

cPa DIXON, WALLER & CO., INC.

DEBEQUE SCHOOL

DISTRICT 49JT

DEBEQUE, COLORADO

FINANCIAL STATEMENTS

JUNE 30, 2022

DIXON, WALLER & CO., INC.

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DEBEQUE SCHOOL DISTRICT NUMBER 49JT

FINANCIAL STATEMENTS

JUNE 30, 2022

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DEBEQUE SCHOOL DISTRICT NUMBER 49JT
ROSTER OF SCHOOL OFFICIALS
June 30, 2022

BOARD OF EDUCATION

Dustin Sandidge	President
Jodie Brackett	Vice President
Tia Koehler	Secretary-Treasurer
Travis Graham	Director
Kaylea Zang	Director

SCHOOL OFFICIALS

Audra Lane	Superintendent
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Education
DeBeque School District Number 49JT
DeBeque, Colorado 81630

Opinion

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the DeBeque School District Number 49JT, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the DeBeque School District Number 49JT's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the DeBeque School District Number 49JT, as of June 30, 2022, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 DeBeque School District Number 49JT, 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 opinion.

Responsibilities of Management for the Financial Statements

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 DeBeque School District Number 49JT'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.

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 opinion. 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 DeBeque School District Number 49JT'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 DeBeque School District Number 49JT'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 management's discussion and analysis, budgetary comparison information and pension and post employment benefits trend data 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 an opinion on the financial statements that collectively comprise the DeBeque School District Number 49JT's basic financial statements. The accompanying combining and individual fund financial statements, other schedules, and state required schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, other schedules, and state required schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

DeBeque School District Number 49JT
DeBeque School District Number 49JT

MANAGEMENT'S DISCUSSION AND ANALYSIS

DE BEQUE SCHOOL DISTRICT NO. 49 JT

MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of De Beque School District 49 JT. ("the District") offers readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. Readers are encouraged to consider the information presented here in conjunction with the financial statement information.

FINANCIAL HIGHLIGHTS

District-Wide Financial Statements As of June 30, 2022

1. Assets and Deferred Outflows of the District exceed its liabilities and deferred inflows by \$11,983,433. This is an increase in net position of \$2,318,190.
2. The District has unrestricted net position (deficit) of (\$2,060,138).
3. By far the largest portion of the District's net position is its \$9,814,017 investment in capital assets net of accumulated depreciation and related debt.
4. The District's debt from General Obligation Bonds totals \$8,140,000.
5. The Restricted Net Position includes \$4,002,130 for debt obligations, \$45,383 for Preschool, \$65,676 for capital outlay, and \$87,000 required by TABOR, the emergency contingency required by Article X, Section 20 of the Colorado Constitution.

Fund Financial Statements As of June 30, 2022

1. The District's governmental funds reported a combined ending fund balance of \$6,609,910.
2. The governmental funds combined ending fund balance includes \$44,852 in the Student Activities Fund and \$4,002,130 in the Debt Service Fund.
3. The governmental funds reported total unassigned fund balance of \$2,332,404 of which \$2,332,404 is designated for subsequent year's expenditures. The unassigned fund balance is all from the general fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to De Beque School District 49 JT's basic financial statements. The District's basic financial statements consist of three components:

- 1) District-wide financial statements
- 2) Fund financial statements and
- 3) Notes to the financial statements

This report also contains required and other additional information in addition to the basic financial statements.

District-wide Financial Statements:

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

- 1) The **Statement of Net Position** presents information on all of the District's assets, liabilities and deferred flows, with the difference reported as **net position**. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- 2) The **Statement of Activities** presents information reporting how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in a statement for some items that will result in cash flows in future fiscal periods. Earned but unused leave and accrued interest expense are examples of these types of items.

Both district-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (**governmental activities**) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (**business-type activities**). The governmental activities of the District include instruction, pupil activities, instructional support, general and school administration, business services, transportation and maintenance and operations.

The district-wide financial statements include only the District itself (known as the **primary government**).

Fund Financial Statements

A **fund** is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All District funds can be divided into three categories:

Governmental funds: Governmental funds account for essentially the same functions reported as governmental activities in the district-wide financial statements. Unlike the district-wide financial statements, however, governmental fund financial statements focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called **modified accrual** accounting, which measures cash and all other financial assets that can readily be converted to cash. Such

information provides a detailed *short-term* view of the District's general government operations and may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate this comparison between governmental funds and governmental activities, reconciliations are provided for both the *governmental fund* Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance.

The District maintains four individual governmental funds. Information is presented separately in the *governmental fund* Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund and the Debt Service Fund which are considered *major funds*. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the *non-major* governmental funds is provided in the form of *combining statements* elsewhere in the report.

Proprietary funds: The District maintains no proprietary funds.

Enterprise funds are used to report the functions presented as *business-type activities* in the district-wide financial statements. The District has no enterprise funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefits of parties outside the District. Fiduciary funds are not reported in the district-wide financial statements because the resources of those funds are not available for the support of the District's own programs. The accounting used for fiduciary funds is the same as proprietary funds. The District has no fiduciary funds.

Notes to the Basic Financial Statements:

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

Required Supplementary Information:

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District. The District adopts an annual appropriated budget for all funds. A budgetary comparison schedules has been provided for the General fund to demonstrate compliance with the budget.

Other Information

Then combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

**DE BEQUE SCHOOL DISTRICT 49 JT
CONDENSED FINANCIAL INFORMATION**

Condensed Statement of Net Position

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	<i>FY22</i>	<i>FY21</i>	<i>FY22</i>	<i>FY21</i>	<i>FY22</i>	<i>FY21</i>
ASSETS						
Current Assets Unrestricted	\$ 2,741,676	\$ 2,449,368	\$ -	\$ -	\$ 2,741,676	\$ 2,449,368
Current Assets Restricted	\$ 4,004,856	\$ 3,678,345	\$ -	\$ -	\$ 4,004,856	\$ 3,678,345
Capital Assets	\$ 17,954,017	\$ 18,401,090	\$ -	\$ -	\$ 17,954,017	\$ 18,401,090
Total Assets	<u>\$ 24,700,549</u>	<u>\$ 24,528,803</u>			<u>\$ 24,700,549</u>	<u>\$ 24,528,803</u>
DEFERRED OUTFLOWS						
Debt and Pension, OPEB	\$ 735,873	\$ 1,139,607	\$ -	\$ -	\$ 735,873	\$ 1,139,607
LIABILITIES						
Current Liabilities	\$ 158,778	\$ 117,792	\$ -	\$ -	\$ 158,778	\$ 117,792
Net Pension and OPEB Liability	\$ 3,178,657	\$ 4,204,484	\$ -	\$ -	\$ 3,178,657	\$ 4,204,484
Long-Term Liabilities	\$ 8,718,197	\$ 9,574,685	\$ -	\$ -	\$ 8,718,197	\$ 9,574,685
Total Liabilities	<u>\$ 12,055,632</u>	<u>\$ 13,896,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,055,632</u>	<u>\$ 13,896,961</u>
DEFERRED INFLOWS						
Pension and OPEB	\$ 1,397,357	\$ 2,106,206	\$ -	\$ -	\$ 1,397,357	\$ 2,106,206
NET ASSETS						
Invested in Capital Assets (Net of related debt)	\$ 9,814,017	\$ 9,526,090			\$ 9,814,017	\$ 9,526,090
Restricted	\$ 4,229,554	\$ 3,855,269			\$ 4,229,554	\$ 3,855,269
Unrestricted	\$ (2,060,138)	\$ (3,716,116)			\$ (2,060,138)	\$ (3,716,116)
Total Net Position	<u>\$ 11,983,433</u>	<u>\$ 9,665,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,983,433</u>	<u>\$ 9,665,243</u>

Financial Analysis

Restricted Net Position is made up of statutory reserves totaling \$87,000 for emergencies required by TABOR, \$29,365 restricted for Food Service, amounts held for payment of debt totaling \$4,002,130, \$29,365 for Preschool and \$65,676 as a BEST Capital Renewal reserve.

At year end, 40% of assets reflects investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The District uses capital assets to provide services to students; consequently, these assets are not available for future spending.

**DE BEQUE SCHOOL DISTRICT 49 JT
CONDENSED STATEMENT OF CHANGES IN NET POSITION**

Revenues	Governmental Activities		Business-Type Activities		Total	
	FY22	FY21	FY22	FY21	FY22	FY21
<i>Program revenues:</i>						
Charges For Services	\$ 4,914	\$ 2,504	\$ -	\$ -	\$ 4,914	\$ 2,504
Operating Grants & Contrb.	\$ 437,297	\$ 442,460	\$ -	\$ -	\$ 437,297	\$ 442,460
Cap Grants & Contrb.		\$ -	\$ -	\$ -	\$ -	\$ -
<i>General Revenues</i>						
Property and Other Taxes	\$ 2,425,155	\$ 2,672,822	\$ -	\$ -	\$ 2,425,155	\$ 2,672,822
Equalization	\$ 1,627,535	\$ 1,143,164	\$ -	\$ -	\$ 1,627,535	\$ 1,143,164
Transfers		\$ -	\$ -	\$ -	\$ -	\$ -
Other	\$ 1,394,054	\$ 1,421,109	\$ -	\$ -	\$ 1,394,054	\$ 1,421,109
Total Revenues/Transfers	<u>\$ 5,888,955</u>	<u>\$ 5,682,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,888,955</u>	<u>\$ 5,682,059</u>
<i>Expenses:</i>						
Instructional services	\$ 1,981,601	\$ 1,908,258	\$ -	\$ -	\$ 1,981,601	\$ 1,908,258
Supporting Services:					\$ -	\$ -
Students	\$ 93,466	\$ 141,059	\$ -	\$ -	\$ 93,466	\$ 141,059
Instructional staff	\$ 52,459	\$ 45,659	\$ -	\$ -	\$ 52,459	\$ 45,659
District administration	\$ 284,378	\$ 251,679	\$ -	\$ -	\$ 284,378	\$ 251,679
School administration	\$ 166,959	\$ 162,019	\$ -	\$ -	\$ 166,959	\$ 162,019
Business	\$ 99,375	\$ 194,656	\$ -	\$ -	\$ 99,375	\$ 194,656
Operation/Maint.	\$ 333,442	\$ 305,423	\$ -	\$ -	\$ 333,442	\$ 305,423
Transportation	\$ 81,332	\$ 72,265	\$ -	\$ -	\$ 81,332	\$ 72,265
Central	\$ 154,069	\$ 79,754	\$ -	\$ -	\$ 154,069	\$ 79,754
Capital Outlay	\$ -	\$ 35,220	\$ -	\$ -	\$ -	\$ 35,220
Int. Liabilities Chg./Other	\$ 228,567	\$ 237,703	\$ -	\$ -	\$ 95,117	\$ 237,703
Pension and OPEB		\$ -	\$ -	\$ -	\$ -	\$ -
Food Service	\$ 95,117	\$ 75,103	\$ -	\$ -	\$ 3,570,765	\$ 75,103
Total District Expenses	<u>\$ 3,570,765</u>	<u>\$ 3,508,798</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,912,963</u>	<u>\$ 3,508,798</u>
Changes in Net Position	\$ 2,318,190	\$ 2,173,261	\$ -	\$ -	\$ (1,024,008)	\$ 2,173,261

Financial Analysis

1. Federal and State Government subsidized governmental operating activities through grants of \$437,297.
2. Charges for Services subsidized instructional services and food operations in the amount of \$4,914.

**DE BEQUE SCHOOL DISTRICT 49 JT
FUND FINANCIAL STATEMENT ANALYSIS**

Governmental Funds

General Fund

The General Fund is the major operating fund of the District, providing the majority of the resources for the educational and Support programs.

	SCHEDULE OF REVENUES		
	Fiscal Year	Fiscal Year	Increase
	2021-2022	2020-2021	(Decrease)
Property & Other Taxes	\$ 826,450	\$ 1,064,893	\$ (238,443)
Specific Ownership Tax	\$ 193,653	\$ 206,333	\$ (12,680)
State Aid	\$ 1,780,468	\$ 1,227,484	\$ 552,984
Total School Finance	\$ 2,800,571	\$ 2,498,710	\$ 301,861
OTHER LOCAL	\$ 52,194	\$ 36,533	\$ 15,661
OTHER STATE	\$ -	\$ -	\$ -
FEDERAL SOURCES	\$ 204,226	\$ 296,748	\$ (92,522)
Total Revenues	\$ 3,056,991	\$ 2,831,991	\$ 225,000

Property Taxes: *The General Fund mill levy is 3.493 for fiscal year 2021-2022 compared to 3.447 for FY 2020-2021. The increase in mills is based on a calculation provided by the Colorado Department of Education and an increase of mills required for abatements.*

The property tax revenues for 2022 are based upon a levy of 3.493 Mills, which includes 3.430 Program Mills, overrides/hold harmless levy of 0.022 mills and abatements of 0.041.

The 2021 Total mill levy was 9.419 mills which includes the General Fund mill levy of 3.493 and the Bond Redemption Fund mill levy of 5.926 mills applied against an assessed valuation of \$237,075,268.

Specific Ownership Tax: *A specific ownership tax is applied to the fair market value of vehicles registered in Colorado. The tax collected when vehicle owners renew their registrations each year. The specific ownership tax collections reflects a slight net decrease in the value of vehicles registered in fiscal year 2021-2022 and a minimal decrease in the distributive share of the specific ownership tax that flows to the General Fund.*

State Equalization: *Due to an decrease in assessed valuation and an increase in student enrollment, the district received State Equalization funding.*

Specific Ownership Tax, local, state, and federal sources made up the remainder of revenue.

Other State Sources: *Other State sources consist of Gifted & Talented Funds, READ, English Language Proficiency Act Funds, and Transportation reimbursement from the state.*

Other Federal Sources: *Sources consist of Title Grants, ESSER Grants and the Federal REAP grant for small school districts.*

Other Local Sources: *Other local sources include investment income, gate receipts, local grants from businesses in and around the area, and other miscellaneous revenues and donations from the oil and gas industry.*

DE BEQUE SCHOOL DISTRICT 49 JT
Governmental Expenditures

The following table shows the total cost of the District's major functions. It also shows the net costs for the current year

	Cost 2022-2021	Cost 2020-2021	Net Cost 2022-2021	Difference in Total Cost
INSTRUCTION	\$ 1,981,601	\$ 1,908,258	\$ 1,806,049	\$ 73,343
SUPPORT				
Pupil and Staff	\$ 145,925	\$ 186,718	\$ 126,140	\$ (40,793)
District Administration	\$ 284,378	\$ 251,679	\$ 281,221	\$ 32,699
School Administration	\$ 166,959	\$ 162,019	\$ 164,131	\$ 4,940
Business	\$ 99,375	\$ 194,656	\$ 97,565	\$ (95,281)
Operation and Maintenance of Facilities	\$ 333,442	\$ 305,423	\$ 276,233	\$ 28,019
Transportation	\$ 81,332	\$ 72,265	\$ (31,375)	\$ 9,067
Other Central Services	\$ 154,069	\$ 79,754	\$ 154,069	\$ 74,315
Debt Service	\$ 228,567	\$ 237,703	\$ 228,567	\$ (9,136)
Capital Outlay	\$ -	\$ 35,220	\$ -	\$ (35,220)
Pension and OPEB Cost	\$ -	\$ -	\$ -	\$ -
Food Service	\$ 95,117	\$ 75,103	\$ 25,954	\$ 20,014
Total Expenditures	\$ 3,570,765	\$ 3,508,798	\$ 3,128,554	\$ 61,967

The cost of all governmental activities this year was \$3,570,765. This is offset by Grants & contributions as well as charges for services. Net cost was \$3,128,554.

Capital Assets (Net of Depreciation)

	Governmental <u>2021-2022</u>	Governmental <u>2020-2021</u>
Land & Sites	\$ 58,645.00	\$ 58,645.00
Buildings & Improvements	\$ 17,744,614.00	\$ 18,271,759.00
Equipment & Vehicles	\$ 150,759.00	\$ 70,686.00
Construction in Progress	\$ -	\$ -
Total Capital Assets	\$ 17,954,018.00	\$ 18,401,090.00

Changes in Long Term Debt

	Balance <u>7/1/2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>6/30/2022</u>
General Obligation Bonds	\$ 8,875,000.00	\$ -	\$ 735,000.00	\$ 8,140,000.00
Totals	\$ 8,875,000.00	\$ -	\$ 735,000.00	\$ 8,140,000.00

**De Beque School District 49 Jt.
Fund Descriptions**

Debt Service Fund:

The Debt Service Fund is funded by property tax and specific ownership taxes collected by the two county governments, Mesa and Garfield.

The District had at the end of the 21-22 fiscal year outstanding bonded indebtedness of \$8,140,000.

Food Service Fund:

This fund is used to account for the activity in the school lunch and breakfast program. Revenues are provided through local charges and federal and state grants.

BASIC FINANCIAL STATEMENTS

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
STATEMENT OF NET POSITION
June 30, 2022

	<u>Governmental</u> <u>Activities</u>	<u>Total</u>
<u>ASSETS</u>		
Cash	215,985	215,985
Investments	6,396,759	6,396,759
Accounts Receivable	15,756	15,756
Accrued Revenue	104,505	104,505
Property Taxes Receivable	10,427	10,427
Inventories	3,100	3,100
Capital Assets	22,601,794	22,601,794
Accumulated Depreciation	<u>(4,647,777)</u>	<u>(4,647,777)</u>
<u>Total Assets</u>	<u>24,700,549</u>	<u>24,700,549</u>
 <u>DEFERRED OUTFLOW OF RESOURCES</u>		
Pension	709,097	709,097
Other Post Employment Benefits	<u>26,776</u>	<u>26,776</u>
<u>Total Deferred Outflow of Resources</u>	<u>735,873</u>	<u>735,873</u>
 <u>LIABILITIES</u>		
Accounts Payable	-	-
Accrued Salaries and Benefits	128,457	128,457
Accrued Interest Payable	28,150	28,150
Other Liabilities	2,171	2,171
NonCurrent Liabilities:		
Bond Payments Due Within One Year	765,000	765,000
Bond Due in More Than One Year	7,375,000	7,375,000
Unamortized Bond Premium	578,197	578,197
Net Pension Liability	3,031,969	3,031,969
Net OPEB Liability	<u>146,688</u>	<u>146,688</u>
<u>Total Liabilities</u>	<u>12,055,632</u>	<u>12,055,632</u>
 <u>DEFERRED INFLOW OF RESOURCES</u>		
Pension	1,326,939	1,326,939
Other Post Employment Benefits	<u>70,418</u>	<u>70,418</u>
<u>Total Deferred Inflow of Resources</u>	<u>1,397,357</u>	<u>1,397,357</u>
 <u>NET POSITION</u>		
Net Investment in Capital Assets	9,814,017	9,814,017
Restricted for:		
Debt	4,002,130	4,002,130
TABOR Reserve	87,000	87,000
Preschool	45,383	45,383
BEST Capital Renewal Reserve	65,676	65,676
Food Service	29,365	29,365
Unrestricted	<u>(2,060,138)</u>	<u>(2,060,138)</u>
<u>TOTAL NET POSITION</u>	<u>11,983,433</u>	<u>11,983,433</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Governmental Activities
FUNCTIONS				
Instructional Services	1,981,601	3,764	171,788	(1,806,049)
Supporting Services:				
Students	93,466	-	18,943	(74,523)
Instructional Staff	52,459	-	842	(51,617)
District Administration	284,378	-	3,157	(281,221)
School Administration	166,959	-	2,828	(164,131)
Business	99,375	-	1,810	(97,565)
Operation & Maintenance of Facilities	333,442	-	57,209	(276,233)
Transportation	81,332	-	112,707	31,375
Central	154,069	-	-	(154,069)
Community	-	-	-	-
Food Service	95,117	1,150	68,013	(25,954)
Capital Outlay	-	-	-	-
Interest on Long-Term Debt	228,567	-	-	(228,567)
<u>Total Governmental Activities</u>	<u>3,570,765</u>	<u>4,914</u>	<u>437,297</u>	<u>(3,128,554)</u>
<u>Total School District</u>	<u>3,570,765</u>	<u>4,914</u>	<u>437,297</u>	<u>(3,128,554)</u>
<u>General Revenues</u>				
				2,231,502
Property Taxes Levied for General Purposes				193,653
Specific Ownership Taxes				1,627,535
Equalization				13,955
Earnings on Investments				1,330,942
Changes to Pension and OPEB Liabilities				49,157
Other Revenues				5,446,744
<u>Total General Revenues and Transfers</u>				<u>2,318,190</u>
<u>Change in Net Position</u>				<u>9,665,243</u>
<u>Net Position, Beginning</u>				<u>11,983,433</u>
<u>Net Position, Ending</u>				<u>21,648,676</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	Debt Service	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash	168,885	2,248	44,852	215,985
Investments	2,377,244	3,997,124	22,391	6,396,759
Accounts Receivable	3,439	-	12,317	15,756
Accrued Revenue	104,505	-	-	104,505
Inventories	-	-	3,100	3,100
Due From Other Funds	-	-	-	-
Property Taxes Receivable	4,943	5,484	-	10,427
<u>Total Assets</u>	<u>2,659,016</u>	<u>4,004,856</u>	<u>82,660</u>	<u>6,746,532</u>
<u>LIABILITIES:</u>				
Accounts Payable	-	-	-	-
Accrued Salaries and Benefits	125,285	-	3,172	128,457
Due To Other Funds	-	-	-	-
Other Liabilities	-	-	2,171	2,171
<u>Total Liabilities</u>	<u>125,285</u>	<u>-</u>	<u>5,343</u>	<u>130,628</u>
<u>DEFERRED INFLOW OF RESOURCES</u>				
Property Tax	3,268	2,726	-	5,994
<u>FUND BALANCES:</u>				
Nonspendable				
Inventories	-	-	3,100	3,100
Restricted				
Emergency Reserve	87,000	-	-	87,000
BEST Capital Renewal Reserve	65,676	-	-	65,676
Debt Service	-	4,002,130	-	4,002,130
Preschool	45,383	-	-	45,383
Food Service	-	-	29,365	29,365
Capital Outlay	-	-	-	-
Assigned				
Student Activities	-	-	44,852	44,852
Unassigned	2,332,404	-	-	2,332,404
<u>Total Fund Balances</u>	<u>2,530,463</u>	<u>4,002,130</u>	<u>77,317</u>	<u>6,609,910</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>2,659,016</u>	<u>4,004,856</u>	<u>82,660</u>	<u>6,746,532</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

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

<u>Total Fund Balance – Governmental Funds</u>	6,609,910
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$22,601,794 and the accumulated depreciation is \$4,647,777.	17,954,017
Property tax revenue is recognized when earned (claim to resources established) rather than when “available.” All of the deferred property tax revenue is not available.	5,994
Interest is recognized when paid in the funds. This is accrued interest payable to year end.	(28,150)
Premiums received when debt is issued are recognized as revenues in the funds. They are amortized as an interest adjustment in the government wide statements. The remaining unamortized premium is:	(578,197)
Long-term liabilities, including certificates of participation and general obligation bonds are not due and payable in the current period and therefore are not reported in funds.	(8,140,000)
Net pension and other post employment benefits liabilities, along with associated deferred flows, are not recorded at the fund level:	
Net Pension Liability	(3,031,969)
Net Other Post Employment Benefits Liability	(146,688)
Deferred Outflows	735,873
Deferred Inflows	<u>(1,397,357)</u>
<u>TOTAL NET POSITION – GOVERNMENTAL ACTIVITIES</u>	<u>11,983,433</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>				
Property Taxes	826,450	1,404,253	-	2,230,703
Specific Ownership taxes	193,653	-	-	193,653
Earnings on Investments	5,164	8,771	20	13,955
Other Local Sources	47,030	442	18,724	66,196
State Aid	1,780,468	-	773	1,781,241
Federal Aid	204,226	-	67,240	271,466
<u>Total Revenues</u>	<u>3,056,991</u>	<u>1,413,466</u>	<u>86,757</u>	<u>4,557,214</u>
<u>EXPENDITURES</u>				
<u>Current:</u>				
Instructional Services	1,449,707	-	-	1,449,707
Supporting Services:				
Students	73,509	-	19,957	93,466
Instructional Staff	52,459	-	-	52,459
District Administration	277,249	-	-	277,249
School Administration	166,959	-	-	166,959
Business	99,375	-	-	99,375
Operation & Maintenance of Facilities	332,434	-	-	332,434
Transportation	174,766	-	-	174,766
Central	154,069	-	-	154,069
Food Service	-	-	94,641	94,641
Debt Service:				
Principal	-	735,000	-	735,000
Interest	-	352,500	-	352,500
Capital Outlay	-	-	-	-
<u>Total Expenditures</u>	<u>2,780,527</u>	<u>1,087,500</u>	<u>114,598</u>	<u>3,982,625</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>276,464</u>	<u>325,966</u>	<u>(27,841)</u>	<u>574,589</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers	(40,000)	-	40,000	-
<u>Total Other Financing Sources (Uses)</u>	<u>(40,000)</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	236,464	325,966	12,159	574,589
<u>FUND BALANCE—Beginning</u>	<u>2,293,999</u>	<u>3,676,164</u>	<u>65,158</u>	<u>6,035,321</u>
<u>FUND BALANCES—Ending</u>	<u>2,530,463</u>	<u>4,002,130</u>	<u>77,317</u>	<u>6,609,910</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 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, 2022

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

Net Change in Fund Balances – Total Governmental Funds 574,589

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

	Capital Outlays more than \$5,000	109,007	
	Depreciation Expense	<u>(556,080)</u>	(447,073)

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

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

	Repayment of Debt Principal	735,000	
	Interest Expense	<u>123,933</u>	858,933

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

	Pension Cost	1,312,330	
	Other Post Employment Benefits Cost	<u>18,612</u>	<u>1,330,942</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES 2,318,190

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

NOTES TO BASIC FINANCIAL STATEMENTS

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the DeBeque School District Number 49JT (the District) conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

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

The District is the lowest level of government, which is considered to be financially accountable over all activities related to public school education in DeBeque School District Number 49JT. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. The Board of Education members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters.

A. Reporting Entity

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

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

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

E. Cash and Investments

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

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

F. Receivables

Property taxes levied in 2021 but uncollected in 2022 are identified as property taxes receivable. Amounts of property taxes that are not available at June 30, 2022 are recorded as deferred inflows. Program grants are recorded as receivables and revenues at the time reimbursable project costs are incurred.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Inventories

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

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

H. Capital Assets

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

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

The monetary threshold for capitalization of assets is \$5,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets (6-50 years). Depreciation of all capital assets is charged as an expense against their operations. Depreciation is recorded in the year of acquisition.

I. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net position. The District records long-term debt of governmental funds at the face value.

J. Deferred Outflows / Inflows of Resources

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows / Inflows of Resources (continued)

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

K. Constitutional Amendment

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

In November of 1996 the registered voters approved a ballot resolution authorizing DeBeque School District Number 49JT to collect, retain and expend all revenues collected during 1994 & 1995 and any subsequent year from any source provided that no property tax mill levy be increased or any new tax imposed without the consent of the voters.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future years. TABOR requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by TABOR, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increases. These reserves are required to be three percent or more of fiscal year spending (excluding bonded debt service). As of June 30, 2022 the District reserved \$87,000 for this purpose.

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

L. Property Taxes

Under Colorado law, all property taxes are due and payable in the year following the year levied. The 2021 property tax calendar for Mesa and Garfield Counties was as follows:

Levy Date	December 15, 2021
Lien Date	January 1, 2022
Tax Bills Mailed	January 1, 2022
First Installment Due	February 28, 2022
Second Installment Due	June 15, 2022
If Paid in Full, Due	April 30, 2022
Tax Sale – 2020 Delinquent Property Taxes	October 25, 2021

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Use of Estimates

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

N. Interest Expense

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

O. GASB Statement No. 54

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

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

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

Fund Balance Classification Policies and Procedures

Committed Fund Balance Policy:

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

Assigned Fund Balance Policy:

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O. GASB Statement No. 54 (Continued)

Order of Fund Balance Spending Policy

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

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

Fund Balance Classification by Fund:

	<u>General Fund</u>	<u>Student Activity Fund</u>	<u>Bond Redemption Fund</u>	<u>Food Service Fund</u>	<u>Total Governmental Funds</u>
<u>Non-spendable:</u>					
Inventories	-	-	-	3,100	3,100
<u>Restricted:</u>					
Emergencies	87,000	-	-	-	87,000
Preschool	45,383	-	-	-	45,383
Debt Service	-	-	4,002,130	-	4,002,130
BEST Capital Reserve	65,676	-	-	-	65,676
Food Service	-	-	-	29,365	29,365
Capital Outlay	-	-	-	-	-
<u>Assigned:</u>					
Student Activities	-	44,852	-	-	44,852
<u>Unassigned</u>	<u>2,332,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,332,404</u>
<u>Total Fund Balances</u>	<u>2,530,463</u>	<u>44,852</u>	<u>4,002,130</u>	<u>32,465</u>	<u>6,609,910</u>

P. Recently Adopted Accounting Pronouncements:

In June of 2017, the Governmental Accounting Standards Board issued Statement No. 87, Leases. The original effective date was for reporting periods beginning after December 15, 2019 but was extended to periods beginning after December 15, 2020.

On July 1, 2021 the District implemented the statement for leases. The District will comply on all leases that are individually or aggregately material to the financial statements.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 2 RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

Items Eliminated

	<u>Transfer In</u>	<u>Transfer Out</u>	<u>Due To Other Fund</u>	<u>Due From Other Fund</u>
General Fund	-	40,000	-	-
Food Service	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>

NOTE 3 BUDGETARY INFORMATION

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

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

1. Prior to June 1, the Business Manager submits to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public notices are released to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. The Business Manager is authorized to transfer budgeted amounts between categories within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 3 BUDGETARY INFORMATION (Continued)

5. Formal budgetary integration should be employed as a management control device during the year for the General Fund, Debt Service, and Special Revenue Funds.
6. Budgets for the General, Debt Service, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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

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

NOTE 4 CASH AND INVESTMENTS

Deposits

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

At June 30, 2022, the District's bank balance and corresponding carrying balance were as follows:

	<u>Carrying Balance</u>	<u>Bank Balance</u>
Insured (FDIC)	201,935	246,276
Uninsured, Collateralized under the Public Deposit Protection Act of the State of Colorado	-	-
Cash with County Treasurer	<u>14,050</u>	<u>-</u>
<u>Total Cash and Deposits</u>	<u>215,985</u>	<u>246,276</u>

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 4 CASH AND INVESTMENTS (Continued)

As presented above, deposits with a bank balance of \$-0- and a carrying balance of \$-0- as of June 30, 2022 are uninsured, are exposed to custodial risk, and are collateralized with securities held by the pledging financial institution.

Investments

At June 30, 2022, the District had the following investments:

	<u>Investment</u>	<u>Maturity</u>	<u>Value</u>
	External		
COLOTRUST	Investment Pool	Under 60 Day Average	6,396,759

Interest Rate Risk – The District does not have a formal investment policy that limits investment maturities for managing possible fair value losses due to increasing interest rates.

Credit Risk – State Law limits the type of investments allowable. The investment in COLOTRUST were rated AAAM by Standard & Poor’s.

Concentration of Credit Risk – the District has no policy restricting the amount that can be invested in any issuer.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The District has no recurring fair value measurements as of June 30, 2022:

- COLOTRUST – Investments in this external investment pool are reported at \$1 net asset value per share and are not subject to fair value measurement. The investment is reported at cost.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 5 CAPITAL ASSETS

A summary of changes in capital assets is as follows:

Governmental Activities

	<u>Balance</u> <u>July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>Balance</u> <u>June 30, 2022</u>
<u>Non-Depreciable Assets:</u>					
Land	58,645	-	-	-	58,645
<u>Total Non-Depreciable Assets</u>	<u>58,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,645</u>
<u>Depreciable Assets:</u>					
Buildings & Site					
Improvements	21,739,501	-	-	-	21,739,501
Food Service Equipment	33,689	-	-	-	33,689
Vehicles	268,396	109,007	-	-	377,403
Equipment	392,556	-	-	-	392,556
Construction in Progress	-	-	-	-	-
<u>Total Depreciable Assets</u>	<u>22,434,142</u>	<u>109,007</u>	<u>-</u>	<u>-</u>	<u>22,543,149</u>
<u>Less Accumulated</u>					
<u>Depreciation for:</u>					
Building & Site					
Improvements	3,467,742	527,146	-	-	3,994,888
Food Service Equipment	28,449	476	-	-	28,925
Equipment & Vehicles	595,506	28,458	-	-	623,964
<u>Total Accumulated</u>					
<u>Depreciation</u>	<u>4,091,697</u>	<u>556,080</u>	<u>-</u>	<u>-</u>	<u>4,647,777</u>
<u>Total Capital Assets, Net</u>	<u>18,401,090</u>	<u>(447,073)</u>	<u>-</u>	<u>-</u>	<u>17,954,017</u>

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

Governmental Activities:

Instruction	531,894
General Administration Support	7,129
Food Service	476
Operations and Maintenance	1,008
Transportation	<u>15,573</u>
<u>Total Depreciation Expense –Governmental Activities</u>	<u>556,080</u>

NOTE 6 ACCRUED SALARIES AND BENEFITS

Salaries and retirement benefits of certain contractually employed personnel are paid over a twelve-month period from September to August, but are earned during a school year of approximately nine to ten months. The salaries and benefits earned, but unpaid, at June 30, 2022, are estimated to be \$128,457. Accordingly, the accrued compensation is reflected as a liability in the accompanying financial statements of the various funds.

NOTE 7 PENSION PLAN

Defined Benefit Pension Plan

Summary of Significant Accounting Policies

Pensions. DeBeque School District Number 49JT 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 DeBeque School District Number 49JT 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, 2021. 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 PENSION PLAN (Continued)

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% 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, 2022: Eligible employees of, DeBeque School District Number 49JT and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, *et seq.* and § 24-51-413. Eligible employees are required to contribute 10.50% of their PERA-includable salary during the period of July 1, 2021 through June 30, 2022. Employer contribution requirements are summarized in the table below.

	July 1, 2021 Through June 30, 2022
Employer contribution rate	10.90%
Amount of employer contribution apportioned to the Health Care Trust Fund as specified in C.R.S. § 24-51-208(1)(f)	(1.02)%
Amount apportioned to the SCHDTF	9.88%
Amortization Equalization Disbursement (AED) as specified in C.R.S. § 24-51-411	4.50%
Supplemental Amortization Equalization Disbursement (SAED) as specified in C.R.S. § 24-51-411	5.50%
Total employer contribution rate to the SCHDTF	19.88%

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2022

NOTE 7 PENSION PLAN (Continued)

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the DeBeque School District Number 49JT is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from DeBeque School District Number 49JT were \$300,683 for the year ended June 30, 2022.

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 \$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. In addition to the \$225 million (actual dollars) direct distribution due July 1, 2022, House Bill (HB) 22-1029, instructs the State treasurer to issue a warrant to PERA in the amount of \$380 million (actual dollars), upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

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, 2021, and the total pension liability (TPL) used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TPL to December 31, 2021. The DeBeque School District Number 49JT proportion of the net pension liability was based on DeBeque School District Number 49JT contributions to the SCHDTF for the calendar year 2021 relative to the total contributions of participating employers and the State as a nonemployer contributing entity.

At June 30, 2022, the DeBeque School District Number 49JT reported a liability of \$3,031,969 for its proportionate share of the net pension liability that reflected an increase for support from the State as a nonemployer contributing entity. The amount recognized by the DeBeque School District Number 49JT 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 DeBeque School District Number 49JT were as follows:

DeBeque School District Number 49JT proportionate share of the net pension liability	\$ 3,031,969
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the DeBeque School District Number 49JT	\$ 347,576
Total	\$ 3,379,545

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 PENSION PLAN (Continued)

At December 31, 2021, the DeBeque School District Number 49JT proportion was 0.0261%, which was a decrease of 0.001% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the DeBeque School District Number 49JT recognized pension income of \$1,312,330 and revenue of \$37,108 for support from the State as a nonemployer contributing entity. At June 30, 2022, the DeBeque School District Number 49JT 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	116,076	-
Changes of assumptions or other inputs	231,468	-
Net difference between projected and actual earnings on pension plan investments	-	(1,139,930)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	205,762	(187,009)
Contributions subsequent to the measurement date	155,791	N/A
Total	709,097	(1,326,939)

\$155,791 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30, 2022	
2023	(64,993)
2024	(283,823)
2025	(286,454)
2026	(138,363)
2027	-
Thereafter	-

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 PENSION PLAN (Continued)

Actuarial assumptions. The TPL in the December 31, 2020 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*	Financed by the AIR

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

The TPL as of December 31, 2021, includes the anticipated adjustments to contribution rates and the AI cap, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.

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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 **PENSION PLAN (Continued)**

The actuarial assumptions used in the December 31, 2020, 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 every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

The PERA Board first adopted the 7.25% 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%.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 7 PENSION PLAN (Continued)

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in Senate Bill (SB) 18-200, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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, required adjustments resulting from the 2018 AAP assessment, and the additional 0.50% resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022. 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.
- Employer contributions and the amount of total service costs for future plan members were based upon a process to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- The AIR balance was excluded from the initial FNP, as, per statute, AIR amounts cannot be used to pay benefits until transferred to either the retirement benefits reserve or the survivor benefits reserve, as appropriate. AIR transfers to the FNP position and the subsequent AIR benefit payments were estimated and included in the projections.
- The projected benefit payments reflect the lowered AI cap, from 1.25% to 1.00%, resulting from the 2020 AAP assessment, statutorily recognized July 1, 2021, and effective July 1, 2022.
- 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 PENSION PLAN (Continued)

Sensitivity of the DeBeque School District Number 49JT 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	4,462,810	3,031,969	1,837,985

Pension plan fiduciary net position. 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.

Defined Contribution Pension Plans

Voluntary Investment Program

Plan Description – Employees of the DeBeque School District Number 49JT that are also members of the SCHDTF may voluntarily contribute to the Voluntary Investment Program, an Internal Revenue Code Section 401(k) defined contribution plan administered by PERA. Title 24, Article 51, Part 14 of the C.R.S., as amended, assigns the authority to establish the Plan provisions to the PERA Board of Trustees. PERA issues a publicly available ACFR which includes additional information on the Voluntary Investment Program. That report can be obtained at www.copera.org/investments/pera-financial-reports.

Funding Policy – The Voluntary Investment Program is funded by voluntary member contributions up to the maximum limits set by the Internal Revenue Service, as established under Title 24, Article 51, Section 1402 of the C.R.S., as amended. Employees are immediately vested in their own contributions and investment earnings. For the year ended June 30, 2022, program members contributed \$5,007.

NOTE 8

OTHER POST EMPLOYMENT BENEFITS

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

OPEB. DeBeque School District Number 49JT 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 DeBeque School District Number 49JT 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the DeBeque School District Number 49JT is statutorily committed to pay the contributions. Employer contributions recognized by the HCTF from DeBeque School District Number 49JT were \$15,421 for the year ended June 30, 2022.

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

At June 30, 2022, the DeBeque School District Number 49JT reported a liability of \$146,688 for its proportionate share of the net OPEB liability. The net OPEB liability for the HCTF was measured as of December 31, 2021, and the total OPEB liability (TOL) used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2020. Standard update procedures were used to roll-forward the TOL to December 31, 2021. The DeBeque School District Number 49JT proportion of the net OPEB liability was based on DeBeque School District Number 49JT contributions to the HCTF for the calendar year 2021 relative to the total contributions of participating employers to the HCTF.

At December 31, 2021, the DeBeque School District Number 49JT proportion was 0.0170%, which was an increase of 0.0015% from its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the DeBeque School District Number 49JT recognized OPEB income of \$18,612. At June 30, 2022, the DeBeque School District Number 49JT 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	224	(34,781)
Changes of assumptions or other inputs	3,037	(7,957)
Net difference between projected and actual earnings on OPEB plan investments	-	(9,080)
Changes in proportion and differences between contributions recognized and proportionate share of contributions	15,522	(18,600)
Contributions subsequent to the measurement date	7,993	N/A
Total	26,776	(70,418)

\$7,993 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30, 2022	
2023	(16,005)
2024	(17,184)
2025	(15,335)
2026	(5,061)
2027	1,596
Thereafter	354

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial assumptions. The TOL in the December 31, 2020 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			4.50% in 2021, 6.00% in 2022 gradually decreasing to 4.50% in 2029	
Medicare Part A premiums			3.75% in 2021, 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	

Calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each actuarial valuation and on the pattern of sharing of costs between employers of each fund to that point.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 **OTHER POST EMPLOYMENT BENEFITS (Continued)**

In determining the additional liability for PERACare enrollees who are age 65 or older and who are not eligible for premium-free Medicare Part A in the December 31, 2020, valuation, the following monthly costs/premiums (actual dollars) are assumed for 2021 for the PERA Benefit Structure:

Medicare Plan	Initial Costs for Members Without Medicare Part A		
	Monthly Cost	Monthly Premium	Monthly Cost Adjusted to Age 65
Medicare Advantage/Self-Insured Rx	\$633	\$230	\$591
Kaiser Permanente Medicare Advantage HMO	596	199	562

The 2021 Medicare Part A premium is \$471 (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, 2020, 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
2021	4.50%	3.75%
2022	6.00%	3.75%
2023	5.80%	4.00%
2024	5.60%	4.00%
2025	5.40%	4.00%
2026	5.10%	4.25%
2027	4.90%	4.25%
2028	4.70%	4.25%
2029+	4.50%	4.50%

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

Mortality assumptions used in the December 31, 2020 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 using 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.

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

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

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

- **Males:** 94% 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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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 Trust Fund:

- Initial per capita health care costs for those PERACare enrollees under the PERA benefit structure who are expected to attain age 65 and older ages and are not eligible for premium-free Medicare Part A benefits were updated to reflect the change in costs for the 2021 plan year.
- The health care cost trend rates for Medicare Part A premiums were revised to reflect the then-current expectation of future increases in rates of inflation applicable to Medicare Part A premiums.

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

The actuarial assumptions used in the December 31, 2020, 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 every four to five years for PERA. Recently, this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

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 DeBeque School District Number 49JT 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	3.50%	4.50%	5.50%
Ultimate PERACare Medicare trend rate	3.50%	4.50%	5.50%
Initial Medicare Part A trend rate	2.75%	3.75%	4.75%
Ultimate Medicare Part A trend rate	3.50%	4.50%	5.50%
Net OPEB Liability	\$142,475	\$146,688	\$151,567

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, 2021, 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%.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 8 OTHER POST EMPLOYMENT BENEFITS (Continued)

- 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 DeBeque School District Number 49JT 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	\$170,362	\$146,688	\$126,465

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 9 COMPENSATED ABSENCES

There is no material liability for compensated absences at June 30, 2022.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 10 LONG-TERM DEBT

On April 23, 2008, the District issued \$2,165,000 in General Obligation Refunding Bonds with an average interest rate of 3.56% to advance refund \$2,165,000 of outstanding 1998 General Obligation Bonds bearing interest rates ranging from 3.3% to 4.7%. Refunding proceeds of \$2,241,975 were deposited with an escrow agent to provide debt service payments of \$2,165,000 in principal and \$686,227 in interest on the 1998 Series bonds. As a result, that portion of 1998 Bonds is considered to be defeased and the liability for the issue has been removed from the financial statements.

The District completed the advance refunding to reduce the total debt service payments over the next 11 years by \$93,840 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$79,694.

As a result of the difference between the requisition price and the carrying amount of the old debt (including unamortized issue costs), a deferred refunding was recorded in the amount of \$76,975. It is being amortized against interest costs of the refunding issue.

The amount of debt outstanding on the refunded 1998 General Obligation Bonds at June 30, 2019 was -0-. The 2008 General Obligation Refunding Bonds were paid off in the year ended June 30, 2019.

On December 10, 2015 the District issued \$8,525,000 in General Obligation Bonds (Series 2015) with an interest rate of 4% to acquire, repair, construct and improve District capital assets. The District realized a premium in addition to the bond proceeds of \$1,471,816. Interest will be paid every six months and principal will be paid annually beginning in 2022. The first interest payment was made on June 1, 2016.

Below is a schedule of debt service requirements to maturity:

Series 2015 G.O. Bonds

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2023	765,000	322,500
2024	800,000	291,200
2025	830,000	258,600
2026	865,000	224,700
2027	895,000	188,381
2028	935,000	149,494
2029	975,000	108,906
2030	1,015,000	66,619
2031	<u>1,060,000</u>	<u>22,525</u>
	<u>8,140,000</u>	<u>1,632,925</u>

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2022

NOTE 10 LONG-TERM DEBT (Continued)

On January 6, 2016, the District issued \$2,855,000 in General Obligation Bonds (Series 2016) with an interest rate of 4% (3% on the 2020 maturity) to acquire, repair, construct and improve District capital assets. The District realized a premium in addition to the bond proceeds of \$245,894. Interest will be paid every six months and principal will be paid annually beginning in 2017. The first interest payment was made on June 1, 2016.

The bond was paid off in 2022.

Changes in Long-Term Debt

	Beginning Balance <u>7-1-2021</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6-30-2022</u>	Due Within <u>One Year</u>
General Obligation:					
Bonds - 2015	8,525,000	-	385,000	8,140,000	765,000
Bonds - 2016	<u>350,000</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	-
	<u>8,875,000</u>	<u>-</u>	<u>735,000</u>	<u>8,140,000</u>	

NOTE 11 RISK MANAGEMENT

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

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

NOTE 12 INTERFUND ACTIVITY

Transfers from the general fund to support operational cash requirements were made in the following amounts:

Food Service Fund	\$40,000
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REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures and changes in Fund Balance – Budget and Actual – General Fund

Pension Trend Data

OPEB Trend Data

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 GENERAL FUND

For the Year Ended June 30, 2022

<u>REVENUES</u>	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>Local Sources</u>				
Property Taxes	828,133	828,133	826,450	(1,683)
Specific Ownership Taxes	202,000	202,000	193,653	(8,347)
Earnings on Investments	4,100	4,100	5,164	1,064
Delinquent Penalty & Interest	7,000	7,000	931	(6,069)
Other	38,083	38,083	46,099	8,016
<u>State Sources</u>				
Equalization	1,606,037	1,606,037	1,627,535	21,498
Transportation	7,500	7,500	8,012	512
Other	90,796	90,796	144,921	54,125
<u>Federal Sources</u>				
Designated Purpose Grants	203,647	203,647	204,226	579
TOTAL REVENUES	2,987,296	2,987,296	3,056,991	69,695
 <u>EXPENDITURES</u>				
<u>INSTRUCTION</u>				
<u>Regular Programs</u>				
Salaries	1,020,645	1,020,645	959,711	60,934
Employee Benefits	220,555	220,555	241,172	(20,617)
Purchased Services - Professional	27,001	27,001	17,694	9,307
Purchased Services – Property	39,431	39,431	28,954	10,477
Purchased Services – Other	58,584	58,584	26,666	31,918
Supplies and Materials	166,117	166,117	116,721	49,396
Property	51,115	51,115	49,286	1,829
Other Objects	22,074	22,074	9,503	12,571
<u>Total Instruction</u>	<u>1,605,522</u>	<u>1,605,522</u>	<u>1,449,707</u>	<u>155,815</u>
 <u>SUPPORTING SERVICES</u>				
<u>Student Supporting Services</u>				
Salaries	55,341	55,341	53,211	2,130
Employee Benefits	11,381	11,381	13,349	(1,968)
Purchased Services – Professional	-	-	-	-
Purchased Services –Property	-	-	-	-
Purchased Services – Other	875	875	-	875
Supplies and Materials	2,400	2,400	2,322	78
Property	-	-	-	-
Other Objects	4,170	4,170	4,627	(457)
<u>Total Student Services</u>	<u>74,167</u>	<u>74,167</u>	<u>73,509</u>	<u>658</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>			<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Instructional Staff</u>				
Salaries	32,009	32,009	32,695	(686)
Employee Benefits	11,932	11,932	14,114	(2,182)
Purchased Services – Professional	-	-	-	-
Purchased Services – Property	-	-	-	-
Purchased Services – Other	1,000	1,000	150	850
Supplies and Materials	5,000	5,000	5,500	(500)
Property	-	-	-	-
<u>Total Instructional Staff</u>	<u>49,941</u>	<u>49,941</u>	<u>52,459</u>	<u>(2,518)</u>
<u>General Administration</u>				
Salaries	124,600	124,600	122,644	1,956
Employee Benefits	33,739	33,739	28,396	5,343
Purchased Services – Professional	43,000	43,000	37,795	5,205
Purchased Services – Property	-	-	-	-
Purchased Services – Other	71,899	71,899	72,434	(535)
Supplies and Materials	8,500	8,500	7,633	867
Property	500	500	-	500
Other Objects	<u>10,000</u>	<u>10,000</u>	<u>8,347</u>	<u>1,653</u>
<u>Total General Administration</u>	<u>292,238</u>	<u>292,238</u>	<u>277,249</u>	<u>14,989</u>
<u>School Administration</u>				
<u>Office of the Principal</u>				
Salaries	108,152	108,152	109,859	(1,707)
Employee Benefits	23,537	23,537	27,061	(3,524)
Purchased Services – Professional	30,015	30,015	30,015	-
Purchased Services – Other	2,000	2,000	-	2,000
Supplies and Materials	1,500	1,500	24	1,476
Property	1,000	1,000	-	1,000
Other Objects	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
<u>Total School Administration</u>	<u>166,704</u>	<u>166,704</u>	<u>166,959</u>	<u>(255)</u>
<u>Business Services</u>				
Salaries	69,919	69,919	70,310	(391)
Employee Benefits	14,825	14,825	13,921	904
Purchased Services – Professional	13,120	13,120	15,000	(1,880)
Purchased Services – Property	-	-	-	-
Purchased Services – Other	-	-	-	-
Supplies and Materials	1,000	1,000	144	856
Property	500	500	-	500
Other Objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Business Services</u>	<u>99,364</u>	<u>99,364</u>	<u>99,375</u>	<u>(11)</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<u>SUPPORTING SERVICES (Continued)</u>				
<u>Operations and Maintenance</u>				
Salaries	120,000	120,000	127,575	(7,575)
Employee Benefits	28,001	28,001	33,683	(5,682)
Purchased Services – Professional	19,780	19,780	19,435	345
Purchased Services – Property	47,000	47,000	45,753	1,247
Purchased Services – Other	-	-	-	-
Supplies and Materials	111,780	111,780	105,988	5,792
Property	-	-	-	-
Other Objects	-	-	-	-
<u>Total Operations and Maintenance</u>	<u>326,561</u>	<u>326,561</u>	<u>332,434</u>	<u>(5,873)</u>
<u>Student Transportation</u>				
Salaries	23,480	23,480	23,140	340
Employee Benefits	5,478	5,478	5,828	(350)
Purchased Services – Professional	7,872	7,872	7,438	434
Purchased Services – Property	16,015	16,015	15,549	466
Purchased Services – Other	2,250	2,250	1,501	749
Supplies and Materials	13,500	13,500	12,303	1,197
Property	174,197	174,197	109,007	65,190
Other Objects	-	-	-	-
<u>Total Student Transportation</u>	<u>242,792</u>	<u>242,792</u>	<u>174,766</u>	<u>68,026</u>
<u>Central Support</u>				
Employee Benefits	30,786	30,786	26,866	3,920
Purchased Services - Other	49,300	49,300	48,984	316
Supplies and Materials	89,197	89,197	78,219	10,978
<u>Total Central Support</u>	<u>169,283</u>	<u>169,283</u>	<u>154,069</u>	<u>15,214</u>
<u>Facilities Acquisition and Construction</u>				
Property	-	-	-	-
<u>TOTAL SUPPORTING SERVICES</u>	<u>1,421,050</u>	<u>1,421,050</u>	<u>1,330,820</u>	<u>90,230</u>
<u>Appropriated Reserves</u>	<u>2,214,724</u>	<u>2,214,724</u>	<u>-</u>	<u>2,214,724</u>
<u>TOTAL EXPENDITURES</u>	<u>5,241,296</u>	<u>5,241,296</u>	<u>2,780,527</u>	<u>2,460,769</u>
<u>Revenues Over (Under) Expenditures</u>	<u>(2,254,000)</u>	<u>(2,254,000)</u>	<u>276,464</u>	
<u>Other Financing Sources (Uses)</u>				
Transfers	(40,000)	(40,000)	(40,000)	-
<u>Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses</u>	<u>(2,294,000)</u>	<u>(2,294,000)</u>	<u>236,464</u>	
<u>FUND BALANCE, July 1</u>	<u>2,294,000</u>	<u>2,294,000</u>	<u>2,293,999</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>-</u>	<u>2,530,463</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net pension liability (asset)	0.0261%	0.0268%	0.0247%	0.0273%	0.0321%	0.0321%	0.0299%	0.0284%	0.0289%	-
District's proportionate share of the net pension liability (asset)	\$3,031,969	\$4,056,956	\$3,694,911	\$4,836,167	\$10,376,185	\$9,559,503	\$4,582,400	\$3,844,452	\$3,681,132	-
State's proportionate share of the net pension liability associated with the District**	\$347,576	-	\$468,652	\$661,279	-	-	-	-	-	-
District's covered payroll	\$1,511,851	\$1,596,944	\$1,366,125	\$1,532,103	\$1,511,810	\$1,454,918	\$1,400,541	\$1,268,830	\$1,135,354	-
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	201%	254%	270%	315%	686%	657%	327%	303%	324%	-
Plan fiduciary net position as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.80%	64.06%	-

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

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 SCHEDULE OF DISTRICT CONTRIBUTIONS - PENSION
 For The Last 10 Fiscal Years (As Available)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contributions	\$ 300,683	\$ 317,471	\$ 264,755	\$ 293,091	\$ 285,635	\$ 267,526	\$ 248,724	\$ 214,377	\$ 181,505	\$ 166,635
Contributions in relation to the contractually required contributions	<u>\$(300,683)</u>	<u>\$(317,471)</u>	<u>\$(264,755)</u>	<u>\$(293,091)</u>	<u>\$(285,635)</u>	<u>\$(267,526)</u>	<u>\$(248,724)</u>	<u>\$(214,377)</u>	<u>\$(181,505)</u>	<u>\$(166,635)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$1,511,851	\$1,596,944	\$1,366,125	\$1,532,103	\$1,511,810	\$1,454,918	\$1,400,541	\$1,268,830	\$1,135,354	\$1,099,913
Contributions as a percentage of covered payroll	19.88%	19.88%	19.38%	19.13%	18.89%	18.39%	17.76%	16.90%	15.99%	15.15%

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITY
 For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
District's proportion of the net OPEB liability (asset)	0.0170%	0.0155%	0.0162%	0.0177%	0.0182%	0.0182%	-	-	-	-
District's proportionate share of the net OPEB liability (asset)	\$146,688	\$147,528	\$181,847	\$241,537	\$236,949	\$236,617	-	-	-	-
District's covered payroll	\$1,511,851	\$1,596,944	\$1,366,125	\$1,532,103	\$1,511,810	\$1,454,918	-	-	-	-
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	9.70%	9.24%	13.31%	15.76%	15.67%	16.26%	-	-	-	-
Plan fiduciary net position as a percentage of the total OPEB liability	39.40%	32.78%	24.49%	17.03%	17.53%	16.71%	-	-	-	-

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
SCHEDULE OF DISTRICT CONTRIBUTIONS - OPEB
For The Last 10 Fiscal Years (As Available)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Contractually required contributions	\$ 15,421	\$ 16,289	\$ 13,934	\$ 15,627	\$ 15,420	\$ 14,840	-	-	-	-
Contributions in relation to the contractually required contributions	<u>\$(15,421)</u>	<u>\$(16,289)</u>	<u>\$(13,934)</u>	<u>\$(15,627)</u>	<u>\$(15,420)</u>	<u>\$(14,840)</u>	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-
District's covered payroll	\$1,511,851	\$1,596,944	\$1,366,125	\$1,532,103	\$1,511,810	\$1,454,818	-	-	-	-
Contributions as a percentage of covered payroll	1.02%	1.02%	1.02%	1.02%	1.02%	1.02%	-	-	-	-

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

COMBINING AND INDIVIDUAL FUND STATEMENTS AND OTHER SCHEDULES

Bond Redemption – Debt Service Fund

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

NON MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

Food Service Fund

This fund accounts for all financial activities associated with the District's school lunch program.

Student Activity Fund

This fund accounts for activities of student clubs and organizations.

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2022

	<u>Special Revenue Funds</u>		<u>Total Non-Major Governmental Funds</u>
	<u>Food Service</u>	<u>Student Activity</u>	
<u>ASSETS</u>			
Cash	-	44,852	44,852
Investments	22,391	-	22,391
Inventories	3,100	-	3,100
Accounts Receivable	<u>12,317</u>	-	<u>12,317</u>
<u>Total Assets</u>	<u>37,808</u>	<u>44,852</u>	<u>82,660</u>
 <u>LIABILITIES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	-	-
Accrued Salaries	3,172	-	3,172
Due To Other Funds	-	-	-
Other Liabilities	<u>2,171</u>	-	<u>2,171</u>
<u>Total Liabilities</u>	<u>5,343</u>	<u>-</u>	<u>5,343</u>
 <u>Fund Balances:</u>			
Nonspendable			
Inventories	3,100	-	3,100
Restricted:			
Food Service	29,365	-	29,365
Assigned			
Student Activities	-	44,852	44,852
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Fund Balances</u>	<u>32,465</u>	<u>44,852</u>	<u>77,317</u>
 <u>TOTAL LIABILITIES & FUND BALANCES</u>	 <u>37,808</u>	 <u>44,852</u>	 <u>82,660</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2022

	<u>Special Revenue Funds</u>		Total Non-Major Governmental Funds
	<u>Food Service</u>	<u>Student Activity</u>	
<u>REVENUES</u>			
Earnings on Investments	-	20	20
Other Local Sources	1,150	17,574	18,724
State Aid	773	-	773
Federal Aid	<u>67,240</u>	<u>-</u>	<u>67,240</u>
<u>Total Revenues</u>	<u>69,163</u>	<u>17,594</u>	<u>86,757</u>
<u>EXPENDITURES</u>			
Student Support	-	19,957	19,957
Food Service	94,641	-	94,641
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total Expenditures</u>	<u>94,641</u>	<u>19,957</u>	<u>114,598</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(25,478)	(2,363)	(27,841)
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	<u>40,000</u>	<u>-</u>	<u>40,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	14,522	(2,363)	12,159
<u>FUND BALANCES, Beginning</u>	<u>17,943</u>	<u>47,215</u>	<u>65,158</u>
<u>FUND BALANCES, Ending</u>	<u>32,465</u>	<u>44,852</u>	<u>77,317</u>

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 BOND REDEMPTION - DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
<u>REVENUES</u>			
Property Taxes	1,404,907	1,404,253	(654)
Specific Ownership Taxes	-	-	-
Other Local Sources	4,500	442	(4,058)
Earnings on Investments	4,200	8,771	4,571
<u>Total Revenues</u>	<u>1,413,607</u>	<u>1,413,466</u>	<u>(141)</u>
 <u>EXPENDITURES</u>			
Debt Service:			
Principal	735,000	735,000	-
Interest	352,500	352,500	-
Other Fees	500	-	500
Appropriated Reserves	4,001,771	-	4,001,771
<u>Total Expenditures</u>	<u>5,089,771</u>	<u>1,087,500</u>	<u>4,002,271</u>
 <u>REVENUES OVER (UNDER) EXPENDITURES</u>	 <u>(3,676,164)</u>	 <u>325,966</u>	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>	 <u>(3,676,164)</u>	 <u>325,966</u>	
 <u>FUND BALANCES, July 1</u>	 <u>3,676,164</u>	 <u>3,676,164</u>	
 <u>FUND BALANCES, June 30</u>	 <u>-</u>	 <u>4,002,130</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
FOOD SERVICE – SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE – BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
<u>Local Sources</u>			
Food Sales	2,150	1,150	(1,000)
Earnings on Investments	-	-	-
Other	-	-	-
<u>State Sources</u>			
School Lunches	950	773	(177)
<u>Federal Sources</u>			
School Lunches	36,000	54,168	18,168
Other Programs	-	7,782	7,782
Commodities	5,000	5,290	290
<u>Total Revenues</u>	<u>44,100</u>	<u>69,163</u>	<u>25,063</u>
 <u>EXPENDITURES</u>			
Salaries	41,180	41,333	(153)
Employee Benefits	9,803	9,362	441
Purchased Services – Professional	950	802	148
Purchased Services – Property	2,500	1,453	1,047
Purchased Services - Other	467	882	(415)
Food Purchases	25,000	34,330	(9,330)
Capital Outlay	2,000	-	2,000
Commodities	-	5,290	(5,290)
Non-Food Supplies	2,200	1,189	1,011
Appropriated Reserves	17,942	-	17,942
<u>Total Expenditures</u>	<u>102,042</u>	<u>94,641</u>	<u>7,401</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	(57,942)	(25,478)	
 <u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	40,000	40,000	-
 <u>REVENUES AND SOURCES OVER (UNDER) EXPENDITURES AND USES</u>			
	(17,942)	14,522	
<u>FUND BALANCE, July 1</u>	<u>17,942</u>	<u>17,943</u>	
<u>FUND BALANCE, June 30</u>	<u>-</u>	<u>32,465</u>	

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

DEBEQUE SCHOOL DISTRICT NUMBER 49JT
 STUDENT ACTIVITY – SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES</u>			
Interest	-	20	20
Other Local Sources	<u>35,000</u>	<u>17,574</u>	<u>(17,426)</u>
<u>Total Revenues</u>	<u>35,000</u>	<u>17,594</u>	<u>(17,406)</u>
<u>EXPENDITURES</u>			
Student Support	35,000	19,957	15,043
Capital Outlay	-	-	-
Contingency	-	-	-
<u>Total Expenditures</u>	<u>35,000</u>	<u>19,957</u>	<u>15,043</u>
<u>REVENUES OVER (UNDER) EXPENDITURES</u>	<u>-</u>	<u>(2,363)</u>	
<u>OTHER FINANCING SOURCES (USES)</u>			
Transfers	-	-	-
<u>Total Other Financing Sources (Uses)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>(2,363)</u>	
<u>FUND BALANCE, July 1</u>	<u>47,215</u>	<u>47,215</u>	
<u>FUND BALANCE, June 30</u>	<u>47,215</u>	<u>44,852</u>	

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

STATE REQUIRED SCHEDULES

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

Bolded Balance Sheet



Colorado Department of Education
Auditors Integrity Report
 District: 1980 - De Beque 49J
 Fiscal Year 2021-22
 Colorado School District/BOCES

Revenues, Expenditures, & Fund Balance by Fund

Fund Type & Number	Beg Fund Balance & Prior Per Adj (6880*)	+	1000 - 5999 Total Revenues & Other Sources	-	0001-0999 Total Expenditures & Other Uses	=	6700-6799 & Prior Per Adj (6880*) Ending Fund Balance
Governmental							
10 General Fund	2,254,075		2,920,660		2,689,654		2,485,081
16 Risk Mgmt Sub-Fund of General Fund	0		0		0		0
19 Colorado Pre-school Program Fund	39,924		96,331		90,873		45,383
Sub-Total	2,293,999		3,016,991		2,780,527		2,530,463
11 Charter School Fund	0		0		0		0
20 26-20 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	17,942		109,163		94,641		32,465
22 Govt Designated-Purpose Grants Fund	0		0		0		0
23 Pupil Activity-Special Revenue Fund	47,215		17,594		19,958		44,852
25 Transportation Fund	0		0		0		0
31 Bond Redemption Fund	3,676,164		1,413,467		1,087,500		4,002,130
35 Certificate of Participation (COP) Debt Service Fund	0		0		0		0
37 Building Fund	0		0		0		0
32 Special Building Fund	0		0		0		0
43 Capital Reserve-Capital Projects Fund	0		0		0		0
46 Supplemental Cap Const, Tech, Main Fund	0		0		0		0
Totals	6,035,331		6,577,215		3,987,625		6,609,310
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
73 Private Purpose Trust Fund	0		0		0		0
73 Agency Fund	0		0		0		0
74 Pupil Activity Agency Fund	0		0		0		0
79 GASB 34-Permanent Fund	0		0		0		0
85 Foundations	0		0		0		0
Totals	0		0		0		0

FINAL



Colorado Department of Education

Bolded Balance Sheet Report

District: 1980 - De Beque 49JT

Fiscal Year 2021-22

Colorado School District/BOCES

ASSETS	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45,47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Cash and Investments (8100-8104,8111)	2,485,316	0	49,012	44,852	0	0	22,391	3,997,124	0	0	0	0	0	0	0	6,598,695
Cash with Fiscal Agent (8105)	11,802	0	0	0	0	0	0	2,248	0	0	0	0	0	0	0	14,050
Taxes Receivable (8121,8122)	4,943	0	0	0	0	0	0	5,484	0	0	0	0	0	0	0	10,427
Interfund Loans Receivable (8131,8132)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Accounts Rec (8141)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Accounts Receivable (8142)	104,505	0	0	0	0	0	12,317	0	0	0	0	0	0	0	0	116,821
Other Receivables (8151-8154,8161)	3,439	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,439
Inventories (8171,8172,8173)	0	0	0	0	0	0	3,100	0	0	0	0	0	0	0	0	3,100
Machinery and Equipment (8241,8242,8251)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Assets	2,610,005	0	49,012	44,852	0	0	37,608	4,004,856	0	0	0	0	0	0	0	6,746,532

	Governmental						Proprietary						Fiduciary			
	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
LIABILITIES & FUND EQUITY																
LIABILITIES																
Interfund Payables (7401,7402)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Intergovernmental Payables (7411)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Payables (7421-7423)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Expenses (7461)	99,402	0	3,594	0	0	0	2,740	0	0	0	0	0	0	0	0	105,736
Payroll Ded. and Withholdings (7471-7473)	22,254	0	35	0	0	0	432	0	0	0	0	0	0	0	0	22,721
Unearned Revenue (7481)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grants Deferred Revenue (7482)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Current Liabilities (7491,7492,7499)	0	0	0	0	0	0	2,171	0	0	0	0	0	0	0	0	2,171
Deferred Inflow (7800)	3,268	0	0	0	0	0	0	2,726	0	0	0	0	0	0	0	5,994
Total Liabilities	124,924	0	3,629	0	0	0	5,343	2,726	0	0	0	0	0	0	0	136,622

Governmental

Proprietary

Fiduciary

FUND EQUITY

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Non-spendable Fund Balance 6710	0	0	0	0	0	0	3,100	0	0	0	0	0	0	0	0	3,100
Restricted Fund Balance 6720	0	0	0	0	0	0	29,365	4,002,130	0	0	0	0	0	0	0	4,031,495
TABOR 3% Emergency Reserve 6721	87,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	87,000
TABOR Multi-Year 6722	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
District Emergency Reserve (letter of credit or real estate) 6723	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Colorado Preschool Program (CPP) Reserve 6724	0	0	45,383	0	0	0	0	0	0	0	0	0	0	0	0	45,383
Full-Day Kindergarten Reserve 6725	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Risk-Related / Restricted Capital Reserve 6726	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
BEST Capital Reserve 6727	65,676	0	0	0	0	0	0	0	0	0	0	0	0	0	0	65,676
Total Program Reserve 6728	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Committed Fund Balance 6750	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Assigned Fund Balance 6760	0	0	0	44,852	0	0	0	0	0	0	0	0	0	0	0	44,852
Unassigned Fund Balance 6770	2,332,405	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,332,405
Invested in Capital Assets, Net of Related Debt 6790	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Restricted Net Assets 6791	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unrestricted Net Assets 6792	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Prior Period Adjustment 6880	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Fund Equity	2,485,081	0	45,383	44,852	0	0	32,465	4,002,130	0	0	0	0	0	0	0	6,609,910

	General Funds 10,12-18	Charter School Fund 11	Preschool Fund 19	Special Revenue Funds 20, 22-29	Supplemental Cap Const Fund 06	Total Program Reserve Fund 07	Food Service Special Revenue Fund 21	Debt Service Funds 30-39	Capital Projects Funds 40-45, 47-49	Supplemental Cap Const Fund 46	Other Enterprise Funds 50, 52-59	Risk-Related Activity Funds 63-64	Other Internal Service Funds 60	Trust & Agency Funds 70-79	Foundations Fund 85	Totals
Total Liabilities & Fund Equity	2,610,005	0	49,012	44,852	0	0	37,808	4,004,856	0	0	0	0	0	0	0	6,746,532

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