

Edison School District 54JT
Yoder, Colorado

Basic Financial Statements with
Independent Auditor's Report

For the Year Ended
June 30, 2022

**Edison School District 54JT
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June 30, 2022**

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Independent Auditor's Report

Board of Directors
Edison School District 54JT

Opinions

We have audited the financial statements of the governmental activities and each major fund of Edison School District 54JT (the "District"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, 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 Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedules of net pension and net OPEB liabilities 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.

Management has elected to omit the Management's Discussion and Analysis. The omission of this information does not affect our opinion.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information on pages 45 through 50, is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

rfarmer, llc

June 15, 2023

**BASIC
FINANCIAL
STATEMENTS**

Edison School District 54JT
Statement of Net Position
June 30, 2022

	Governmental Activities --Total
ASSETS	
Cash and Equivalents	\$ 3,120,134
Receivables	100,977
Inventories	1,316
Capital Assets:	
Capital Assets, not being depreciated	8,512
Capital Assets, being depreciated	20,147,343
Less: Accumulated Depreciation	(3,965,866)
Total Capital Assets	16,189,989
 DEFERRED OUTFLOWS OF RESOURCES	
Net Deferred Outflows Pension	467,206
Net Deferred Outflows OPEB	9,092
Total Deferred Outflows	476,298
Total Assets	19,888,714
 LIABILITIES	
Accounts payable and accrued expenses	210,037
Unearned Revenues	102,567
Long-term liabilities	
Due within one year	
Due within one year	32,354
Accrued interest	1,160
Compensated Absences	16,925
Due in more than one year	
Due in more than one year	269,659
Net Pension Liability	1,964,412
Net Liability OPEB	105,933
Total liabilities	2,703,047
 DEFERRED INFLOWS OF RESOURCES	
Net Deferred Inflows Pension	922,562
Net Deferred Inflows OPEB	38,162
Total Deferred Inflows	960,724
 NET POSITION	
Net investment in capital assets	15,887,976
Restricted:	
Debt Service	145,479
TABOR	88,000
Unrestricted	103,488
Total net position	\$ 16,224,943

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

**Edison School District 54JT
Statement of Activities
For the Year Ended June 30, 2022**

<u>Functions/Programs</u>	<u>Program Revenue</u>			<u>Net (Expense) Revenue and Changes in Net Position Primary Government</u>
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities -- Total</u>
Primary government				
Governmental Activities				
Instructional:				
Instructional	\$ 2,041,737	\$ 114,299	\$ 440,806	\$ (1,486,632)
Supporting Services	1,118,354	-	-	(1,118,354)
Food Service	84,574	3,371	(59)	(81,262)
Pupil Activities	(17,002)	-	-	17,002
Total Instructional	<u>3,227,663</u>	<u>117,670</u>	<u>440,747</u>	<u>(2,669,246)</u>
Total primary government	<u>\$ 3,227,663</u>	<u>\$ 117,670</u>	<u>\$ 440,747</u>	<u>(2,669,246)</u>
General revenues:				
Taxes:				
Property taxes, levied for general purposes				\$ 192,366
Property taxes, levied for debt service				38,628
Specific ownership, general				17,151
State & federal aid not restricted to specific functions:				
State equalization/Per pupil revenue				2,462,825
Unrestricted investment earnings				8,249
Miscellaneous				32,614
Changes in PERA pension and OPEB assumptions				<u>2,787,556</u>
Total general revenues, special items, and transfers				<u>5,539,389</u>
Change in net position				2,870,143
Net position - beginning				<u>13,354,800</u>
Net position - ending				<u>\$ 16,224,943</u>

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

**Edison School District 54JT
Balance Sheet
Governmental Funds
June 30, 2022**

	General Fund	Food Service Fund	Debt Service Fund	Pupil Activity Fund	Insurance Fund	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,847,105	\$ (5,321)	\$ 144,415	\$ 33,336	\$ 100,600	\$ 3,120,135
Taxes receivable, net	6,240	-	1,064	-	-	7,304
Receivable from other governments	88,009	5,664	-	-	-	93,673
Inventories	-	1,316	-	-	-	1,316
Total assets	<u>2,941,354</u>	<u>1,659</u>	<u>145,479</u>	<u>33,336</u>	<u>100,600</u>	<u>3,222,428</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	30,387	46	-	-	-	30,433
Unearned revenue	102,567	-	-	-	-	102,567
Other accrued expenses	159,604	-	-	-	-	159,604
Other payables	-	-	-	-	20,000	20,000
Total liabilities	<u>292,558</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>312,604</u>
Fund balances:						
Non-spendable inventory	-	1,316	-	-	-	1,316
Restricted debt service	-	-	145,479	-	-	145,479
Assigned	-	-	-	33,336	80,600	113,936
Restricted-TABOR	88,000	-	-	-	-	88,000
Unassigned	2,560,796	297	-	-	-	2,561,093
Total fund balances	<u>2,648,796</u>	<u>1,613</u>	<u>145,479</u>	<u>33,336</u>	<u>80,600</u>	<u>2,909,824</u>
Total liabilities and fund balances	<u>\$ 2,941,354</u>	<u>\$ 1,659</u>	<u>\$ 145,479</u>	<u>\$ 33,336</u>	<u>\$ 100,600</u>	<u>\$ 3,222,428</u>

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

Edison School District 54JT
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2022

Total fund balance, governmental funds	\$	2,909,824
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		16,189,989
Certain other long-term assets are not available to pay current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position: Pension Plan Deferred Outflow		476,298
Some liabilities, (such as Notes Payable, Long-term Compensated Absences, Net Pension Liability, Pension Differences-Deferred Outflow and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.		(3,351,167)
Rounding		<u>(1)</u>
Net Position of Governmental Activities in the Statement of Net Position	\$	<u><u>16,224,943</u></u>

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

Edison School District 54JT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	General Fund	Food Service Fund	Debt Service Fund	Pupil Activity Fund	Insurance Fund	Total Governmental Funds
REVENUES						
Property Taxes	\$ 192,366	\$ -	\$ 38,628	\$ -	\$ -	\$ 230,994
SO Tax	17,151	-	-	-	-	17,151
Student Activities	-	-	-	35,431	-	35,431
Intergovernmental	2,830,905	72,713	-	-	-	2,903,618
Charges for services	-	3,313	-	-	-	3,313
Investment earnings	7,994	-	-	-	255	8,249
Miscellaneous	29,483	3,143	-	-	-	32,626
Health Benefit Premiums	-	-	-	-	114,299	114,299
Total revenues	3,077,899	79,169	38,628	35,431	114,554	3,345,681
EXPENDITURES						
Instructional:						
Regular Instruction	1,539,948	-	-	-	-	1,539,948
Cocurricular Activities	24,858	-	-	18,429	-	43,287
Student Services	8,226	-	-	-	-	8,226
General Administration	125,665	-	-	-	-	125,665
School Administration	109,335	-	-	-	-	109,335
Support Services Business	115,254	-	-	-	-	115,254
Operations and Maintenance	261,405	-	-	-	-	261,405
Student Transportation	147,947	-	-	-	-	147,947
Pikes Peak BOCES	39,393	-	-	-	-	39,393
Food Service	-	84,574	-	-	-	84,574
District wide Costs	134,344	-	-	-	-	134,344
Health Insurance Claims	-	-	-	-	11,426	11,426
Health Insurance Premiums	-	-	-	-	84,624	84,624
Debt Service:						
Principal	11,972	-	20,000	-	-	31,972
Interest Expense	1,168	-	13,690	-	-	14,858
Capital Outlay	45,482	-	-	-	-	45,482
Total Expenditures	2,564,997	84,574	33,690	18,429	96,050	2,797,740
Excess (deficiency) of revenues over expenditures	512,902	(5,405)	4,938	17,002	18,504	547,941
OTHER FINANCING SOURCES (USES)						
Transfers in	(5,702)	5,702	-	-	-	-
Total other financing sources and uses	(5,702)	5,702	-	-	-	-
Net change in fund balances	507,200	297	4,938	17,002	18,504	547,941
Fund balances - beginning	2,141,596	1,316	140,541	16,334	62,096	2,361,883
Fund balances - ending	\$ 2,648,796	\$ 1,613	\$ 145,479	\$ 33,336	\$ 80,600	\$ 2,909,824

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

Edison School District 54JT
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

Net change in fund balances - total governmental funds: \$ 547,941

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlay of \$45,482 is less than depreciation of \$525,882 in the current period. (480,400)

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure, In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds. 31,972

Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Net difference between PERA pension and OPEB actual expense contributions 2,770,631

Rounding (1)
Change in net position of governmental activities \$ 2,870,143

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

Edison School District 54JT
Notes to Financial Statements
June 30, 2022

Note 1 **Summary of Significant Accounting Policies**

The Edison School District 54JT (the “District”) was formed in 1916 and encompasses the counties of El Paso, Lincoln, and Pueblo, Colorado. 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 within its boundaries of El Paso, Lincoln, and Pueblo Counties. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding 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.

Reporting Entity

Governmental Accounting Standard Board (GASB) Statement No. 14, “*The Financial Reporting Entity*” (GASB No. 14) describes the financial reporting entity as it relates to governmental accounting. According to the 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.

The District is not included in any other governmental “reporting entity” as defined in GASB No. 14. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the District (the primary government) and its component units. The District is not financially accountable for any other organization, nor is the District a component unit of any other primary governmental entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) present financial information of the District as a whole. The reporting information includes all of the non-fiduciary activities of the District. The effect of inter-fund activity has been removed from these statements. Governmental activities normally are supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support. The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the District and for each function of the District’s governmental activities. Direct expenses are those that are specifically associated

with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include fees and charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. General revenues consist of taxes and other sources not described above.

Separate financial statements are provided for the governmental funds. Major individual governmental funds (General Funds, Pupil Activity Fund, Food Service Fund, and Debt Service Fund) are reported as separate columns in the fund financial statements.

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 and component units. 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, only current assets, deferred outflows, current liabilities, and deferred inflows or resources generally are included on the balance sheet. This means that only current liabilities are generally included on their balance sheets.

Amounts reported as program revenues include (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 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 revenues receipts. Unearned grant revenues are recognized as revenues only after eligible grants costs have been incurred. Grant funds received in excess of expenditures are recorded as unearned grant revenues.

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

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

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 means by which spending activities are controlled. The major fund presented in the accompanying basic financial statements as follows:

Major Governmental Funds:

- 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.
- Bond Redemption Debit 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.
- Food Service Fund (A Special Revenue Fund) – this fund accounts for all financial activities associated with the District’s school breakfast and lunch that are committed to for the programs.
- Pupil Activity Fund (A Special Revenue Fund) – used to account for and report the proceeds of specific revenue sources, such as athletic and non-athletic fundraisers,

that are restricted or committed to expenditures for specified purposes to be used in various student athletic and co-curricular organizations.

- Insurance Fund (A Special Revenue Fund) – Used to account for the self-insurance of employee benefits.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

Cash and Cash Equivalents

Cash of some funds are pooled accounts in order to maximize investment opportunities. An individual fund's pooled Cash and Cash Investments are available upon demand and are considered to be "cash equivalents." Negative balances incurred in pooled cash at year-end are treated as a liability of that fund.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. No amounts were determined to be uncollectible at June 30, 2022. Property taxes levied in the current year but not received at year-end are identifiable as property taxes receivable and are presented net of allowance for uncollectible taxes.

Inventories

Inventories recorded in the Food Service Fund consist of purchased and donated commodities. Purchased inventories are stated at average 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.

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 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 government 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.

The monetary threshold for capitalization of assets is \$3,000. The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the fixed assets. Depreciation of all capital assets used by the proprietary fund is charged as an expense against their operations. Estimated useful lives are:

Vehicles	7 – 10 years
Furniture, fixtures, and equipment	10 – 20 years
Buildings and improvements	20 – 40 years

Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements long-term debt and over 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 debts of governmental funds at face value. The District's general obligation bonds are serviced from property taxes and other revenues of the Debt Service Fund.

Deferred 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 positions that applies to future periods and so will not be recognized as an outflow of the resources (expenditures) until that time. In addition to liabilities, the statement of financial position reports a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenues) until that time.

Compensated Absences/Sick Leave

It is the District's policy to permit employees to accumulate a limited amount of earned but unused sick pay benefits, which will be paid to employees upon separation from District service. All compensated absence liabilities are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Employees earn 6 sick leave days for each year worked. After 3 years of employment with the District, the entire sum of sick leave accrued (limited to 30 days) is paid at termination at the rate of \$50 per day.

Budgets and Budgeting Accounting

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

1. Budgets are required by state law for all funds. Prior to June 1, the District submits to the Board 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 hearings are conducted to obtain taxpayer comments.
3. Prior to June 30, the budget is adopted by formal resolution of the Board.
4. Expenditures may not legally exceed appropriations at the fund level. The District is authorized to transfer budgeted amounts between departments within any fund; however, the Board must approve any revisions that alter the total expenditures of any fund.
5. Formal budgetary interrogation is employed as a management control device during the year for the General Fund, Special Revenue Funds, Debt Service Fund, and Food Service Fund.

6. Budgets for the General Funds, Special Revenue Funds, and Debt Service Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP).

Fund Equity

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

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

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

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

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

For the classification of fund and net asset balances, the District considers an expenditure to be made from the most restrictive classification first, when more than one classification is available.

In the fund financial statements, governmental funds report restrictions of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specified purpose.

Restrictions for the District are recorded up to the maximum equity available in the fund balance and consist of:

Restricted for Debt Service – These reserves are established for amounts set aside for payments of principal and interest on the bonds payable. Recorded reserves at June 30, 2022 are \$145,479.

Restricted for the Preschool Program – These reserves are established for amounts required to be set aside for preschool. There were no recorded reserves at June 30, 2022.

Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements in those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or law/regulations of the other governments. All other net position is reported as unrestricted.

Note 2 Deposits and Investments

Deposits

The District's investment policies are approved by the Board of Education and governed by the Colorado statute. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; state regulators determine eligibility. Amounts on deposit in excess of federal insurance level must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds. The pool is to be maintained by another financial institution or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The District is authorized by Colorado State statutes to invest in the following:

- Obligations for the U.S. government and certain government agencies securities.
- Certain international agency securities.
- General obligation and revenue bonds of governmental entities.
- Bankers' acceptance of certain banks.
- Commercial paper.
- Local government investment pools.
- Written repurchase agreements collateralized by authorized securities.
- Guaranteed investment contracts.
- Checking with interest savings accounts.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. At year-end, the District’s bank balance was \$3,139,889. Of the bank balance, \$250,00 was covered by FDIC insurance and \$2,889,889 was exposed to custodial credit risk. Deposits exposed to credit risk are collateralized with securities held by the pledging of investments owned by the financial institution through PDPA.

Note 3 Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied in December and are payable in full by April 30 or in two equal instalments dues February 28 and June 15 of the following year. The El Paso County Treasurer collects property taxes for all taxing entities within the District’s boundaries. District property tax revenues are accounted for in the General and Debt Service Funds. Property taxes at the fund level are recorded as receivable and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related as valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual in accordance with Generally Accepted Accounting Principles (GAAP) have been recognized as revenue.

Note 4 Capital Assets

A summary of changes in capital assets was as follows:

Governmental Activities

	Balance 7/1/21	Additions	Deletions	Balance 6/30/22
Non-depreciable assets:				
Land	\$ 8,512	\$ -	\$ -	\$ 8,512
Total non-depreciable assets	<u>8,512</u>	<u>-</u>	<u>-</u>	<u>8,512</u>
Depreciable assets:				
Buildings & sites	19,066,730	-	-	19,066,730
Equipment, furniture, and fixtures	764,085	-	-	764,085
Vehicles	271,046	45,482	-	316,528
Total depreciable assets	<u>20,101,861</u>	<u>45,482</u>	<u>-</u>	<u>20,147,343</u>
Less accumulated depreciation for:				
Building & sites	(2,924,208)	(472,512)	-	(3,391,820)
Equipment, furniture, and fixtures	(316,941)	(41,434)	-	(358,213)
Vehicles	(198,835)	(11,750)	-	(215,833)
Total accumulated depreciation	<u>(3,439,984)</u>	<u>(525,696)</u>	<u>-</u>	<u>(3,965,866)</u>
Total Capital Assets, Net	<u>\$ 16,670,389</u>	<u>\$ (480,400)</u>	<u>\$ -</u>	<u>\$ 16,189,989</u>

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

Regular instruction	<u>\$ 525,696</u>
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Note 5 Long-Term Debt

The following is a summary of long-term debt:

	Balance 7/1/21	Advances	Payments	Balance 6/30/22	Due Within One Year
GO Bonds – 2008	\$ 280,000	\$ -	\$ 20,000	\$ 260,000	\$ 20,000
Capital lease	37,060	-	11,972	25,088	12,354
Sick leave	16,925	-	-	16,925	-
Total long-term debt	\$ 333,985	\$ -	\$ 31,972	\$ 302,013	\$ 32,354

In March of 2008, the District issued \$450,000 in general obligation bonds for the purpose of acquisition, construction, equipping and furnishing a new school. These bonds bear interest from 4.80% to 5.00% which is payable semi-annually on June 1 and December 1. The bonds mature on December 1 annually from 2008 through 2032.

The annual debt service requirements of the 2008 General Obligation Bonds are as follows:

	Principal	Interest	Total
2022	\$ 20,000	\$ 12,480	\$ 32,480
2023	20,000	11,500	31,500
2024	20,000	10,500	30,500
2025	20,000	9,500	29,500
2026	20,000	8,500	28,500
2027	25,000	7,375	32,375
2028	25,000	6,125	31,125
2029	25,000	4,875	29,875
2030	25,000	3,625	28,625
2031	30,000	2,250	32,250
2032	30,000	750	30,750
Total	\$ 260,000	\$ 77,480	\$ 337,480

In 2020, the District entered into a capital lease agreement with Leasing Specialists, LLC for the acquisition of a 71-passenger school bus. The agreement requires annual lease payments of \$13,140 beginning in May of 2020 and ending in May 2024. Capital lease amount due within one year is \$11,972.

Minimum lease payments, to maturity, are as follows:

Year Ended June 30,	
2023	\$ 13,140
2024	13,140
Total payments	26,280
Less: interest portion	(1,192)
Present value obligation	\$ 25,088

Note 6

Pension Plan

Summary of Significant Accounting Policies

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

The Colorado General Assembly passed significant pension reform through Senate Bill (SB)18-200: *Concerning Modifications to the Public Employees' Retirement Association Hybrid Defined Benefit Plan Necessary to Eliminate with a High Probability the Unfunded Liability of the Plan Within the Next Thirty Years*. The bill was signed into law by Governor Hickenlooper on June 4, 2018. A brief description of some of the major changes to plan provisions required by SB 18-200 makes changes to certain benefit provisions. Some, but not all, of these changes were in effect as of June 30, 2021.

General Information About the Pension Plan

Plan description. Eligible employees of the District are provided with pensions through the School Division Trust Fund (SCHDTF)—a cost-sharing multiple-employer defined benefit pension plan administered by PERA. Plan benefits are specified in Title 24, Article 51 of the Colorado Revised Statutes (C.R.S.), administrative rules set forth at 8 C.C.R. 1502-1, and applicable provisions of the federal Internal Revenue Code. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available comprehensive annual financial report (CAFR) 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 base on life expectancy and other actuarial factors.

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

Members may elect to withdraw their member contribution accounts upon termination of employment with all PERA employers; waiving rights to any lifetime retirement benefits earned. If eligible, the member may receive a match of either 50% 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 lessor 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, the District and the State are required to contribute to the SCHDTF at a rate set by Colorado statute. The contribution requirements for the SCHDTF are established under C.R.S. § 24-51-401, et seq. and § 24-51-413. Eligible employees are required to contribute 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)

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. § 24-52-413, the State is required to contribute \$225 million 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 Trust Fund. In addition to the \$225 million 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, upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024.

Employer contributions are recognized by the SCHDTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to pay the contributions to the SCHDTF. Employer contributions recognized by the SCHDTF from the District were \$233,768 for the year ended June 30, 2022.

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 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 total pension liability to December 31, 2021. The District's proportion of the net pension liability was based on the District's 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 District reported a liability of \$1,964,412 for its proportionate share of the net pension liability that reflected a reduction for support from the State as a nonemployer contributing entity. The amount recognized by the District as its proportionate share of the net pension liability, the related support from the State as a nonemployer contributing entity, and the total proportion of the net pension liability that was associated with the District were as follows:

The District's proportionate share of the net pension liability	\$ 1,964,412
The State's proportionate share of the net pension liability as a nonemployer contributing entity associated with the District	<u>225,914</u>
Total	<u><u>\$ 2,189,606</u></u>

At December 31, 2021, the District's proportion was .0188153%, which is approximately the same as its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized pension expense of \$523,424 and revenue of \$26,798 for support from the State as a nonemployer contributing entity. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 83,826	\$ -
Changes of assumptions and other inputs	167,160	-
Net difference between projected and actual earnings on pension plan investments	99,336	922,562
Contributions subsequent to the measurement date.	116,884	N/A
Total	<u>\$ 467,206</u>	<u>\$ 922,562</u>

\$116,884 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:

<u>Year Ended June 30,</u>	
2023	\$ (48,498)
2024	(227,122)
2025	(196,696)
2026	(99,922)
2027	-
Thereafter	-

Actuarial Assumptions. The total pension liability (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 ¹	Financed by the AIR

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

The 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 on the PubT-2010 Employee Tables with generational projection using scale MP-2019.

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

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

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

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

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

The actuarial assumptions used in the December 31, 2020, valuations were based on the results of the 2020 experience analysis for the period January 1, 2016, through December 31, 2019, and were reviewed 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 analysis were outlined in the Experience Study report dated October 28, 2020.

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

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

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

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

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

- Total covered payroll for the initial projection year consists of the covered payroll of the active membership present on the valuation date and the covered payroll of future plan members assumed to be hired during the year. In subsequent projection years, total covered payroll was assumed to increase annually at a rate of 3.00%.

- Employee contributions were assumed to be made at the member contribution rates in effect for each year, including the scheduled increases in 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 the 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 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 projection test indicates 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 total pension liability. The discount rate determination does not use the municipal bond rate, and therefore, the discount rate is 7.25%. There was no change in the discount rate from the prior measurement date.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the proportionate share of the net pension liability

calculated using the discount rate of 7.25%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% increase (8.25%)
Proportionate share of the net pension liability	\$ 2,891,453	\$ 1,964,412	\$ 1,190,830

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

Note 7

Voluntary Investment Program

Plan Description. Employees of the District that are also members of 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.

HB 22-1029: *Compensatory Direct Distribution to Public Employee’s Retirement Association*, enacted June 7, 2022, and effective immediately, is intended to recompense PERA for the \$225 million direct distribution originally scheduled for receipt July 1, 2020 but suspended due to the enactment of HB 20-1379. Pursuant to HB 22-1029, the State treasurer is to issue a warrant to PERA in the amount of \$380 million, upon enactment, with reductions to future direct distributions scheduled to occur July 1, 2023, and July 1, 2024. Based on this legislation and the known total fund investment return for 2021 of 16.1%, the July 1, 2023, direct distribution will be reduced by \$190 million, resulting in a payment of \$35 million, and the July 1, 2024, direct distribution will be reduced by an amount yet to be determined, but not greater than \$27.55 million, resulting in a payment of not less than \$197.45 million.

Governmental accounting standards require the net pension liabilities for financial reporting purposes be measured using the plan provisions in effect as of the pension plan’s year end. The passage of HB 22-1029 into law is considered a nonrecognized subsequent event as these statutory changes to plan provisions did not exist as of the December 31, 2021, measurement date.

Note 8

Defined Benefit Other Post Employment Benefit (OPEB) Plan

Summary of Significant Accounting Policies

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

General Information About the OPEB Plan

Plan Description. Eligible employees of the District are provided with OPEB through the HCTF – a cost-sharing multiple-employer defined benefit OPEB plan administered by PERA. The HCTF is established under Title 24, Article 51, Part 12 of the Colorado Revised Statutes (C.R.S.), as amended. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. Title 24, Article 51, Part 12 of the C.R.S., as amended, sets forth a framework that grants authority to the PERA Board to contract, self-insure, and authorize disbursements necessary in order to carry out the purposes of the PERACare program, including the administration of the premium subsidies. Colorado State law provisions may be amended from time to time by the Colorado General Assembly. PERA issues a publicly available Annual Report 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 related to the total member contribution account balance from which the retirement benefit is paid.

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

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

PERA Benefit Structure. The maximum service-based premium subsidy is \$230 per month for benefit recipients who are under 65 years of age and who are not entitled to Medicare; the maximum service-based subsidy is \$115 per month for benefit recipients who are 65 years of age or older or who are under 65 years of age and entitled to Medicare. The basis for the maximum service-based subsidy, in each case, is for benefit recipients with retirement benefits based on 20 or more years of service credit. There is a 5% 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.

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

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

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

Employer contributions are recognized by the HCTF in the period in which the compensation becomes payable to the member and the District is statutorily committed to paying the contributions. Employer contributions recognized by the HCTF from the District were \$11,944 for the year ended December 31, 2021.

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

At June 30, 2022, the District reported a liability of \$105,933 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 District proportion of the net OPEB liability was based on the District's 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 District's proportion was .0122849%, which is approximately the same as its proportion measured as of December 31, 2020.

For the year ended June 30, 2022, the District recognized OPEB expense of \$11,994. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 161	\$ 25,118
Changes of assumptions and other inputs	2,193	5,746
Net difference between projected and actual earnings on pension plan investments	741	7,298
Contributions subsequent to the measurement date.	5,997	N/A
Total	\$ 9,092	\$ 38,162

\$5,997 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,	
2023	\$ (9,402)
2024	(10,278)
2025	(9,669)
2026	(4,643)
2027	(939)
Thereafter	(133)

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	

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 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 \$458 per month.

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

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

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

The PERA benefit structure health care cost trend rates that were used to measure the total OPEB liability 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%

Mortality assumptions used in 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 Division (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.

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 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 the Board’s actuary, as discussed above.

The long-term expected return on plan assets is reviewed as part of regular experience studies prepared every four to five years for PERA. Recently this assumption has been reviewed more frequently. The most recent analyses were outlined in the Experience Study report dated October 28, 2020.

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

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 assets 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 rate of return assumption of 7.25%.

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

	1% Decrease In Trend Rates	Current Trend Rates	1% Increase In Trend Rates
Initial PERACare Medicare trend rate	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	\$ 102,891	\$ 105,933	\$ 109,457

Discount Rate. The discount rate used to measure the TOL was 7.25%. The projection of cash flows to determine the discount rate applied the actuarial cost method and assumption 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%.
- Employer contributions were assumed to be made at rates equal to the fixed statutory rates specified in law and effective as of the measurement date.
- Employer contributions and the amount of total service costs for future plan members were based upon a process used to estimate future actuarially determined contributions assuming an analogous future plan member growth rate.
- Estimated transfer of dollars in the HCTF representing a portion of purchase service agreements intended to cover the costs associated with OPEB benefits.
- Benefit payments and contributions were assumed to be made at the middle of the year.

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

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate. The following presents the proportionate share of the net OPEB liability calculated using the discount rate of 7.25%, as well as what the proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-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	\$ 133,721	\$ 106,302	\$ 102,220

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

Note 9 Joint Ventures

The district participates in the Pikes Peak Board of Cooperative Educational Services (BOCES). The District has one member on the Board, which is selected by participating districts. This Board has final authority for all budgeting and financing of the joint venture. The District's June 30, 2022 contribution amounted to \$39,393. The District's share of annual contributions to the joint venture was approximately 8% for the year ended, June 30, 2022. Complete financial statements for BOCES can be obtained at their administrative offices at 2883 South Circle Drive, Colorado Springs, Colorado 80906.

Note 10 Risk Management

The District participates in the Colorado School District Self-Insurance Pool. The pool is a separate legal entity established by the member school districts pursuant to the provisions of Colorado Revised Statutes and the Colorado Constitution. In 1985, the District Board approved a resolution that authorized the District to participate in the pool. The district has participated each year since.

It is the intent of the members of the Pool to create an entity in perpetuity which will administer and used funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of the Pool against stated liability or loss to the limit of the financial resources of the Pool. It is also the intent of the members to have the Pool provide continuing stability and availability of needed coverage at reasonable cost. All income and assets of the Pool shall be, at all times, dedicated to the exclusive benefit of its members. The Pool is a separate legal entity, and the District does not approve budgets, nor does it have the ability to significantly affect the operations of the unit.

Complete financial statements for the Pool can be obtained at their offices.

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 volunteers; or acts of God. The District maintains commercial insurance coverage for general liability, workers compensation, property damage, vehicle damage liability; umbrella management liability; and public official bond. The District did not have any claim settlements in excess of coverage for the last three years.

Note 11 Interfund Transactions

There were not any transfers during 2021-22.

Note 12 Accrued Teachers’ Salaries and Employment Benefits

Teachers’ contracts are for a nine or ten-month period but are paid in twelve equal payments. At the end of the fiscal year, an accrual exists for the difference between the amounts due on the contract and the amounts paid.

Note 13 Operating Leases

The District has entered in operating leases for several copiers and printers. Monthly rentals are \$1,621. Lease expense as of June 30, 2022 was \$19,452. The minimum annual rental commitments under these leases are as follows:

<u>Year Ended June 30:</u>	
2023	\$ 19,452
2024	19,452
2205	19,452
2026	14,589
Total	<u>\$ 72,945</u>

Note 14 Commitments and Contingencies

State of Colorado – The District has undergone an audit by the State of Colorado for pupil counts and educational expenditures in regard to the District’s on-line education program. Any disallowed per pupil funding as a result of this audit, including amounts already collected, may constitute a reduction in state equalization to the District. The amount of expenditures and pupil counts, which were disallowed by the state, will be reduced from future state equalization allocations.

Grants – Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and State of Colorado. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures, which may be disallowed by the grantor, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

TABOR – In November 1992, the voters of Colorado approved Amendment I, commonly known as the Taxpayer’s Bill of Rights (TABOR), which adds a new Section 20 to Article X of the Colorado Constitution. TABOR contains tax, spending, revenue, and debit limitations, which apply to the State of Colorado and all local governments, including school districts.

The District’s financial activity provides the basis for calculation of future limitations adjusted for allowable increases tied to inflation and enrollment growth. Subsequent to 1992, revenues in excess of the District’s “spending limit” must be refunded unless voters approve the retainage of such excess revenue. TABOR generally requires voter approval for any new tax, tax increases, and new debt.

On November 4, 1997, the voters of the District approved a referendum for Edison School District 54JT. The voters authorized the District to collect, retain and expend all revenues and other funds collected during 1998 and each subsequent year from any source notwithstanding the limitations of Article X, Section 20 of the Colorado Constitution, effective January 1, 1998, provided that no property tax mill levy shall be increased at any time, nor shall any new tax be imposed without the prior approval of the voters of Edison School District 54JT. TABOR is complex and subject to interpretation. Ultimate implementation may depend upon litigation and legislative guidance.

As of June 30, 2022 the District reserved \$88,000 in the General Fund, due to TABOR.

Note 15 Fund Balance

During 2021-22 the District elected to report the self-insurance fund as a special revenue fund effective July 1, 2021. As a result, there was a change in the beginning fund balance on the statement of activities.

Beginning Fund Balance	\$ 13,292,704
Increase from Self-Insurance Fund	<u>62,906</u>
Adjusted Beginning Fund Balance	<u>\$ 13,354,800</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Edison School District 54JT
Budget and Actual
General
For the year ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 174,238	\$ 174,238	\$ 192,366
SO Taxes	12,781	12,781	17,151
Intergovernmental	2,970,482	2,916,347	2,830,905
Investment earnings	4,000	4,000	7,994
Miscellaneous	17,415	17,415	29,483
Total revenues	<u>3,178,916</u>	<u>3,124,781</u>	<u>3,077,899</u>
EXPENDITURES			
Instructional:			
Regular Instruction	2,061,858	3,009,874	1,539,948
Cocurricular Activities	31,214	31,214	24,858
Student Services	10,550	10,550	8,226
General Administration	130,666	130,666	125,665
School Administration	109,613	109,613	109,335
Operations and Maintenance	257,114	257,114	261,405
Support Services Business	111,733	111,733	115,254
Student Transportation	160,443	160,443	147,947
Pikes Peak BOCES	36,374	36,374	39,393
District wide Costs	156,400	156,400	134,344
Debt Service:			
Principal	-	-	11,972
Interest and other charges	-	-	1,168
Capital Outlay	40,000	40,000	45,482
Total Expenditures	<u>3,105,965</u>	<u>4,053,981</u>	<u>2,564,997</u>
Excess (deficiency) of revenues over expenditures	<u>72,951</u>	<u>(929,200)</u>	<u>512,902</u>
OTHER FINANCING SOURCES (USES)			
Transfers in (out)	-	(27,047)	(5,702)
Total other financing sources and uses	<u>-</u>	<u>(27,047)</u>	<u>(5,702)</u>
SPECIAL ITEM			
Proceeds from sale of capital assets	-	-	500
Net change in fund balances	72,951	(956,247)	507,700
Fund balances - beginning	1,700,693	1,700,693	2,141,596
Fund balances - ending	<u>\$ 1,773,644</u>	<u>\$ 744,446</u>	<u>\$ 2,649,296</u>

Edison School District 54JT
Budget and Actual
Food Service Fund
For the year ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Intergovernmental	\$ 39,628	\$ 49,600	\$ 72,713
Charges for services	7,900	7,900	3,313
Miscellaneous	179	179	3,143
Total revenues	<u>47,707</u>	<u>57,679</u>	<u>79,169</u>
EXPENDITURES			
Food Service	<u>77,957</u>	<u>86,042</u>	<u>84,574</u>
Total Expenditures	<u>77,957</u>	<u>86,042</u>	<u>84,574</u>
Excess (deficiency) of revenues over expenditures	<u>(30,250)</u>	<u>(28,363)</u>	<u>(5,405)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>27,047</u>	<u>27,047</u>	<u>5,702</u>
Total other financing sources and uses	<u>27,047</u>	<u>27,047</u>	<u>5,702</u>
Net change in fund balances	(3,203)	(1,316)	297
Fund balances - beginning	<u>3,203</u>	<u>3,203</u>	<u>1,316</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,887</u>	<u>\$ 1,613</u>

**Edison School District 54JT
Budget and Actual
Pupil Activity Fund
For the year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Licenses and permits	\$ 21,118	\$ 21,118	\$ 35,431
Total revenues	<u>21,118</u>	<u>21,118</u>	<u>35,431</u>
EXPENDITURES			
Cocurricular Activities	<u>43,394</u>	<u>43,394</u>	<u>18,429</u>
Total Expenditures	<u>43,394</u>	<u>43,394</u>	<u>18,429</u>
Excess (deficiency) of revenues over expenditures	<u>(22,276)</u>	<u>(22,276)</u>	<u>17,002</u>
Net change in fund balances	(22,276)	(22,276)	17,002
Fund balances - beginning	<u>22,276</u>	<u>22,276</u>	<u>16,334</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,336</u>

Edison School District 54JT
Schedule of the District's Proportionate Share of the Net Pension Liability PERA
For the Year Ended June 30, 2022

	for the years ended December 31,							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion (percentage) of the collective net pension liability	0.0001881	0.0002167	0.0001961	0.0002003	0.0002221	0.0002207	0.0002194	0.0002342
District's proportionate share of the collective pension liability	<u>\$ 1,964,412</u>	<u>\$ 1,159,316</u>	<u>\$ 1,152,237</u>	<u>\$ 1,101,177</u>	<u>\$ 1,024,900</u>	<u>\$ 935,292</u>	<u>\$ 956,223</u>	<u>\$ 943,335</u>
Payroll	\$ 1,175,895	\$ 1,684,428	\$ 2,097,377	\$ 1,864,704	\$ 1,820,709	\$ 1,732,638	\$ 1,873,716	\$ 1,891,185
District's proportionate share of the net pension liability as a percentage of its payroll	167.06%	68.83%	54.94%	59.05%	56.29%	53.98%	51.03%	49.88%
Plan fiduciary net pension as a percentage of the total pension liability	74.86%	66.99%	64.52%	57.01%	43.96%	43.13%	59.16%	62.84%

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

Edison School District 54JT
Schedule of the District's Proportionate Share of the Net Liability OPEB
For the Year Ended June 30, 2022

	for the years ended December 31,				
	2021	2020	2019	2018	2017
District's proportion (percentage) of the collective net pension liability	0.0001228	0.0001254	0.0001281	0.0001302	0.0001262
District's proportionate share of the collective OPEB liability	<u>\$ 119,126</u>	<u>\$ 119,126</u>	<u>\$ 144,036</u>	<u>\$ 177,140</u>	<u>\$ 164,065</u>
Payroll	\$ 1,175,895	\$ 1,159,316	\$ 1,152,237	\$ 1,101,177	\$ 1,024,900
District's proportionate share of the net OPEB liability as a percentage of its payroll	10.13%	10.28%	12.50%	16.09%	16.01%
Plan fiduciary net pension as a percentage of the total pension liability	39.40%	32.75%	16.51%	16.72%	17.53%

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

Edison School District 54JT
Schedule of Contributions and Related Ratios PERA
Year Ended June 30, 2022

	for the years ended December 31,							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Statutory required contributions	\$ 233,768	\$ 234,302	\$ 227,152	\$ 216,165	\$ 200,153	\$ 183,235	\$ 172,001	\$ 163,658
Contributions in relation to the statutorily required contribution	<u>233,768</u>	<u>234,302</u>	<u>227,152</u>	<u>216,165</u>	<u>200,153</u>	<u>183,235</u>	<u>172,001</u>	<u>163,658</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payroll	\$ 1,175,895	\$ 1,180,067	\$ 1,172,710	\$ 1,130,428	\$ 1,060,246	\$ 994,553	\$ 969,741	\$ 970,138
Contribution as a percentage of payroll	19.88%	19.85%	19.37%	19.12%	18.88%	18.42%	17.74%	16.87%

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

Edison School District 54JT
Schedule of Contributions and Related Ratios OPEB
Year Ended June 30, 2022

	for the years ended December 31,				
	2021	2020	2019	2018	2017
Statutory required contributions	\$ 11,994	\$ 12,037	\$ 12,020	\$ 11,530	\$ 10,865
Contributions in relation to the statutorily required contribution	<u>11,994</u>	<u>12,037</u>	<u>12,020</u>	<u>11,530</u>	<u>10,865</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Payroll	\$ 1,175,895	\$ 1,180,067	\$ 1,172,710	\$ 1,130,428	\$ 1,060,246
Contribution as a percentage of payroll	1.02%	1.02%	1.02%	1.02%	1.02%

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

**OTHER
SUPPLEMENTARY
INFORMATION**

**Edison School District 54JT
Balance Sheet
Other Governmental Funds
June 30, 2022**

	<u>Insurance Fund</u>	<u>Total Governmental Funds</u>
ASSETS		
Cash and cash equivalents	\$ 100,600	\$ 100,600
Total assets	<u>100,600</u>	<u>100,600</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Other payables	<u>20,000</u>	<u>20,000</u>
Total liabilities	<u>20,000</u>	<u>20,000</u>
 Fund balances:		
Assigned	<u>80,600</u>	<u>80,600</u>
Total fund balances	<u>80,600</u>	<u>80,600</u>
Total liabilities and fund balances	<u>\$ 100,600</u>	<u>\$ 100,600</u>

Edison School District 54JT
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

	Insurance Fund	Total-Other Governmental Funds
REVENUES		
Investment earnings	\$ 255	255
Employee Benefit Premiums	114,299	114,299
Total revenues	114,554	114,554
EXPENDITURES		
Instructional:		
Health Insurance Claims	11,426	11,426
Health Insurance Premiums	84,624	84,624
Total Expenditures	96,050	96,050
Excess (deficiency) of revenues over expenditures	18,504	18,504
Net change in fund balances	18,504	18,504
Fund balances - beginning	62,096	62,096
Fund balances - ending	\$ 80,600	\$ 80,600

**Edison School District 54JT
Budget and Actual
Debt Service
For the year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Property Taxes	\$ 61,000	\$ 61,000	\$ 38,628
Total revenues	<u>61,000</u>	<u>61,000</u>	<u>38,628</u>
EXPENDITURES			
Debt Service:			
Principal	20,000	20,000	20,000
Interest and other charges	13,030	13,030	13,690
Total Expenditures	<u>33,030</u>	<u>33,030</u>	<u>33,690</u>
Excess (deficiency) of revenues over expenditures	<u>27,970</u>	<u>27,970</u>	<u>4,938</u>
Net change in fund balances	27,970	27,970	4,938
Fund balances - beginning	123,873	123,873	140,541
Fund balances - ending	<u>\$ 151,843</u>	<u>\$ 151,843</u>	<u>\$ 145,479</u>

**Edison School District 54JT
Budget and Actual
Insurance Fund
For the year ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>
	<u>Original</u>	<u>Final</u>	
REVENUES			
Investment earnings	100	100	255
Miscellaneous	100,000	100,000	114,299
Total revenues	<u>100,100</u>	<u>100,100</u>	<u>114,554</u>
EXPENDITURES			
Health Insurance Claims	34,638	34,638	11,426
Health Insurance Premiums	60,000	60,000	84,624
Health Insurance Administration	10,382	10,382	-
Total Expenditures	<u>105,020</u>	<u>105,020</u>	<u>96,050</u>
Excess (deficiency) of revenues over expenditures	<u>(4,920)</u>	<u>(4,920)</u>	<u>18,504</u>
Net change in fund balances	(4,920)	(4,920)	18,504
Fund balances - beginning	72,845	72,845	62,096
Fund balances - ending	<u>\$ 67,925</u>	<u>\$ 67,925</u>	<u>\$ 80,600</u>



Colorado Department of Education
Auditors Integrity Report
 District: 1120 - Edison 54 JT
 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	2,141,596	3,027,066	2,519,867	2,648,796
18 Risk Mgmt Sub-Fund of General Fund	0	0	0	0
19 Colorado Preschool Program Fund	0	45,131	45,131	0
Sub-Total	2,141,596	3,072,198	2,564,998	2,648,796
11 Charter School Fund	0	0	0	0
20,26-29 Special Revenue Fund	0	0	0	0
06 Supplemental Cap Const, Tech, Main, Fund	0	0	0	0
07 Total Program Reserve Fund	0	0	0	0
21 Food Service Spec Revenue Fund	1,316	84,871	84,574	1,612
22 Govt Designated-Purpose Grants Fund	0	0	0	0
23 Pupil Activity Special Revenue Fund	16,334	35,431	18,429	33,336
25 Transportation Fund	0	0	0	0
31 Bond Redemption Fund	140,541	38,628	33,690	145,479
39 Certificate of Participation (COP) Debt Service Fund	0	0	0	0
41 Building Fund	0	0	0	0
42 Special Building Fund	0	0	0	0
43 Capital Reserve Capital Projects Fund	0	0	0	0
46 Supplemental Cap Const, Tech, Main Fund	0	0	0	0
Totals	2,299,787	3,231,127	2,701,691	2,829,223
Proprietary				
50 Other Enterprise Funds	0	0	0	0
64 (63) Risk-Related Activity Fund	62,096	255	-18,248	80,598
60,65-69 Other Internal Service Funds	0	0	0	0
Totals	62,096	255	-18,248	80,598
Fiduciary				
70 Other Trust and Agency Funds	0	0	0	0
72 Private Purpose Trust Fund	0	0	0	0
73 Agency Fund	0	0	0	0
74 Pupil Activity Agency Fund	0	0	0	0
79 GASB 34/Permanent Fund	0	0	0	0
85 Foundations	0	0	0	0
Totals	0	0	0	0

FINAL