

cPa DIXON, WALLER & CO., INC.

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HOEHNE REORGANIZED

SCHOOL DISTRICT NUMBER R-3

HOEHNE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2021

DIXON, WALLER & CO., INC.

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HOEHNE REORGANIZED SCHOOL  
DISTRICT NUMBER R-3

FINANCIAL STATEMENTS

JUNE 30, 2021

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FINANCIAL SECTION

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
ROSTER OF SCHOOL OFFICIALS  
June 30, 2021

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BOARD OF EDUCATION

Ryan Coberly	President
Tom Berry	Vice President
Cameron Cummings	Treasurer
Marvin Price	Secretary
Jennifer Sanchez McDonald	Member
Brad Blasi	Member
Brad Mincic	Member

SCHOOL OFFICIALS

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

INDEPENDENT AUDITOR'S REPORT

Board of Education  
Hoehne Reorganized School District RE-3  
Hoehne, Colorado 81046

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Hoehne Reorganized School District RE-3, 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 Hoehne Reorganized School District RE-3, as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data on pages i through x and 44 through 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Hoehne Reorganized School District RE-3's basic financial statements. The combining and individual fund statements and other schedules and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

*Slifon, Waller & Co., Inc.*

Trinidad, Colorado  
November 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

Management of Hoehne R-3 School District offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ending June 30, 2021. The focus of the information is on the primary government (general) fund.

This is the 17th year of the GASB statement No. 34, *Basic Financial Statement and Management Discussion and Analysis and Local Governments*. GASB Statement No.68, *Accounting and Financial Reporting for Pensions*, will also be included in this narrative.

**Financial Highlights**

In governmental activities, the District's assets exceeded its' liabilities at the close of the fiscal year by \$2,207,088. Included in the liabilities is the net unfunded liability amount of \$5,246,939 which is the Hoehne School District's share of the pension and OPEB liabilities in the state of Colorado.

The Food Service Special Revenue Fund, which is no longer classified as a proprietary fund, shows an increase in fund balance of \$13,939.

At the end of the fiscal year, the District's governmental funds reported combined ending fund balance of \$4,662,702. This was a decrease of \$2,124,380 from the prior year.

The General Fund reported a fund balance of \$3,929,153 at the close of the fiscal year 2021. This is an increase of \$429,629 (FY 2020 \$3,499,524).

The District has \$307,700 on tax receivables. This trend of \$200,000 per year of unpaid taxes has been ongoing for the past ten (10) years. Las Animas County is still holding some of the certificates for these properties. The assessed valuations for these properties have been lowered in the hopes that the properties will sell. Abatements have also increased in the County. The Preliminary Certification of Value received on August 25, 2021 shows an assessed valuation of \$3,061,993 more than the previous year's. The District has collected approximately 92.36% of the levied taxes as of August 2021.

The District has seen a change in enrollment over the past year. October 2020 count was 324 FTE; the year closed at 318 students. The trend traditionally has been that the student enrollment decreases throughout the year. The October Count Day for 2021 is 319 FTE. This is an increase of 1 student from the close of the previous school year.

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

**Overview of the Financial Statements**

Management's Discussion and Analysis is intended to serve as an introduction to the District's basic financial statements. The Hoehne R-3 School District's basic financial statements are comprised of three components: 1) district-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

**District-Wide Financial Statements**

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

The district-wide statement reports the District's net position and how it has changed. Net position, the difference between the District's assets and liabilities, are one way to measure the District's financial health or position. The difference between assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. GASB No. 68 has affected the liability amount. The unfunded liability of \$5,062,856 for pensions has increased the liabilities of the District.

The district-wide statement includes Governmental Activities and the Food Service Special Revenue Fund also known as "other governmental funds".

**Governmental activities:**

The District's basic services are included here, such as instruction, transportation, maintenance and operation, and administration. Property taxes and state equalization finance most of these activities. This information is comprised of the following Hoehne R-3 School District funds: (1) general fund, (2) preschool fund, (3) capital reserve fund, (4) food service special revenue fund also known as "other governmental funds".

- *General Fund:* This fund has a balance of \$3,929,153 as of June 30, 2021. This fund is used for all teaching and instructional programs, support services, student counseling, administration, business services, operation and maintenance, student transportation, central support, etc.
- *Preschool Fund:* Hoehne R-3 presently contracts with a local service provider for preschool. The ten (10) slots are available to the provider who is approved after a Right for Participation (RFP) is accepted by the Preschool Advisory Board. This fund has a balance of \$1,656 as of June 30, 2021. The District will have ten (10) slots for this year.
- *Capital Reserve Fund:* This fund has a balance of \$22,559 as of June 30, 2021. This fund is used for capital improvements.

- *Food Service Special Revenue Fund:* This fund is the Hot Lunch Program Fund and is also known as “other governmental funds”. The District charges fees to help defray the costs of this service. The District is reimbursed through the School Breakfast Program and the National School Lunch Program. The beginning fund balance is \$39,373.

### **Fund Financial Statements**

The Fund Financial Statements provide detailed information about the District’s funds, focusing on its most significant funds or “major” funds, not the District as a whole. Fund Financial Statements are designed to demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Hoehne School District, like other governments, uses fund accounting to ensure and demonstrate compliance.

All the funds of the District can be divided into two categories: governmental funds which includes the food service special revenue fund, and fiduciary funds.

#### *Governmental Funds:*

Most of the District’s basic services are reported in governmental funds, which generally focus on the determination of financial position and change in financial position, not on income determination. The focus is on (1) how cash and other financial assets can readily be converted to cash flow in and out and (2) the balances that are left at year end that are available for funding future basic services. The governmental fund statements provide a detailed short-term view of the District’s operations and services it provides. The relationship (or differences) between the governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### **Notes to the Financial Statements**

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

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

In addition to the financial statements and accompanying notes, this report contains other supplemental information concerning the District's non-major governmental funds. The combined statements of the non-major governmental funds are presented after the notes to the financial statements.

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

The District's total net position on June 30, 2021 was (\$2,207,088). Of the District's \$12,573,224 in assets, \$6,990,295 reflects investment in capital assets (i.e. land, buildings, and equipment). Throughout this Analysis, the previous year's activities is available for comparison.

Table 1:  
**NET POSITION**

	<b>2021</b>	<b>2020</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current and Other Assets	5,582,929	7,773,189
Capital Assets	<u>6,990,295</u>	<u>3,221,280</u>
Total Assets	<u>12,573,224</u>	<u>10,994,469</u>
Deferred Outflows	<u>1,365,387</u>	<u>1,136,947</u>
<b>LIABILITIES</b>		
Current and Other Liabilities	752,903	996,974
Long Term Liabilities	<u>8,755,094</u>	<u>8,419,759</u>
Total Liabilities	<u>9,507,997</u>	<u>9,416,733</u>
Deferred Inflows	<u>2,223,526</u>	<u>3,774,196</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	3,482,140	2,299,355
Restricted for:		
Tabor Reserve	167,000	127,000
Multi Year Obligations	173,500	100,000
Debt Service	222,120	199,619
Capital Outlay	367,890	2,956,244
Food Service	1,656	20,311
Preschool	37,692	1,629
Unrestricted	<u>(2,244,910)</u>	<u>(6,763,671)</u>
	<u>2,207,088</u>	<u>(1,059,513)</u>

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

**Table 2:**  
**Changes in Net Position**

	2021 <b>Governmental Activities</b>	2020 <b>Governmental Activities</b>
<b>Revenues</b>		
Charges for Services	52,022	171,905
Operating Grants and Contributions	645,654	469,268
Capital Grants and Contributions	1,476,139	129,825
Property taxes	1,374,735	1,324,925
Specific Ownership Taxes	252,827	217,371
Equalization	2,198,341	2,484,661
Earnings on investments	3,739	11,408
Other Revenues	60,742	50,693
Transfers	-	-
<b>TOTAL REVENUES</b>	<b>6,064,199</b>	<b>4,860,056</b>
<b>Expenses</b>		
Instructional services	2,365,746	2,179,667
Students	183,258	149,982
Instructional staff	3,620	4,548
District administration	369,149	387,379
School administration	84,686	83,496
Business	188,042	184,421
Operation and maintenance of facilities	486,237	379,951
Transportation	201,741	230,361
Central	57,050	58,952
Facility Acquisition & Construction	0	0
Food Service	165,563	175,041
Capital outlay	11,478	-
Interest on Long Term Liabilities	124,803	58,154
Issue Costs	-	65,050
Pension and OPEB Expense (Income)	(1,443,775)	(930,606)
<b>TOTAL EXPENSES</b>	<b>2,797,598</b>	<b>3,026,396</b>
<b>Increase ( Decrease in Net Position )</b>	<b>3,266,601</b>	<b>1,833,660</b>

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

The Hot Lunch Fund had an increase of revenue dollars in the amount of \$13,047. The Hot Lunch Fund, also known as the Food Service Special Revenue Fund, has been a concern of the District. The 2021-2022 school year's goal is to improve the collection of the outstanding balances since an online payment option with a credit card option has been added to the Point of Sale. This Point of Sale has been added to the Student Data System which allows parents to see current balances while viewing students' grades. As of now the number of food vendors available to the District is limited. The School District is reimbursed through the School Breakfast Program and the National School Lunch Program. The percentages of students who receive free and reduced breakfast and lunch is 46% (Count Day 2021). The District belongs to a consortium which aids the District in pursuing Assistance Grants which would help in purchasing large ticket items such as equipment.

The following table shows the District's major functions. It also shows the net costs (total cost less revenue generated by activities). A comparison with the previous year is also included. The elementary school (K-6) has continuously increased in enrollment. Please keep in mind for the 2021 column; the food service's costs have been included.

**Table - 3 Governmental Activities by Major Function**

	2021		2020	
	Total Cost of Service	Net Cost of Service	Total Cost of Service	Net Cost of Service
Instructional services	2,365,746	(1,860,287)	2,179,667	(1,806,826)
Students	183,258	(150,542)	149,982	(67,251)
Instructional staff	3,620	(3,620)	4,548	(4,548)
District administration	369,149	(369,149)	387,379	(387,379)
School administration	84,686	(84,686)	83,496	(83,496)
Business	188,042	(188,042)	184,421	(184,421)
Operation and maintenance of facilities	486,237	(474,183)	379,951	(365,063)
Transportation	201,741	(156,956)	230,361	(183,319)
Central	57,050	(57,050)	58,952	(58,952)
Facility Acquisition & Construction	-	-	-	129,825
Food Service	165,563	(62,901)	175,041	(51,370)
Capital outlay	11,478	1,464,661	-	-
Interest on Long Term Liabilities	124,803	(124,803)	58,154	(58,154)
Issue Costs	-	-	65,050	(65,050)
Pension and OPEB Expense (Income)	(1,443,775)	1,443,775	(930,606)	930,606
Total	2,797,598	(623,783)	3,026,396	(2,255,398)

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

*Governmental Activities*

- The cost of all governmental activities this year was \$8,177,986.
- The federal and state government subsidized certain programs with grants and contributions.
- Most of the District's costs however, were financed by District and State taxpayers. This portion of governmental activities was financed with \$2,198,341 in state equalization from the School Finance Act and \$1,396,952 in property tax and specific ownership taxes.

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

As of October 01, 2021, there were 319 FTE students enrolled in the Hoehne School District R-3. The fluctuating number from the Count Day to close of school in May has been addressed on Page i, **Financial Highlights**. Steady or increasing pupil enrollment is the best way to ensure adequate funding in a school district's budget. However, as the enrollment increases the expenses increase. Frugal spending habits are continuing to be maintained.

***General Fund Budgetary Highlights***

- The District's Budget is prepared according to Colorado Law and is based on accounting for certain transactions on a basis of cash receipts and disbursements. The most significant budgeted fund is the General Fund.
- Revenues in the General Fund were \$453,469 higher than the previous year. The state equalization share did decrease.
- As of June 30, 2021 the District's TABOR reserve amounted to \$167,000.

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

*Capital Assets*

The District's investment in capital assets for its governmental activities, which includes the Food Service Special Revenue, as of June 30, 2021 amounts to \$6,990,295. The previous year's capital assets are shown for comparison.

Table 4: Capital Assets ( Net of Depreciation )

	Governmental <u>2020-2021</u>	Governmental <u>2019-2020</u>
Land & Sites	227,489	227,489
Construction in Progress	4,408,825	1,370,177
Buildings & Improvements	2,225,566	1,438,338
Equipment & Vehicles	124,454	178,729
Food Service	3,961	6,547
Total Capital Assets	<u>6,990,295</u>	<u>3,221,280</u>

**HOEHNE R-3  
SCHOOL DISTRICT  
Management Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021**

*Long-Term Debt*

At year-end the District had \$76,026 in accumulated sick leave. Compensated absences are not reported as a liability in the Fund.

CHANGES IN LONG TERM DEBT

	<u>Balance</u> <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2021</u>
Accumulated Sick Leave	64,080	11,946		76,026
HVAC Lease	457,262		89,107	368,155
G.O. Bonds Series 2020	3,200,000		60,000	3,140,000
G.O. Bonds Series 2020 B Certificate	65,050		65,050	-
Totals	<u>3,786,392</u>	<u>11,946</u>	<u>214,157</u>	<u>3,584,181</u>

Multi-Year Obligation

Superintendent Contract

2022-2023 Second year of contract

**HOEHNE R-3 SCHOOL DISTRICT**  
**Management Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2021**

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

The budget for the 2020-2021 school year is based on past revenue collections and projected expenditures.

In the past three years the staff has been given an average of a 3.34% raise on the base salary. For the 2021-2022 school year, all teachers will receive a 4% raise on the salary schedule. To recruit and retain quality teachers in the District, the District has joined a Consortium to promote Hoehne School District.

Increased Health insurance, utility and food costs, strict State and Federal Requirements for the Hot Lunch Program, as well as the increasing percentage the District contributes to PERA, add to the difficulty in keeping spending in line with anticipated revenues.

**Contacting the District's Financial Management**

This financial report is designed to provide our citizen's, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Superintendent of Schools  
Hoehne R-3 School District  
P.O. Box 91  
Hoehne, Colorado 81046

BASIC FINANCIAL STATEMENTS

HOEHNE REORGANIZED SCHOOL DISTRICT R-3  
STATEMENT OF NET POSITION  
June 30, 2021

	<u>Governmental</u>	<u>Total</u>
	<u>Activities</u>	
<u>ASSETS</u>		
Cash and Investments	5,033,205	5,033,205
Accounts Receivable	41,247	41,247
Grants Receivable	199,095	199,095
Property Taxes Receivable	307,700	307,700
Inventories	1,682	1,682
Capital Assets	14,360,067	14,360,067
Accumulated Depreciation	<u>(7,369,772)</u>	<u>(7,369,772)</u>
<u>Total Assets</u>	<u>12,573,224</u>	<u>12,573,224</u>
<u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pensions	1,349,865	1,349,865
Other Post Employment Benefits	<u>15,522</u>	<u>15,522</u>
<u>Total Deferred Outflow of Resources</u>	<u>1,365,387</u>	<u>1,365,387</u>
<u>LIABILITIES</u>		
Accounts Payable	262,937	262,937
Accrued Salaries	265,824	265,824
Accrued Interest Payable	8,600	8,600
Compensated Absences	76,026	76,026
Unearned Grant Revenue	134,070	134,070
Other Liabilities	5,446	5,446
Net Pension Liability	5,062,856	5,062,856
Net Other Post Employment Benefits Liability	184,083	184,083
Debt Payable – Current	212,783	212,783
Debt Payable – Long Term	<u>3,295,372</u>	<u>3,295,372</u>
<u>Total Liabilities</u>	<u>9,507,997</u>	<u>9,507,997</u>
<u>DEFERRED INFLOW OF RESOURCES</u>		
Pensions	2,143,043	2,143,043
Other Post Employment Benefits	<u>80,483</u>	<u>80,483</u>
<u>Total Deferred Inflow of Resources</u>	<u>2,223,526</u>	<u>2,223,526</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	3,482,140	3,482,140
Restricted:		
TABOR Reserve	167,000	167,000
Multi Year Obligation	173,500	173,500
Debt Service	222,120	222,120
Capital Outlay	367,890	367,890
Preschool	1,656	1,656
Food Service	37,692	37,692
Unrestricted	<u>(2,244,910)</u>	<u>(2,244,910)</u>
<u>TOTAL NET POSITION</u>	<u>2,207,088</u>	<u>2,207,088</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

	Net (Expenses) Revenue and Changes in Net Position				
	Program Revenues		Primary Government		
	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities	Total
<b>FUNCTIONS</b>					
Instructional Services	2,365,746	-	-	(1,860,287)	(1,860,287)
Supporting Services:		505,459	-		
Students	183,258	-	-	(150,542)	(150,542)
Instructional Staff	3,620	-	-	(3,620)	(3,620)
District Administration	369,149	-	-	(369,149)	(369,149)
School Administration	84,686	-	-	(84,686)	(84,686)
Business	188,042	-	-	(188,042)	(188,042)
Operation & Maintenance of Facilities	486,237	-	-	(474,183)	(474,183)
Transportation	201,741	44,785	-	(156,956)	(156,956)
Central	57,050	-	-	(57,050)	(57,050)
Facility Acquisition & Construction	-	-	1,476,139	-	-
Food Service	165,563	95,410	-	(62,901)	(62,901)
Capital Outlay	11,478	-	-	1,464,661	1,464,661
Interest on Long Term Liabilities	124,803	-	-	(124,803)	(124,803)
Net Pension Change	(1,425,205)	-	-	1,425,205	1,425,205
Net OPEB Change	(18,570)	-	-	18,570	18,570
<b>Total Governmental Activities</b>	<u>2,797,598</u>	<u>645,654</u>	<u>1,476,139</u>	<u>(623,783)</u>	<u>(623,783)</u>
<b>Total School District</b>	<u>2,797,598</u>	<u>645,654</u>	<u>1,476,139</u>	<u>(623,783)</u>	<u>(623,783)</u>
<b>General Revenues</b>					
Property Taxes Levied for General Purposes				1,374,735	1,374,735
Specific Ownership Taxes				252,827	252,827
Equalization				2,198,341	2,198,341
Earnings on Investments				3,739	3,739
Other Revenues				60,742	60,742
<b>Total General Revenues</b>				<u>3,890,384</u>	<u>3,890,384</u>
<b>Change in Net Position</b>				<u>3,266,601</u>	<u>3,266,601</u>
<b>Net Position, Beginning</b>				<u>(1,059,513)</u>	<u>(1,059,513)</u>
<b>Net Position, Ending</b>				<u>2,207,088</u>	<u>2,207,088</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2021

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Building Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>					
Cash and Investments	4,244,951	215,207	443,099	129,948	5,033,205
Accounts Receivable	36,896	-	-	4,351	41,247
Grants Receivable	4,790	-	170,755	23,550	199,095
Due From Other Funds	3,607	-	-	-	3,607
Property Taxes Receivable, Net of Allowance for Doubtful Collections of \$1,564,000	264,600	43,100	-	-	307,700
Inventories	-	-	-	1,682	1,682
<u>Total Assets</u>	<u>4,554,844</u>	<u>258,307</u>	<u>613,854</u>	<u>159,531</u>	<u>5,586,536</u>
<b><u>LIABILITIES:</u></b>					
Accounts Payable	15,947	-	245,544	1,446	262,937
Accrued Salaries	256,724	-	-	9,100	265,824
Due To Other Funds	-	3,187	420	-	3,607
Unearned Revenue	134,070	-	-	5,446	139,516
Other Payables	-	-	-	-	-
<u>Total Liabilities</u>	<u>406,741</u>	<u>3,187</u>	<u>245,964</u>	<u>15,992</u>	<u>671,884</u>
<b><u>DEFERRED INFLOW OF RESOURCES</u></b>					
Property Taxes	218,950	33,000	-	-	251,950
<b><u>FUND BALANCES:</u></b>					
Nonspendable:					
Inventories	-	-	-	1,682	1,682
Restricted:					
Emergencies	167,000	-	-	-	167,000
Preschool	1,656	-	-	-	1,656
Multi Year Obligation	173,500	-	-	-	173,500
Food Service	-	-	-	37,692	37,692
Capital Outlay	-	-	367,890	-	367,890
Debt Service	-	222,120	-	-	222,120
Committed:					
Capital Outlay	22,559	-	-	-	22,559
Assigned:					
Pupil Activities	-	-	-	104,165	104,165
Unassigned	3,564,438	-	-	-	3,564,438
<u>Total Fund Balances</u>	<u>3,929,153</u>	<u>222,120</u>	<u>367,890</u>	<u>143,539</u>	<u>4,662,702</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>					
	<u>4,554,844</u>	<u>258,307</u>	<u>613,854</u>	<u>159,531</u>	<u>5,586,536</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2021

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

<u>Total Fund Balance – Governmental Funds</u>	4,662,702
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$14,360,067 and the accumulated depreciation is \$7,369,772.	6,990,295
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	251,950
Accrued interest on long term debt is not reported in the funds	(8,600)
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(3,508,155)
Compensated absences are not reported as a liability in the funds.	(76,026)
The District’s portion of the net pension obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(5,062,856)
The District’s portion of the net OPEB obligation for PERA is reported on the statement of net position is not reported as a liability in the funds.	(184,083)
Deferred flows for contributions made toward the net pension obligation from December 31, 2020 until June 30, 2021 is not reported in the funds.	208,796
Deferred flows for contributions made toward the net OPEB obligation from December 31, 2020 until June 30, 2021 is not reported in the funds.	10,190
Deferred employer and plan level pension flows are not reported in the funds.	(1,001,974)
Deferred employer and plan level OPEB flows are not reported in the funds.	<u>(75,151)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>2,207,088</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2021

	General Fund	Bond Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Property Taxes	1,144,125	254,830	-	-	1,398,955
Specific Ownership Taxes	252,827	-	-	-	252,827
Earnings on Investments	3,647	92	-	-	3,739
Other Local Sources	71,314	755	-	40,695	112,764
State Aid	2,281,345	-	1,476,139	1,721	3,759,205
Federal Aid	467,240	-	-	93,689	560,929
<u>Total Revenues</u>	<u>4,220,498</u>	<u>255,677</u>	<u>1,476,139</u>	<u>136,105</u>	<u>6,088,419</u>
<u>EXPENDITURES</u>					
Current:					
Instructional Services	2,192,537	-	-	-	2,192,537
Supporting Services:					
Students	144,242	-	-	34,812	179,054
Instructional Staff	3,620	-	-	-	3,620
District Administration	368,476	-	-	-	368,476
School Administration	84,686	-	-	-	84,686
Business	188,042	-	-	-	188,042
Operation & Maintenance of Facilities	412,643	-	-	-	412,643
Transportation	151,643	-	-	-	151,643
Central	57,050	-	-	-	57,050
Facility Acquisition and Construction	8,418	-	-	-	8,418
Food Service	-	-	-	162,977	162,977
Debt Service:					
Principal Retirement	89,107	125,050	-	-	214,157
Interest and Fees	16,877	108,126	-	-	125,003
Issue Costs	-	-	-	-	-
Capital Outlay	-	-	4,064,493	-	4,064,493
<u>Total Expenditures</u>	<u>3,717,341</u>	<u>233,176</u>	<u>4,064,493</u>	<u>197,789</u>	<u>8,212,799</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>					
<u>OVER (UNDER) EXPENDITURES</u>	<u>503,157</u>	<u>22,501</u>	<u>(2,588,354)</u>	<u>(61,684)</u>	<u>(2,124,380)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers	(73,528)	-	-	73,528	-
Proceeds from Debt	-	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>(73,528)</u>	<u>-</u>	<u>-</u>	<u>73,528</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>429,629</u>	<u>22,501</u>	<u>(2,588,354)</u>	<u>11,844</u>	<u>(2,124,380)</u>
<u>FUND BALANCES-Beginning</u>	<u>3,499,524</u>	<u>199,619</u>	<u>2,956,244</u>	<u>131,695</u>	<u>6,787,082</u>
<u>FUND BALANCES-Ending</u>	<u>3,929,153</u>	<u>222,120</u>	<u>367,890</u>	<u>143,539</u>	<u>4,662,702</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2021

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

Net Change in Fund Balances – Total Governmental Funds (2,124,380)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 are capitalized and the cost is allocated over their estimated used lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

	4,104,902	
Capital outlays more than \$5,000		
Depreciation expense	<u>(335,887)</u>	3,769,015

Property tax revenues received prior to the year for which they are being levied or are not “available” at year end are reported as deferred revenue in the governmental funds. They are, however, recorded as revenue in the statement of activities. Deferred property tax revenues increased this year. (24,220)

In the statement of activities compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amount paid). During the year, compensated absences decreased by this amount. (11,946)

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

	-	
Debt proceeds		
Principal payment	214,157	
Accrued interest	200	

The statement of activities reports net pension and OPEB obligations which is not reported in the fund financial statements:

	(381,486)	
Change in net pension obligation		
Deferred flows from net pension obligations	1,806,691	
Change in net OPEB obligation	46,151	
Deferred flows from net OPEB obligations	<u>(27,581)</u>	

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 3,266,601

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

NOTES TO BASIC FINANCIAL STATEMENTS

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Hoehne Reorganized School District Number R-3 (the District) conform with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in Hoehne Reorganized School District Number R-3. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A.    Reporting Entity

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B.      Government-Wide and Fund Financial Statements

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

D.      Fund Accounting

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

•      Major Governmental Funds

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

E.      Cash and Investments

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F.      Receivables

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

G.      Inventories

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

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

H.      Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (5-40 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I.      Long-Term Obligations

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J.      Constitutional Amendment

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

On November 5, 1996 the registered voters approved a ballot resolution authorizing Hoehne Reorganized School District Number R-3 to collect, retain and expend all revenues from any source provided that no property tax mill levy be increased without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2021 the District reserved \$167,000 for this purpose.

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

K.      Property Taxes

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

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

L.      Accumulated Staff Leave

Compensated absences are made up of accumulated sick leave reported as non-current liabilities in the government-wide financial statements. As of June 30, 2021, the District has recorded an estimated liability of \$76,026 relating to accrued sick leave payable.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L.      Accumulated Staff Leave (Continued)

A summary of changes in compensated absences is as follows:

	Balance <u>July 1, 2020</u>	Additions	Deletions	Balance <u>June 30, 2021</u>
Compensated Absences	<u>64,080</u>	<u>11,946</u>	<u>-</u>	<u>76,026</u>

M.      Use of Estimates

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

N.      GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 1     SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N.     GASB Statement No. 54 (Continued)

Assigned Fund Balance Policy:

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

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Bond Fund</u>	<u>Capital Reserve Capital Projects Fund</u>	<u>Food Service</u>	<u>Student Activity</u>	<u>Total Governmental Funds</u>
<u>Nonspendable:</u>						
Inventories	-	-	-	1,682	-	1,682
<u>Restricted:</u>						
Emergencies	167,000	-	-	-	-	167,000
Preschool	1,656	-	-	-	-	1,656
Multi Year Obligation	173,500	-	-	-	-	173,500
Debt Service	-	222,120	-	-	-	222,120
Capital Outlay	-	-	367,890	-	-	367,890
Food Service	-	-	-	37,692	-	37,692
<u>Committed:</u>						
Capital Outlay	22,559	-	-	-	-	22,559
<u>Assigned:</u>						
Pupil Activities	-	-	-	-	104,165	104,165
<u>Unassigned</u>	<u>3,564,438</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,564,438</u>
<u>Total Fund Balances</u>	<u>3,929,153</u>	<u>222,120</u>	<u>367,890</u>	<u>39,374</u>	<u>104,165</u>	<u>4,662,702</u>

O.     Deferred Outflows / Inflows of Resources

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 2      RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for governmental fund statements to the economic resources measurement and full accrual basis used for government-wide statements

<u>Eliminations</u>	<u>Due From</u>	<u>Due To</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	3,607	-	-	73,528
Bond Fund	-	3,187	-	-
Building Fund	-	420	-	-
Food Service	<u>-</u>	<u>-</u>	<u>73,528</u>	<u>-</u>
	<u>3,607</u>	<u>3,607</u>	<u>73,528</u>	<u>73,528</u>

NOTE 3      BUDGETARY INFORMATION

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 3      BUDGETARY INFORMATION (Continued)

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

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

NOTE 4      CASH AND INVESTMENTS

Deposits

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

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

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	493,702	493,702
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	3,876,491	3,895,088
Cash with Fiscal Agent	657,267	-
Cash with County Treasurer	<u>5,745</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>5,033,205</u>	<u>4,388,790</u>

As presented above, deposits with a bank balance of \$3,895,088 and a carrying balance of \$3,876,491 as of June 30, 2021, are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 5      CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2021</u>
<u>Capital Assets Not Being Depreciated</u>					
Land	227,489	-	-	-	227,489
Construction in Progress	1,370,177	4,009,212	-	(970,564)	4,408,825
<u>Total Capital Assets Not Being Depreciated</u>	<u>1,597,666</u>	<u>4,009,212</u>	<u>-</u>	<u>(970,564)</u>	<u>4,636,314</u>
<u>Capital Assets Being Depreciated</u>					
Buildings & Site Improvements	6,909,995	87,691	9,500	970,564	7,958,750
Equipment & Vehicles	1,705,432	7,999	32,769	-	1,680,662
Food Service	84,341	-	-	-	84,341
<u>Total Capital Assets Being Depreciated</u>	<u>8,699,768</u>	<u>95,690</u>	<u>42,269</u>	<u>970,564</u>	<u>9,723,753</u>
<u>Less Accumulated</u>					
<u>Depreciation for:</u>					
Building & Site Improvements	5,471,657	271,027	9,500	-	5,733,184
Equipment & Vehicles	1,526,703	62,274	32,769	-	1,556,208
Food Service	77,794	2,586	-	-	80,380
<u>Total Accumulated Depreciation</u>	<u>7,076,154</u>	<u>335,887</u>	<u>42,269</u>	<u>-</u>	<u>7,369,772</u>
<u>Total Capital Assets Being Depreciated, Net</u>	<u>1,623,614</u>	<u>(240,197)</u>	<u>-</u>	<u>970,564</u>	<u>2,353,981</u>
<u>Governmental Activities Capital Assets, Net</u>	<u>3,221,280</u>	<u>3,769,015</u>	<u>-</u>	<u>-</u>	<u>6,990,295</u>

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

Governmental Activities:

Instruction	161,263
Student Support	4,204
General Administration Support	673
Operations and Maintenance	117,063
Transportation	50,098
Food Service	2,586
<u>Total Depreciation Expense – Governmental Activities</u>	<u>335,887</u>

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 6      PENSION PLAN

**Defined Benefit Pension Plan**

**Summary of Significant Accounting Policies**

Pensions. Hoehne Reorganized School District Number R-3 participates in the School Division Trust Fund (SCHDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado ("PERA"). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position (FNP) and additions to/deductions from the FNP of the SCHDTF have been determined using the economic resources measurement focus and the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**General Information about the Pension Plan**

*Plan description.* Eligible employees of the Hoehne Reorganized School District Number R-3 are provided with pensions through the SCHDTF - a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 6      PENSION PLAN (Continued)

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

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

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

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

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

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

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

*Contributions provisions as of June 30, 2021:* Eligible employees of, Hoehne Reorganized School District Number R-3 and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.00 percent of their PERA-includable salary during the period of July 1, 2020 through June 30, 2021. Employer contribution requirements are summarized in the table below.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 6 **PENSION PLAN (Continued)**

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

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

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the Hoehne Reorganized School District Number R-3 is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from Hoehne Reorganized School District Number R-3 were \$392,345 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 Hoehne Reorganized School District Number R-3 proportion of the net pension liability was based on Hoehne Reorganized School District Number R-3 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.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 6      PENSION PLAN (Continued)

At June 30, 2021, the Hoehne Reorganized School District Number R-3 reported a liability of \$5,062,856 for its proportionate share of the net pension liability. The amount recognized by the Hoehne Reorganized School District Number R-3 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 Hoehne Reorganized School District Number R-3 were as follows:

Hoehne Reorganized School District Number R-3 proportionate share of the net pension liability	\$ 5,062,856
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the Hoehne Reorganized School District Number R-3	\$ -
Total	\$ 5,062,856

At December 31, 2020, the Hoehne Reorganized School District Number R-3 proportion was 0.033 percent, which was an increase of 0.0022 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Hoehne Reorganized School District Number R-3 recognized pension income of \$1,425,205 and revenue of \$0 for support from the State as a nonemployer contributing entity. At June 30, 2021, the Hoehne Reorganized School District Number R-3 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	278,179	-
Changes of assumptions or other inputs	487,031	(851,023)
Net difference between projected and actual earnings on pension plan investments	-	(1,114,450)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	375,859	(177,570)
Contributions subsequent to the measurement date	208,796	N/A
Total	1,349,865	(2,143,043)

\$208,796 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2021	
2022	(889,760)
2023	224,632
2024	(161,035)
2025	(175,811)
2026	-
Thereafter	-

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 6      PENSION PLAN (Continued)

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 6**      **PENSION PLAN (Continued)**

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

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

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 6**      **PENSION PLAN (Continued)**

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

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2021

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NOTE 6      PENSION PLAN (Continued)

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 6**      **PENSION PLAN (Continued)**

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

*Sensitivity of the Hoehne Reorganized School District Number R-3 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	6,906,150	5,062,856	3,526,784

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

**Defined Contribution Pension Plan**

**Voluntary Investment Program**

*Plan Description* – Employees of the Hoehne Reorganized School District Number R-3 that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available Annual Report which includes additional information on the Voluntary Investment Program. That report can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

*Funding Policy* – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions, employer contributions and investment earnings. For the year ended June 30, 2021, program members contributed \$3,331.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
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June 30, 2021

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NOTE 7      OTHER POST EMPLOYMENT BENEFITS

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

**Summary of Significant Accounting Policies**

*OPEB.* Hoehne Reorganized School District Number R-3 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 Hoehne Reorganized School District Number R-3 are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (Annual Report) that can be obtained at [www.copera.org/investments/pera-financial-reports](http://www.copera.org/investments/pera-financial-reports).

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

*PERA Benefit Structure*

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

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

*DPS Benefit Structure*

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the Hoehne Reorganized School District Number R-3 is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from Hoehne Reorganized School District Number R-3 were \$19,148 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 Hoehne Reorganized School District Number R-3 reported a liability of \$184,083 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 Hoehne Reorganized School District Number R-3 proportion of the net OPEB liability was based on Hoehne Reorganized School District Number R-3 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 Hoehne Reorganized School District Number R-3 proportion was 0.0194 percent, which was a decrease of 0.001 from its proportion measured as of December 31, 2019.

For the year ended June 30, 2021, the Hoehne Reorganized School District Number R-3 recognized OPEB income of \$18,570. At June 30, 2021, the Hoehne Reorganized School District Number R-3 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	489	(40,470)
Changes of assumptions or other inputs	1,375	(11,288)
Net difference between projected and actual earnings on OPEB plan investments	-	(7,522)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	3,468	(21,203)
Contributions subsequent to the measurement date	10,190	N/A
Total	15,522	(80,483)

\$10,190 reported as deferred outflows of resources related to OPEB, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2021	
2022	(17,150)
2023	(16,098)
2024	(17,480)
2025	(16,724)
2026	(7,219)
Thereafter	(480)

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 7**      **OTHER POST EMPLOYMENT BENEFITS (Continued)**

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

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

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

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

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

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

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

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

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

*Sensitivity of the Hoehne Reorganized School District Number R-3 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	179,325	184,083	189,622

*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.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
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NOTE 7      OTHER POST EMPLOYMENT BENEFITS (Continued)

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

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

*Sensitivity of the Hoehne Reorganized School District Number R-3 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	210,870	184,083	161,195

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

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NOTE 8      RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God.

The District maintains commercial insurance for all risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL

The District belongs to the Colorado School District's Self-Insurance Pool. The Pool was established by the Colorado Association of School Boards (CASB) to provide insurance coverage to participants in the areas of General Liability, Errors and Omissions, Automobile Liability, Auto Physical Damage, Auto Personal Injury Protection, Real and Personal Property, Crime, Workers' Compensation and other coverage. The Board of Directors is composed of eight persons; seven of whom are appointed by the Board of Directors of CASB and the Executive Director of CASB. The

Pool is managed by an independent manager chosen by the Board of Directors. Each member's initial contribution and subsequent contributions are determined by the Pool based on factors including, but not limited to, the Aggregate Pool claims, the cost of Administrative and other operating expenses, the number of participants, the adequacy of both Operating and Reserve Funds and other factors touching on the status of the Pool or an individual participant, and as approved by the Colorado Insurance Commissioner.

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
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NOTE 9      COLORADO SCHOOL DISTRICT SELF INSURANCE POOL (Continued)

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

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

NOTE 10      INVENTORIES

Food Service Fund inventories at June 30, 2021, consisted of purchased food, purchased non-food and donated commodities amounting to \$1,682. 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 11      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, at June 30, 2021 are estimated to be \$265,824. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 12      SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 13    INTERFUND RECEIVABLES AND TRANSFERS

<u>Major Governmental Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Due From</u>	<u>Due To</u>
General Fund	-	73,528	3,607	-
Bond Fund	-	-	-	3,187
Building Fund	-	-	-	420
Food Service Fund	<u>73,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>73,528</u>	<u>73,528</u>	<u>3,607</u>	<u>3,607</u>

Transfers were made from the General Fund to the Food Service Fund for the purpose of assisting food service operations. Interfund loans are to be repaid within the next year.

NOTE 14    JOINT VENTURES

Not reflected in the accompanying financial statements is the District's participation in the South Central Board of Cooperative Educational Services (BOCES). The BOCES is an organization that provides member districts educational services at a shared lower cost per district. The BOCES is audited annually and submits an audit report to the Colorado State Auditor's Office.

The District has one member on the Board. This Board has final authority for all budgeting and financing of the joint venture. The District's share of the joint venture is not determinable at June 30, 2021. The joint venture summary audited financial information for the year ended June 30, 2020, is as follows:

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

NOTE 15    LONG-TERM DEBT – CAPITAL LEASES AND GENERAL OBLIGATIONS

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

	Beginning Balance <u>7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6/30/2021</u>	Current Portion
HVAC Lease	457,262	-	89,107	368,155	92,783
G.O. Bonds Series 2020	3,200,000	-	60,000	3,140,000	120,000
G.O. Bonds Series 2020 B Certificate	<u>65,050</u>	<u>-</u>	<u>65,050</u>	<u>-</u>	<u>-</u>
Totals	<u>3,722,312</u>	<u>-</u>	<u>214,157</u>	<u>3,508,155</u>	<u>212,783</u>

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

**Capital Leases**

The District entered into a capital lease arrangement in the year ended June 30, 2020 to install a new HVAC system. The lease calls for 60 monthly payments beginning April 15, 2020 in the amount of \$8,831.99 which includes interest at a rate of 4.05%. Total amount financed was \$478,682.

Future minimum payments follow:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	92,783	13,201	105,984
2023	96,612	9,372	105,984
2024	100,598	5,386	105,984
2025	<u>78,162</u>	<u>1,325</u>	<u>79,487</u>
	<u>368,155</u>	<u>29,284</u>	<u>397,439</u>
Less: Amounts representing interest			<u>29,284</u>
Net Present Value of Future Minimum Payments			<u>368,155</u>

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2021

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NOTE 15    LONG-TERM DEBT – CAPITAL LEASES AND GENERAL OBLIGATIONS (Continued)

**General Obligation Bonds**

On January 3, 2020, the District issued \$3,200,000 in Series 2020 G.O. Bonds for capital construction. The bonds will be repaid over 20 years beginning June 1, 2020. The interest rate is 3.3%. A schedule of debt service to maturity follows:

	<u>Principal</u>	<u>Interest</u>
2022	120,000	101,640
2023	125,000	97,598
2024	130,000	93,390
2025	135,000	89,018
2026	140,000	84,480
2027	145,000	79,778
2028	150,000	74,910
2029	150,000	69,960
2030	155,000	64,928
2031	160,000	59,730
2032	170,000	54,285
2033	175,000	48,592
2034	180,000	42,735
2035	185,000	36,712
2036	190,000	30,525
2037	195,000	24,172
2038	205,000	17,572
2039	210,000	10,725
2040	<u>220,000</u>	<u>3,630</u>
	<u>3,140,000</u>	<u>1,084,380</u>

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISONS

PENSION TREND DATA

OTHER POST EMPLOYMENT BENEFITS TREND DATA

## MAJOR GOVERNMENTAL FUNDS

### General Fund

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

### Pension Trend Data

### Other Post Employment Benefits Trend Data

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
<u>Local Sources</u>				
Property Taxes	578,000	600,000	1,144,125	544,125
Specific Ownership Taxes	131,750	150,000	252,827	102,827
Earnings on Investments	5,355	3,000	3,647	647
Delinquent Penalty & Interest	-	3,230	3,300	70
Other	47,600	95,800	68,014	(27,786)
<u>State Sources</u>				
Equalization	1,870,000	2,177,700	2,198,341	20,641
Transportation	42,481	42,481	44,785	2,304
Vocational Education	11,000	11,000	19,159	8,159
Other	10,347	348,474	19,060	(329,414)
<u>Federal Sources</u>				
Other	<u>106,707</u>	<u>150,894</u>	<u>467,240</u>	<u>316,346</u>
<u>TOTAL REVENUES</u>	<u>2,803,240</u>	<u>3,582,579</u>	<u>4,220,498</u>	<u>637,919</u>
<u>EXPENDITURES</u>				
<u>Instruction</u>				
Salaries	1,199,673	1,275,204	1,278,162	(2,958)
Employee Benefits	385,643	405,477	386,260	19,217
Purchased Services - Professional	20,357	78,337	69,236	9,101
Purchased Services – Property	-	424,935	-	424,935
Purchased Services – Other	456,116	172,168	137,160	35,008
Supplies and Materials	342,704	962,258	321,481	640,777
Property	-	-	188	(188)
Other Objects	-	<u>1,450</u>	<u>50</u>	<u>1,400</u>
<u>Total Instruction</u>	<u>2,404,493</u>	<u>3,319,829</u>	<u>2,192,537</u>	<u>1,127,292</u>
<u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	101,651	106,492	105,911	581
Employee Benefits	30,618	31,714	29,787	1,927
Purchased Services – Professional	12,750	12,750	7,260	5,490
Purchased Services – Property	-	-	-	-
Purchased Services – Other	2,975	2,975	385	2,590
Supplies and Materials	1,190	1,190	899	291
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Supporting Services</u>	<u>149,184</u>	<u>155,121</u>	<u>144,242</u>	<u>10,879</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

<u>SUPPORTING SERVICES (Continued)</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Instructional Staff</u>				
Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	3,825	5,500	3,620	1,880
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Instructional Staff</u>	<u>3,825</u>	<u>5,500</u>	<u>3,620</u>	<u>1,880</u>
<u>General Administration</u>				
Salaries	100,000	118,573	101,264	17,309
Employee Benefits	45,784	52,174	46,176	5,998
Purchased Services – Professional	20,825	26,500	26,685	(185)
Purchased Services – Property	11,900	14,000	11,494	2,506
Purchased Services – Other	205,600	195,500	168,873	26,627
Supplies and Materials	136,857	58,298	8,634	49,664
Property	8,500	10,000	-	10,000
Other Objects	13,600	15,850	5,350	10,500
<u>Total General Administration</u>	<u>543,066</u>	<u>490,895</u>	<u>368,476</u>	<u>122,419</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	65,500	84,968	66,396	18,572
Employee Benefits	14,870	20,082	14,679	5,403
Purchased Services – Professional	850	850	400	450
Purchased Services – Property	-	-	-	-
Purchased Services – Other	4,250	4,250	-	4,250
Supplies and Materials	3,825	3,825	3,211	614
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total School Administration</u>	<u>89,295</u>	<u>113,975</u>	<u>84,686</u>	<u>29,289</u>
<u>Business Services</u>				
Salaries	128,372	97,542	133,579	(36,037)
Employee Benefits	42,083	33,493	42,134	(8,641)
Purchased Services – Professional	6,800	6,800	7,730	(930)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	2,550	2,550	376	2,174
Supplies and Materials	3,825	3,825	4,223	(398)
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Business Services</u>	<u>183,630</u>	<u>144,210</u>	<u>188,042</u>	<u>(43,832)</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	80,944	85,279	83,889	1,390
Employee Benefits	35,434	40,516	39,863	653
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	25,500	25,500	28,922	(3,422)
Purchased Services – Other	42,879	68,000	60,153	7,847
Supplies and Materials	187,000	187,000	144,865	42,135
Property	12,750	12,750	54,951	(42,201)
Other Objects	-	70,000	-	70,000
<u>Total Operations and Maintenance</u>	<u>384,507</u>	<u>489,045</u>	<u>412,643</u>	<u>76,402</u>
<u>Student Transportation</u>				
Salaries	109,265	99,525	78,173	21,352
Employee Benefits	39,483	37,250	33,101	4,149
Purchased Services – Professional	3,825	3,825	956	2,869
Purchased Services – Property	-	-	-	-
Purchased Services – Other	37,825	37,825	13,707	24,118
Supplies and Materials	72,250	72,250	25,706	46,544
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>262,648</u>	<u>250,675</u>	<u>151,643</u>	<u>99,032</u>
<u>Central Support</u>				
Salaries	34,103	36,023	36,128	(105)
Employee Benefits	13,425	13,859	13,587	272
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	5,100	5,100	5,005	95
Supplies and Materials	3,400	3,400	2,330	1,070
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Central Support</u>	<u>56,028</u>	<u>58,382</u>	<u>57,050</u>	<u>1,332</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Facilities Support</u>				
Salaries	-	-	-	-
Benefits	-	-	-	-
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	-	-	-	-
Property	1,265,000	1,175,000	8,418	1,166,582
Other Objects	-	-	-	-
<u>Total Facilities Support</u>	<u>1,265,000</u>	<u>1,175,000</u>	<u>8,418</u>	<u>1,166,582</u>
<u>TOTAL SUPPORTING SERVICES</u>	<u>2,937,183</u>	<u>2,882,803</u>	<u>1,418,820</u>	<u>1,463,983</u>
<u>Debt Service</u>				
Principal Retirement	-	79,233	89,107	(9,874)
Interest and Fiscal Charges	-	27,620	16,877	10,743
<u>Total Debt Service</u>	<u>-</u>	<u>106,853</u>	<u>105,984</u>	<u>869</u>
<u>APPROPRIATED RESERVES</u>	<u>661,564</u>	<u>661,564</u>	<u>-</u>	<u>661,564</u>
<u>TOTAL EXPENDITURES</u>	<u>6,003,240</u>	<u>6,971,049</u>	<u>3,717,341</u>	<u>3,253,708</u>
<u>REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>(3,200,000)</u>	<u>(3,388,470)</u>	<u>503,157</u>	
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers	-	(90,000)	(73,528)	16,472
Proceeds From Debt	-	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>(90,000)</u>	<u>(73,528)</u>	<u>16,472</u>
<u>REVENUES AND OTHER FINANCING</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>(3,200,000)</u>	<u>(3,478,470)</u>	<u>429,629</u>	
<u>FUND BALANCE, Beginning</u>	<u>3,200,000</u>	<u>3,478,470</u>	<u>3,499,524</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>-</u>	<u>3,929,153</u>	

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net pension liability (asset)	0.0335%	0.0313%	0.0310%	0.0353%	0.0372%	0.370%	0.0369%	0.0382%	-	-
District's proportionate share of the net pension liability (asset)	\$5,062,856	\$4,681,370	\$5,494,530	\$11,422,826	\$11,065,162	\$5,655,462	\$5,005,230	\$4,876,035	-	-
State's proportionate share of the net pension liability associated with the District**	-	\$593,771	\$751,302	-	-	-	-	-	-	-
District's covered payroll	\$1,877,249	\$1,805,937	\$1,821,297	\$1,557,668	\$1,656,554	\$1,565,373	\$1,570,621	\$1,550,853	-	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	270%	259%	302%	733%	668%	361%	319%	314%	-	-
Plan fiduciary net position as a percentage of the total pension liability	66.99%	64.52%	57.01%	43.96%	43.13%	59.20%	62.80%	64.06%	-	-

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

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION  
 For The Last 10 Fiscal Years (As Available)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contributions	\$ 392,345	\$ 349,991	\$ 348,414	\$ 294,160	\$ 304,494	\$ 277,648	\$ 265,337	\$ 247,912	\$ 227,883	-
Contributions in relation to the contractually required contributions	<u>\$ (392,345)</u>	<u>\$ (349,991)</u>	<u>\$ (348,414)</u>	<u>\$ (294,160)</u>	<u>\$ (304,494)</u>	<u>\$ (277,648)</u>	<u>\$ (265,337)</u>	<u>\$ (247,912)</u>	<u>\$ (227,883)</u>	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,877,249	\$1,805,937	\$1,821,297	\$1,557,668	\$1,656,554	\$1,565,373	\$1,570,621	\$1,550,853	\$1,509,117	-
Contributions as a percentage of covered payroll	20.90%	19.38%	19.13%	18.88%	18.38%	17.73%	16.89%	15.99%	15.10%	-

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 SCHEDULE OF PROPORTIONATE SHARE OF NET OTHER POST EMPLOYMENT BENEFITS (OPEB) LIABILITY  
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
District's proportion of the net OPEB liability (asset)	0.0194%	0.0205%	0.0202%	0.0200%	0.0211%	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$184,083	\$230,234	\$274,418	\$260,849	\$273,886	-	-	-	-	-
District's covered payroll	\$1,877,249	\$1,805,937	\$1,821,297	\$1,557,668	\$1,656,554	-	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.81%	12.75%	15.07%	16.75%	16.53%	-	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	32.78%	24.49%	17.03%	17.53%	16.72%	-	-	-	-	-

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB  
 For The Last 10 Fiscal Years (As Available)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Contractually required contributions	\$ 19,148	\$ 18,421	\$ 18,577	\$ 15,888	\$ 16,897	-	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(19,148)</u>	<u>\$(18,421)</u>	<u>\$(18,577)</u>	<u>\$(15,888)</u>	<u>\$(16,897)</u>	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-
District's covered payroll	\$1,877,249	\$1,805,937	\$1,821,297	\$1,557,668	\$1,656,554	-	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Debt Service Fund

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

Capital Projects Fund

Building – Use to account for all resources available for acquiring capital sites, buildings, and equipment.

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Student Activities – This fund is used to account for the costs associated with co-curricular programs. It is funded by event receipts and transfers from the General Fund.

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 June 30, 2021

	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Assets</u>			
Cash and Investments	24,337	105,611	129,948
Accounts Receivable	4,351	-	4,351
Accrued Revenue	23,550	-	23,550
Inventories	<u>1,682</u>	-	<u>1,682</u>
<u>Total Assets</u>	<u>53,920</u>	<u>105,611</u>	<u>159,531</u>
 <u>Liabilities and Fund Balances</u>			
<u>Liabilities:</u>			
Accounts Payable	-	1,446	1,446
Accrued Salaries	9,100	-	9,100
Due To Other Funds	-	-	-
Unearned Revenue	<u>5,446</u>	-	<u>5,446</u>
<u>Total Liabilities</u>	<u>14,546</u>	<u>1,446</u>	<u>15,992</u>
 <u>Fund Balances:</u>			
Nonspendable:			
Inventories	1,682	-	1,682
Restricted:			
Food Service	37,692	-	37,692
Assigned:			
Pupil Activities	<u>-</u>	<u>104,165</u>	<u>104,165</u>
<u>Total Fund Balances</u>	<u>39,374</u>	<u>104,165</u>	<u>143,539</u>
 <u>Total Liabilities &amp; Fund Balances</u>	 <u>53,920</u>	 <u>105,611</u>	 <u>159,531</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2021

	<u>Food Service</u>	<u>Pupil Activity</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Revenues</u>			
Other Local Sources	7,979	32,716	40,695
State Aid	1,721	-	1,721
Federal Aid	<u>93,689</u>	<u>-</u>	<u>93,689</u>
<u>Total Revenues</u>	<u>103,389</u>	<u>32,716</u>	<u>136,105</u>
 <u>Expenditures</u>			
Supporting Services:			
Students	-	34,812	34,812
Food Service	<u>162,977</u>	<u>-</u>	<u>162,977</u>
<u>Total Expenditures</u>	<u>162,977</u>	<u>34,812</u>	<u>197,789</u>
 <u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	 <u>(59,588)</u>	 <u>(2,096)</u>	 <u>(61,684)</u>
 <u>Other Financing Sources (Uses)</u>			
Transfers	<u>73,528</u>	<u>-</u>	<u>73,528</u>
<u>Total Other Financing Sources (Uses)</u>	<u>73,528</u>	<u>-</u>	<u>73,528</u>
 <u>Net Change in Fund Balances</u>	 13,940	 (2,096)	 11,844
 <u>Fund Balances – Beginning (as Restated)</u>	 <u>25,434</u>	 <u>106,261</u>	 <u>131,695</u>
 <u>Fund Balances – Ending</u>	 <u>39,374</u>	 <u>104,165</u>	 <u>143,539</u>

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL  
 BOND REDEMPTION FUND  
 MAJOR DEBT SERVICE FUND  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>Revenues</u>			
Property Taxes	195,000	254,830	59,830
Earnings on Investments	-	92	92
Other Local Sources	-	755	755
<u>Total Revenues</u>	<u>195,000</u>	<u>255,677</u>	<u>60,677</u>
<u>Expenditures</u>			
Debt Services:			
Principal Retirement	353,000	125,050	227,950
Interest and Fiscal Charges	37,000	107,969	(70,969)
Other	-	157	(157)
Contingency	-	-	-
<u>Total Expenditures</u>	<u>390,000</u>	<u>233,176</u>	<u>156,824</u>
<u>Revenues Over (Under) Expenditures</u>	(195,000)	22,501	
<u>Fund Balances – Beginning (as Restated)</u>	<u>195,000</u>	<u>199,619</u>	
<u>Fund Balances – Ending</u>	<u>-</u>	<u>222,120</u>	

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL  
BUILDING FUND  
MAJOR CAPITAL PROJECTS FUND  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>Revenues</u>			
Earnings on Investments	-	-	-
Other Local Sources	-	-	-
State Sources	<u>1,714,648</u>	<u>1,476,139</u>	<u>(238,509)</u>
<u>Total Revenues</u>	<u>1,714,648</u>	<u>1,476,139</u>	<u>(238,509)</u>
 <u>Expenditures</u>			
Buildings & Improvements	4,614,648	4,064,493	550,155
Debt Service:			
Issue Costs	-	-	-
<u>Total Expenditures</u>	<u>4,614,648</u>	<u>4,064,493</u>	<u>550,155</u>
 <u>Revenues Over (Under) Expenditures</u>	<u>(2,900,000)</u>	<u>(2,588,354)</u>	
 <u>Other Financing Sources (Uses)</u>			
Transfers	-	-	-
Proceeds From Debt	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>Net Change in Fund Balances</u>	<u>(2,900,000)</u>	<u>2,588,354</u>	
 <u>Fund Balances – Beginning</u>	<u>2,900,000</u>	<u>2,956,244</u>	
 <u>Fund Balances – Ending</u>	<u>-</u>	<u>367,890</u>	

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOOD SERVICE – SPECIAL REVENUE FUND  
For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	50,700	7,252	(43,448)
Earnings on Investments	-	-	-
Other	2,000	727	(1,273)
<u>State Sources</u>			
School Lunches	2,932	1,721	(1,211)
<u>Federal Sources</u>			
School Lunches	73,050	93,689	20,639
Commodities	-	-	-
<u>Total Revenues</u>	<u>128,682</u>	<u>103,389</u>	<u>(25,293)</u>
 <u>EXPENDITURES</u>			
Salaries	70,752	72,129	(1,377)
Employee Benefits	33,160	23,466	9,694
Purchased Services – Professional	-	-	-
Purchased Services – Property	-	-	-
Purchased Services - Other	2,550	267	2,283
Supplies and Materials	112,501	67,115	45,386
Capital Outlay	10,219	-	10,219
Other	-	-	-
Commodities	-	-	-
<u>Total Expenditures</u>	<u>229,182</u>	<u>162,977</u>	<u>66,205</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(100,500)	(59,588)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>90,000</u>	<u>73,528</u>	<u>(16,472)</u>
<u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	(10,500)	13,940	
<u>FUND BALANCE, Beginning</u>	<u>10,500</u>	<u>25,434</u>	
<u>FUND BALANCE, Ending</u>	<u>-</u>	<u>39,374</u>	

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

HOEHNE REORGANIZED SCHOOL DISTRICT NUMBER R-3  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 PUPIL ACTIVITY – SPECIAL REVENUE FUND  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<u>REVENUES</u>			
Local Sources	91,000	32,716	(58,284)
<u>Total Revenues</u>	<u>91,000</u>	<u>32,716</u>	<u>(58,284)</u>
 <u>EXPENDITURES</u>			
Student Activities	197,261	34,812	162,449
<u>Total Expenditures</u>	<u>197,261</u>	<u>34,812</u>	<u>162,449</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 (106,261)	 (2,096)	
 <u>FUND BALANCE, Beginning</u>	 <u>106,261</u>	 <u>106,261</u>	
 <u>FUND BALANCE, Ending</u>	 <u>      -</u>	 <u>104,165</u>	

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

STATE REQUIRED SCHEDULES

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

**Bolded Balance Sheet**





**Colorado Department of Education**  
**Bolded Balance Sheet Report**  
 District: 1600 - Hoehne Reorganized 3  
 Fiscal Year 2020-21  
 Colorado School District/BOCES

ASSETS	Governmental										Proprietary					Fiduciary	
	General Funds 10-12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals	
Cash and Investments (8100-8104,8111)	4,235,925	0	4,320	105,611	0	0	24,337	214,168	443,099	0	0	0	0	0	0	5,027,460	
Cash with Fiscal Agent (8105)	4,706	0	0	0	0	0	0	1,039	0	0	0	0	0	0	0	5,745	
Taxes Receivable (8121,8122)	264,600	0	0	0	0	0	0	43,100	0	0	0	0	0	0	0	307,700	
Interfund Loans Receivable (8131,8132)	6,294	0	0	0	0	0	0	0	0	0	0	0	0	0	0	6,294	
Grants Accounts Receivable (8142)	4,790	0	0	0	0	0	23,550	0	170,755	0	0	0	0	0	0	199,095	
Other Receivables (8151-8154,8161)	36,874	0	22	0	0	0	4,350	0	0	0	0	0	0	0	0	41,247	
Inventories (8171,8172,8173)	0	0	0	0	0	0	1,682	0	0	0	0	0	0	0	0	1,682	
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total Assets</b>	<b>4,553,188</b>	<b>0</b>	<b>4,343</b>	<b>105,611</b>	<b>0</b>	<b>0</b>	<b>53,920</b>	<b>258,307</b>	<b>613,854</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,589,224</b>	

LIABILITIES & FUND EQUITY

LIABILITIES

	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)	0	0	2,686	0	0	0	0	3,187	420	0	0	0	0	0	0	6,294
Other Payables (7421-7423)	15,947	0	0	1,446	0	0	5,446	0	245,545	0	0	0	0	0	0	268,385
Accrued Expenses (7461)	256,724	0	0	0	0	0	9,100	0	0	0	0	0	0	0	0	265,824
Payroll Ded. and Withholdings (7471-7473)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants/Deferred Revenue (7482)	134,070	0	0	0	0	0	0	0	0	0	0	0	0	0	0	134,070
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Inflow (7800)	218,950	0	0	0	0	0	0	33,000	0	0	0	0	0	0	0	251,950
<b>Total Liabilities</b>	<b>625,691</b>	<b>0</b>	<b>2,686</b>	<b>1,446</b>	<b>0</b>	<b>0</b>	<b>14,546</b>	<b>36,187</b>	<b>245,965</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>926,522</b>

Governmental

Proprietary

Fiduciary

FUND EQUITY	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	1,682	0	0	0	0	0	0	0	0	1,682
Restricted Fund Balance 6720	0	0	0	0	0	0	37,691	222,120	367,890	0	0	0	0	0	0	627,701
TABOR 3% Emergency Reserve 6721	167,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	167,000
TABOR Multi-Year 6722	173,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	173,500
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	1,656	0	0	0	0	0	0	0	0	0	0	0	0	1,656
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	27,559	0	0	0	0	0	0	0	0	0	0	0	0	0	0	27,559
Assigned Fund Balance 6760	0	0	0	104,165	0	0	0	0	0	0	0	0	0	0	0	104,165
Unassigned Fund Balance 6770	3,564,439	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,564,439
Invested in Capital Assets, Net of Related Debts 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Fund Equity</b>	<b>3,927,498</b>	<b>0</b>	<b>1,656</b>	<b>104,165</b>	<b>0</b>	<b>0</b>	<b>39,373</b>	<b>222,120</b>	<b>367,890</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,662,702</b>

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, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
4,553,189	0	4,343	105,611	0	0	53,920	258,307	613,854	0	0	0	0	0	0	5,589,274
<b>Total Liabilities &amp; Fund Equity</b>															

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, 70-79	Trust & Agency Funds 70-79	Foundations Fund 85
Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Do Assets=Liability+Fund Equity														