

HAYDEN SCHOOL DISTRICT RE-1

—

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITOR'S REPORT

—

JUNE 30, 2021

FINANCIAL STATEMENTS - 2021

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HAYDEN SCHOOL DISTRICT RE-1
ROUTT COUNTY

OFFICIALS
June 30, 2021

BOARD OF EDUCATION

Brian Hoza, President

Tim Frentress Sr., Vice-President

Kevin Lind, Treasurer

Tammie Delaney, Secretary

Aden Morrison, Director

ADMINISTRATIVE STAFF

Christy Sinner
Superintendent of Schools

Edward Anderson
Director of Finance



To the Board of Education
Hayden School District RE-1

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hayden School District RE-1, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Hayden School District RE-1, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Emphasis of a Matter

As discussed in Note 13 to the financial statements, the fiscal year 2020 financial statements have been restated to reflect the incorrect amount recorded for the increase in the BEST grant receivable, the revision of deferred inflows related to property taxes, and prior year error in the General Fund checking bank reconciliations. These statements impacted the governmental activities and the General Fund. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, General Fund budgetary comparison schedule, schedule of the District's contributions - PERA Pension Plan, Schedule of the District's proportionate share of the Net OPEB Liability, and schedule of the District's contributions - PERA OPEB Plan information on pages 3-7 and 55-66 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.

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 Auditor's Integrity and Bolded Balance Sheet reports on pages 82-85 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hayden School District RE-1's basic financial statements. The budgetary comparison schedules on pages 69-80 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules have not been subjected to auditing procedures applies in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Colo PA Services, PC

Rangely, Colorado
December 22, 2021

MANAGEMENT DISCUSSION & ANALYSIS

It is a privilege to present to you the financial picture of Hayden School District RE-1. The discussion and analysis of Hayden School District RE-1's financial performance provides an overall review of the District's financial activities for the year ended June 30, 2021. The intent of the discussion and analysis is to look at the District's financial performance as a whole; readers should also review the notes to the basic financial statements to enhance their understanding of the District's financial performance.

The Management Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Managements Discussion and Analysis for State and Local governments, issued in June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- Total net position of the District is \$38,813,575, which includes \$71,831,178 in total assets, \$2,633,750 in deferred out flows, \$30,725,871 in total liabilities, and \$4,925,482 in deferred inflows. The total assets include \$7,702,979 in current assets and \$64,128,199 in long-term assets.
- Total general revenues were \$6,855,607 and total program revenues were \$9,017,999. During the year, the District had expenses that were \$3,977,234. This resulted in an increase in total net position of \$11,896,372 from the previous year.

Using the Annual Financial Report

Within the annual report is a series of financial statements and notes to those statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the District as a whole and include fixed assets and depreciation on those assets.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Hayden School District RE-1's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information including fund financial statements that focus on individual parts of the Districts operations in more detail than the government-wide statements.

Government-wide Financial Statements.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year.

Both of the government-wide financial statements distinguish functions of the District, that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements of the District have only one category:

- 1) **Governmental Activities** - All of the District's basic services are included here, such as instruction, administration and community services. Property taxes and state and federal subsidies and grants finance most of these activities.

Fund financial statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the governments near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the two.

The Hayden School District RE-1 adopts a one-year budget for its funds. A budgetary comparison statement has been provided for the funds to demonstrate compliance with the year ended June 30, 2021 budget.

Financial Analysis of the District as a Whole

Most of the District's net position is invested in capital assets (buildings, land, vehicles and equipment). The remaining unrestricted net position is a combination of designated and undesignated amounts. The designated balances are amounts set aside by management to finance future purchases or capital projects as planned by the District.

The results of this year's operations are reported in the Statement of Activities. Specific charges, grants, revenues and subsidies that directly relate to specific expense categories are represented to determine the final amount of the District's activities that are supported by other general revenues. The two largest general revenues are the local taxes that are assessed to community taxpayers and state equalization that is provided by the State of Colorado.

Table A-1
 Fiscal Year Ended June 30, 2021
 Hayden School District RE-1 Net Position

	FY21 Total	FY20 Total
Current Assets	\$ 7,702,979	\$ 12,209,967
Capital and Other Assets	64,128,199	79,956,499
Total Assets	<u>71,831,178</u>	<u>92,166,466</u>
Deferred Outflows	<u>2,633,750</u>	<u>1,966,071</u>
Current and Other Liabilities	1,049,707	2,552,919
Long Term Liabilities	29,676,164	30,075,174
Total Liabilities	<u>30,725,871</u>	<u>32,628,093</u>
Deferred Inflows	<u>4,925,482</u>	<u>7,858,066</u>
Net Position:		
Net invested in Capital Assets	34,498,006	1,123,530
Restricted	2,610,017	2,084,677
Unrestricted	1,705,553	50,438,171
Total Net Position	<u>\$ 38,813,735</u>	<u>\$ 53,646,378</u>

Table A-2
Fiscal Year Ended June 30, 2021
Hayden School District RE-1
Changes in Net Position

	<u>FY21 Total</u>	<u>FY20 Total</u>
Revenues		
Program Revenues		
Charges for Services	\$ 213,973	\$ 314,537
Operating Grants	1,420,325	1,705,111
Capital Grants & Contributions	7,383,701	53,290,276
General Revenues		
Property Taxes	5,596,490	5,578,990
Specific Ownership Taxes	391,714	380,961
Mineral Lease	42,581	-
State Equalization	1,276,676	1,567,776
Investment Earnings	6,073	64,021
Other Revenue	44,183	202,764
Gain (Loss) on Capital Asset Disposals	(502,110)	-
Total Revenues	<u>15,873,606</u>	<u>63,104,436</u>
Expenses		
Instruction	1,074,194	2,339,253
Supporting Services	2,083,421	3,999,307
Interest on Long-Term Debt	819,619	-
Total Expenses	<u>3,977,234</u>	<u>6,338,560</u>
Increase (Decrease) in Net Position	11,896,372	56,765,876
Net Position Beginning	53,646,378	(10,724,502)
Prior Period Restatement	(26,729,175)	7,605,004
Net Position Ending	<u>\$ 38,813,575</u>	<u>\$ 53,646,378</u>

The District Funds

At June 30, 2021 the District governmental funds reported a combined fund balance of \$6,689,884, which is a decrease of \$2,974,039 from the June 30, 2020 balances.

General Fund Budget

During the fiscal year, the board of education authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the District. All adjustments are again confirmed at the time the annual audit is accepted, which is after the end of the fiscal year. A schedule showing the District's original and final budget amounts compared with amounts actually paid and received in the general fund is provided on pages 55 through 60 of the audit.

Capital Assets

At June 30, 2021, the District had \$34,498,006 invested in a broad range of capital assets net of depreciation and related debt, including: land, buildings, improvements, vehicles, furniture and equipment. This represents additions of \$4,406,959, net disposals of \$562,870, and depreciation of \$319,384 for a net increase of \$3,524,705 from the prior year.

Debt Administration

As of June 30, 2021, the District had a lease agreement for copiers and bonds payable.

Economic Factors and Future Budgets

The District has experienced steady enrollment for several years, and all indications show that the trend will continue for the foreseeable future. The state formula for funding school districts in Colorado is tied directly to the number of pupils enrolled, along with inflation based adjustments. This has kept total revenues flat for several years and will most likely continue into the future.

Local and intermediate sources provided 40 percent of all funding of the District. The state share is 56 percent, and the federal share is 4 percent. Expenditures include 17 percent for direct instruction of students, 4 percent for support services, 3 percent for general and school administration, 3 percent for operations and maintenance (including utilities), 59 percent for property (including construction of new school), 8 percent for debt service, and 6 percent for student transportation and all other expenses.

Contacting the District Financial Management

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors, and creditors with a general overview of the District's finances and to show the Board's accountability for the money it receives. If you have questions about this report, or wish to request additional financial information, please contact Hayden School District RE-1, 300 Breeze Basin Blvd, PO Box 70, Hayden, Colorado 81639, (970) 276-3864.

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FINANCIAL STATEMENTS

HAYDEN SCHOOL DISTRICT RE-1, COLORADOSTATEMENT OF NET POSITION
June 30, 2021

	<u>Primary Government Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 3,827,916
Cash with Fiscal Agent	3,382,439
Property Taxes Receivable	195,960
Grants Receivable	253,430
Other Accounts Receivable	1,935
Inventory	6,441
Prepaid Expenses	34,858
BEST Grant Receivable	38,680,572
Capital Assets, Nondepreciable	23,310,609
Capital Assets, Net	<u>2,137,018</u>
TOTAL ASSETS	<u>71,831,178</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows Related to Pensions	2,608,673
Deferred Outflows Related to Post Employment Benefit (OPEB)	<u>25,077</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,633,750</u>
LIABILITIES	
Accounts Payable	144,149
Retainage Payable	195,651
Accrued Interest	66,368
Accrued Salaries and Benefits	430,218
Payroll Taxes and Deductions Payable	157,917
Unearned Revenue	55,404
Noncurrent Liabilities:	
Due Within One Year	818,241
Due in More Than One Year	<u>28,857,923</u>
TOTAL LIABILITIES	<u>30,725,871</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to Property Taxes	29,756
Deferred Inflows Related to Pensions	4,717,681
Deferred Inflows Related to OPEB	<u>178,045</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>4,925,482</u>
NET POSITION	
Net Investment in Capital Assets	34,498,006
Restricted	2,610,017
Unrestricted	<u>1,705,552</u>
TOTAL NET POSITION	<u><u>\$ 38,813,575</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>Program Revenues</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary Government			
Governmental Activities			
Instruction	\$ 1,074,194	\$ 211,422	\$ 443,812
Supporting Services	2,083,421	2,551	976,513
Interest Expense	819,619	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 3,977,234</u>	<u>\$ 213,973</u>	<u>\$ 1,420,325</u>

General Revenues:

Taxes:

 Property Taxes

 Specific Ownership Taxes

Mineral Lease

State Equalization

Other Revenues

Investment Earnings

Loss on disposal of assets

 Total General Revenues

 Change in Net Position

Net Position - Beginning

 Prior Period Adjustment

 Net Position - Ending

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities</u>
\$ 89,270	\$ (329,690)
7,294,431	6,190,074
<u>-</u>	<u>(819,619)</u>
 <u>\$ 7,383,701</u>	 <u>5,040,765</u>

5,596,490
391,714
42,581
1,276,676
44,183
6,073
<u>(502,110)</u>
 <u>6,855,607</u>
 11,896,372
53,646,378
<u>(26,729,175)</u>
 <u>\$ 38,813,575</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2021

	General Fund	Transportation Fund	Special Revenue Food Service Fund
ASSETS	<u> </u>	<u> </u>	<u> </u>
Cash and Investments	\$ 892,520	\$ -	\$ 38,686
Cash with Fiscal Agent	3,190,986	-	-
Property Taxes Receivable	125,754	-	-
Interfund Accounts Receivable	25,066	-	-
Grants Receivable	129,093	-	-
Other Accounts Receivables	-	-	1,935
Inventory	-	-	6,441
Prepaid Expenses	34,858	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 4,398,277</u>	<u>\$ -</u>	<u>\$ 47,062</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts Payable	\$ 135,811	\$ -	\$ 3,062
Interfund Accounts Payable	-	-	5,695
Retainage Payable	-	-	-
Accrued Salaries and Benefits	418,578	-	11,640
Payroll Taxes and Deductions Payable	154,481	-	3,436
Unearned Revenue	53,000	-	2,404
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>761,870</u>	<u>-</u>	<u>26,237</u>
DEFERRED INFLOWS OF FINANCIAL RESOURCES			
Deferred Inflows	19,095	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF FINANCIAL RESOURCES	<u>19,095</u>	<u>-</u>	<u>-</u>
FUND BALANCE			
Nonspendable	270,873	-	6,441
Restricted for:			
Labor emergencies	229,694	-	-
BEST Capital Reserve	-	-	-
Debt Service	-	-	-
Committed	1,049,175	-	14,384
Assigned	-	-	-
Unassigned	2,067,570	-	-
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>3,617,312</u>	<u>-</u>	<u>20,825</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCE	<u>\$ 4,398,277</u>	<u>\$ -</u>	<u>\$ 47,062</u>

Pupil Activity Fund	Debt Service		Capital Projects		Total Governmental Funds
	Bond Redemption Fund		Building Fund	Capital Reserve Project Fund	
\$ 103,325	\$ 2,222,705		\$ 10,407	\$ 560,273	\$ 3,827,916
-	6,067		185,386	-	3,382,439
-	70,206		-	-	195,960
-	-		6,408	-	31,474
-	-		124,337	-	253,430
-	-		-	-	1,935
-	-		-	-	6,441
-	-		-	-	34,858
<u>\$ 103,325</u>	<u>\$ 2,298,978</u>		<u>\$ 326,538</u>	<u>\$ 560,273</u>	<u>\$ 7,734,453</u>
\$ 5,276	\$ -	\$ -	\$ -	\$ -	\$ 144,149
7,795	17,984	-	-	-	31,474
-	-	195,651	-	-	195,651
-	-	-	-	-	430,218
-	-	-	-	-	157,917
-	-	-	-	-	55,404
<u>13,071</u>	<u>17,984</u>	<u>195,651</u>	<u>-</u>	<u>-</u>	<u>1,014,813</u>
-	10,661	-	-	-	29,756
-	10,661	-	-	-	29,756
-	-	-	-	-	277,314
-	-	-	-	-	229,694
-	-	-	-	109,990	109,990
-	2,270,333	-	-	-	2,270,333
90,254	-	-	-	-	1,153,813
-	-	130,887	450,283	-	581,170
-	-	-	-	-	2,067,570
<u>90,254</u>	<u>2,270,333</u>	<u>130,887</u>	<u>560,273</u>	<u>-</u>	<u>6,689,884</u>
<u>\$ 103,325</u>	<u>\$ 2,298,978</u>	<u>\$ 326,538</u>	<u>\$ 560,273</u>	<u>\$ -</u>	<u>\$ 7,734,453</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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HAYDEN SCHOOL DISTRICT RE-1, COLORADO

**RECONCILIATION OF BALANCE SHEET TO THE STATEMENT OF NET POSITION
June 30, 2021**

Balance sheet - total fund balances		\$ 6,689,884
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.		25,447,627
Certain long-term assets are not available to pay for current year expenditures and are therefore not report in the funds such as the BEST matching funds.		38,680,572
Long-term liabilities, including net pension liability, bonds payable, and capital leases payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		(29,676,164)
Accrued insters are not due an payable in the current period and, therefore, are not reported as liabiliteis in the funds.		(66,368)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	2,608,673	
Deferred outflows of resources related to OPEB	25,077	
Deferred inflows of resources related to pensions	(4,717,681)	
Deferred inflows of resources related to OPEB	<u>(178,045)</u>	
Net deferred outflows (inflows)		<u>(2,261,976)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 38,813,575</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended June 30, 2021

	General Fund	Transportation Fund	Special Revenue Food Service Fund
REVENUES			
Local Sources	\$ 4,513,981	\$ 2,535	\$ 2,667
Intermediate Sources	27,039	442	-
State Sources	1,862,185	-	1,158
Federal Sources	530,531	-	96,657
TOTAL REVENUES	<u>6,933,736</u>	<u>2,977</u>	<u>100,482</u>
EXPENDITURES			
Instruction	3,114,967	-	-
Student Support	444,933	-	-
Instructional Support	276,923	-	-
General Administration	341,238	-	-
School Administration	320,302	-	-
Business Services	210,192	-	-
Operations and Maintenance	558,819	-	-
Student Transportation	197,522	162,084	-
Central Support	405,493	-	-
Food Services	-	-	171,972
Property	-	-	-
Debt Service:			
Principal	8,559	-	-
Interest	307	-	-
TOTAL EXPENDITURES	<u>5,879,255</u>	<u>162,084</u>	<u>171,972</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,054,481</u>	<u>(159,107)</u>	<u>(71,490)</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	60,760	-	-
Transfers in (out)	(308,927)	9,988	65,942
TOTAL OTHER FINANCING SOURCES (USES)	<u>(248,167)</u>	<u>9,988</u>	<u>65,942</u>
EXCESS OF REVENUES OVER (UNDER) EXPEND- ITURES AND OTHER FINANCING USES	806,314	(149,119)	(5,548)
PRIOR PERIOD ADJUSTMENT	(93,399)	-	-
FUND BALANCE, BEGINNING OF YEAR	<u>2,904,397</u>	<u>149,119</u>	<u>26,373</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,617,312</u>	<u>\$ -</u>	<u>\$ 20,825</u>

Pupil Activity Fund	Debt Service	Capital Projects		Total Governmental Funds
	Bond Redemption Fund	Building Fund	Capital Reserves Project Fund	
\$ 25,524	\$ 2,002,356	\$ 19	\$ 1,089	\$ 6,548,171
-	15,102	-	-	42,583
-	-	7,219,795	74,636	9,157,774
-	-	-	-	627,188
<u>25,524</u>	<u>2,017,458</u>	<u>7,219,814</u>	<u>75,725</u>	<u>16,375,716</u>
41,482	-	-	-	3,156,449
-	-	-	-	444,933
-	-	-	-	276,923
-	-	-	-	341,238
-	-	-	-	320,302
-	850	-	-	211,042
-	-	-	-	558,819
-	-	-	-	359,606
-	-	-	-	405,493
-	-	-	-	171,972
-	-	11,404,069	48,452	11,452,521
-	786,167	-	-	794,726
-	822,785	-	-	823,092
<u>41,482</u>	<u>1,609,802</u>	<u>11,404,069</u>	<u>48,452</u>	<u>19,317,116</u>
<u>(15,958)</u>	<u>407,656</u>	<u>(4,184,255)</u>	<u>27,273</u>	<u>(2,941,400)</u>
-	-	-	-	60,760
(4,964)	-	-	237,961	-
<u>(4,964)</u>	<u>-</u>	<u>-</u>	<u>237,961</u>	<u>60,760</u>
(20,922)	407,656	(4,184,255)	265,234	(2,880,640)
-	-	-	-	(93,399)
<u>111,176</u>	<u>1,862,677</u>	<u>4,315,142</u>	<u>295,039</u>	<u>9,663,923</u>
<u>\$ 90,254</u>	<u>\$ 2,270,333</u>	<u>\$ 130,887</u>	<u>\$ 560,273</u>	<u>\$ 6,689,884</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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HAYDEN SCHOOL DISTRICT RE-1, COLORADO

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Net change in fund balances - total governmental funds	\$ (2,880,640)
Amounts reported for governmental activities in the statement of net activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$4,406,959) exceeded depreciation (\$319,384) in the current period.	4,087,575
Governmental funds report the funds received for disposal of capital assets as an other financing source. However, in the statement of activities the depreciated basis is also considered in calculating the gain or loss on disposal. This is the depreciated basis of capital assets disposed in the current year.	(562,870)
Certain assets are not available to pay for current year expenditures and therefore deferred in the funds, such as the BEST capital improvements match. This is the current year additions.	7,219,802
Repayment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount of debt repayment.	794,726
Payment of interest is an expenditure in the governmental funds, but accrued interest is accounted for in the statement of activities. This is the change in accrued interest payable.	3,473
Accrued compensated absences are not considered current liabilities, therefore, are not recorded as expenditures in the governmental funds. This is the change in accrued compensated absences.	(10,033)
Governmental funds report District pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.	3,203,344
Governmental funds recognize OPEB contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to OPEB on a full accrual perspective.	<u>40,995</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 11,896,372</u></u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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NOTES TO FINANCIAL STATEMENTS

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Hayden School District RE-1 conform to generally accepted accounting principles (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

A. Reporting Entity

In evaluating how to define the District for financial reporting entity purposes, management uses the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board entitled "The Financial Reporting Entity" (GASB 14). Under GASB 14, the financial reporting entity consists of: a) the primary government, b) organizations for which the primary government is financially accountable, and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

B. Description of Government-Wide Financial Statements

During fiscal year 2004, the District adopted GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statement – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001, and; GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, issued in 2001.

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Position and the Statement of Activities were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "*Accounting and Financial Reporting for Non-exchange Transactions.*"

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

The government-wide financial statements report information on all of the activities of the District. The effect of interfund activity has been removed from these statements.

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Description of Government-Wide Financial Statements, continued

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes are considered to be available if collected within 60 days of fiscal year end. For this purpose, the District considers revenues, other than property taxes, that are susceptible to accrual to be available if they are collected within 90 days of fiscal year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

D. Fund Accounting

The accounts of the School District are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following funds are currently being used by the District:

Governmental Fund Types

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

Transportation Fund - The Transportation Fund is used to account for designated property taxes. The Transportation fund is reflected as a Special Revenue Fund.

Food Service Fund - Food Service Fund is used to record financial transactions related to food service operations. The Food Services Fund is reflected as a Special Revenue Fund.

Pupil Activity Fund - The Pupil Activity Fund is used to account for transactions related to extra-curricular activities. Pupil Activity Fund is reflected as a Special Revenue Fund.

Capital Projects Fund - Capital Projects Funds are used to account for the purposes of acquisition of sites, buildings, equipment, and vehicles. The Capital Reserve Fund and Building Fund are reflected as Capital Projects Funds.

Debt Service Fund - This fund was established to account for the repayment of the School District general obligation debt. The Bond Redemption Fund is reflected as a Debt Service Fund.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Capital Assets

Capital assets, which include land, building, building improvements and equipment are reported in the governmental activities columns in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment is a unit cost of \$5,000 or more. Donated capital assets are recorded at estimated fair market value at date of donation.

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

<u>Assets</u>	<u>Years</u>
Buildings and building improvements	25-50
Administrative software/systems and equipment	5-20

F. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

G. Budgets and Budgetary Accounting

The School District followed these procedures in establishing the budgetary data reflected in the financial statements:

1. 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.
2. Public hearings are conducted by the Board of Education to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution.
4. Expenditures may not legally exceed appropriations at the fund level.
5. Revisions that alter the total expenditures of any fund must be approved by the Board of Education.
6. Budgeted amounts reported in the accompanying financial statements are a originally adopted or amended by the Board of Education.
7. Supplemental budgets are adopted as necessary and required.
8. Encumbrance accounting is not utilized.
9. For the year ending June 30, 2021, the Transportation Fund expenditures were over budgeted appropriations by \$6,084 and the Building Fund expenditures were over budgeted appropriations by \$5,139,917, which may be a violation of state statutes.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Property Taxes Receivable and Reserve for Uncollectable – Taxes

Property taxes are levied on or before December 10 on property assessed as of January 1, (lien date) of each year. Tax bills are mailed on or before January 31 of the following year. The taxes are collectible in two installments, due February 28, and June 15, or in full by April 30. Property taxes are recognized as revenue, as of June 30, 2021, based on taxes collected and projected through August 31, 2021. The following is a summary of the property taxes receivable, net:

	<u>General</u>	<u>Transportation</u>	<u>Total</u>
Property taxes receivable	\$ 108,574	\$ 3,990	\$ 112,564
Less allowance for uncollectable	<u>(26,347)</u>	<u>(968)</u>	<u>(27,315)</u>
Total	<u>\$ 82,227</u>	<u>\$ 3,022</u>	<u>\$ 85,249</u>

I. Accrued Compensated Absences

Employees, regardless of position, will be awarded Paid Time Off (PTO) and Annual Leave by a combination of length of contract, numbers of scheduled days, and number of months worked. Typically one leave day is awarded per month worked during the year. These days may be used only for any combination of illness, doctor appointments, family business, bereavement, childcare, or any personal needs. Unused PTO days will be converted to Accrued Leave with a limited accumulation of 60 days. Upon retirement Accrued Leave will be paid at half substitute pay for the position and upon termination Annual Leave is paid. The estimated liability is reflected as long term liability. Payments for unused leave are typically funded through the General Fund.

J. Inventory

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

K. Accrued Salaries and PERA

The liability at June 30, 2021 for salaries earned by employees who contract for a period less than 12 months and receive payment over a twelve month period is reflected in the accompanying statements. The accrued liabilities are computed on these salaries and is shown as a liability.

L. Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

- Invested in Capital Assets, Net of Related Debt – this category groups all capital assets into one component. Accumulated depreciation and the outstanding debt balances that are attributable to (already invested in) the acquisition, construction or improvement of these assets reduce this category.
- Restricted – assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, laws of other governments, or imposed by various enabling legislation.
- Unrestricted – represents the amount which is not restricted for any purpose. It is the District’s policy to first apply restricted resources when an expense is incurred for which both restricted and unrestricted assets are available.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Position and Fund Balances, continued

In the fund financial statements, fund balance of governmental funds are classified in the following categories:

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provision or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The board establishes (and modifies or rescinds) fund balance commitments as action items in board meetings. A fund balance commitment is further indicated in the budget document as a designation or commitment on the fund. Assigned fund balance is established by the board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

Restricted funds are considered to be spent first, followed by assigned and unassigned, for an expenditure for which any could be used.

NOTE 2 – JOINTLY GOVERNED ORGANIZATION

Pursuant to an agreement authorized by State Statutes, Hayden School District RE-1 joined with five other local school districts to establish and operate the Northwest Colorado Board of Cooperative Educational Services. The five other Districts are as follows:

East Grand Schools
South Routt Schools
North Park Schools
Steamboat Springs Schools
West Grand Schools

The District has included in the accompanying financial statements, assistance passed through from BOCES and District disbursements to BOCES as revenues and expenditures, respectively, in the General Fund. The District does not retain any ongoing financial interest in either assets or liabilities of BOCES.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 - DEFINED BENEFIT PENSION PLAN

Summary of Significant Accounting Policies

Pensions. Hayden School District RE-1 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 pensions 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 Hayden School District RE-1 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.

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.

NOTE 3 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

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

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

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

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

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

Disability benefits are available for eligible employees once they reach five years of earned service credit and are determined to meet the definition of disability. The disability benefit amount is based on the 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.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - DEFINED BENEFIT PENSION PLAN, Continued

General Information about the Pension Plan, continued

Contributions provisions as of June 30, 2021. Eligible employees and Hayden School District RE-1 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 § 24-51-401. 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%

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Hayden School District RE-1 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Hayden School District RE-1 were \$631,494 for the year ended June 30, 2021.

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

The net pension liability for the SCHDTF was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. Standard update procedures were used to roll-forward the total pension liability to December 31, 2020. The Hayden School District RE-1 proportion of the net pension liability was based on Hayden School District RE-1 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.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 - DEFINED BENEFIT PENSION PLAN, Continued

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

At June 30, 2021, the Hayden School District RE-1 reported a liability of \$8,575,079 for its proportionate share of the net pension liability. The amount recognized by the Hayden School District No. RE-1 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 Hayden School District No. RE-1 were as follows:

Hayden School District No. RE-1 proportionate share of the net pension liability	\$ 8,575,079
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Hayden School District No. RE-1	\$ -
Total	\$ 8,575,079

At December 31, 2020, the Hayden School District No. RE-1 proportion was 0.05672 percent, which was an increase of 0.00249 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Hayden School District RE-1 recognized pension expense of \$3,203,344. At June 30, 2021, the Hayden School District RE-1 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	462,357	-
Changes of assumptions or other inputs	824,896	1,419,038
Net difference between projected and actual earnings on pension plan investments	589,631	2,509,699
Changes in proportion and differences between contributions recognized and proportionate share of contributions	398,252	788,944
Contributions subsequent to the measurement date	333,537	N/A
Total	2,608,673	4,717,681

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - DEFINED BENEFIT PENSION PLAN, Continued

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

\$333,537 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 ending June 30, 2019. 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:	
2022	2,091,679
2023	(245,937)
2024	299,030
2025	297,773

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

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

¹Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys begin available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

Post-retirement none-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.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 - 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, valuations were based on the results of the 2016 experience analysis for the periods January 1, 2012, through December 31, 2015, as well as, the October 28, 2016, actuarial assumptions workshop and were adopted by the PERA Board during the November 18, 2016, Board meeting.

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

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

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

¹Post-retirement benefit increases are provided by the AIR, accounted separately within each Division Trust Fund, and subject to moneys being available; therefore, liabilities related to increases for members of these benefit tiers can never exceed available assets.

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

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

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

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

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 3 - 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 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:

- 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%	

¹The Opportunity Fund's name changes to Alternatives, Effective January 1, 2020.

NOTE 3 - DEFINED BENEFIT PENSION PLAN, Continued**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, continued**

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00 percent.
- Employee contributions were assumed to be made at the current 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 used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 3 - DEFINED BENEFIT PENSION PLAN, Continued

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

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net pension liability	\$ 11,697,110	\$ 8,575,079	\$ 5,9733,398

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 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN

Summary of Significant Accounting Policies

OPEB. Hayden School District RE-1 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 Hayden School District RE-1 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 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, 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 basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5 percent reduction in the subsidy for each year less than 20. The benefit recipient pays the remaining portion of the premium to the extent the subsidy does not cover the entire amount.

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

DPS Benefit Structure

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

General Information about the OPEB Plan, continued

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

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 Hayden School District RE-1 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF Hayden School District RE-1 were \$30,943 for the year ended June 30, 2021.

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

At June 30, 2021, the Hayden School District RE-1 reported a liability of \$311,725 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 Hayden School District RE-1 proportion of the net OPEB liability was based on Hayden School District RE-1 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 Hayden School District RE-1 proportion was 0.03281 percent, which was a decrease of 0.00266 from its proportion measured as of December 31, 2019.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

For the year ended June 30, 2021, the Hayden School District RE-1 recognized OPEB expense of \$40,995. At June 30, 2021 the Hayden School District RE-1 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	1,018	72,576
Changes of assumptions or other inputs	2,566	19,115
Net difference between projected and actual earnings on OPEB plan investments	4,380	17,624
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	68,730
Contributions subsequent to the measurement date	17,113	N/A
Total	25,077	178,045

\$17,113 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	41,181
2023	38,989
2024	41,622
2025	31,446
2026	15,037
Thereafter	1,806

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

Actuarial cost method	Entry age
Price inflation	2.40%
Real wage growth	1.10%
Wage inflation	3.50%
Salary increases, including wage inflation	3.50% in aggregate
Long-term investment rate of return, net of OPEB plan investment expenses, including price inflation	7.25%
Discount rate	7.25%
Health care cost trend rates	
PERA benefit structure:	
Service-based premium subsidy	0.00%
PERACare Medicare plans	8.10% in 2020, gradually decreasing to 4.50% in 2029
Medicare Part A premiums	3.50% in 2020, gradually rising to 4.25% 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:

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

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

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

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

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

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

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

Post-retirement non-disabled mortality assumptions for the School and Judicial 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 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.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

	Trust Fund			
	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Price inflation	2.30%	2.30%	2.30%	2.30%
Real wage growth	0.70%	0.70%	0.70%	0.70%
Wage inflation	3.00%	3.00%	3.00%	3.00%
Salary increases, including wage inflation:				
Members other than State Troopers	3.30%-10.90%	3.40%-11.00%	3.20%-11.30%	2.80%-5.30%
State Troopers	3.20%-12.40%	N/A	3.20%-12.40% ¹	N/A

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

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

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

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

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

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

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

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

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

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

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

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

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.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

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

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

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

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

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

Asset Class	Target Allocation	30 Year Expected Geometric Real Rate of Return
Global Equity	54.00%	5.60%
Fixed Income	23.00%	1.30%
Private Equity	8.50%	7.10%
Real Estate	8.50%	4.40%
Alternatives ¹	6.00%	4.70%
Total	100.00%	

¹The Opportunity Fund's name changes 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 rate of return assumption of 7.25 percent.

Sensitivity of the Hayden School District RE-1 proportionate share of the net OPEB liability to changes in the Health Care Cost Trend Rates. The following presents the net OPEB liability using the current health care cost trend rates applicable to the PERA benefit structure, as well as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates:

	1% Decrease in Trend Rates	Current Trend Rates	1% Increase in Trend Rates
Initial PERACare Medicare trend rate	7.10%	8.10%	9.10%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.50%	3.50%	4.50%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$303,668	\$311,725	\$321,104

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 4 – DEFINED BENEFIT OTHER POST EMPLOYMENT (OPEB) PLAN, Continued

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

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

- Updated health care cost trend rates for Medicare Part A premiums as of the December 31, 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 3.50 percent.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used by the plan to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfers of dollars into the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

Based on the above assumptions and methods, the projection test indicates 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 Hayden School District RE-1 proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25 percent, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Proportionate share of the net OPEB liability	\$357,086	\$311,725	\$272,967

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

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - CASH AND INVESTMENTS

The District's bank accounts and certificates of deposit at year-end were entirely covered by federal depository insurance or by collateral held by the Authority's custodial banks under provisions of the Colorado Public Deposit Protection Act.

The Colorado Public Deposit Protection Act requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral included municipal bonds, U.S. government securities, mortgage, and deeds of trust.

State statutes authorized the District to invest in obligation of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

The District's investment policy is not more restrictive than State statutes. The District's investments are concentrated in local government investment pools, U.S. government and agency securities, and bank CDs.

Colorado Revised Statutes limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair value arising from increasing interest rates.

Investments held as of June 30, 2021 are as follows:

<u>June 30, 2021</u>	<u>Cost</u>	<u>Market Value</u>
COLOTRUST	\$ 1,564,733	\$ 1,564,733
Mutual Funds - Zions	<u>2,095,434</u>	<u>2,095,667</u>
Total Investments	<u>\$ 3,660,167</u>	<u>\$ 3,660,167</u>

The District has invested \$1,564,733 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operated similarly to a money market fund and each share is equal to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal function of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by COLOTRUST. At June 30, 2021 the District's investment in the COLOTRUST was rated AAAM by Standard & Poor's.

The mutual funds are held with Zions Bank. These investments are valued at the proportionate share of ownership of the quoted market price of the underlying assets.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 5 - CASH AND INVESTMENTS, Continued

At June 30, 2021, cash and investments consisted of the following:

Deposits:	
Cash and Deposits	\$ 353,135
Investments:	
ColoTrust	1,564,733
Mutual Funds - Zions	<u>2,095,434</u>
Net Cash and Investments	<u>\$ 4,013,302</u>
Classifications:	
Restricted – Tabor Amendment – Emergency Reserve	\$ 229,694
Restricted for bond redemption	2,222,705
Committed for food service	38,686
Committed for student activities	103,325
Assigned for capital projects	<u>756,066</u>
Total Designated	<u>3,350,476</u>
Unreserved	<u>662,826</u>
TOTAL	<u>\$ 4,013,302</u>

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 6 - CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Being Depreciated:				
Land	\$ 155,455	\$ 979,898	\$ -	\$ 1,135,353
Water Rights	10,000	-	-	10,000
Construction in progress	<u>18,269,735</u>	<u>4,180,779</u>	<u>285,258</u>	<u>22,165,256</u>
Total Capital Assets Not Being Depreciated	<u>18,435,190</u>	<u>5,160,677</u>	<u>285,258</u>	<u>23,310,609</u>
Capital Assets Being Depreciated:				
Buildings & Improvements	7,515,052	-	5,755,451	1,759,601
Transportation Equipment	882,057	162,069	71,877	972,249
Other Equipment	666,685	349,369	466,286	549,768
Site Improvements	<u>418,388</u>	<u>-</u>	<u>418,388</u>	<u>-</u>
Total Capital Assets Being Depreciated	<u>9,482,182</u>	<u>511,438</u>	<u>6,712,002</u>	<u>3,281,618</u>
Less: Accumulated Depreciation:				
Buildings & Improvements	(4,657,935)	(118,775)	(4,250,680)	(526,030)
Transportation Equipment	(478,158)	(79,726)	(71,877)	(486,007)
Other Equipment	(354,410)	(108,244)	(330,090)	(132,564)
Site Improvements	<u>(503,948)</u>	<u>(12,639)</u>	<u>(516,587)</u>	<u>-</u>
Total Accumulated Depreciation	<u>(5,994,451)</u>	<u>(319,384)</u>	<u>(5,169,234)</u>	<u>(1,144,601)</u>
Total Capital Assets Being Depreciated, Net	<u>3,487,731</u>	<u>192,054</u>	<u>1,542,768</u>	<u>2,137,017</u>
Governmental Activities Net Capital Assets	<u>\$ 21,922,921</u>	<u>\$ 5,352,731</u>	<u>\$ 1,828,026</u>	<u>\$ 25,447,626</u>

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

Governmental Activities:	
Instruction	\$ 47,908
Supporting Services	<u>271,476</u>
Total depreciation expense – governmental activities	<u>\$ 319,384</u>

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 7 – INVENTORY

Food Service Fund inventory as of June 30, 2021 of \$6,441 consisted of purchased and donated commodities. 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 8 - CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of changes in Long-Term Liabilities:

	July 1, 2020 Balance	Additions	Deductions	June 30, 2021 Balance	Due in One Year
2018 GO Bonds	\$ 21,528,088	\$ -	\$ (786,167)	\$ 20,741,921	\$ 816,773
Lease Obligations	10,029	-	(8,559)	1,470	1,470
Net Pension Liability	8,102,468	472,611	-	8,575,079	-
Net OPEB Liability	398,651	-	(86,926)	311,725	-
Accrued Compensated Absences	35,938	10,033	-	45,971	-
Total	\$ 30,075,174	\$ 482,644	\$ (881,652)	\$ 29,676,166	\$ 818,243

General Obligation Bonds Payable

On December 6, 2018, the School District issued \$22,296,400 of general obligation bonds used to help construct a consolidated PK-12 facility as well as renovate and incorporate the existing elementary school facility into the new PK-12 facility. The issuance bears an interest rate of 3.893 percent. Interest is payable semi-annually on June 1 and December 1 of each year. Principal is payable over a period of twenty years and is payable annually on December 1 of each year.

Principal and interest is payable on the outstanding obligations as follows:

Fiscal Year	Principal	Interest	Total Payments
2022	\$ 816,773	\$ 791,584	\$ 1,608,357
2023	848,570	759,169	1,607,739
2024	881,605	725,491	1,607,096
2025	915,925	690,502	1,606,427
2026	951,582	654,151	1,605,733
2027-2031	5,343,287	2,673,984	8,017,271
2032-2036	6,467,552	1,527,836	7,995,388
2037-2039	4,516,627	268,224	4,784,851
Total	\$ 20,741,921	\$ 8,090,941	\$ 28,832,862

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS
June 30, 2021

NOTE 8 - CHANGES IN GENERAL LONG-TERM DEBT, Continued

Capital Leases

In August 2016, the School District entered into a copier lease agreement with Great America Financial Services. Monthly payments of \$739 are due through August 2021, at an estimated interest rate of 5.0%. In the event of default, all past due, current, and future amounts will become immediately due and payable plus lessor's booked residual both discounted at 4 percent per year, interest payable on all past due amounts at 1.5%, be required to return equipment at lessee's expense to lessor, demand payment of all out-of-pocket costs incurred by the lessor, and exercise any other right, remedy or privilege available under applicable laws. The individual assets were not capitalized by the District.

The following is a schedule by years of future minimum lease payments under the lease agreement as of June 30, 2021:

Fiscal Year Ending	Principal	Interest	Total Payment
2022	\$ 1,470	\$ 9	\$ 1,479
Total	\$ 1,470	\$ 9	\$ 1,479

Accrued Compensated Absences

All employees, regardless of position, will be awarded annual leave by length of contract criteria. One leave day awarded per month. The District allows eligible employees to accrue leave up to a maximum of 60 days. Upon termination, the full accumulation is paid. The estimated liability is reflected as a long-term liability. Payments for unused leave are typically funded through the General Fund.

NOTE 9 – 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, are as follows:

General Fund	\$ 573,060
Food Service Fund	15,075
Total Accrued Salaries and Benefits	\$ 588,135

NOTE 10 – INTERFUND ACTIVITY

Transfers to and from other funds at June 30, 2021 consisted of the following:

Transfer From	Transfer To	Amount
General Fund	Transportation Fund	\$ 9,988
General Fund	Food Service Fund	65,942
Pupil Activity Fund	General Fund	4,964
General Fund	Capital Reserves Project Fund	237,961
		\$ 318,855

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 10 – INTERFUND ACTIVITY, Continued

Transfers among Funds are provided for as part of the Annual Budget process. Transfers are used to move revenues from the Fund required to collect the revenue to the Fund required or authorized to expend them. All interfund transfers for the fiscal year were routine in nature.

The School District also report balance that were due (to) from other funds as follows:

	Interfund	
	Receivable	Payable
General Fund	\$ 25,066	\$ -
Food Service	-	5,695
Pupil Activity	-	7,795
Bond Redemption	-	17,984
Building	6,408	-
Balance	\$ 31,474	\$ 31,474

NOTE 11 – COMMITMENTS AND CONTINGENCIES

The School District participates in a number of federal, state, and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School District may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited but the School District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the School District.

In November 1992, Colorado Voter's amended Article X of the Colorado Constitution with the addition of Section 20, referred to as Tabor. The bill limits state and local government tax powers and imposes spending limitations. The School District is subject to the Amendment. Tabor requires advance voter approval, under specific guidelines, for the increase of any new tax or mill levy above that for the prior year. These provisions were applied in the November, 1994 election.

Tabor also requires the establishment of emergency reserves restricted for specified uses as outlined in the Bill. For the year ended June 30, 2021, the required 3% reserve was \$229,694.

The School District has outstanding BEST grant related construction commitments of \$272,597 of which \$99,362 is expected to be funded by the School District. The School District had \$185,386 remaining in construction escrow funds as of June 30, 2021.

NOTE 12 - RISK MANAGEMENT

The District is exposed to various risks of loss related to tort, thefts of or damage to and destruction of assets; error and omissions; injuries to employees; and natural disasters.

For liability and property claims, the School District is involved with Glatfelter Public Practice, a separate and legal entity program manager for educational institutions, municipalities and water/sewer entities.

Their purpose is to provide general liability, property, and workers compensation coverage and to assist members in preventing and reducing losses and injuries to property and to persons or property which might result in claims being made against members, their employees, and officers.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

NOTES TO FINANCIAL STATEMENTS

June 30, 2021

NOTE 13 – PRIOR PERIOD ADJUSTMENTS

The School District completed BEST related construction improvements in fiscal year 2020 that had been accounted for twice in the District's assets at year end. The Colorado Department of Education contributed \$26,628,808 of improvements to be reported as BEST grant receivable additions in fiscal year 2020 but was reported as an increase of \$53,275,654. Adjustment to reconcile the General Fund checking account for fiscal year 2021 were adjustments that should have been for fiscal year 2020 as well as not included Deferred Inflows of property taxes on the Statement of Net Position were reported as prior period adjustments and land purchased in 1998 was not included in the listing for the government-wide financial statements. The following are the changes to beginning Net Position and General Fund Balance:

	<u>Net Position</u>	<u>General Fund Balance</u>
As previously reported June 30, 2020	<u>\$ 53,646,378</u>	<u>\$ 2,904,397</u>
Prior period adjustments:		
BEST grant receivable	(26,628,808)	
Deferred inflows	(62,968)	-
Land purchased in 1998 not listed	56,000	-
Bank reconciliation adjustments	<u>(93,399)</u>	<u>(93,399)</u>
Total prior period adjustments	<u>(26,729,175)</u>	<u>(93,399)</u>
Restated balance, July 1, 2021	<u>\$ 26,917,203</u>	<u>\$ 2,810,998</u>

NOTE 14 – SUBSEQUENT EVENTS

The School District has evaluated subsequent events through December 22, 2021, the date at which the financial statements were available to be issued, and determined that there are no events that occurred that requires disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local sources		
Property taxes	\$ 3,235,280	\$ 3,450,000
Specific ownership taxes	144,497	144,497
Delinquent taxes	50,000	50,000
Tuition from individuals	120,000	120,000
Tuition within the BOCES	24,000	24,000
Investment earnings	-	-
Pupil activity	22,200	22,200
Fees	25,600	25,600
Donations	272,720	272,720
Sale of assets	-	-
Other local	149,920	149,920
Intermediate sources		
Mineral lease	40,000	40,000
State sources		
State equalization	1,094,226	1,242,700
Transportation	30,000	30,000
State grants from CDE		
State ELPA prof dev and student support	-	-
State ELPA	6,000	6,000
Full day kindergarten facility grant	100,000	100,000
Comp health - student wellness	37,806	37,806
State grants to libraries	3,500	3,500
School health professional	73,600	73,600
Small rural schools additional funding	36,625	36,625
Additional at-risk funding	-	-
Retaining teachers	36,625	36,625
Kindergarten facility grant	4,738	4,738
READ act	7,670	7,670
State grants from other agencies		
Vocational education	27,187	27,187
School nurse	20,043	20,043
CDHS OEC grant	-	-
State provided by BOCES	16,000	16,000
Other state	1,500	1,500
Federal sources		
Federal grants from CDE		
Title I	20,388	20,388
Corona virus funding	-	293,963
Title II-A	-	-
Title IV	10,000	10,000
CARES Geer Rise grant	26,250	26,250
Natl Forest	20,000	20,000
Other CDE	43,380	54,552
Direct federal revenue		
REAP grant	36,000	36,000
COPS grant	-	-
Federal provided by BOCES	11,473	11,473
TOTAL REVENUES	\$ 5,747,228	\$ 6,415,557

<u>Actual</u>	<u>Variance from final budget</u>
\$ 3,535,048	\$ 85,048
391,714	247,217
57,311	7,311
124,721	4,721
9,000	(15,000)
3,915	3,915
27,301	5,101
25,048	(552)
295,740	23,020
60,760	60,760
44,183	(105,737)
27,039	(12,961)
1,276,676	33,976
37,140	7,140
3,227	3,227
2,881	(3,119)
84,532	(15,468)
37,806	-
6,247	2,747
80,762	7,162
131,265	94,640
1,228	1,228
120,180	83,555
4,738	-
7,691	21
21,784	(5,403)
15,944	(4,099)
3,000	3,000
20,036	4,036
7,048	5,548
47,340	26,952
323,062	29,099
4,024	4,024
10,000	-
29,076	2,826
13,782	(6,218)
-	(54,552)
74,842	38,842
16,094	16,094
12,311	838
<u>\$ 6,994,496</u>	<u>\$ 578,939</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE - CONTINUED

GENERAL FUND

For the Year Ended June 30, 2021

EXPENDITURES	Budget	
	Original	Final
Instruction		
Salaries	\$ 1,997,916	\$ 2,142,125
Benefits	864,175	871,587
PS - Professional	25,050	63,872
PS - Property	25,050	18,000
PS - Other	86,410	86,410
Supplies	54,335	78,255
Property	-	9,138
Other expenses	10,250	10,250
Supporting services		
Students		
Salaries	242,017	256,033
Benefits	90,470	103,038
PS - Professional	4,247	11,349
PS - Property	4,248	11,349
PS - Other	11,478	11,350
Supplies	5,020	32,378
Property	-	13,150
Other expenses	658	658
Instructional		
Salaries	70,040	138,476
Benefits	34,421	83,253
PS - Professional	28,125	33,984
PS - Property	28,125	33,984
PS - Other	58,700	33,983
Supplies	68,800	70,550
Property	10,000	10,000
General administration		
Salaries	201,110	193,717
Benefits	71,825	99,801
PS - Professional	15,250	32,000
PS - Property	15,250	32,000
PS - Other	65,500	32,000
Supplies	12,000	12,000
Other expenses	4,500	4,500
School administration		
Salaries	224,185	231,286
Benefits	88,490	124,825
PS - Professional	1,250	2,050
PS - Property	1,250	2,050
PS - Other	3,650	2,050
Supplies	1,500	1,500
Other expenses	1,700	1,700
Business services		
Salaries	95,814	108,408
Benefits	35,575	38,944
PS - Professional	79,700	86,594
PS - Property	79,700	86,594
PS - Other	56,000	86,594

<u>Actual</u>	<u>Variance from final budget</u>
\$ 2,066,843	\$ 75,282
782,896	88,691
57,497	6,375
12,583	5,417
91,642	(5,232)
86,092	(7,837)
-	9,138
17,414	(7,164)
240,336	15,697
85,811	17,227
53,977	(42,628)
-	11,349
7,980	3,370
55,337	(22,959)
1,228	11,922
264	394
85,934	52,542
31,638	51,615
61,054	(27,070)
-	33,984
64,901	(30,918)
22,533	48,017
10,863	(863)
187,545	6,172
73,876	25,925
22,840	9,160
2,767	29,233
24,360	7,640
25,314	(13,314)
4,536	(36)
229,695	1,591
86,195	38,630
460	1,590
-	2,050
1,560	490
1,860	(360)
532	1,168
107,286	1,122
40,879	(1,935)
30,231	56,363
12,594	74,000
18,211	68,383

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE - CONTINUED

GENERAL FUND

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

	Budget	
	Original	Final
EXPENDITURES, Continued		
Supporting services, continued		
Business services, continued		
Supplies	\$ 160,800	\$ 1,400
Other expenses	140	140
Operations and maintenance		
Salaries	145,286	197,143
Benefits	60,749	79,770
PS - Professional	45,250	71,206
PS - Property	45,250	71,206
PS - Other	132,000	71,206
Supplies	152,800	152,800
Other expenses	500	500
Student transportation		
Salaries	85,140	127,177
Benefits	33,140	34,166
PS - Professional	20,900	15,000
PS - Property	20,900	15,000
PS - Other	3,200	15,000
Supplies	49,550	49,550
Other expenses	500	500
Central support		
Salaries	-	-
Benefits	-	-
PS - Professional	-	-
PS - Other	-	-
Supplies	-	104,391
Property	-	-
Debt service		
Interest	-	-
Principal	-	-
	5,729,889	6,307,940
TOTAL EXPENDITURES		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,339	107,617
OTHER FINANCING SOURCES (USES)		
Transfers out	(60,000)	(60,000)
Fund balance appropriation	(2,257,339)	(2,257,339)
TOTAL OTHER FINANCING SOURCES (USES)	(2,317,339)	(2,317,339)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES	(2,300,000)	(2,209,722)
PRIOR PERIOD ADJUSTMENT	-	-
FUND BALANCE, BEGINNING OF YEAR	2,300,000	2,890,000
FUND BALANCE, END OF YEAR	\$ -	\$ 680,278

<u>Actual</u>	<u>Variance from final budget</u>
\$ 911	\$ 489
80	60
175,103	22,040
62,681	17,089
4,679	66,527
77,566	(6,360)
20,285	50,921
218,505	(65,705)
-	500
110,247	16,930
35,150	(984)
993	14,007
33,227	(18,227)
543	14,457
37,857	11,693
(20,495)	20,995
4,611	(4,611)
1,061	(1,061)
145,548	(145,548)
133,505	(133,505)
112,146	(7,755)
8,622	(8,622)
307	(307)
8,559	(8,559)
<u>5,879,255</u>	<u>428,685</u>
<u>1,115,241</u>	<u>1,007,624</u>
(308,927)	(248,927)
-	2,257,339
<u>(308,927)</u>	<u>2,008,412</u>
806,314	3,016,036
<u>(93,399)</u>	<u>(93,399)</u>
<u>2,904,397</u>	<u>14,397</u>
<u>\$ 3,617,312</u>	<u>\$ 3,030,433</u>

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PERA PENSION PLAN
Last 10 Fiscal Years

Year Ended*	District's Proportion of the Net Pension Asset (Liability)	District's Proportionate Share of the Net Pension Asset (Liability)	Non-Employer Contributing Entity's Total Proportionate Share of the Net Pension Asset (Liability)	Total Proportionate Share Associated With District	District's Covered Payroll	District's Proportionate Share of the Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
6/30/2014	0.068734%	\$ (8,766,967)	\$ -	\$(8,766,967)	\$2,691,691	325.70%	64.07%
6/30/2015	0.069775%	(9,456,903)	-	(9,456,903)	2,842,943	332.64%	62.84%
6/30/2016	0.070233%	(10,741,574)	-	(10,741,574)	2,990,336	359.21%	59.16%
6/30/2017	0.071678%	(21,341,367)	-	(21,341,367)	3,173,424	672.50%	43.13%
6/30/2018	0.070981%	(22,952,652)	-	(22,952,652)	3,229,368	710.75%	43.96%
6/30/2019	0.055841%	(9,887,827)	(1,189,390)	(11,077,217)	3,069,890	322.09%	57.01%
6/30/2020	0.054234%	(8,102,468)	(912,017)	(9,014,485)	5,779,675	140.19%	64.52%
6/30/2021	0.056721%	(8,575,079)	-	(8,575,079)	3,244,792	264.27%	66.99%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADOSCHEDULE OF DISTRICT'S CONTRIBUTIONS
PERA PENSION PLAN
Last 10 Fiscal Years

<u>Year Ending*</u>	<u>Statutorily Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Excess/ Deficiency</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2014	\$ 430,317	\$ 430,317	\$ -	\$ 2,691,691	15.99%
6/30/2015	480,263	480,263	-	2,842,943	16.89%
6/30/2016	530,423	530,423	-	2,990,336	17.74%
6/30/2017	583,250	583,250	-	3,173,424	18.38%
6/30/2018	609,994	609,994	-	3,229,368	18.89%
6/30/2019	587,270	587,270	-	3,069,890	19.13%
6/30/2020	1,120,101	1,120,101	-	5,779,675	19.38%
6/30/2021	634,322	634,322	-	3,244,792	19.55%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net pension liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
Last 10 Fiscal Years**

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 OPEB Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
6/30/2017	0.040743%	\$ (528,244)	\$ 3,173,424	16.646%	16.70%
6/30/2018	0.040331%	(524,141)	3,229,368	16.230%	17.53%
6/30/2019	0.000363%	(493,837)	3,069,890	16.086%	17.03%
6/30/2020	0.035467%	(398,651)	5,779,675	6.897%	24.49%
6/30/2021	0.032805%	(311,725)	3,244,792	9.607%	32.78%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net OPEB liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

**SCHEDULE OF DISTRICT'S CONTRIBUTIONS
OPEB
Last 10 Fiscal Years**

<u>Year Ending*</u>	<u>Statutorily Required Contributions</u>	<u>Actual Contributions</u>	<u>Contributions Excess/ Deficiency</u>	<u>District's Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
6/30/2017	\$ 32,369	\$ 32,369	\$ -	\$ 3,173,424	1.02%
6/30/2018	32,940	32,940	-	3,229,368	1.02%
6/30/2019	31,313	31,313	-	3,069,890	1.02%
6/30/2020	58,953	58,953	-	5,779,675	1.02%
6/30/2021	33,097	33,097	-	3,244,792	1.02%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

* The data provided in the schedule is based as of the measurement date of PERA's net OPEB liability, which is as of the calendar year end that occurred before the District's fiscal year end.

The accompanying "Notes to Financial Statements" are an integral part of this statement.

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SUPPLEMENTARY INFORMATION

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE
 TRANSPORTATION FUND
 For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local Sources		
Delinquent taxes/penalties	\$ -	\$ -
Investment earnings	-	-
Intermediate Sources		
Mineral lease	-	-
	-	-
TOTAL REVENUES	-	-
EXPENDITURES		
Support Services		
Transportation		
PS - Professional	-	-
Property	156,000	156,000
	156,000	156,000
TOTAL EXPENDITURES	156,000	156,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(156,000)	(156,000)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
	-	-
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	(156,000)	(156,000)
FUND BALANCE, BEGINNING OF YEAR	156,000	156,000
FUND BALANCE, END OF YEAR	\$ -	\$ -

<u>Actual</u>	<u>Variance from final budget</u>
\$ 2,309 227	\$ 2,309 227
<u>441</u>	<u>441</u>
<u>2,977</u>	<u>2,977</u>
15	(15)
<u>162,069</u>	<u>(6,069)</u>
<u>162,084</u>	<u>(6,084)</u>
<u>(159,107)</u>	<u>(3,107)</u>
<u>9,988</u>	<u>9,988</u>
(149,119)	6,881
<u>149,119</u>	<u>(6,881)</u>
<u>\$ -</u>	<u>\$ -</u>

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGETARY COMPARISON SCHEDULE

FOOD SERVICES FUND

For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local Sources		
Food service revenue	\$ 46,378	\$ 64,527
Interest income	5	5
State Sources		
State Grants from CDE		
State child nutrition match	-	-
Other Agency State Grants	2,747	1,707
Federal Sources		
Federal Grants from CDE		
National School Lunch Program	50,276	54,214
Federal Grants from Other State Agencies		
National School Lunch Program - Commodities	1,515	1,515
	<u>100,921</u>	<u>121,968</u>
TOTAL REVENUES		
EXPENDITURES		
Supporting Services		
Food service		
Salaries	80,232	90,090
Benefits	27,265	30,337
PS - Other	750	750
Supplies	2,500	3,500
Food	63,435	64,135
Commodities	8,200	8,200
Other	3,200	3,200
	<u>185,582</u>	<u>200,212</u>
TOTAL EXPENSES		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(84,661)</u>	<u>(78,244)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	60,000	60,000
Fund balance appropriation	(5,339)	(5,339)
	<u>54,661</u>	<u>54,661</u>
TOTAL OTHER FINANCING SOURCES (USES)		
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	<u>(30,000)</u>	<u>(23,583)</u>
FUND BALANCE, BEGINNING OF YEAR	<u>30,000</u>	<u>30,000</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ 6,417</u>

<u>Actual</u>	<u>Variance from final budget</u>
\$ 2,551 116	\$ (61,976) 111
1,016 142	1,016 (1,565)
88,835	34,621
<u>7,822</u>	<u>6,307</u>
<u>100,482</u>	<u>(21,486)</u>
87,056	3,034
32,882	(2,545)
12	738
6,202	(2,702)
31,170	32,965
13,900	(5,700)
750	2,450
<u>171,972</u>	<u>28,240</u>
<u>(71,490)</u>	<u>6,754</u>
65,942	5,942
-	5,339
<u>65,942</u>	<u>11,281</u>
(5,548)	18,035
<u>26,373</u>	<u>(3,627)</u>
<u>\$ 20,825</u>	<u>\$ 14,408</u>

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE
PUPIL ACTIVITY FUND
For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local Sources		
Pupil activity	\$ 58,000	\$ 58,000
Fees	-	-
Investment earnings	-	-
	58,000	58,000
TOTAL REVENUES		
EXPENDITURES		
Instruction		
Supplies	62,000	62,000
	62,000	62,000
TOTAL EXPENDITURES		
	62,000	62,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,000)	(4,000)
OTHER FINANCING SOURCES (USES)		
Transfers in (out)	-	-
Fund balance appropriation	(115,000)	(115,000)
	(115,000)	(115,000)
TOTAL OTHER FINANCING SOURCES (USES)		
	(115,000)	(115,000)
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	(119,000)	(119,000)
FUND BALANCE, BEGINNING OF YEAR	119,000	119,000
FUND BALANCE, END OF YEAR	\$ -	\$ -

<u>Actual</u>	<u>Variance from final budget</u>
\$ 24,832	\$ (33,168)
520	520
172	172
<u>25,524</u>	<u>(32,476)</u>
<u>41,482</u>	<u>20,518</u>
<u>41,482</u>	<u>20,518</u>
<u>(15,958)</u>	<u>(11,958)</u>
(4,964)	(4,964)
-	115,000
<u>(4,964)</u>	<u>110,036</u>
(20,922)	98,078
<u>111,176</u>	<u>(7,824)</u>
<u>\$ 90,254</u>	<u>\$ 90,254</u>

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE
 BOND REDEMPTION FUND
 For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local Sources		
Property taxes	\$ 1,945,000	\$ 1,945,000
Delinquent taxes/penalties	-	-
Investment earnings	-	-
Intermediate Sources		
Mineral lease	-	-
	1,945,000	1,945,000
TOTAL REVENUES		
EXPENDITURES		
Support Services		
Business Services		
PS - Professional	-	2,400
Debt Service		
Principal	-	-
Interest	815,000	815,000
	815,000	817,400
TOTAL EXPENDITURES		
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,130,000	1,127,600
OTHER FINANCING SOURCES (USES)		
Fund balance appropriation	(800,000)	(800,000)
TOTAL OTHER FINANCING SOURCES (USES)	(800,000)	(800,000)
EXCESS OF REVENUES UNDER EXPENDITURES AND OTHER FINANCING USES	330,000	327,600
FUND BALANCE, BEGINNING OF YEAR	-	-
FUND BALANCE, END OF YEAR	\$ 330,000	\$ 327,600

<u>Actual</u>	<u>Variance from final budget</u>
\$ 1,973,531	\$ 28,531
28,291	28,291
535	535
15,101	15,101
2,017,458	72,458
850	1,550
786,167	(786,167)
822,785	(7,785)
1,609,802	(792,402)
407,656	(719,944)
-	800,000
-	800,000
407,656	80,056
1,862,677	1,862,677
\$ 2,270,333	\$ 1,942,733

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE

BUILDING FUND

For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local Sources		
Interest earned	\$ -	\$ -
State Sources		
CO BEST grant	-	-
	-	-
TOTAL REVENUES	-	-
EXPENDITURES		
Facilities		
Property	6,264,152	6,264,152
	6,264,152	6,264,152
TOTAL EXPENDITURES	6,264,152	6,264,152
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,264,152)	(6,264,152)
FUND BALANCE, BEGINNING OF YEAR	6,264,152	6,264,152
FUND BALANCE, END OF YEAR	\$ -	\$ -

<u>Actual</u>	<u>Variance from final budget</u>
\$ 19	\$ 19
<u>7,219,795</u>	<u>7,219,795</u>
<u>7,219,814</u>	<u>7,219,814</u>
<u>11,404,069</u>	<u>(5,139,917)</u>
<u>11,404,069</u>	<u>(5,139,917)</u>
<u>(4,184,255)</u>	<u>2,079,897</u>
<u>4,315,142</u>	<u>(1,949,010)</u>
<u>\$ 130,887</u>	<u>\$ 130,887</u>

HAYDEN SCHOOL DISTRICT RE-1, COLORADO

BUDGET COMPARISON SCHEDULE
CAPITAL RESERVE PROJECT FUND
For the Year Ended June 30, 2021

	Budget	
	Original	Final
REVENUES		
Local Sources		
Interest earned	\$ 1,000	\$ 1,000
State Sources		
State Grants for Other Agencies		
Other agency State grants	-	-
TOTAL REVENUES	1,000	1,000
EXPENDITURES		
Facilities		
Property	615,000	615,000
TOTAL EXPENDITURES	615,000	615,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(614,000)	(614,000)
OTHER FINANCING SOURCES (USES)		
Transfers in	-	-
Fund balance appropriation	(448,500)	(448,500)
TOTAL OTHER FINANCING SOURCES (USES)	(448,500)	(448,500)
EXCESS OF REVENUES OVER EXPEND- ITURES AND OTHER FINANCING USES	(1,062,500)	(1,062,500)
FUND BALANCE, BEGINNING OF YEAR	1,062,500	1,062,500
FUND BALANCE, END OF YEAR	\$ -	\$ -

<u>Actual</u>	<u>Variance from final budget</u>
\$ 1,089	\$ 89
<u>74,636</u>	<u>74,636</u>
<u>75,725</u>	<u>74,725</u>
<u>48,452</u>	<u>566,548</u>
<u>48,452</u>	<u>566,548</u>
<u>27,273</u>	<u>641,273</u>
237,961	237,961
<u>-</u>	<u>448,500</u>
<u>237,961</u>	<u>686,461</u>
265,234	1,327,734
<u>295,039</u>	<u>(767,461)</u>
<u>\$ 560,273</u>	<u>\$ 560,273</u>

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**REPORTS AND SCHEDULE REQUIRED
BY OUTSIDE ENTITIES**

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Colorado Department of Education
Auditors Integrity Report
 District: 2760 - Hayden RE-1
 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	2,810,998		6,685,570	5,879,256		3,617,312
18 Risk Mgmt Sub-Fund of General Fund	0		0	0		0
19 Colorado Preschool Program Fund	0		0	0		0
Sub-Total	2,810,998		6,685,570	5,879,256		3,617,312
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	26,373		166,424	171,973		20,825
22 Govt Designated-Purpose Grants Fund	0		0	0		0
23 Pupil Activity Special Revenue Fund	111,176		20,559	41,482		90,254
24 Full Day Kindergarten Mill Levy Override	0		0	0		0
25 Transportation Fund	149,119		12,965	162,064		0
31 Bond Redemption Fund	1,862,677		2,017,458	1,609,803		2,270,333
39 Certificate of Participation (COP) Debt Service Fund	0		0	0		0
41 Building Fund	4,315,142		7,219,813	11,404,069		130,887
42 Special Building Fund	0		0	0		0
43 Capital Reserve Capital Projects Fund	295,039		313,686	48,452		560,273
46 Supplemental Cap Const. Tech, Main Fund	0		0	0		0
Totals	9,570,525		16,436,476	19,317,118		6,689,883
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

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*If you have a prior period adjustment in any fund (Balance Sheet 6880), the amount of your prior period adjustment is added into both your ending and beginning fund balances on this report.



Colorado Department of Education
Bolded Balance Sheet Report
 District: 2760 - Hayden RE-1
 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 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85
Cash and Investments (8100-8104,8111)	892,520	0	0	103,325	0	0	38,686	2,222,705	570,680	0	0	0	0	0	3,827,916
Cash with Fiscal Agent (8105)	3,190,986	0	0	0	0	0	0	6,067	185,386	0	0	0	0	0	3,382,439
Taxes Receivable (8121,8122)	106,658	0	0	0	0	0	0	59,545	0	0	0	0	0	0	166,203
Interfund Loans Receivable (8131,8132)	8,444	0	0	2,030	0	0	-30,286	0	18,136	0	0	0	0	0	-1,676
Intergovernmental Accounts Rec (8141)	35,031	0	0	0	0	0	0	0	0	0	0	0	0	0	35,031
Grants Accounts Receivable (8142)	94,062	0	0	0	0	0	0	0	124,337	0	0	0	0	0	218,399
Other Receivables (8151-8154,8161)	0	0	0	0	0	0	1,935	0	0	0	0	0	0	0	1,935
Inventories (8171,8172,8173)	0	0	0	0	0	0	6,440	0	0	0	0	0	0	0	6,440
Prepaid Expenses 8181,8182)	34,858	0	0	0	0	0	0	0	0	0	0	0	0	0	34,858
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	4,362,559	0	0	105,355	0	0	16,775	2,288,316	898,539	0	0	0	0	0	7,671,545

Governmental

Proprietary

Fiduciary

LIABILITIES & FUND EQUITY	Governmental										Proprietary				Fiduciary	
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Interfund Payables (7401,7402)	-16,622	0	0	9,825	0	0	-24,591	17,984	11,727	0	0	0	0	0	0	-1,676
Other Payables (7421-7423)	135,809	0	0	5,277	0	0	3,062	0	0	0	0	0	0	0	0	144,147
Contracts Payable (7431-7433)	0	0	0	0	0	0	0	0	195,652	0	0	0	0	0	0	195,652
Bonds Payables (7441-7445,7451,7452,7455)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	303,820	0	0	0	0	0	9,095	0	0	0	0	0	0	0	0	312,915
Payroll Ded. and Withholdings (7471-7473)	269,239	0	0	0	0	0	5,980	0	0	0	0	0	0	0	0	275,220
Unearned Revenue (7481)	53,000	0	0	0	0	0	2,404	0	0	0	0	0	0	0	0	55,404
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	745,247	0	0	15,102	0	0	-4,050	17,984	207,379	0	0	0	0	0	0	981,662

