Miami-Yoder School District JT60
Rush, Colorado

Auditor's Report and
Financial Statements

June 30, 2023

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Independent Auditor's Report

Board of Education
Miami-Yoder School District JT-60

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Miami-Yoder School District JT-60 (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The District's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information on pages ii through iv and pages 37 through 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplemental information on pages 42 through 48 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates 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 accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

February 13, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
Required Supplementary Information (RSI)
June 30, 2023

The discussion and analysis of Miami-Yoder School District JT60's (the "District") financial performance provides an overall review of the district's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the financial statements, financial statement footnotes, budgetary comparison schedules and additional supplementary information to broaden their understanding of the District's financial performance.

Financial Highlights

COVID money was used to help retain staff.

The district is managing its finances to build the reserve. Overall, the District's financial condition saw an increase in reserves. The district is working on moving bills paid annually to the end of the fiscal year to help with cash flow due to the tripling of local taxes over the past 5 years which caused a reduction in monthly equalization. There are some bills paid annually that must be paid at the beginning of the fiscal year that have increased dramatically. The district continues to see an increase in enrollment. Since the low enrollment in 20-21 due to COVID we have seen a 37% increase in enrollment. This is also an 11% increase over pre-COVID numbers.

Using the Basic Financial Statements

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

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

The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail. The governmental fund statements tell how general District services were financed in the short term as well as what remains for future spending.

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

Financial Analysis of the District as a Whole

As of June 30, 2023, the District's total net position was $1,085,926.

Government-Wide Financial Statements

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

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

In the Statement of Net Position and the Statement of Activities, the District has one distinct activity:

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

Governmental Funds

Most of the District's activities are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short- term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements of the Governmental Funds. The District's governmental funds consist of the General, Athletic Activity, Bond Redemption, Food Services and Capital Reserve Project Funds. The General Fund accounts for the majority of the District's instruction and support operations.

Fund Financial Statements

As of June 30, 2023, the District's governmental funds reported a combined fund balance of $456,128 which is a decrease of $250,194. from the June 30, 2022 balance. The following is additional information, by major fund, which contributed to the change.

Information regarding the District's General Fund can be seen on page 8.

Capital Assets

As of June 30, 2023 the District had $7,707,644 invested in a broad range of capital assets, including land, buildings, furniture and equipment. A summary of the District's Capital Assets is shown on page 15.

Debt Administration

As of June 30, 2023 the District had total outstanding long-term debt as noted on page 16.

The capital leases represent extended obligations for the purchases of equipment, the bonds payable were utilized for building improvements, and the accrued compensated absences represent the liability for earned but unused vacation.

General Fund Budget

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

The difference in the original budget, which is due July 1st, and the final budget, which is due January 30th is mainly due to the student count. In October, we also have actual amounts for teachers' contracts and any special needs of students that may impact our budget. The October count also gives us a clearer picture of what we will receive for equalization from the state.

Economic Factors and Next Year's Budget

With the continued impact of the state referenced "negative factors" non-appropriations, the District continues to examine revenue projections. The District continues to work on ways to increase salaries to attract and retain highly qualified teachers for our students. The District will continue to pursue State and Local grants in order to achieve the District goals.

Requests for Information

This financial report is designed to provide a general overview of the Miami-Yoder School District JT60's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Manager, 420 S. Rush Road, Rush, Colorado 80833-9408.

Miami-Yoder School District JT60
Statement of Net Position
June 30, 2023

	Governmental Activities
ASSETS	
Cash and Equivalents	$ 967,882
Receivables	9,929
Inventories	8,717
Capital Assets Being Depreciated	7,707,644
Less: Accumulated Depreciation	(3,343,831)
Total Capital Assets	4,363,813
DEFERRED OUTFLOWS OF RESOURCES	
Net Pension Plan	2,805,015
Net OPEB	38,730
Deferred Charges on Refunding Bonds	5,500
Total Assets	8,199,586
LIABILITIES	
Accounts payable and accrued expenses	530,397
Long-term liabilities	
Due Within One Year	166,989
Accrued interest	3,024
Due in more than one year	
Bonds and capital lease payable	345,856
Net Pension and OPEB Liability	4,851,887
Compensated absences	42,800
Total liabilities	5,940,953
DEFERRED INFLOWS OF RESOURCES	
Net Pension Plan	1,069,555
Net OPEB	82,017
Bond Premiums	21,135
Total deferred inflows of resources	1,172,707
NET POSITION	
Net investment in capital assets	3,870,268
Restricted:	
BEST Capital Renewal Reserve	210,635
Debt Service	247,520
TABOR	144,000
Unrestricted	(3,386,497)
Total net position	$ 1,085,926

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

Miami-Yoder School District JT60
Statement of Activities
For the Year Ended June 30, 2023

		Program Revenue		Net (Expense) Revenue and Changes in Net Position — Primary Government	
Functions/Programs	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Governmental Activities**	**Total**
Primary government					
Governmental Activities:					
Instruction	$ 5,066,093	$ -	$ 940,763	$ (4,125,330)	$ (4,125,330)
Support Services Pupil and Staff	345,559	-	-	(345,559)	(345,559)
Food Service	260,177	7,584	177,990	(74,603)	(74,603)
Student Activities	134,970	122,774	-	(12,196)	(12,196)
Total primary government	5,806,799	130,358	1,118,753	(4,557,688)	(4,557,688)

General revenues:		
Taxes:		
Property taxes, levied for general purposes	$ 837,675	$ 837,675
Property taxes, levied for debt service	162,560	162,560
Specific ownership, general	103,637	103,637
State & federal aid not restricted to specific functions:		
State equalization/Per pupil revenue	3,144,493	3,144,493
Unrestricted investment earnings	20,588	20,588
Miscellaneous	19,697	19,697
Changes in PERA pension assumptions	1,962,360	1,962,360
Special item - gain (loss) on disposition of asset	1,734	1,734
Total general revenues, special items, and transfers	6,252,744	6,252,744
Change in net position	1,695,056	1,695,056
Net position - beginning	(609,130)	(609,130)
Net position - ending	$ 1,085,926	$ 1,085,926

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

Miami-Yoder School District JT60
Balance Sheet
Governmental Funds
June 30, 2023

	General	Debt Service	Capital Reserve Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash	$ (4,513)	$ 259,595	$ 222,637	$ 490,161	$ 967,880
Taxes receivable, net	9,929	-	-	-	9,929
Due from other funds	516,071	-	-	-	516,071
Inventories	-	-	-	8,717	8,717
Total assets	521,487	259,595	222,637	498,878	1,502,597
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	112,824	-	-	2,209	115,033
Due to other funds	12,153	-	-	503,918	516,071
Other accrued expenses	400,827	-	-	14,538	415,365
Total liabilities	525,804	-	-	520,665	1,046,469
Fund balances:					
Non-spendable inventory	-		-	8,717	8,717
Prepaid expenses	10,593	-	-	-	10,593
Debt service	-	259,595	-	-	259,595
Restricted for BEST replacement	-	-	210,635	-	210,635
Restricted-TABOR	144,000	-	-	-	144,000
Unassigned	(158,910)	-	-	-	(158,910)
Committed, reported in non-major:					
Special revenue funds	-	-	12,002	(30,504)	(18,502)
Total fund balances	(4,317)	259,595	222,637	(21,787)	456,128
Total liabilities and fund balances	$ 521,487	$ 259,595	$ 222,637	$ 498,878	$ 1,502,597

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

Miami-Yoder School District JT60
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023

Total fund balance, governmental funds	$	456,128
Amounts reported for governmental activities in the Statement of Net Position are different because: Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		4,408,043
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position: Pension Plan Deferred Outflow		2,805,015
Some liabilities, (such as Notes Payable, Long-term Compensated Absences, Net Pension Liability, Pension Differences-Deferred Outflow and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(6,583,260)
Net Position of Governmental Activities in the Statement of Net Position	$	1,085,926

Miami-Yoder School District JT60
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General	Debt Service	Capital Reserve Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	$ 837,193	$ 162,135	$ -	$ -	$ 999,328
SO Tax	103,637	425	-	-	104,062
Student Activities	-	-	-	122,774	122,774
Intergovernmental	4,085,256	-	-	177,990	4,263,246
Charges for services	-	-	-	7,584	7,584
Investment earnings	9,826	7,967	2,794	-	20,587
Miscellaneous	6,553	-	-	484	7,037
Total revenues	5,042,465	170,527	2,794	308,832	5,524,618
EXPENDITURES					
Instructional:					
Instruction	3,088,205	-	-	-	3,088,205
Student Support Services	107,975	-	-	-	107,975
Instructional Staff Services	110,033	-	-	-	110,033
General Administration	340,516	-	-	-	340,516
School Administration	299,674	-	-	-	299,674
Business Services	166,512	-	-	-	166,512
Student Transportation	383,435	-	-	-	383,435
Operations & Maintenance	643,653	-	-	-	643,653
Food Services	-	-	-	260,177	260,177
Total Instructional	5,140,003	-	-	260,177	5,400,180
Support Services:					
Centralized Services	18,366	-	-	-	18,366
Noninstructional Services:					
Student Activities	-	-	-	134,970	134,970
Debt Service:					
Principal	258,778	145,000	-	-	403,778
Interest Expense	2,937	20,582	-	-	23,519
Capital Outlay	33,458	-	-	-	33,458
Total Expenditures	5,453,542	165,582	-	395,147	6,014,271
Excess (deficiency) of revenues over expenditures	(411,077)	4,945	2,794	(86,315)	(489,653)
OTHER FINANCING SOURCES (USES)					
Other source	237,725	-	-	-	237,725
Total other financing sources and uses	237,725	-	-	-	237,725
SPECIAL ITEM					
Proceeds from sale of capital assets	1,734	-	-	-	1,734
Net change in fund balances	(171,618)	4,945	2,794	(86,315)	(250,194)
Fund balances - beginning	167,301	254,650	219,843	64,528	706,322
Fund balances - ending	$ (4,317)	$ 259,595	$ 222,637	$ (21,787)	$ 456,128

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

Miami-Yoder School District JT60
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, 2023

Net change in fund balances - total governmental funds:	$ (250,194)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of $33,458 is less than depreciation of $229,765 in the current period.	(196,307)
Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.	166,053
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
Net difference between PERA pension and OPEB actual expense contributions	1,962,360
Deferred charges and amortization of bond premiums	13,144
Change in net position of governmental activities	$ 1,695,056

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

Note 1 Summary of Significant Accounting Policies

The accounting policies of the Miami-Yoder School District JT60 (the "District") conform to generally accepted accounting principles as applicable to governmental units. Following is a summary of the more significant policies:

Reporting Entity

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

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

Jointly Governed Organization

The District in conjunction with other surrounding districts created the Pikes Peak 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 board is comprised of one member from each participating district. During the fiscal year ended June 30, 2023, the District paid total assessments of $252,498 to the BOCES. Financial statements for the BOCES can be obtained from the BOCES administrative office at: 4825 Lorna Place, Colorado Springs, CO 80915.

Basis of Presentation

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

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

Revenues that are not classified as program revenues are presented as general revenues. The effects of interfund activity have been eliminated from the government-wide financial statements.

Fund Financial Statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds would be aggregated and reported as non-major funds.

The District reports the following major governmental funds:

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

Bond Redemption Fund (Debt Service Fund) - This fund is used to account for the collection of dedicated property taxes and the related repayment of the District's general obligation debt.

Capital Reserve Project Funds (Capital Projects Fund) –The Capital Reserve Project Fund accounts for the majority of the District's non-bond funded capital outlay activity.

The District reports the following non-major governmental funds:

Special Revenue Funds (Food Service and Student Activity Funds) - These funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are restricted to expenditures for specified purposes. The Food Service Fund accounts for the District's food service program and the Student Activity Fund specifically accounts for the District's extracurricular athletic programs as well as all other student activities previously reported in the Class Activity Agency Fund.

Measurement Focus and Basis of Accounting

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

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

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

Cash and Investments - Cash is kept in interest bearing accounts which are comprised of checking and money market accounts which are legally authorized. Cash applicable to a particular fund is readily identifiable. The balance in the cash accounts is available to meet current operating requirements. Investments are recorded at fair value.

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

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

Capital Assets - Capital assets used in governmental activities operations are shown on the government- wide financial statements. These assets are not shown in the governmental funds and are therefore listed as a reconciling item between the two presentations. Property and equipment acquired or constructed for governmental fund operations are recorded as expenditures in the fund making the expenditure and capitalized at cost in the government-wide presentation.

The District's policy is to capitalize and inventory annually all capital assets with a unit value of or greater than $5,000 and an estimated useful life of or greater than one year.

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

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

Site Improvements	5-25 Years
Buildings and Improvements	15-50 Years
Transportation Equipment	10-50 Years
Other Equipment	10-30 Years

Unearned Revenues – Unearned revenues are amounts that have been collected but have not met the requirements needed for revenue recognition.

Vacation, Sick Leave, and Other Compensated Absences - District employees earn up to 10 days of annual leave per year. Up to 45 days of annual leave can be accumulated, which will be paid at 50% of the current substitute teacher daily rate upon retirement. As all employees are contracted to work a set number of days during a year, no vacation accrual accumulates. The compensated absence liability is shown as long-term debt as payments are not funded with current resources.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has several items that qualify for reporting in this category, all related to outstanding pension and OPEB obligations and further described in Note 8 and Note 10.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows for prepaid student balances, grants, and pension and OPEB related deferrals.

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

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

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

Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the Board of Education, reported and at their highest level of action are reported as "committed" fund balance. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (for example, legislation, resolution, ordinance) it employed to previously commit those amounts.

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

All remaining governmental balances or deficits in the other governmental funds are presented as unassigned.

Net Position/Fund Balance Flow Assumptions

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

Revenues and Expenditures/Expenses

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

Property Tax Revenues - Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. The billings are considered due on these dates. The bill becomes delinquent and d by the County Treasurer on the post mark day following these dates. The tax sale date is the first Thursday of November.

Under Colorado Law, all property taxes become due and payable on January 1, in the year following that in which they are levied. Due to the funding formula utilized by the Colorado Department of Education, property taxes are recognized as revenue when payable to the County Treasurer.

Note 2 Cash and Investments

The District's cash balances are allocated as follows:

Governmental Activities – Unrestricted	$ 708,285
Governmental Activities – Restricted	259,595
Total Governmental Activities	$ 967,880

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the government's deposits may not be returned to it. The District's deposit policy is in accordance with CRS 11-10.5-101, The Colorado Public Deposit Protection Act (PDPA), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels ($250,000) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At June 30, 2023, all of the District's deposits were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

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

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

The District's investment policy limits its investments to those allowed by Colorado Revised Statute 24-75-601.1 as described above.

During the year ended June 30, 2023, the District invested funds in Colotrust. As an investment pool, it operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. It invests in securities that are specified by Colorado Revised Statutes

(24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pool operates similar to a 2a-7-like money market fund with a share value equal to $1.00 and a maximum weighted average maturity of 60 days. This fund is rated AAAm by the Standard and Poor's Corporation.

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

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

Custodial Credit Risk – Investments. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2023, the District did not have any investments requiring safekeeping.

Note 3 Capital Assets

Activity for the capital assets of the District is summarized below:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital Assets Being Depreciated				
Buildings	$ 5,038,769	$ -	$ -	$ 5,038,769
Site Improvements	767,245	-	-	767,245
Equipment	317,703	33,458	-	351,1613
Food Service Equipment	47,542	-	-	47,542
Transportation Equipment	1,502,927	-	-	1,502,927
Total Capital Assets Being Depreciated	7,674,186	33,458	-	7,707,644
Less: Accumulated Depreciation				
Buildings	(1,710,753)	(97,127)	-	(1,807,880)
Site Improvements	(248,916)	(25,506)	-	(274,422)
Equipment	(200,550)	(46,609)	-	(247,1590)
Food Service Equipment	(37,128)	(673)	-	(37,801)
Transportation Equipment	(916,719)	(59,850)	-	(976,569)
Total Accumulated Depreciation	(3,114,066)	(229,765)	-	(3,343,831)
Net Capital Assets	$ 4,620,454	$ (196,307)	$ -	$ 4,363,813

The District's depreciation is allocated to its various programs as follows:

Instruction	$ (122,633)
Supporting Services	(107,132)
Total Depreciation	$ (229,765)

The District is required under GASB Statement No. 34, to compute depreciation on all of its capital assets and to record that depreciation on its government-wide financial statements. For the year ended June 30, 2023, depreciation has been charged to governmental activities on the government-wide financial statements. Depreciation is not charged to governmental funds and is accordingly shown as a reconciliation item between the governmental fund and governmental activities presentations. The District does not record infrastructure. All infrastructure type assets have been included as part of the value of the related asset.

Note 4 Inventories

Food Service Fund inventory as of June 30, 2023 of $8,717 consisted of purchased and donated commodities. Purchased inventories are stated at cost. Donated inventories, received at no cost under a program supported by the United States Government, are recorded at their estimated fair market value at the date of receipt.

Note 5 Accrued Salaries and Benefits

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, as of June 30, 2023, are $415,365. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the General and Food Service Funds.

Note 6 Long-Term Debt

The following is a summary of the District's long-term debt activity for the year ended June 30, 2023:

	Balance 6/30/22	Advances	Payments	Balance 6/30/23	Due Within One Year	Interest Expense
2015 General Obligation Refunding Bonds	$ 595,000	$ -	$ (145,000)	$ 450,000	$ 145,000	$ 15,050
Equipment Leases	66,008	-	(21,052)	44,956	21,989	-
Accrued Compensated Absences	42,800	-	-	42,800	-	-
Total	$ 703,808	$ -	$ (166,052)	$ 537,756	$ 166,989	$ 15,050

Payments on the bonds are funded through the Bond Redemption Fund, payments for leases are made through the General Fund, payments towards pension liabilities and leave are funded in accordance with the underlying payroll expense.

On September 1, 2015, the 2008 bonds were partially refunded upon the issuance of $1,355,000 of new bonds. The new issuance bears interest at rates ranging from 2.00% to 4.00%. Interest is payable semi- annually on January 15th and July 15th of each year. Principal is paid over a period of eleven years and is payable annually on January 15th of each year. The District has recorded bond premiums of $96,033 and a deferred charge on refunding of $24,994, both of which will be amortized over the life of the bonds. The District recognized a net present value savings of $306,862 through the refunding.

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

Year	Principal	Interest	Total
2024	$ 145,000	$ 15,050	160,050
2025	150,000	10,700	160,700
2026	155,000	6,200	161,200
Total	$ 450,000	$ 31,950	$ 481,950

During 2021-22, the District purchased a 2021 Blue Bird bus for a cost of $90,000 through a lease-purchase agreement. A down payment of $24,290 was made. Additional payments will be made annually with an interest rate of 4.45%.

Principal and interest on the lease-purchase agreement is as follows:

Year	Principal	Interest	Total
2024	$ 21,989	2,001	23,990
2025	22,967	1,023	23,990
Total	$ 44,956	$ 3,024	$ 47,980

Note 7 **Defined Benefit Pension Plan**

Summary of Significant Accounting Policies

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

General Information about the Pension Plan

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

Benefits provided as of December 31, 2022. 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% and then multiplied by years of service credit.
- The value of the retiring employee's member contribution account plus a 100% match on eligible amounts as of the retirement date. This amount is then annuitized into a monthly benefit based on life expectancy and other actuarial factors.

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

- Highest average salary multiplied by 2.5% 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% of the highest average salary and cannot exceed the maximum benefit allowed by the federal Internal Revenue Code.

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% or 100% 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.

Upon meeting certain criteria, benefit recipients who elect to receive a lifetime retirement benefit generally receive post-retirement cost-of-living adjustments, referred to as annual increases in the C.R.S. Subject to the automatic adjustment provision (AAP) under C.R.S. § 24-51-413, 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 the maximum annual increase (AI) or AI cap of 1.00% unless adjusted by the AAP. Eligible benefit recipients under the PERA benefit structure who began membership on or after January 1, 2007, will receive the lesser of an annual increase of the 1.00% AI cap or the average increase of the Consumer Price Index for Urban Wage Earners and Clerical Workers for the prior calendar year, not to exceed a determined increase that would exhaust 10% of PERA's Annual Increase Reserve (AIR) for the SCHDTF. The AAP may raise or lower the aforementioned AI cap by up to 0.25% 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, 2023: Eligible employees of, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 11.00% of their PERA-includable salary during the period of July 1, 2022 through June 30, 2023. Employer contribution requirements are summarized in the table below:

	July 1, 2022 Through June 30, 2023
Employer contribution rate	11.40%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02%)
Amount apportioned to the SCHDTF	10.38%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	20.38%

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

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were $511,744 for the year ended June 30, 2023.

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. As specified in C.R.S. § 24-51-414, the State is required to contribute a $225 million (actual dollars) direct distribution 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) 22-1029, instructed the State treasurer to issue an additional direct distribution to PERA in the amount of $380 million (actual dollars), upon enactment. The July 1, 2023, payment is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, payment will not be reduced due to PERA's negative investment return in 2022. Senate Bill (SB) 23-056, enacted June 2, 2023, requires an additional direct distribution of approximately $14.5 million (actual dollars), for a total of approximately $49.5 million (actual dollars) to be contributed July 1, 2023.

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, 2022, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TPL to December 31, 2022. The District proportion of the net pension liability was based on the District's contributions to the SCHDTF for the calendar year 2022 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2023, the District reported a liability of $4,647,257 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total portion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	$ 4,647,257
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	1,354,257
Total	$ 6,001,514

At December 31, 2022, the District proportion was .032958%, which was approximately the same as its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized pension expense of $113,407 and revenue of $113,407 for support from the State as a nonemployer contributing entity. At June 30, 2023, the District 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	$ 56,764	$ -
Changes of assumptions or other inputs	106,306	-
Net difference between projected and actual earnings on pension plan investments	1,875,779	1,069,555
Contributions subsequent to the measurement date	255,887	N/A
Total	$ 2,294,738	$ 1,069,555

$255,887 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, 2024. 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:	
2024	$ 75,769
2025	129,066
2026	2,932,205
2027	295,547
2028	-
Thereafter	-

Actuarial assumptions. The TPL in the December 31, 2021, actuarial valuation was determined using the following actuarial cost method, actuarial assumptions, and other inputs:

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)	1.00%
PERA benefit structure hired after 12/31/06[1]	Financed by AIR

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

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

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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% 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% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

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

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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 weighing the expected future real rates of return by the target asset allocation percentages and then adding expected inflation.

The PERA Board first adopted the 7.25% 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%
Total	100.00%	

Note: 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%.

Discount rate. The discount rate used to measure the TPL was 7.25%. 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%.
- 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. 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 and required adjustments resulting from the 2018 and 2020 AAP assessments. Employer contributions also include current and estimated future AED and SAED, until the actuarial value funding ratio reaches 103%, at which point the AED and SAED will each drop 0.50% 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 22-1029, effective upon enactment in 2022, required the State treasurer to issue, in addition to the regularly scheduled $225 million (actual dollars) direct distribution, a warrant to PERA in the amount of $380 million (actual dollars). The July 1, 2023, direct distribution is reduced by $190 million (actual dollars) to $35 million (actual dollars). The July 1, 2024, direct distribution will not be reduced from $225 million (actual dollars) due to PERA's negative investment return in 2022.
- 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 and the subsequent AIR benefit payments were estimated and included in the projections.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the District's 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%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25%) or one percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net pension liability	$6,071,661	$4,647,257	$3,449,383

Pension Plan FNP. Detailed information about the SCHDTF's FNP is available in PERA's ACFR which can be obtained at www.copera.org/investments/pera-financial-reports.

Note 8 Defined Contribution Pension Plans

Voluntary Investment Program (PERAPlus 401(k) Plan)

Plan Description - Employees of the District that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program (PERAPlus 401(k) Plan), 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 ACFR which includes additional information on the PERAPlus 401(k) Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 401(k) Plan 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.

Deferred Compensation Plan (PERAPlus 457 Plan)

Plan Description - Employees of the District may voluntarily contribute to the Deferred Compensation Plan (PERAPlus 457 Plan), an Internal Revenue Code Section 457 deferred compensation plan administered by PERA. Title 24, Article 51, Part 16 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 ACFR which includes additional information on the PERAPlus 457 Plan. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy - The PERAPlus 457 Plan 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 1603 of the C.R.S., as amended. In addition, the District has agreed to match employee contributions up to the percentage of covered salary as determined by the Internal Revenue Service. Members are immediately vested in their own contributions, employer contributions and investment earnings.

Note 9 Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information about the OPEB Plan

Plan description. Eligible employees of the District are provided with OPEB through the HCTF—a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended, and 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 by the Colorado General Assembly. PERA issues a publicly available annual comprehensive financial report (ACFR) that can be obtained at www.copera.org/investments/pera-financial-reports.

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

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

Enrollment in the PERACare health benefits program 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% 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 service-based subsidy, in each case, is for retirees with retirement benefits based on 20 or more years of service credit. There is a 5% 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% of PERA-includable salary into the HCTF.

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from the District were $ for the year ended June 30, 2023.

<u>OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB</u>

At June 30, 2023, the District reported a liability of $204,630 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2022, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. Standard update procedures were used to roll-forward the TOL to December 31, 2022. The District's proportion of the net OPEB liability was based on the District's contributions to the HCTF for the calendar year 2022 relative to the total contributions of participating employers to the HCTF.

At December 31, 2022, the District's proportion was .025062%, which was approximately the same as its proportion measured as of December 31, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of $25,941. At June 30, 2023, the District 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	$ 26	$ 49,486
Changes of assumptions or other inputs	3,289	22,584
Net difference between projected and actual earnings on pension plan investments	22,444	9,946
Contributions subsequent to the measurement date	12,970	N/A
Total	$ 38,729	$ 82,016

$12,970 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, 2024. 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:	
2024	$ (20,386)
2025	(19,142)
2026	(8,890)
2027	(1,333)
2028	(5,299)
Thereafter	(1,206)

Actuarial assumptions. The TOL in the December 31, 2021 actuarial valuation was determined using the following actuarial cost method, actuarial assumptions and other inputs:

	State Division	School Division	Local Government Division	Judicial Division
Actuarial cost method		Entry age		
Price inflation		2.30%		
Real wage growth		0.70%		
Wage inflation		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
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		6.50% in 2022 Gradually decreasing to 4.50% in 2030		
Medicare Part A premiums		3.75% in 2022 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		

The TOL for the HCTF, as of the December 31, 2022, measurement date, was adjusted to reflect the disaffiliation, allowable under C.R.S. § 24-51-313, of Tri-County Health Department (TriCounty Health), effective December 31, 2022. As of the close of the 2022 fiscal year, no disaffiliation payment associated with Tri-County Health was received, and therefore no disaffiliation dollars were reflected in the FNP as of the December 31, 2022, measurement date.

Beginning January 1, 2022, the per capita health care costs are developed by plan option; based on 2022 premium rates for the UnitedHealthcare Medicare Advantage Prescription Drug (MAPD) PPO plan #1, the UnitedHealthcare MAPD PPO plan #2, and the Kaiser Permanente MAPD HMO plan. Actuarial morbidity factors are then applied to estimate individual retiree and spouse costs by age, gender, and health care cost trend. This approach applies for all members and is adjusted accordingly for those not eligible for premium-free Medicare Part A for the PERA benefit structure.

Age-Related Morbidity Assumptions

Participant Age	Annual Increase (Male)	Annual Increase (Female)
65-69	3.0%	1.5%
70	2.9%	1.6%
71	1.6%	1.4%
72	1.4%	1.5%
73	1.5%	1.6%
74	1.5%	1.5%
75	1.5%	1.4%
76	1.5%	1.5%
77	1.5%	1.5%
78	1.5%	1.6%
79	1.5%	1.5%
80	1.4%	1.5%
81 and older	0.0%	0.0%

Sample Age	MAPD PPO #1 with Medicare Part A		MAPD PPO #2 with Medicare Part A		MAPD HMO (Kaiser) with Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 1,704	$ 1,450	$ 583	$ 496	$ 1,923	$ 1,634
70	$ 1,976	$ 1,561	$ 676	$ 534	$ 2,229	$ 1,761
75	$ 2,128	$ 1,681	$ 728	$ 575	$ 2,401	$ 1,896

Sample Age	MAPD PPO #1 without Medicare Part A		MAPD PPO #2 without Medicare Part A		MAPD HMO (Kaiser) without Medicare Part A	
	Retiree/Spouse		Retiree/Spouse		Retiree/Spouse	
	Male	Female	Male	Female	Male	Female
65	$ 6,514	$ 5,542	$ 4,227	$ 3,596	$ 6,752	$ 5,739
70	$ 7,553	$ 5,966	$ 4,901	$ 3,872	$ 7,826	$ 6,185
75	$ 8,134	$ 6,425	$ 5,278	$ 4,169	$ 8,433	$ 6,657

The 2022 Medicare Part A premium is $499 (actual dollars) per month.

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

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

Health care cost trend rates for the PERA benefit structure are based on published annual health care inflation surveys in conjunction with actual plan experience (if credible), building block models and industry methods developed by health plan actuaries and administrators. In addition, projected trends for the Federal Hospital Insurance Trust Fund (Medicare Part A premiums) provided by the Centers for Medicare & Medicaid Services are referenced in the development of these rates. Effective December 31, 2021, 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 TOL are summarized in the table below:

Year	PERACare Medicare Plans	Medicare Part A Premiums
2022	6.50%	3.75%
2023	6.25%	4.00%
2024	6.00%	4.00%
2025	5.75%	4.00%
2026	5.50%	4.25%
2027	5.25%	4.25%
2028	5.00%	4.25%
2029	4.75%	4.50%
2030+	4.50%	4.50%

Mortality assumptions used in the December 31, 2021, valuation for the determination of the total pension liability for each of the Division Trust Funds as shown below, reflect generational mortality and were applied, as applicable, in the determination of the TOL for the HCTF, but developed on a headcount-weighted basis. Affiliated employers of the State, School, Local Government and Judicial Divisions participate in the HCTF.

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.

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% of the rates prior to age 80 and 90% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 87% of the rates prior to age 80 and 107% 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% of the rates prior to age 80 and 94% of the rates for ages 80 and older, with generational projection using scale MP-2019.
- Females: 83% of the rates prior to age 80 and 106% 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% of the rates for all ages, with generational projection using scale MP-2019.
- Females: 105% of the rates for all ages, with generational projection using scale MP-2019.

Disabled mortality assumptions for members other than State Troopers were based upon the PubNS-2010 Disabled Retiree Table using 99% 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 following health care costs assumptions were updated and used in the roll-forward calculation for the HCTF:

- Per capita health care costs in effect as of the December 31, 2021, valuation date for those PERACare enrollees under the PERA benefit structure who are expected to be age 65 and older and are not eligible for premium-free Medicare Part A benefits have been updated to reflect costs for the 2022 plan year.
- The December 31, 2021, valuation utilizes premium information as of January 1, 2022, as the initial per capita health care cost. As of that date, PERACare health benefits administration is performed by UnitedHealthcare. In that transition, the costs for the Medicare Advantage Option #2 decreased to a level that is lower than the maximum possible service-related subsidy as described in the plan provisions.
- The health care cost trend rates applicable to health care premiums were revised to reflect the, then, current expectation of future increases in those premiums. Medicare Part A premiums continued with the prior valuation trend pattern.

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

Effective for the December 31, 2022, measurement date, the timing of the retirement decrement was adjusted to middle-of-year within the valuation programming used to determine the TOL, reflecting a recommendation from the 2022 actuarial audit report, dated October 14, 2022, summarizing the results of the actuarial audit performed on the December 31, 2021, actuarial valuation.

The actuarial assumptions used in the December 31, 2021, valuation were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed and adopted by the PERA Board at their November 20, 2020, meeting.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared at least every five years for PERA. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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.

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%
Total	100.00%	

Note: 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%.

Sensitivity of the District's 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	5.50%	6.25%	7.25%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	3.00%	4.00%	5.00%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB liability	$198,838	$204,630	$210,932

Discount rate. The discount rate used to measure the TOL was 7.25%. 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, 2022, measurement date.
- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.
- 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 be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return of 7.25% on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL. The discount rate determination does not use the municipal bond index rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's 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%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net OPEB liability	$237,224	$204,630	$126,749

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

Note 10 Summary Disclosure of Significant Contingencies, Restrictions, and Commitments

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, 2023, significant amounts of grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will effect on any of the individual governmental funds or the overall financial position of the District.

Tabor Amendment - In November 1992, Colorado voters passed the Tabor Amendment (Amendment 1) to the State Constitution which limits state and local government tax powers and imposes spending limitations. The District is subject to the Tabor Amendment. Fiscal year 2001 provides the basis for limits in future years to which may be applied allowable increases for inflation and student enrollment. Revenue received in excess of the limitations may be required to be refunded unless the District's electorate votes to retain the revenue. In November of 1997, the voters of the District approved a ballot measure which allows the District to retain, appropriate, and utilize the full revenues received from every source whatever, without limitation, in 1997 and all subsequent years. The Tabor Amendment is subject to many interpretations, but the District feels it is in substantial compliance with the Amendment.

Pursuant to the Amendment the District is required to set aside 3% of "fiscal year spending" as an emergency reserve. The District has reserved $144,000 of fund balance in the General Fund to meet this requirement.

The District has restricted all of the available carryover in the Bond Redemption and Building Funds for debt service and capital projects, respectively. Amounts held by the Class Activity Fund are for student organization and use only. A summary of the District's restricted governmental fund balance and governmental activity net position is as follows:

Restricted for Debt Service	$ 259,595
Restricted for TABOR Emergencies	144,000
Restricted for BEST Replacement Reserve	210,635
	$ 614,230

In addition, the District has committed the balances in its special revenue funds for the underlying fund's purpose.

Note 11 Risk Management

<u>Property and Liability Coverage</u>

The District belongs to the Colorado School District Self Insurance Pool ("CSDSIP") that was formed in 1981 to give individual school districts more buying power and financial stability. By partnering with districts across the state, members gain better access to essential coverage at a competitive price, and more control over the entire risk management function. The coverage provided by CSDSIP is property, crime, general liability, auto liability and physical damage, and errors and omissions. CSDSIP became self-administered in 1997.

The board of directors is comprised of nine persons who are district school board members, superintendents, or district business officials. Each member's premium contribution is determined by CSDSIP based on factors including, but not limited to, the aggregate CSDSIP claims, the cost of administrative and other operating expenses, the number of participants, operating and reserve fund adequacy, investment income and reinsurance expense and profit sharing. Reporting to the Division of Insurance, as well as an audit and actuarial study is conducted annually. These reports may be obtained by contacting the CSDSIP administrative offices at 6857 South Spruce Street, Centennial, CO 80112. The hanged its coverage from previous years. The District has not recorded any liability for unpaid claims at June 30, 2022.

CSDSIP has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members.

The ultimate liability to the District resulting from claims not covered by the pool is not recently determinable. Management is of the opinion that the final outcome of such claims, of any, will not have a material adverse effect on the District's financial statements.

Workers Compensation

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

Note 12 Interfund Activity

The District has recorded the following routine transfers during the year ended June 30, 2023:

	Transfer In (Out)
General Fund:	
Transfers From (To):	$ (8,000)
Student Activity Fund:	
Transfers From (To):	8,000
Net Transfers	$ -

Note 13 BEST Grant / Facility Improvements

The District received a BEST Grant through the Colorado Department of Education for facility improvements that commenced during the fiscal year 2010 school year. The State funded this program through Certificate of Participation issuances. The State coordinated the payment to the contractors with no funding flowing through the District other than for reimbursable costs that the District incurred. The District will not receive clear title to the improvements until the State has repaid the certificates. At that point, the District will record a capital asset and related accumulated depreciation for the cost of the BEST improvements, along with offsetting grant revenue. The improvements completed by the BEST grant totaled $16,595,467 and have a depreciated value of $13,276,374 as of June 30, 2021. As part of the BEST Grant agreement, the District agreed to fund a capital replacement reserve in the amount of $66,000 annually. This amount was changed beginning with the 2015 fiscal year to $100 per funded student. The total amount of equity restricted for future capital replacement as of June 30, 2023 was $210,635.

During 2022-23 there should have been an increase in restricted equity of approximately $31,800 based on the student count. Due to no material revenues during the school year, the restricted equity increase was not met.

Note 14 Net Position Deficit

Governmental activities have an unrestricted net position deficit and an overall net position deficit primarily due to the PERA net pension liability with related net deferrals, and OPEB net liability with related net deferrals. As the District has no control over pension benefits or contribution rates, the District expects this deficit net position to continue for the foreseeable future.

Note 15 Budget Violations

The District overspent the adopted budget for the Student Activity Fund. The overexpenditure may be a violation of Colorado Revised Statutes.

Miami-Yoder School District JT60
Budget and Actual
General
For the year ended June 30, 2023

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property Taxes	$ 823,737	$ 823,737	$ 837,193
SO Taxes	92,456	92,456	103,637
Intergovernmental	3,941,666	4,300,151	4,085,256
Investment earnings	5,700	5,700	9,826
Miscellaneous	78,000	78,000	6,553
Total revenues	4,941,559	5,300,044	5,042,465
EXPENDITURES			
Instructional:			
Instruction	2,857,565	3,390,073	3,088,205
Student Support Services	113,859	113,859	107,975
Instruction Staff Servoces	126,209	126,209	110,033
General Administration	305,183	305,183	340,516
School Administration	265,295	265,295	299,674
Business Services	261,500	261,500	166,512
Student Transportation	433,350	433,350	383,435
Operations & Maintenance	562,353	772,760	643,653
Total Instructional	4,925,314	5,668,229	5,140,003
Support Services:			
Centralized Services	60,000	60,000	18,366
Debt Service:			
Principal	-	297,725	258,778
Interest Expense	-	5,000	2,937
Capital Outlay	1,500	1,500	33,458
Total Expenditures	4,986,814	6,032,454	5,453,542
Excess (deficiency) of revenues over expenditures	(45,255)	(732,410)	(411,077)
OTHER FINANCING SOURCES (USES)			
Other sources	-	237,725	237,725
Transfers in	45,000	45,000	-
Transfers in (out)	(46,000)	(46,000)	-
Total other financing sources and uses	(1,000)	236,725	237,725
SPECIAL ITEM			
Proceeds from sale of capital assets	5,000	5,000	1,734
Net change in fund balances	(41,255)	(490,685)	(171,618)
Fund balances - beginning	-	-	167,301
Fund balances - ending	$ (41,255)	$ (490,685)	$ (4,317)

Miami-Yoder School District JT60
Schedule of the District's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023

	for the years ended December 31,								
	2022	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**
District's proportion (percentage) of the collective net pension liability	0.03296%	0.03777%	0.03867%	0.03440%	0.03392%	0.03851%	0.03569%	0.03642%	0.38371%
District's proportionate share of the collective pension liability	$ 4,647,257	$ 3,937,892	$ 5,836,637	$ 5,138,632	$ 6,006,685	$ 12,454,065	$ 10,625,637	$ 5,570,436	$5,200,575
Payroll	$ 2,543,254	$ 2,357,221	$ 2,091,404	$ 2,008,266	$ 1,864,903	$ 1,776,606	$ 1,601,732	$ 1,517,209	$1,523,994
District's proportionate share of the net pension liability as a percentage of its payroll	183%	167%	279%	256%	322%	701%	663%	367%	341%
Plan fiduciary net position as a percentage of the total pension liability	61.79%	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.84%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Miami-Yoder School District JT-60
Schedule of the District's Proportionate Share of the Net OPEB Liability
For the Year Ended June 30, 2023

	for the year ended December 31, 2022	2021	2020	2019	2018	2017
District's proportion (percentage) of the collective net pension liability	0.0250625%	0.0246266%	0.0224050%	0.0224780%	0.0220500%	0.0218840%
District's proportionate share of the collective OPEB liability	$ 204,630	$ 731,589	$ 212,897	$ 252,653	$ 299,998	$ 284,398
Payroll	$ 2,543,254	$ 2,357,221	$ 2,091,404	$ 2,008,266	$ 1,864,903	$ 1,776,606
District's proportionate share of the net pension liability as a percentage of its payroll	8%	31%	10%	13%	16%	16%
Plan fiduciary net position as a percentage of the total pension liability	38.57%	39.40%	32.78%	24.48%	23.00%	14.94%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Miami-Yoder School District JT60
Schedule of Contributions and Related Ratios
For the Year Ended June 30, 2023

	for the years ended December 31, 2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutory required contributions	$ 511,774	$ 468,616	$ 405,314	$ 389,202	$ 356,756	$ 330,982	$ 290,394	$ 262,932	$ 250,392
Contributions in relation to the statutorily required contribution	511,774	468,616	405,314	389,202	356,756	330,982	290,394	262,932	250,392
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payroll	$ 2,543,254	$ 2,357,221	$ 2,091,404	$ 2,008,266	$ 1,864,903	$ 1,776,606	$ 1,601,732	$ 1,517,209	$ 1,523,994
Contribution as a percentage of payroll	20.12%	19.88%	19.38%	19.38%	19.13%	18.63%	18.13%	17.33%	16.43%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Miami-Yoder School District JT60
Schedule of Contributions and Related Ratios - OPEB
For the Year Ended June 30, 2023

	for the years ended December 31, 2022	2021	2020	2019	2018	2017
Statutory required contributions	$ 25,941	$ 24,043	$ 21,332	$ 20,484	$ 19,022	$ 18,121
Contributions in relation to the statutorily required contribution	25,941	24,043	21,332	20,484	19,022	18,121
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -
Payroll	$ 2,543,254	$ 2,357,221	$ 2,091,404	$ 2,008,266	$ 1,864,903	$ 1,776,606
Contribution as a percentage of payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

Miami-Yoder School District JT60
Balance Sheet
Other Governmental Funds
June 30, 2023

	Food Service	Student Activities	Total Governmental Funds
ASSETS			
Cash	$ 423,735	$ 66,426	$ 490,161
Inventories	8,717	-	8,717
Total assets	432,452	66,426	498,878
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	2,209	-	2,209
Due to other funds	449,401	54,517	503,918
Other accrued expenses	14,538	-	14,538
Total liabilities	466,148	54,517	520,665
Fund balances:			
Non-spendable-inventories	8,717	-	8,717
Committed	(42,413)	11,909	(30,504)
Total fund balances	(33,696)	11,909	(21,787)
Total liabilities and fund balances	$ 432,452	$ 66,426	$ 498,878

Miami-Yoder School District JT60
Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2023

	Food Service	Student Activities	Total-Other Governmental Funds
REVENUES			
Student Activities	$ -	$ 122,774	$ 122,774
Intergovernmental	177,990	-	177,990
Charges for services	7,584	-	7,584
Miscellaneous	224	260	484
Total revenues	185,798	123,034	308,832
EXPENDITURES			
Food Services	260,177	-	260,177
Noninstructional Services:			
Student Activities	-	134,970	134,970
Total Expenditures	260,177	134,970	395,147
Excess (deficiency) of revenues over expenditures	(74,379)	(11,936)	(86,315)
Net change in fund balances	(74,379)	(11,936)	(86,315)
Fund balances - beginning	40,683	23,845	64,528
Fund balances - ending	$ (33,696)	$ 11,909	$ (21,787)

Miami-Yoder School District JT60
Budget and Actual
Food Service
For the year ended June 30, 2023

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Intergovernmental	$ 174,500	$ 174,500	$ 177,990
Charges for services	7,500	7,500	7,584
Investment earnings	100	100	-
Miscellaneous	-	-	224
Total revenues	182,100	188,695	185,798
EXPENDITURES			
Food Services	202,559	348,659	260,177
Total Expenditures	202,559	348,659	260,177
Excess (deficiency) of revenues over expenditures	(20,459)	(159,964)	(74,379)
OTHER FINANCING SOURCES (USES)			
Transfers in	40,000	40,000	-
Total other financing sources and uses	40,000	40,000	-
Net change in fund balances	19,541	(119,964)	(74,379)
Fund balances - beginning	-	-	40,683
Fund balances - ending	$ 19,541	$ (119,964)	$ (33,696)

Miami-Yoder School District JT60
Budget and Actual
Student Activities
For the year ended June 30, 2023

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Student activities	105,000	105,000	$ 122,774
Investment earnings	100	100	-
Miscellaneous	-	-	260
Total revenues	105,100	105,100	123,034
EXPENDITURES			
Noninstructional Services:			
Student Activities	130,100	130,100	134,970
Total Expenditures	130,100	130,100	134,970
Excess (deficiency) of revenues over expenditures	(25,000)	(25,000)	(11,936)
OTHER FINANCING SOURCES (USES)			
Transfers in	25,000	25,000	-
Total other financing sources and uses	25,000	25,000	-
Net change in fund balances	-	-	(11,936)
Fund balances - beginning	-	-	23,845
Fund balances - ending	$ -	$ -	$ 11,909

Miami-Yoder School District JT60
Budget and Actual
Debt Service
For the year ended June 30, 2023

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Property Taxes	$ 185,500	$ 185,500	$ 162,135
SO Taxes	400	400	425
Investment earnings	1,000	1,000	7,967
Total revenues	186,900	186,900	170,527
EXPENDITURES			
Debt Service:			
Principal	155,400	155,400	145,000
Interest Expense	31,500	31,500	20,582
Total Expenditures	186,900	186,900	165,582
Excess (deficiency) of revenues over expenditures	-	-	4,945
Net change in fund balances	-	-	4,945
Fund balances - beginning	-	-	254,650
Fund balances - ending	$ -	$ -	$ 259,595

Miami-Yoder School District JT60
Budget and Actual
Capital Reserve Projects
For the year ended June 30, 2023

	Budgeted Amounts		Actual
	Original	Final	
REVENUES			
Investment earnings	$ -	$ -	$ 2,794
Total revenues	-	-	2,794
Excess (deficiency) of revenues over expenditures	-	-	2,794
Net change in fund balances	-	-	2,794
Fund balances - beginning	-	-	219,843
Fund balances - ending	$ -	$ -	$ 222,637

Colorado Department of Education

Auditors Integrity Report

District: 1130 - Miami/Yoder 60 JT

Fiscal Year 2022-23

Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type &Number		Beg Fund Balance & Prior Per Adj (6880*) +	1000 - 5999 Total Revenues & Other Sources -	0001-0999 Total Expenditures & Other Uses =	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental					
10	General Fund	156,708	5,281,924	5,472,765	-34,133
18	Risk Mgmt Sub-Fund of General Fund	10,593	412,040	392,815	29,818
19	Colorado Preschool Program Fund	0	0	0	0
	Sub- Total	**167,302**	**5,693,964**	**5,865,580**	**-4,315**
11	Charter School Fund	0	0	0	0
20,26-29	Special Revenue Fund	0	0	0	0
06	Supplemental Cap Const. Tech. Main. Fund	0	0	0	0
07	Total Program Reserve Fund	0	0	0	0
21	Food Service Spec Revenue Fund	40,683	185,798	260,177	-33,696
22	Govt Designated-Purpose Grants Fund	0	0	0	0
23	Pupil Activity Special Revenue Fund	23,845	123,034	134,970	11,909
25	Transportation Fund	0	0	0	0
31	Bond Redemption Fund	254,650	170,527	165,582	259,595
39	Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41	Building Fund	0	0	0	0
42	Special Building Fund	0	0	0	0
43	Capital Reserve Capital Projects Fund	219,843	2,794	0	222,637
46	Supplemental Cap Const. Tech. Main Fund	0	0	0	0
Totals		**706,323**	**6,176,118**	**6,426,310**	**456,131**
Proprietary					
50	Other Enterprise Funds	0	0	0	0
64 (63)	Risk-Related Activity Fund	0	0	0	0
60,65-69	Other Internal Service Funds	0	0	0	0
Totals		**0**	**0**	**0**	**0**
Fiduciary					
70	Other Trust and Agency Funds	0	0	0	0
72	Private Purpose Trust Fund	0	0	0	0
73	Agency Fund	0	0	0	0
74	Pupil Activity Agency Fund	0	0	0	0
79	GASB 34:Permanent Fund	0	0	0	0
85	Foundations	0	0	0	0
Totals		**0**	**0**	**0**	**0**

FINAL