding formula. As 2020 property taxes were both measurable and available at June 30, 2021, the District has recognized a receivable (net of uncollectible portion) for property taxes levied January 1, 2021 but not collected by June 30, 2021.

Accumulated unpaid sick and vacation and other pay are serviced from other revenues in the General Fund. These liabilities are only recorded on the government-wide financial statements as they are not expected to be financed from current resources. At June 30, 2021, the District has recorded accrued leave as disclosed in Note 6.

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

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

Deferred outflows/inflows of resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 7 and 9.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows related to pension liabilities and OPEB liabilities as further described in Note 7 and 9.

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

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

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

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

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

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

All other remaining governmental balances are reported as unassigned.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position/ Fund Balance and Flow Assumptions

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

Revenues and Expenditures/Expenses

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

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

Comparative Data

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS

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

Deposits	\$ 4,768,606
Cash on hand	<u>300</u>
Total	<u>\$ 4,768,906</u>
 Government-wide - unrestricted	 <u>\$ 4,768,906</u>

Deposits

Custodial Credit Risk - Deposits

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

Custodial Credit Risk – Deposits (Continued)

At June 30, 2021, all of the District’s deposits as shown below were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

	<u>Bank Balance</u>	<u>Carrying Balance</u>
FDIC Insured	\$ 250,000	\$ 250,000
PDPA Collateralized*	4,576,849	4,518,606
Cash on hand	<u>-</u>	<u>300</u>
Total	<u>\$ 4,826,849</u>	<u>\$ 4,768,906</u>

*Not in District's name

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 2: CASH AND INVESTMENTS (Continued)

Investments

Credit Risk

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

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above. For the fiscal year ended June 30, 2021, the District did not have any investments requiring disclosure.

Concentration of Credit Risk

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

Interest Rate Risk

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

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2021, the District did not have any investments requiring safekeeping.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 3: INVENTORIES

Food Service Fund inventory of \$2,461 as of June 30, 2021, consisted of \$356 of purchased food. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

NOTE 4: CAPITAL ASSETS

Activity for capital assets is summarized below:

	<u>Balance 6/30/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/21</u>
Governmental activities				
Capital assets not being depreciated:				
Construction in progress	\$ 7,027	\$ -	\$ 7,027	\$ -
Capital assets being depreciated:				
Buildings	2,632,214	21,741	-	2,653,955
Equipment	224,451	83,350	-	307,801
Transportation equipment	554,160	63,880	45,025	573,015
Total capital assets being depreciated	<u>3,410,825</u>	<u>168,971</u>	<u>45,025</u>	<u>3,534,771</u>
Accumulated Depreciation				
Buildings	(1,574,071)	(84,499)	-	(1,658,570)
Equipment	(77,395)	(12,369)	-	(89,764)
Transportation equipment	(265,054)	(33,007)	(45,025)	(253,036)
Total accumulated depreciation	<u>(1,916,520)</u>	<u>(129,875)</u>	<u>(45,025)</u>	<u>(2,001,370)</u>
Net Capital Assets	<u>\$ 1,501,332</u>	<u>\$ 39,096</u>	<u>\$ -</u>	<u>\$ 1,533,401</u>

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5: ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2021 is reflected as a liability in the respective funds in the accompanying financial statements as follows:

General Fund	\$	244,823
Food Service Fund		<u>11,076</u>
Total Accrued Salaries and Benefits	\$	<u>255,899</u>

NOTE 6: LONG-TERM DEBT

The following is a summary of long-term obligation transactions of the District for the year ended June 30, 2021:

	<u>Balance at</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance at</u> <u>June 30, 2021</u>	<u>Due within</u> <u>One Year</u>
General obligation bonds, Series 2012	\$ 4,723,638	\$ -	\$ 302,341	\$ 4,421,297	\$ 311,429
Capital Leases Payable	3,215	8,015	4,491	6,739	2,216
Accrued compensated absences	<u>20,399</u>	<u>25,553</u>	<u>-</u>	<u>45,952</u>	<u>-</u>
Total	\$ <u>4,747,252</u>	\$ <u>33,568</u>	\$ <u>306,832</u>	\$ <u>4,473,988</u>	\$ <u>313,645</u>

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

	<u>Accrued</u> <u>Interest</u>	<u>Interest</u> <u>Paid</u>	<u>Interest</u> <u>Expense</u>
General obligation bonds, Series 2012	\$ 11,832	\$ 137,444	\$ 136,686
Capital Leases Payable	<u>-</u>	<u>375</u>	<u>375</u>
Total	\$ <u>11,832</u>	\$ <u>137,819</u>	\$ <u>137,061</u>

General Obligation Bonds

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 6: LONG-TERM DEBT(Continued)

General Obligation Bonds (Continued)

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 311,429	\$ 128,219	\$ 439,648
2023	320,791	118,717	439,508
2024	330,433	108,930	439,363
2025	340,366	98,848	439,214
2026	350,597	88,463	439,060
2027-2031	1,917,543	275,283	2,192,826
2032-2033	850,138	25,743	875,881
Total	\$ 4,421,297	\$ 844,203	\$ 5,265,500

Capital Leases Payable

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

<u>Year</u>	<u>Total</u>
2022	\$ 276
Total Future Minimum Lease Payments	276
Less: Interest at 5.45%	(1)
Present Value of Lease Payments	\$ 275

In August of 2020, the District entered into a capital lease agreement for the purchase of an office copier with a maintenance agreement. The lease requires 48 monthly payments beginning September 2020 of \$183, including an estimated interest at 4.60%. In the event of default, the lessee maybe required to return the equipment to the lessor at the lessee's expense, pay all past due amounts, pay all remaining payments for the expired term, plus booked residual discounted at 3% per annum. Lessor may disable or repossess the equipment and use all other legal remedies available. Lessee is liable for all costs and expenses including reasonable attorney fees included in any dispute related to the agreement. Lessor agrees to pay 1.5% interest per month on all past due amounts. Future Capital Lease payments are as follows:

<u>Year</u>	<u>Total</u>
2022	\$ 2,198
2023	2,198
2024	2,197
2025	366
Total Future Minimum Lease Payments	6,959
Less: Interest at 4.60%	(495)
Present Value of Lease Payments	\$ 6,464

NOTE 7: DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. The District participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (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 made 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 District 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.

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.

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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

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

Contributions provisions as of June 30, 2021: Eligible employees of, District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 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:

	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%
Total employer contribution rate to the SCHDTF	19.88%

¹ Rates 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 District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from District were \$247,179 for the year ended June 30, 2021.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

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 District proportion of the net pension liability was based on District 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.

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

At June 30, 2021, the District reported a liability of \$3,559,442 for its proportionate share of the net pension liability. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ (3,559,442)
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	\$ -
Total	\$ (3,559,442)

At December 31, 2020, the District proportion was 0.02354 percent, which was an increase of 0.00298 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$834,200 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 183,718	\$ -
Changes of assumptions or other inputs	\$ 342,408	\$ (526,968)
Net difference between projected and actual earnings on pension plan investments	\$ 218,963	\$ (983,831)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 477,799	\$ (127,481)
Contributions subsequent to the measurement date	\$ 130,253	\$ -
Total	\$ 1,353,141	\$ (1,638,280)

\$130,253 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:	Fiscal Year Totals
2022	\$ (485,322)
2023	236,604
2024	(43,071)
2025	(123,603)
Total	\$ (415,392)

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:

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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

¹ 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

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 increase, 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 (automatic)	1.25%
PERA benefit structure hired after 12/31/06 (ad hoc, substantively automatic) ¹	Financed by the Annual Increase Reserve (AIR)

¹ 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

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:

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- 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.

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 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 ¹	6.00%	4.70%
Total	100.00%	

¹The 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.

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

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.

NOTE 7: DEFINED BENEFIT PENSION PLAN (Continued)

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

- 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.

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension asset (liability)	\$ (4,855,371)	\$ (3,559,442)	\$ (2,479,507)

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.

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN

Voluntary Investment Program

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 8: DEFINED CONTRIBUTION PENSION PLAN (Continued)

Voluntary Investment Program (Continued)

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. The District does not contribute to the plan. Employees are immediately vested in their own contributions, employer contributions, if any, and investment earnings. For the year ended June 30, 2021 program members contributed \$2,379.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS

Summary of Significant Accounting Policies

OPEB. The District participates in the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer defined benefit OPEB fund administered by the Public Employees’ Retirement Association of Colorado (“PERA”). The net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position (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 District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at www.copera.org/investments/pera-financial-reports.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

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

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

PERA Benefit Structure

The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The 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.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

General Information about the OPEB Plan (Continued)

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

DPS Benefit Structure

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were \$12,843 for the year ended June 30, 2021.

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

At June 30, 2021, the District reported a liability of \$129,386 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 District proportion of the net OPEB liability was based on District 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 District proportion was 0.01362 percent, which was an Increase of 0.00018 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the District recognized OPEB expense of \$402. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference between expected and actual experience	\$ 355	\$ (28,173)
Net difference between projected and actual earnings on pension plan investments	\$ 1,626	\$ (6,918)
Changes of assumptions or other inputs	\$ 957	\$ (7,934)
Changes in proportion and differences between contributions recognized and proportionate share of contributions - Plan Basis	\$ 1,981	\$ (8,743)
Contributions subsequent to the measurement date	\$ 6,683	\$ -
Total	\$ 11,602	\$ (51,768)

\$6,683 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:

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Year Ended June 30:	Fiscal Year Totals
2022	\$ (12,517)
2023	(11,753)
2024	(10,707)
2025	(8,663)
2026	(3,018)
2027	(191)
Total	\$ (46,849)

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 increase, including wage inflation	3.50% in the aggregate
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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:

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

Medicare Plan	Cost for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/ Self-Insured Prescription	\$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.

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%

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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.

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

The 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.

Actuarial cost method	Entry Age
Price inflation	2.30%
Real wage growth	0.70%
Wage inflation	3.00%
Salary increase, including wage inflation	3.20% - 11.30%
Long-term investment rate of return, net of pension plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% for 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% for 2019, gradually rising to 4.50% in 2029
DPS Benefit Structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	N/A
Medicare Part A premiums	N/A

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.

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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:

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- 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.

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:

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

- Price inflation 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.

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 ¹	6.00%	4.70%
Total	100.00%	

¹ 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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates			
	1% Decrease	Current Trend Rate	1% Increase
Initial PERACare Medicare trend rate	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%
Proportionate share of the net OPEB asset (liability)	\$ (126,042)	\$ (129,386)	\$ (133,279)

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.
- 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.

NOTE 9: OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
	1% Decrease	Current Discount Rate	1% Increase
Discount Rate	6.25%	7.25%	8.25%
Proportionate share of the net OPEB asset (liability)	\$ (148,214)	\$ (129,386)	\$ (113,299)

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.

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 10: RISK MANAGEMENT

Property and Liability Coverage

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

The District has not materially changed its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2021.

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

Workers Compensation

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

Health Insurance

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

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 11: SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

TABOR Amendment - In November 1992, Colorado voters passed the TABOR Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the TABOR Amendment. In the November 1996 election, the District's electorate allowed the District to collect, retain and expend all revenues collected, notwithstanding the limits of the Amendment. The TABOR Amendment is subject to many interpretations, but the District believes it is in substantial compliance with the Amendment. The District has recorded a \$101,000 reserve in the General Fund to fully fund its 3% emergency reserve required by TABOR.

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

NOTE 12: INTERFUND ACTIVITY

The District has recorded the following routine operating transfers through June 30, 2021.

General Fund	
Transfer to Food Services Fund	\$ (30,000)
Transfer to Athletics Fund	<u>(9,000)</u>
Net General Fund	(39,000)
Athletic Activity Fund	
Transfer from General Fund	9,000
Food Service Fund	
Transfer from General Fund	<u>30,000</u>
Net Interfund Transfers	<u><u>\$ -</u></u>

GENOA-HUGO SCHOOL DISTRICT NUMBER C-113
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12: INTERFUND ACTIVITY (Continued)

The District has recorded the following internal balances as of year ended June 30, 2021.

	Interfund	
	Receivable	Payable
General Fund	\$ 6,514	\$ -
Food Service Fund	-	6,514
	<u>\$ 6,514</u>	<u>\$ 6,514</u>

NOTE 13: BEST GRANT/FACILITY IMPROVEMENTS

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

The improvements completed by the BEST grant and local contribution totaled \$15,794,007 and have a depreciated value of \$13,582,846 as of June 30, 2021. The remaining value of the State’s contribution, which has been booked as a long-term grant receivable in the governmental activities, was \$8,435,786 as of June 30, 2021. As part of the BEST grant agreement, the District agreed to fund a capital replacement reserve in the amount of \$100 per funded pupil based on the annual October student count, beginning with the June 30, 2016 fiscal year. This reserve balance as of June 30, 2021 was \$60,038.

NOTE 14: DEFICIT UNRESTRICTED NET POSITION

The Governmental Activities has a deficit unrestricted net position of \$1,195,666, primarily due to the PERA net pension liability of \$3,559,442 and net OPEB liability of \$129,386, further described in Notes 7 and 9. As the District has no control over pension and OPEB benefits or contribution rates, we expect this deficit to continue going forward.

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REQUIRED SUPPLEMENTARY INFORMATION
Pension and OPEB Schedules (Unaudited)

GENOA-HUGO SCHOOL DISTRICT NO. C-113

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

PERA Pension Plan

Last 10 Fiscal Years⁽¹⁾

<u>Fiscal Year</u>	<u>District's proportion of the net pension asset (liability)</u>	<u>District's proportionate share of the net pension asset (liability)</u>	<u>Non-employer contributing entity's total proportionate share of the net pension asset (liability)</u>	<u>Total proportionate share associated with District</u>	<u>District's covered payroll</u>	<u>District's proportionate share of the net pension asset (liability) as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	0.028229%	\$ (3,600,654)	\$ -	\$ (3,600,654)	\$ 1,138,017	316.40%	64.07%
June 30, 2015	0.027816%	\$ (3,770,027)	\$ -	\$ (3,770,027)	\$ 1,165,299	323.52%	62.84%
June 30, 2016	0.027248%	\$ (4,167,357)	\$ -	\$ (4,167,357)	\$ 1,187,453	350.95%	59.16%
June 30, 2017	0.026535%	\$ (7,900,426)	\$ -	\$ (7,900,426)	\$ 1,190,928	663.38%	43.13%
June 30, 2018	0.024716%	\$ (7,992,191)	\$ -	\$ (7,992,191)	\$ 1,140,108	701.00%	43.96%
June 30, 2019	0.020737%	\$ (3,671,904)	\$ (441,687)	\$ (4,113,591)	\$ 1,140,022	322.09%	57.01%
June 30, 2020	0.020561%	\$ (3,071,743)	\$ (345,757)	\$ (3,417,500)	\$ 1,200,490	255.87%	64.52%
June 30, 2021	0.023544%	\$ (3,559,442)	\$ -	\$ (3,559,442)	\$ 1,275,433	279.08%	66.99%

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

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

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

SCHEDULE OF DISTRICT'S CONTRIBUTIONS

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

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2014	\$ 176,734	\$ (176,734)	\$ -	\$ 1,138,017	15.53%
June 30, 2015	\$ 191,459	\$ (191,459)	\$ -	\$ 1,165,299	16.43%
June 30, 2016	\$ 205,786	\$ (205,786)	\$ -	\$ 1,187,453	17.33%
June 30, 2017	\$ 215,915	\$ (215,915)	\$ -	\$ 1,190,928	18.13%
June 30, 2018	\$ 212,402	\$ (212,402)	\$ -	\$ 1,140,108	18.63%
June 30, 2019	\$ 218,086	\$ (218,086)	\$ -	\$ 1,140,022	19.13%
June 30, 2020	\$ 232,655	\$ (232,655)	\$ -	\$ 1,200,490	19.38%
June 30, 2021	\$ 247,179	\$ (247,179)	\$ -	\$ 1,275,433	19.38%

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

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

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
 NET OPEB ASSET (LIABILITY)
 PERA Health Care Trust Fund
 Last 10 Fiscal Years⁽¹⁾

Fiscal Year Ended	District's proportion of the net OPEB asset (liability)	District's proportionate share of the net OPEB asset (liability)	District's covered payroll	District's proportionate share of the net OPEB asset (liability) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2017	0.015083%	\$ (195,552)	\$ 1,190,928	16.42%	16.70%
June 30, 2018	0.014043%	\$ (182,508)	\$ 1,140,108	16.01%	17.53%
June 30, 2019	0.013479%	\$ (183,389)	\$ 1,140,022	16.09%	17.03%
June 30, 2020	0.013436%	\$ (151,025)	\$ 1,200,490	12.58%	24.49%
June 30, 2021	0.013616%	\$ (129,386)	\$ 1,275,433	10.14%	32.78%

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

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

See the accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS - OPEB
PERA Health Care Trust Fund
Last 10 Fiscal Years⁽¹⁾**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Actual contributions</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2017	\$ 12,147	\$ (12,147)	\$ -	\$ 1,190,928	1.02%
June 30, 2018	\$ 11,629	\$ (11,629)	\$ -	\$ 1,140,108	1.02%
June 30, 2019	\$ 11,628	\$ (11,628)	\$ -	\$ 1,140,022	1.02%
June 30, 2020	\$ 12,245	\$ (12,245)	\$ -	\$ 1,200,490	1.02%
June 30, 2021	\$ 13,009	\$ (13,009)	\$ -	\$ 1,275,433	1.02%

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

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

See the accompanying Independent Auditors' Report.

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BUDGETARY COMPARISON SCHEDULES
(Required Supplementary Information)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended June 30, 2021
(With Comparative Totals for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
REVENUES					
Local Sources					
Property Taxes	\$ 1,290,000	\$ 1,290,000	\$ 1,201,764	\$ (88,236)	\$ 1,267,016
Specific Ownership Taxes	112,000	112,000	126,247	14,247	134,626
Delinquent Taxes	1,000	1,000	167	(833)	2,582
Tuition From Individuals	-	-	-	-	62
Investment Earnings	3,000	3,000	5,049	2,049	5,306
Donations	500	500	42,000	41,500	12,000
Sale of Fixed Asser/ Insurance Proceeds	100	100	763	663	950
Overhead Cost Revenue	-	-	3,210	3,210	-
Insurance Proceeds	3,000	3,000	2,505	(495)	14,990
Other Local	17,000	17,000	23,129	6,129	9,884
Total Local Sources	<u>1,426,600</u>	<u>1,426,600</u>	<u>1,404,834</u>	<u>(21,766)</u>	<u>1,447,416</u>
Intermediate Sources					
Mineral Leases	50	50	42	(8)	52
Impact Fee Revenue	100	100	-	(100)	287
Total Intermediate Sources	<u>150</u>	<u>150</u>	<u>42</u>	<u>(108)</u>	<u>339</u>
State Sources					
State Share (Equalization)	1,180,560	1,180,560	1,236,117	55,557	1,312,182
State Transportation	22,000	22,000	27,608	5,608	26,123
State Grants from CDE					
State Share - Colorado Preschool Program (CPP)	500	500	-	(500)	557
State Grants to Libraries	4,000	4,000	3,500	(500)	4,500
Small Rural Schools Additional Funding	40,000	40,000	63,880	23,880	109,803
Additional As- Risk Funding	1,000	1,000	1,078	78	1,056
KG Facility Capital Construction	-	-	3,134	3,134	7,951
READ Act	6,300	6,300	6,409	109	6,392
State Vocational Education	6,000	6,000	10,544	4,544	9,858
State PERA Contribution	-	-	-	-	29,509
Other Agency State Grants	-	-	2,524	2,524	-
State Grants Provided through BOCES	35,000	35,000	39,346	4,346	33,490
Total State Sources	<u>1,295,360</u>	<u>1,295,360</u>	<u>1,394,140</u>	<u>98,780</u>	<u>1,541,421</u>
Federal Sources					
Federal Grants from CDE					
Coronavirus Relief Fund	-	-	270,250	270,250	6,684
ESSER II Distribution 90%	-	-	14,641	14,641	-
Ed Stab Fd - Elem Sec Emer Relief Formula	-	-	28,690	28,690	-
Federal Grants from Other State Agencies					
Direct Federal Revenue					
NCLB, Title VI, Part B, Sub-Part I: REAP: Rural Ed	16,500	16,500	16,425	(75)	27,243
Federal Provided through BOCES	72,048	72,048	43,117	(28,931)	42,484
Total Federal Sources	<u>88,548</u>	<u>88,548</u>	<u>373,123</u>	<u>284,575</u>	<u>76,411</u>
TOTAL REVENUES	<u>2,810,658</u>	<u>2,810,658</u>	<u>3,172,139</u>	<u>361,481</u>	<u>3,065,587</u>

See the accompanying Independent Auditors' Report

(Continued)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
(Continued)					
EXPENDITURES					
Current:					
Instruction					
Salaries	952,510	952,510	984,703	(32,193)	923,629
Benefits	469,240	469,240	423,217	46,023	403,746
PS-Professional	1,500	1,500	5,898	(4,398)	4,543
PS-Property	4,000	4,000	625	3,375	727
PS-Other	79,950	79,950	76,386	3,564	61,833
Supplies	99,410	99,410	172,182	(72,772)	108,796
Property	13,250	13,250	53,708	(40,458)	1,718
Other Expenses	3,500	3,500	3,756	(256)	2,870
Total Instruction	<u>1,623,360</u>	<u>1,623,360</u>	<u>1,720,475</u>	<u>(97,115)</u>	<u>1,507,862</u>
Supporting Services					
Pupil Support					
Salaries	17,750	17,750	17,873	(123)	17,000
Benefits	4,350	4,350	4,070	280	3,832
PS- Professional	250	250	-	250	-
PS-Other	47,200	47,200	41,319	5,881	45,261
Supplies	700	700	389	311	195
Total Pupil Support	<u>70,250</u>	<u>70,250</u>	<u>63,651</u>	<u>6,599</u>	<u>66,288</u>
Staff Support					
Salaries	3,500	3,500	3,500	-	3,500
Benefits	825	825	801	24	775
PS- Professional	3,000	3,000	880	2,120	2,480
PS-Other	200	200	-	200	-
Supplies	8,700	8,700	7,070	1,630	7,636
Property	100	100	-	100	-
Total Staff Support	<u>16,325</u>	<u>16,325</u>	<u>12,251</u>	<u>4,074</u>	<u>14,391</u>
General Administration					
Salaries	75,000	75,000	68,125	6,875	75,000
Benefits	28,250	28,250	24,433	3,817	26,951
PS- Professional	12,300	12,300	9,862	2,438	9,291
PS- Property	1,750	1,750	1,140	610	1,419
PS-Other	15,450	15,450	10,727	4,723	13,944
Supplies	3,500	3,500	2,186	1,314	2,962
Property	200	200	8,982	(8,782)	-
Other Expenses	6,000	6,000	8,588	(2,588)	5,441
Total General Administration	<u>142,450</u>	<u>142,450</u>	<u>134,043</u>	<u>8,407</u>	<u>135,008</u>
School Administration					
Salaries	94,500	94,500	81,604	12,896	91,177
Benefits	43,175	43,175	35,857	7,318	40,717
PS- Professional	300	300	368	(68)	360
PS- Property	8,000	8,000	4,775	3,225	5,498
PS-Other	250	250	-	250	-
Supplies	25,000	25,000	25,469	(469)	19,164
Total School Administration	<u>171,225</u>	<u>171,225</u>	<u>148,073</u>	<u>23,152</u>	<u>156,916</u>

See the accompanying Independent Auditors' Report

(Continued)

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 General Fund
 For the Year Ended June 30, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				
	Original Budget	Final Budget	Actual	Variance with Final Budget	2020 Actual
(Continued)					
EXPENDITURES (Continued)					
Current:					
Supporting Services (Continued)					
Business Services					
Salaries	43,600	43,600	42,145	1,455	41,990
Benefits	20,325	20,325	17,022	3,303	19,363
PS- Professional	3,600	3,600	3,656	(56)	3,657
PS-Other	29,050	29,050	26,490	2,560	26,697
Supplies	7,700	7,700	6,917	783	6,471
Property	100	100	-	100	-
Total Business Services	104,375	104,375	96,230	8,145	98,178
Operations and Maintenance					
Salaries	72,000	72,000	81,093	(9,093)	70,541
Benefits	37,225	37,225	33,040	4,185	35,446
PS- Property	83,700	83,700	48,884	34,816	79,207
PS-Other	6,400	6,400	7,395	(995)	6,149
Supplies	69,500	69,500	58,107	11,393	64,943
Property	25,000	25,000	14,641	10,359	88,803
Total Operations and Maintenance	293,825	293,825	243,160	50,665	345,089
Transportation					
Salaries	47,000	47,000	46,132	868	42,149
Benefits	10,675	10,675	10,400	275	9,251
PS- Professional	550	550	730	(180)	400
PS- Property	25,750	25,750	16,416	9,334	16,638
PS-Other	10,150	10,150	9,425	725	7,534
Supplies	24,750	24,750	15,542	9,208	15,709
Property	200	200	63,880	(63,680)	89,180
Total Transportation	119,075	119,075	162,525	(43,450)	180,861
Other Central Support					
PS-Other	500	500	-	500	-
Risk Management					
PS-Other	107,100	107,100	101,912	5,188	92,870
Total Risk Management	107,100	107,100	101,912	5,188	92,870
Total Supporting Services	1,025,125	1,025,125	961,845	63,280	1,089,601
Facilities/Capital Outlay					
Land and Improvements	100	100	82,435	(82,335)	-
Debt Service					
Interest	-	-	281	(281)	397
Principal	2,000	2,000	4,955	(2,955)	4,954
Total Debt Service	2,000	2,000	5,236	(3,236)	5,351
Contingency	2,421,173	2,421,173	-	2,421,173	-
TOTAL EXPENDITURES	5,071,758	5,071,758	2,769,991	2,301,767	2,602,814
OTHER FINANCING SOURCES (USES)					
Debt Proceeds	-	-	8,015	8,015	-
Transfers	(39,000)	(39,000)	(39,000)	-	(4,323)
CHANGE IN FUND BALANCE	(2,300,100)	(2,300,100)	371,163	2,671,263	458,450
BEGINNING FUND BALANCE	2,300,000	2,300,000	2,856,444	556,444	2,397,994
ENDING FUND BALANCE	\$ (100)	\$ (100)	\$ 3,227,607	\$ 3,227,707	\$ 2,856,444

See accompanying Independent Auditors' Report.

SPECIAL REVENUE FUNDS

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

The District reports the following Special Revenue Funds:

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

Pupil Activity Fund – Accounts for the District's pupil related activities

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Food Service Fund
 For the Year Ended June 30, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021				2020 Actual
	Original Budget	Final Budget	Actual	Variance with Final Budget	
REVENUES					
Local Sources					
Food Service Revenue	\$ 27,050	\$ 27,050	\$ 4,885	\$ (22,165)	\$ 22,580
Other Local	300	300	379	79	375
Total Local Sources	<u>27,350</u>	<u>27,350</u>	<u>5,264</u>	<u>(22,086)</u>	<u>22,955</u>
State Sources					
State Grants from CDE					
State Matching Child Nutrition	800	800	788	(12)	781
Start Smart Nutrition	600	600	93	(507)	554
School Lunch Protection	750	750	166	(584)	908
Total State Sources	<u>2,150</u>	<u>2,150</u>	<u>1,047</u>	<u>(1,103)</u>	<u>2,243</u>
Federal Sources					
Federal Grants from CDE					
School Breakfast Program	14,000	14,000	2,671	(11,329)	13,132
National School Lunch Program	29,000	29,000	11,194	(17,806)	27,372
Summer Food Service Program for Children	-	-	79,678	79,678	-
Federal Grants from Other State Agencies					
National School Lunch Program- Commodities	2,500	2,500	4,699	2,199	4,432
Total Federal Sources	<u>45,500</u>	<u>45,500</u>	<u>98,242</u>	<u>52,742</u>	<u>44,936</u>
TOTAL REVENUES	<u>75,000</u>	<u>75,000</u>	<u>104,553</u>	<u>29,553</u>	<u>70,134</u>
EXPENDITURES					
Current:					
Supporting Services					
Food Service					
Salaries	41,700	41,700	40,770	930	38,376
Benefits	30,375	30,375	23,396	6,979	28,734
PS- Property	100	100	-	100	-
PS-Other	100	100	306	(206)	52
Supplies	1,950	1,950	2,622	(672)	2,728
Food	34,000	34,000	35,667	(1,667)	33,055
Commodities	500	500	4,699	(4,199)	4,431
Property	850	850	-	850	-
Total Supporting Services	<u>109,575</u>	<u>109,575</u>	<u>107,460</u>	<u>2,115</u>	<u>107,376</u>
Contingency	<u>20,425</u>	<u>20,425</u>	<u>-</u>	<u>20,425</u>	<u>-</u>
TOTAL EXPENDITURES	<u>130,000</u>	<u>130,000</u>	<u>107,460</u>	<u>22,540</u>	<u>107,376</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	<u>(55,000)</u>	<u>(55,000)</u>	<u>(2,907)</u>	<u>52,093</u>	<u>(37,242)</u>
OTHER FINANCING SOURCES (USES)					
Transfers	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>30,000</u>
CHANGE IN FUND BALANCE	<u>(25,000)</u>	<u>(25,000)</u>	<u>27,093</u>	<u>52,093</u>	<u>(7,242)</u>
BEGINNING FUND BALANCE	<u>25,000</u>	<u>25,000</u>	<u>31,629</u>	<u>6,629</u>	<u>38,871</u>
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,722</u>	<u>\$ 58,722</u>	<u>\$ 31,629</u>

See accompanying Independent Auditors' Report.

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Pupil Activity Fund
 For the Year Ended June 30, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021		Variance with Final Budget	2020	
	Final Budget	Actual		Actual	Actual
Local Sources					
Pupil Activity Revenues	\$ 138,000	\$ 48,647	\$ (89,353)	\$ 55,784	
EXPENDITURES					
Current:					
Instruction					
Other Expenses	138,000	47,562	90,438	62,847	
Supporting Services					
Community Support					
Other Expenses	-	-	-	150	
TOTAL EXPENDITURES	<u>138,000</u>	<u>47,562</u>	<u>90,438</u>	<u>62,997</u>	
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	-	1,085	1,085	(7,213)	
OTHER FINANCING SOURCES (USES)					
Transfers	-	9,000	9,000	4,500	
CHANGE IN FUND BALANCE	-	10,085	10,085	(2,713)	
BEGINNING FUND BALANCE	-	56,483	56,483	59,196	
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 66,568</u>	<u>\$ 66,568</u>	<u>\$ 56,483</u>	

See accompanying Independent Auditors' Report.

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DEBT SERVICE FUND

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

The District has the following debt service fund:

Bond Redemption Fund

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Bond Redemption Fund
 For the Year Ended June 30, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021		Variance with Final Budget	2020 Actual
	Final Budget	Actual		
REVENUES				
Local Sources				
Property Taxes	\$ 497,950	\$ 496,163	\$ (1,787)	\$ 498,246
Specific Ownership Taxes	32,000	50,748	18,748	55,945
Delinquent Taxes	500	211	(289)	1,115
Investment Earnings	500	880	380	951
TOTAL REVENUES	<u>530,950</u>	<u>548,002</u>	<u>17,052</u>	<u>556,257</u>
EXPENDITURES				
Current:				
Supporting Services				
General Administration				
Other Expenses	250	250	-	250
Debt Service				
Interest	137,550	137,444	106	146,399
Principal	302,350	302,341	9	293,519
Total Debt Service	439,900	439,785	115	439,918
Contingency	90,800	-	90,800	-
TOTAL EXPENDITURES	<u>530,950</u>	<u>440,035</u>	<u>90,915</u>	<u>440,168</u>
CHANGE IN FUND BALANCE	-	107,967	107,967	116,089
BEGINNING FUND BALANCE	-	1,166,554	1,166,554	1,050,465
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ 1,274,521</u>	<u>\$ 1,274,521</u>	<u>\$ 1,166,554</u>

See accompanying Independent Auditors' Report.

CAPITAL PROJECTS FUND

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

GENOA-HUGO SCHOOL DISTRICT NO. C-113
 Schedule of Revenues, Expenditures and Changes in Fund Balance
 Budget and Actual
 Capital Reserve Project Fund
 For the Year Ended June 30, 2021
 (With Comparative Totals for the Year Ended June 30, 2020)

	2021		Variance with Final Budget	2020
	Final Budget	Actual		Actual
REVENUES				
Local Sources				
Investment Earnings	\$ 175	\$ -	\$ (175)	\$ 123
State Sources				
State Grants from CDE				
Small Rural Schools Additional Funding	48,286	-	(48,286)	-
TOTAL REVENUES	<u>48,461</u>	<u>-</u>	<u>(48,461)</u>	<u>123</u>
EXPENDITURES				
Facilities/Capital Outlay				
PS- Property	24,000	-	24,000	-
Equipment	48,286	-	48,286	-
Total Facilities/Capital Outlay	72,286	-	72,286	-
Contingency	51,175	-	51,175	-
TOTAL EXPENDITURES	<u>123,461</u>	<u>-</u>	<u>123,461</u>	<u>-</u>
REVENUES IN EXCESS (DEFICIENCY) OF EXPENDITURES	(75,000)	-	75,000	123
OTHER FINANCING SOURCES (USES)				
Transfers	-	-	-	(30,177)
CHANGE IN FUND BALANCE	(75,000)	-	75,000	(30,054)
BEGINNING FUND BALANCE	75,000	-	(75,000)	30,054
ENDING FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditors' Report.

STATE COMPLIANCE

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



Colorado Department of Education
Auditors Integrity Report
 District: 1780 - Genoa-Hugo C113
 Fiscal Year 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 Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	2,856,444		3,076,961		2,708,518		3,224,887
18 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Preschool Program Fund	0		64,193		61,472		2,721
Sub- Total	2,856,444		3,141,154		2,769,990		3,227,608
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	31,629		134,553		107,460		58,722
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity Special Revenue Fund	56,483		57,647		47,562		66,568
24 Full Day Kindergarten Mill Levy Override	0		0		0		0
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	1,166,554		548,002		440,035		1,274,521
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
Totals	4,111,110		3,881,356		3,365,047		4,627,419
Proprietary							
50 Other Enterprise Funds	0		0		0		0
64 (63) Risk-Related Activity Fund	0		0		0		0
60,65-69 Other Internal Service Funds	0		0		0		0
Totals	0		0		0		0
Fiduciary							
70 Other Trust and Agency Funds	0		0		0		0
72 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34:Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL



Colorado Department of Education
Bolded Balance Sheet Report

District: 1780 - Genoa-Hugo C113
 Fiscal Year 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, 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	
Cash and Investments (8100-8104,8111)	3,386,125	0	2,721	66,568	0	0	49,818	1,263,674	0	0	0	0	0	0	0	4,768,906	
Cash with Fiscal Agent (8105)	11,328	0	0	0	0	0	0	4,682	0	0	0	0	0	0	0	16,010	
Taxes Receivable (8121,8122)	14,948	0	0	0	0	0	0	6,166	0	0	0	0	0	0	0	21,114	
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	6,514	0	0	0	0	0	0	0	0	6,514	
Grants Accounts Receivable (8142)	15,664	0	0	0	0	0	13,562	0	0	0	0	0	0	0	0	29,226	
Other Receivables (8151-8154,8161)	64,403	0	0	0	0	0	1,035	0	0	0	0	0	0	0	0	65,437	
Inventories (8171,8172,8173)	0	0	0	0	0	0	2,461	0	0	0	0	0	0	0	0	2,461	
Prepaid Expenses 8181,8182)	17,507	0	0	0	0	0	0	0	0	0	0	0	0	0	0	17,507	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total Assets	3,509,976	0	2,721	66,568	0	0	73,389	1,274,521	0	0	0	0	0	0	0	4,927,176	

See accompanying Independent Auditors' Report.

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	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
Interfund Payables (7401,7402)	6,514	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,514
Other Payables (7421-7423)	27,007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,007
Accrued Expenses (7461)	244,823	0	0	0	0	0	11,076	0	0	0	0	0	0	0	0	255,899
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	3,591	0	0	0	0	0	0	0	0	3,591
Grants Deferred Revenue (7482)	6,746	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,746
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow Grants (7801)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	285,089	0	0	0	0	0	14,667	0	0	0	0	0	0	0	0	299,757

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	17,507	0	0	0	0	0	2,461	0	0	0	0	0	0	0	0	19,969
Restricted Fund Balance 6720	0	0	0	0	0	0	0	1,274,521	0	0	0	0	0	0	0	1,274,521
TABOR 3% Emergency Reserve 6721	101,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	101,000
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	2,721	0	0	0	0	0	0	0	0	0	0	0	0	2,721
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	60,038	0	0	0	0	0	0	0	0	0	0	0	0	0	0	60,038
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	66,568	0	0	56,261	0	0	0	0	0	0	0	0	122,829
Assigned Fund Balance 6760	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unassigned Fund Balance 6770	3,046,341	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,046,341
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
Total Fund Equity	3,224,887	0	2,721	66,568	0	0	58,722	1,274,521	0	0	0	0	0	0	0	4,627,419

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	3,509,976	0	2,721	66,568	0	0	73,389	1,274,521	0	0	0	0	0	0	0	4,927,176

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Do Assets=Liability+Fund Equity	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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